Vogogo Inc.

Management Discussion and Analysis

For The Three and Nine Months Ended September 30, 2014

MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion & Analysis ("MD&A") is intended to provide readers with the information that management ("Management") of Vogogo Inc. ("Vogogo" or the "Corporation"), formerly Southtech Capital Corporation ("Southtech"), believes is required to gain an understanding of the financial results of the Corporation for the three and nine months ended September 30, 2014 and 2013, and to assess the Corporation's future prospects. Accordingly, certain sections of this report contain forward-looking statements and forward-looking information (collectively, "Forward-Looking Information"), as defined under applicable Canadian securities laws, which are based on current plans and expectations. See under the heading "Special Note Regarding Forward Looking Information".

This MD&A, presented and dated as of November 27, 2014, should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the three and nine months ended September 30, 2014 and the audited consolidated financial statements for the year ended December 31, 2013.

The Corporation's unaudited condensed interim consolidated financial statements have been prepared on a "going concern" basis, which presumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The operations of the Corporation have been primarily funded through private placements of equity. The continued operations of the Corporation are dependent on the Corporation's ability to generate profitable operations in the future, to receive continued financial support from shareholders, and/or to complete sufficient equity financings.

The unaudited condensed interim consolidated financial statements do not reflect the adjustments, if any, or changes in presentation that may be necessary should the Corporation not be able to continue on a going concern basis.

All currency amounts in the accompanying financial statements and this MD&A are in Canadian dollars unless otherwise noted.

Special Note Regarding Forward Looking Information

Certain statements in this MD&A, other than statements of historical fact, may include Forward-Looking Information that involves various risks and uncertainties. These can include, without limitation, statements based on current expectations involving a number of risks and uncertainties related to all aspects of the online payment processing industry as well as those factors set forth under the heading "*Risk Factors*" in the joint management information circular of Southtech and Redfall Technologies Inc. ("Redfall") dated July 31, 2014. These risks and uncertainties may have a material impact on future prospects and may cause actual results to differ from information contained herein. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. These forward-looking statements are based on the estimates and opinions of Management on the dates they are made and are expressly qualified in their entirety by this notice. Since actual events and results could differ materially, the reader is cautioned not to place undue reliance on any Forward-Looking Information. The Corporation assumes no obligation to update Forward-Looking Information should circumstances or Management's estimates or opinions change, except as required by law.

Core Business and Strategy

Vogogo is an electronic payment services business that has spent recent years developing and launching a payment processing technology that enables secure web-based transaction processing between businesses, customers and banks. Vogogo includes robust automated transaction risk management and Know Your Customer ("KYC") processes, combined with a bundled suite of payment services. This unique combination gives Vogogo the security, flexibility and scalability to meet the demands of a marketplace seeking compliance, reliability, speed and cost effectiveness. Vogogo has been tested in close coordination with its early adopters (beta users), having successfully processed hundreds of millions of dollars of electronic transactions to date. The majority of these transactions were processed for the online poker industry, which is very germane to Vogogo's current value proposition. A key enabler of Vogogo's future success in processing cryptocurrency transactions is its ability to effectively perform transaction risk management. The online gaming industry emerged and grew rapidly, requiring sophisticated approaches to transaction risk management and financial crime prevention, just as is now the case for cryptocurrency transactions, and it is in this environment that Vogogo developed its risk mitigation expertise and reputation. Banks, merchants, and investors view this as credible validation of our capabilities and a key competitive advantage. Vogogo is moving forward with its plan to commercially market its payment processing platform to businesses in the United States ("US") and in Canada.

A primary service provided by Vogogo is electronic payment processing for e-commerce businesses, including those dealing in cryptocurrencies. Vogogo's technology provides the combination of payment services and risk management needed to provide these businesses with secure, compliant payment transaction capabilities.

The ability to access conventional banking and payment services has been a challenge for the emerging cryptocurrency industry to date and is seen by many as critical to the widespread adoption of financial transactions based on the block-chain technology that underpins cryptocurrencies.

Vogogo also provides automated electronic payment processing for accounts payable and accounts receivable processes. Vogogo believes the US and Canada lag behind other mature economies in the adoption of electronic payments for accounts payable and accounts receivable processes. While adoption is progressing, paper cheques, featuring time-consuming manual actions, continue to be a significant component of the overall US and Canadian payment landscape, with corresponding high costs and slow settlement speeds. Management believes that this situation is primarily due to the banks' slow pace in modernizing their business models to offer effective electronic transaction solutions to the market, particularly for business-to-business payables and receivables.

Vogogo also provides payment services supporting card-based transactions. Recently, Visa and MasterCard created a new card-based payment processing structure referred to as a Payment Services Provider ("PSP"). A PSP is a third party service provider with the technical and operational capabilities to assume some of the corresponding responsibilities traditionally held by the banks. Unlike banks, some PSPs can quickly approve and setup new clients, thereby removing friction and cost from the transaction process.

Despite its potential, securing PSP status requires the endorsement and sponsorship of a bank capable of supporting a PSP structure. This initial step requires industry credibility, experience and goodwill. Importantly, securing PSP status requires the skill and technology necessary to effectively manage transaction risks in an automated fashion. This technology must meet and exceed all regulatory requirements as well as pass the initial and on-going scrutiny of the sponsoring bank and Payment Card Industry (“PCI”). PSP platforms that meet these requirements are relatively new in the payments industry.

Traditional card payment service providers lack the efficiencies of PSPs and, therefore, want to align and work with PSPs. With only a handful of active PSP platforms in the market and thousands of traditional providers, Management believes that there is a significant opportunity to acquire or affiliate with traditional providers to provide a growth opportunity for the Corporation.

Vogogo successfully secured PSP sponsorship with Vantiv Inc. (“Vantiv”) and Fifth Third Bank (“Fifth Third”), and has implemented full service PSP functionality into the Vogogo platform.

A key part of the Corporation’s business plan includes marketing and selling services to the US market. While Vogogo’s technology is ready for the US market, the following milestones must first be achieved to go live in the US:

1) *Payment Card Industry Data Security Standard (“PCI-DSS”) Testing and Audit* - As a payment processor, Vogogo will be subject to a yearly audit and testing to demonstrate compliance with PCI-DSS as a condition of receiving PCI certification. Prior to going live in the US with the new banking partners, Vantiv and Fifth Third, the most recent PCI-DSS testing and audit must be finalized. Vogogo has previous experience with PCI-DSS compliance. The process involves independent testing to confirm that Vogogo properly handles sensitive payment-card-related data as a condition of certification. Vogogo has completed the majority of the related tasks and Management is confident in being able to finalize the audit and testing with an independent auditor. PCI-DSS compliance is an ongoing process for a PSP, including regular updates and adjustments. PCI certification for Vogogo is subject to availability of a third party auditor, which is expected to be within 60 days, followed by 6 to 12 weeks of engagement with the auditor.
2) *Vantiv Testing and Certification* - Upon completion of the PCI-DSS certification, Vogogo then qualifies to test and certify its technology integration to Vantiv. Vogogo does not yet have any direct operational experience with Vantiv and it is possible that Vantiv may have technical limitations. The analysis based on the integration specifications indicates that Vantiv is very capable and will pose no technical limitations on Vogogo. In the event that there are technical limitations, it is expected that they can be rectified through technical adjustments by either Vogogo and/or Vantiv. Banking integration updates and adjustments are a part of doing business as a PSP. Vogogo has successfully implemented similar integrations with several other banks and processors in Canada and the US. This milestone is subject to PCI certification and availability of Vantiv’s certification and testing team. Availability of Vantiv’s resources is expected to be within 60 days, followed by a 2 to 4 week engagement.
3) *Security Deposit with Vantiv and Fifth Third* - Prior to going live in the US with the new banking partners, Vantiv and Fifth Third, Vogogo must place funds with Fifth Third as an interest-bearing security deposit securing Vogogo’s processing portfolio. Management expects this to be finalized in the third quarter of 2015 at an estimated cost of $150,000.

About Vogogo

Vogogo is in the payment technology and transaction processing business. Vogogo Canada Inc., a wholly-owned subsidiary of the Corporation, was incorporated under the *Business Corporations Act* (Alberta) on July 26, 2010.

On August 13, 2012, Vogogo USA Inc., a Delaware company, was incorporated as a wholly owned subsidiary of the Corporation.

The head office of Vogogo is located at 400, 320 – 23 Avenue S.W., Calgary, Alberta, T2S 0J2. The registered office of Vogogo is located at Torys LLP, 4600, 525 – 8th Avenue S.W., Calgary, Alberta, T2P 1G1.

Southtech was incorporated pursuant to the provisions of the *Business Corporations Act* (Alberta) on April 21, 2011 and was classified as a Capital Pool Company as defined in Policy 2.4 of the TSX Venture Exchange ("TSXV") Corporate Finance Manual. The principle business of Southtech was to identify and evaluate potential acquisitions or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of regulatory and, if required, shareholder approval.

On September 11, 2014, Southtech completed its qualifying transaction which was effected pursuant to an agreement between Southtech and Redfall Technologies Inc. Pursuant to the agreement, Southtech and Redfall completed a business combination by way of an amalgamation. The former shareholders of Redfall received one fully paid common share in the new amalgamated company for every one Class A common share held in Redfall and the former shareholders of Southtech received one fully paid common share into the new amalgamated company for every five common shares held in Southtech. The new amalgamated company changed its name to Vogogo Inc.

Upon closing of the qualifying transaction, the shareholders of Redfall owned 95.62% of the common shares of Southtech and as a result, the transaction was a reverse acquisition of Southtech by Redfall. For accounting purposes, Redfall is considered the acquirer and Southtech the acquiree. Accordingly, the consolidated financial statements are in the name of Vogogo Inc. (formerly Southtech), and they are a continuation of the financial statements of Redfall. Additional information on the transaction is disclosed in Note 5 to the interim consolidated financial statements.

BASIS OF PRESENTATION

The Corporation's unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS-34 as issued by the International Accounting Standards Board ("IASB").

The unaudited condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 27, 2014.

In this MD&A we describe certain financial measures that are not defined by IFRS (refer to *"Non-IFRS Measures" below)*. Our usage of these terms may vary from the usage adopted by other companies. We provide this detail so that readers have a better understanding of the significant events and transactions that have had an impact on our results. Specifically, *Gross Profit, EBITDA, Adjusted EBITDA* and *Cash Flow from Operations* are undefined terms by IFRS. Where relevant, we provide tables in this document that reconcile non-IFRS measures used to amounts reported on the face of the condensed interim consolidated financial statements.

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, are considered non-IFRS measures. These measures are described and presented in order to provide information regarding the Corporation's financial results, liquidity and its ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent IFRS measure. However, they should not be used as an alternative to IFRS measures because they may not be consistent with calculations of other companies. These non-IFRS measures, and certain operational definitions used by the Corporation, are further explained below.

EBITDA and Adjusted EBITDA

EBITDA refers to net income before finance costs, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before costs associated with non-recurring business acquisition costs and share-based compensation. These measures do not have a standardized definition prescribed by IFRS and therefore may not be comparable to similar captioned terms presented by other users.

Management believes that EBITDA and adjusted EBITDA are key indicators for the results generated by the Corporation's core business activities because they eliminate non-recurring items and the impact of finance and tax structure variables that exist between entities.

This review of the results of operations should be read in conjunction with the condensed interim consolidated financial statements for the three and nine months ended September 30, 2014 and the consolidated financial statements for the year ended December 31, 2013:

Cash Flow From Operations

Cash flow from operations is defined as the cash generated or used in operating activities including working capital. It is calculated by adding non-cash items to the comprehensive income and then adding or deducting working capital sources or uses.

Gross Profit

Gross profit is the profit is the profit generated before taking into account any operating or other expenses. It is equal to revenues less cost of sales

SUMMARY OF FINANCIAL AND OPERATIONAL RESULTS

The following tables set forth unaudited interim financial data prepared in accordance with IFRS for the three and nine months ended September 30, 2014 and 2013.

Financial Snapshot

	Three Months Ended		**Nine Months Ended**	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Revenues	23,638	23,495	212,534	47,046
Net loss and comprehensive loss	(2,508,898)	(234,730)	(6,946,746)	(923,850)
			As at Sep 30, 2014	**As at Dec 31, 2013**
Working capital (current assets less current liabilities)			7,526,431	(795,209)
Total assets			9,187,195	1,616,279
Total liabilities			1,497,427	2,242,237

Summary Results of Operations

	Three Months Ended		**Nine Months Ended**	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Loss from operating activities	(2,499,499)	(225,063)	(6,627,579)	(901,315)
General and administrative	645,692	223,151	1,665,648	486,479
Sales and marketing	247,382	3,864	656,757	123,743
Research and development	276,960	16,676	853,805	323,537
Transaction costs	3,150	-	373,304	-
Net cash used in operating activities	(1,209,762)	(264,977)	(2,794,693)	(815,931)
Non-cash operating items:				
Amortization and depreciation	2,423	4,867	7,267	14,602
Accretion	-	4,667	282,169	10,070
Stock-based compensation	416,678	-	2,567,480	-
EBITDA	(2,497,076)	(220,196)	(6,620,312)	(886,713)
Adjusted EBITDA (EBITDA less share-based compensation)	(2,080,398)	(220,196)	(4,052,832)	(886,713)

Net loss for the three months ended September 30, 2014 increased to $2.5 million compared to $0.2 million for the same period in 2013 and on a year-to-date basis increased to $7.0 million compared to $0.9 million for the same period last year. The majority of the increase in expenses for the nine months ended September 30, 2014 were the result of: i) $2.6 million non-cash stock-based compensation charge, of which $2.3 million was stock-based compensation and $0.3 million was included in general and administrative expenses as a result of issuance of stock options for consulting services; and ii) $0.9 million non-cash listing costs and $0.4 million cash transaction costs associated with the reverse acquisition of Southtech. In addition, the Corporation incurred higher general and administrative, sales and marketing, R&D expenses in Q1, Q2 and Q3 2014 as compared to the same periods in 2013.

Effective April 1, 2014, the Canada Revenue Agency deemed the Corporation's business to be Goods and Services Tax exempt and, as such, any revenues generated after that date will not attract GST nor will the Corporation be able to claim any input tax credits on GST paid.

A more detailed discussion of the results of operations for the three and nine months ended September 30, 2014 follows.

Selected Annual Information

	For the year ended December 31,		
	2013	**2012**	**2011**
	(audited)	**(audited)**	**(unaudited)**
Total revenues	**159,527**	31,748	2,214,269
General and administrative	**695,902**	425,109	624,913
Sales and marketing	**202,295**	548,552	537,031
Research and development	**239,447**	893,732	687,931
Net loss and total comprehensive loss	**(1,047,980)**	(1,778,822)	(13,381)
Basic and diluted loss per share	**(0.07)**	(0.13)	-
Total assets	**1,616,279**	358,307	1,753,477
Total liabilities	**2,242,237**	427,010	729,161
Net working capital	**(795,209)**	(257,423)	452,506

In 2011, 99.14% of the revenue was from processing transactions for two online poker companies operating in the US. These companies discontinued operations in the second half of 2011 due to legal challenges and regulatory changes imposed on the gaming industry operating in the US. In 2012, having lost its two largest customers, 100% of the revenue was the result of processing payment transactions for 2,277 customers. In 2013, the Corporation recorded an increase in revenues of more than 400% compared to 2012. The marked increase in revenues occurred mostly in the second half of 2013 as the Corporation commenced supporting transactions derived from a cryptocurrency exchange. Transactions processed for that cryptocurrency exchange accounted for 68.4% of the revenue in 2013 while other payment transactions processed for 272 customers accounted for 31.6% of the revenue.

For the year ended December 31, 2011, 80% of the G&A expenses were payroll, rent and telephone expenses as compared to 77% for the year ended December 31, 2012 For the year ended December 31, 2013, 84% of the expenses were consulting fees, professional fees, and rent.

For the years ended December 31, 2011 and 2012, 100% of the R&D expenses were payroll and consulting fees. For the year ended December 31, 2013, 100% of the expenses were payroll and IT expenses.

Summary of Quarterly Results

The following table presents unaudited selected financial data for each of the last eight quarters up to September 30, 2014:

($)	**Sep 30, 2014**	**Jun 30, 2014**	**Mar 31, 2014**	**Dec 31, 2013**	**Sep 30, 2013**	**Jun 30, 2013**	**Mar 31, 2013**	**Dec 31, 2012**
Total assets	9,187,195	9,458,084	3,504,394	1,616,279	228,185	265,106	291,711	358,307
Net working capital	7,526,431	1,299,384	1,742,505	(795,209)	(732,446)	(537,680)	(584,314)	(257,423)
Total liabilities	1,497,427	7,992,940	1,595,060	2,242,237	786,513	623,801	692,173	427,010
Revenue	23,638	68,767	120,129	112,481	23,495	9,892	13,659	7,133
Net loss and comprehensive loss	(2,508,898)	(2,060,333)	(2,377,515)	(124,130)	(234,730)	(345,767)	(343,353)	(683,424)
Basic and diluted loss per share	(0.08)	(0.06)	(0.16)	(0.01)	(0.02)	(0.02)	(0.02)	(0.05)

The Corporation continues to use its proprietary payment processing software that was initially developed in 2008 to process electronic payments for a variety of businesses. However, there has been a significant shift in businesses using the Corporation's services from primarily gaming customers in 2011 to cryptocurrency and other customers arranging funds transfers between banks in 2014. Further, as summarized above, revenues increased from the third quarter of 2013 due to the addition of cryptocurrency customers. Revenues in Q3 2014 were negatively impacted as a result of merchant-specific developments outside of the Corporation's control (discussed below). The Corporation has currently completed the development of its software to automate transaction risk and compliance management features that takes into account nuances introduced by the emerging cryptocurrency channel, thereby enabling scale through the addition of many more cryptocurrency customers. The software is currently undergoing testing with customers. The testing is expected to continue for the remainder of the Q4 and into Q1 2015.

The net loss in each of the three most recent quarters were significantly higher as a result of higher stock-based compensation expenses, higher general and administrative expenses relating to the reverse takeover process, and higher sales, marketing, and R&D expenses as the re-financed company restarted its commercialization activities to implement an accelerated business plan.

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RESULTS OF OPERATIONS

Revenues

	Three Months Ended		**Nine Months Ended**	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Revenues	23,638	23,495	212,534	47,046

As a payment processor, Vogogo earns a fee for each transaction processed through its proprietary processing platform. The fee varies from customer to customer and is based on a number of factors including the value of the transaction, the aggregate value of transactions processed by a customer and the strategic value Vogogo places on the customer. Revenue is recognized when the transaction is processed and the fee is earned.

Vogogo is focused on growing its revenue base by providing electronic payment processing services to under-serviced and emerging markets driven by web-based technologies. Specifically, Management believes that Vogogo's technology has several competitive advantages in supporting risk management and payments for various cryptocurrency exchanges and web-based businesses, as well as processing electronic accounts payable for large corporations that still rely heavily on paper cheque-based transactions.

For the third quarter of 2014, the Corporation's revenues remained consistent at $23,638 when compared to the same period last year. On a year-to-date basis, the Corporation's revenues increased by $165,488 or 352% when compared to the same period last year. The increase in revenues resulted from commencing transaction processing for cryptocurrency exchanges. However, revenues decreased in the second and third quarters of 2014 compared to the first quarter of 2014 mainly due to the following reasons:

- Transaction volumes from the Corporation's original two cryptocurrency merchants declined sharply during the second quarter of 2014 due to reasons that were not in the control of the Corporation. One of the current cryptocurrency merchants lost its commercial banking for reasons that we are not aware of. A second, smaller bank was sourced by this merchant and volumes processed significantly declined. It is our understanding that the second cryptocurrency merchant may have encountered financial difficulties, specifically around cash flows, and as a result had to restrict operations until they sourced additional capital. As a result, volumes processed by this second merchant also significantly declined.

- The Corporation started processing for two Canadian cryptocurrency merchants and it became apparent that the merchants were unable to support effective KYC and transaction risk management. In order to bring on more merchants, the Corporation had to adjust its processing platform to enable scaling of its automated risk management and KYC functionalities. As a result, the Corporation had delayed boarding any new merchants until the upgraded platform was built and tested. As at the date hereof, the Corporation has completed the automation of its KYC and risk management module and has commenced on boarding new customers. All new customers will start with a testing phase and then gradually ramp towards commercial processing volumes. The testing and ramping process is expected to continue for the remainder of Q4 2014 and through Q1 2015. The Company will continue to board new merchants and add banking relationships with the expectation of ramping to commercial processing levels by the start of Q2 2014.

- The platform is currently undergoing testing. The testing process is expected to last for the remainder of Q4 2014 and into Q1 2015.

- A decision was made to delay entry into US markets until the upgraded platform development is completed, and it is expected that revenues from US merchants will commence by the first half of 2015.

- Further complicating the US market are the proposed cryptocurrency regulations introduced in New York State in July 2014. The Corporation is currently reviewing the proposed regulations, the resulting effect on the industry, and the impact for the Corporation's processing platform.

Based on these factors, Management believes the revenue decline in Q2 and Q3 2014 was occasioned by the decision to delay boarding new merchants coupled with a decline in activities from the current two Canadian cryptocurrency merchants, rather than a shortcoming in strategy or weakness in market demand.

General and Administrative

	Three Months Ended		Nine Months Ended	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
General and administrative	645,692	223,151	1,665,648	486,479

General and administrative ("G&A") expenses consist primarily of personnel costs, processing costs and overhead expenses relating to the Corporation's human resource, finance, legal, regulatory and administrative functions. General and administrative expenses increased from $223,151 in Q3 2013 to $645,692 in Q3 2014. On a year-to-date basis, general and administrative expenses increased from $486,479 in 2013 to $1,665,648 in 2014. Included in the year-to-date general and administrative expenses is a non-cash commission expense of $215,000 related to the issue of 500,000 Class A common shares of Redfall at $0.09 per share, which was below the average market price. The fair value adjustment was calculated as the difference between $0.09 (issue price) and $0.52 (fair value market price) and was recorded as commission expense during the period. The increases in general and administrative expenses for the third quarter and year-to-date 2014 resulted from higher salaries, consulting and legal fees in support of the Corporation's pursuit of several strategic options to enhance its future growth opportunities. It is noteworthy in considering the prior year figures that the Corporation had significantly reduced its operations as it focused on transitioning its technology and business activities away from the gaming industry.

For the nine months ended September 30, 2014, 95% of general and administrative expenses related to personnel, consulting, professional fees and rent while for the same period in 2013, 91% of general and administrative expenses related to personnel, consulting, professional fees and rent.

Sales and Marketing

	Three Months Ended		Nine Months Ended	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Sales and marketing	247,382	3,864	656,757	123,743

Sales and marketing expenses consist principally of salaries, commissions and other costs associated with the Corporation's sales force, marketing and commercialization activities including advertising, collateral development and printing, travel, sales training, trade shows and pre- and post-sales technical support. Sales and marketing expenses for the third quarter of 2014 were higher by $243,518 or 6302% compared to the same period in 2013 and on a year-to-date basis were higher by $533,014 or 431% relative to the same period last year, reflecting the significantly increased post-financing activity to expand opportunities and develop new revenue streams and market segments. Sales and marketing expenses are expected to increase over the next several quarters as the Corporation aggressively builds out its brand, value proposition and market awareness for its products and solutions globally.

Research and Development

	Three Months Ended		Nine Months Ended	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Research and development	276,960	16,676	853,805	323,537

Research and Development ("R&D") expenses include personnel and related equipment costs to develop and support the Corporation's products. The Corporation expenses all research costs as they are incurred. Development costs are only capitalized if they meet the criteria set out by IFRS. While the Corporation believes that investment in R&D is required to remain competitive and will result in creating a valuable asset, the Corporation has not capitalized any development costs during 2014. Expenditures for the third quarter of 2014 were based on further developing the payment processing technology to support currency and commodity exchanges, thereby amplifying differentiation relative to competitors, especially in terms of ease of use and simplicity of adoption. The higher expenditures relative to the same periods last year were due to the Corporation dedicating resources to re-purpose its payment platform from supporting strictly gaming companies to supporting broader electronic payment applications. The Corporation has other product functions and features under development and will continue to expend resources to build these out.

For the nine months ended September 30, 2014 and 2013, 100% of the R&D expenses related to personnel, consulting and IT expenses.

Transaction costs

	Three Months Ended		Nine Months Ended	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Transaction costs	3,150	-	373,304	-

On July 31, 2014, Southtech and Redfall filed a joint information circular to obtain approval from their respective shareholders to proceed with the qualifying transaction, and the approval was granted at meetings held on September 10, 2014 followed by approval by the TSX Venture Exchange. In connection with this transaction, the Corporation completed a Private Placement and raised $8.5 million on a brokered and non-brokered basis. Expenses related to the qualifying transaction included transaction costs of $373,304 that were incurred during the second and third quarters of 2014.

Listing costs

	Three Months Ended		Nine Months Ended	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Listing costs	930,852	-	930,852	-

On September 11, 2014, the Corporation completed its qualifying transaction, which was effected pursuant to an agreement between Southtech and Redfall. The former shareholders of Redfall received one fully paid common share into the new amalgamated company for every one Class A common share held in Redfall and the former shareholders of Southtech received one fully paid common share into the new amalgamated company for every five common shares held in Southtech.

The transaction was a reverse acquisition of Southtech and has been accounted under IFRS 2, Share-based Payments. Accordingly, the transaction has been accounted for at the fair value of the equity instruments granted by the shareholders of Redfall to the shareholders and option holders of Southtech. The difference between the net assets acquired and the fair value of the consideration paid of $930,852 has been recognized as a listing expense in the statement of loss and comprehensive loss for the period ended September 30, 2014. Costs of the transaction of $373,304 were also expensed in the nine-month period ended September 30, 2014 and are shown separately under the “Transaction Costs” line item discussed above.

The results of operations of Southtech are included in the condensed interim consolidated financial statements of Vogogo from the date of the qualifying transaction, September 11, 2014.

The fair values of the net assets of Southtech acquired on September 11, 2014 are as follows:

	$
Cash	47,858
Other receivables	707
	48,565

Purchase price allocation is as follows:	
Fair value of common shares (1,240,000 shares at $0.75 per share) $930,000	930,000
Fair value of stock options (120,000 options exercisable at $0.50 per share)	49,417
	979,417
Listing costs	**930,852**

Amortization

	Three Months Ended		Nine Months Ended	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Amortization	2,423	4,867	7,267	14,602

Amortization expense relates to the property and equipment owned by the Corporation. Specifically the Corporation owns computer equipment, furniture and fixtures, and leasehold improvements. These assets are depreciated over their useful life and impairment, if any, is assessed at every reporting period. Expenses incurred in the three and nine months ended September 30, 2014 and 2013 are primarily the result of depreciating office equipment, furniture and fixtures. The slightly lower expenses in 2014 reflect the fact that some of the equipment had been fully depreciated in 2013 and early part of 2014.

Stock-based Compensation

	Three Months Ended		Nine Months Ended	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Stock-based compensation	416,678	-	2,352,480	-

On March 17, 2014, the Corporation issued 3,333,334 stock options to officers and directors of the Corporation at an exercise price of $0.09. These stock options vested immediately and expire in one year on March 17, 2015. All these stock options were exercised during the second quarter of 2014 and, as a result, $1,452,020 was transferred to share capital from contributed surplus. On April 1, 2014, the Corporation issued 400,000 stock options at an exercise price of $0.52. These stock options vested immediately and expire in three years on April 1, 2017. On April 28, 2014, the Corporation issued an additional 1,450,000 stock options at an exercise price of $0.33. 250,000 of these stock options vested immediately and the balance vests in equal tranches on the first, second and third anniversary of the grant date. These stock options expire in five years on April 28, 2019. The Corporation also issued 1,705,000 stock options on September 11, 2014 at an exercise price of $0.75. 500,000 of these stock options vested immediately and the balance vest in equal tranches on the first, second and third anniversary of the grant date. These stock options expire in five years on September 11, 2019. As part of the qualifying transaction, 120,000 stock options were deemed to be issued on September 11, 2014 to Southtech option holders at an exercise price of $0.50. These stock options vested immediately and expire on September 11, 2015. 122,500 stock options were exercised during the third quarter of 2014 and as a result $59,207 was transferred to share capital from contributed surplus during the third quarter. The Corporation's shares do not have sufficient public trading data and, therefore, the Corporation has used the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model. Using these parameters, the Corporation booked a non-cash charge as a result. No such transactions occurred in 2013.

Net Loss and Comprehensive Loss

	Three Months Ended		Nine Months Ended	
($)	**Sep 30, 2014**	**Sep 30, 2013**	**Sep 30, 2014**	**Sep 30, 2013**
Net loss and comprehensive loss	2,508,898	234,730	6,946,746	923,850

Included in net loss and comprehensive loss for the nine months ended September 30, 2014 are significant non-cash charges including $2,352,480 in stock-based compensation, $282,169 in accretion expense and $215,000 in a fair value adjustment of common shares issued during the first quarter of 2014; the latter being included in general and administrative expenses. In addition, during the third quarter of 2014 non-cash listing costs of $930,852 related to the qualifying transaction. Net loss and comprehensive loss on a year-to-date basis without these non-cash items is $3,166,245, which is higher by $2,242,395 or 243% compared to the same period last year. The higher loss excepting non-cash items is the result of higher G&A, R&D and sales and marketing expenses as the Company's operations were significantly increased post financing.

The Corporation's cash and cash equivalents at September 30, 2014 totaled $8,198,467 (December 31, 2013 - $92,222) and the positive net working capital position was $7,526,431 (December 31, 2013 - $795,209 negative net working capital position). The Corporation has an accumulated deficit of $9,071,516 (December 31, 2013 - $1,802,586). The Corporation has not yet been able to generate the transaction volumes required to sustain future operations. Whether and when the Corporation can generate sufficient operating cash flows or raise sufficient equity or debt financing in order to pay for its expenditures and settle its obligations as they fall due subsequent to September 30, 2014 is uncertain.

Liquidity and Capital Resources

Royalty Financing Liability

The Corporation entered into a $1 million investment agreement with AVAC Ltd. to help fund the development and commercialization of the Corporation's web-based payment service provider technology. The proceeds were available to the Corporation if and when certain pre-determined milestones were achieved. Any amount drawn pursuant to the investment agreement was repayable in the form of a 3.5% royalty based on quarterly gross revenues, beginning with the quarter ending December 31, 2014 and extending until twice the gross amount received was remitted or until the Corporation had repaid all advances received plus 20% interest compounded annually from the date each advance was received, less royalties paid. During the year ended December 31, 2013, the Corporation received $200,000 as part of this arrangement. At March 31, 2014, the liability was comprised of the $200,000 principal plus $29,699 in accrued interest. This liability was fully re-paid on April 24, 2014.

Convertible Debentures

On January 25, 2013 the Corporation issued an unsecured convertible debenture with a principal amount of $100,000. The principal bore interest at a rate of 10% per annum and was convertible into common shares at $0.52 per share, at any time, at the option of the holder.

Unless earlier repaid, at the option of the Corporation, or demanded in the event of default, the principal was due and payable in full on January 25, 2014. Interest was due and payable quarterly on each of April 25, 2013, July 25, 2013, October 25, 2013 and January 25, 2014. The debenture was repaid in full along with interest on January 25, 2014.

On March 6, 2013 the Corporation issued a second unsecured convertible debenture with a principal amount of $100,000. The principal bore interest at a rate of 10% per annum and was convertible into common shares at $0.52 per common share, at any time, at the option of the holder. Unless earlier repaid, at the option of the Corporation, or demanded in the event of default, the principal was due and payable in full on March 6, 2014. Interest was due and payable quarterly on each of June 6, 2013, September 6, 2013, December 6, 2013 and March 6, 2014. This debenture was converted into Class on shares on March 5, 2014 and a total of 192,307 common shares were issued from Treasury (see note 10(viii) of financial statements).

On February 11, 2014, the Corporation issued a $2,000,000 secured convertible debenture. On March 17, 2014, the Corporation increased the amount of the convertible debenture issued to $3,164,345. The debenture was secured by a first charge against all of the Corporation's present and after-acquired property and was scheduled to mature August 11, 2014. The principal bore interest at a rate of 10% per annum. The debenture along with the accrued interest was convertible into Class A common shares of the Corporation at $0.33 per share at the option of the holder. On March 26, 2014, the Corporation issued 9,588,924 Class A common shares upon conversion of the full $3,164,345 convertible debenture.

Management closely monitors cash flow requirements and has sufficient cash to meet all of its operational and financial obligations if demanded to do so. The Corporation is actively pursuing sales and commercialization efforts, including targeting currently underserved markets and expanding its offering to include cryptocurrency exchange transactions.

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development and sales of its payment services and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk. However, it should be noted that the Corporation is at an early stage of its redefined commercialization program and will continue to be dependent on its ability to manage cash on hand, increase its revenues and raise additional debt or equity to meet its obligations and repay its liabilities arising from normal business operations when they become due.

The management of capital includes the components of shareholders' equity, comprised of share capital and retained earnings (deficit).The Corporation strives to maximize the value associated with shareholders' equity. In order to maintain or adjust its capital structure, the Corporation may from time to time issue shares, issue new debt, dispose of assets or adjust its spending, taking into account changes in economic conditions and the risk characteristics of the underlying assets

The Corporation manages its working capital through timely collection of receivables, controlling exposure to future commitments and securing favorable terms from suppliers.

In order to preserve cash, the Corporation does not currently pay dividends.

The Corporation is not subject to externally imposed capital requirements and the Corporation's overall strategy with respect to managing its capital structure is:

- To safeguard the Corporation's ability to continue as a going concern.

- To maintain appropriate cash reserves on hand to meet ongoing development and operating costs.
- To invest cash on hand in highly liquid and highly rated financial instruments.

The Corporation estimates the following major expenditures over the next eighteen months. These do not include general operating expenses and commitments (see Commitments note for details of commitments):

- $435,000 for software development and testing;
- $250,000 for a range of corporate consulting services provided by Business Instincts Group;
- $2,000,000 for one or more strategic acquisitions to accelerate growth; and
- $1,100,000 for security deposits and PCI-DSS testing and audits.

Related party transactions

Key management compensation is composed of payroll, stock-based compensation and consulting fees paid to companies controlled by key management. During the three and nine months ended September 30, 2014, consulting fees paid to key management amounted to $516,684 and $1,078,445 respectively (September 30, 2013 - $Nil and $Nil).

Total personnel expenses for employees, consultants, directors and management for the three and nine months ended September 30, 2014 was $776,270 and $2,099,628, respectively (September 30, 2013 - $96,374 and $510,339).

On April 28, 2014, the Corporation provided loans of $75,000 to each of two companies controlled by two key management personnel, for a total of $150,000. These companies provided promissory notes to the Corporation. These two loans bear interest at 3 percent per annum and are payable on maturity on April 28, 2015.

Commitments

The Corporation has entered into a premise lease agreement with the following minimum future lease payments:

	$
2014	18,876
Less than 5 years	201,916
Total	220,792

Contingencies

At the date of this report, the Corporation had no material contingencies.

Off-Balance Sheet Arrangements

At the date of this report, the Corporation had no off-balance sheet arrangements.

Outstanding share capital

Vogogo is authorized to issue an unlimited number of preferred shares without nominal or par value and an unlimited number of common shares. As at the date of this MD&A, the Corporation had 39,552,791 common shares, 3,532,500 stock options, 3,044,515 warrants convertible into common shares, and no preferred shares.

As at September 30, 2014, a total of 9,816,347 common shares (December 31, 2013 - Nil) were held in escrow in compliance with TSXV requirements. The remaining shares will be released from escrow every 6 months by installments of 3,272,116 on February 11, 2015, September 11, 2015 and February 11, 2016 respectively.

Critical Accounting Estimates

General

The preparation of the condensed interim consolidated financial statements in conformity with IFRS requires management to make judgments in applying its accounting policies and estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets, liabilities at the reporting date and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Corporation has made in the preparation of its condensed interim consolidated financial statements.

Areas of judgment

(i) Long-term investments

Investments in equity instruments classified as available for sale are measured at cost when there is no quoted price in an active market and fair value cannot be reliably measured. Judgment is required to assess whether the fair value of the equity instruments can be measured reliably. This involves an assessment of whether the variability in the range of reasonable fair value estimates is significant for the instrument or whether the probabilities of the various estimates within the range can be reasonably assessed and used in estimating fair value.

(ii) Going concern

Determining if the Corporation has the ability to continue as a going concern is dependent on its ability to raise additional financing and to achieve profitable operations. Certain judgments are made when determining if the Corporation will be able to continue as a going concern.

(iii) Share-based compensation and warrants

Estimates are arrived at through the use of the Black-Scholes option-pricing model. The valuation of both warrants and share-based compensation transactions requires the input of highly subjective assumptions including the expected stock price volatility and forfeiture rates.

Assumptions and critical estimates

(i) Compound financial instruments

Certain financial instruments are comprised of a liability and an equity component. The determination of the amount allocated to the liability and equity components requires management to estimate various components and characteristics of present value calculations used in determining the fair value of the instrument, including the market interest rates of non-convertible debentures.

(ii) Tax assets and liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

Impact of New Accounting Policies

The accounting policies adopted in the preparation of the condensed interim consolidated financial statements are consistent with those followed in the preparation of the Corporation's annual consolidated financial statements for the year ended December 31, 2013.

The Corporation continues to assess the impact of adopting the pronouncements from the IASB as described below:

Financial Instruments

IFRS 9, "Financial Instruments" provides a comprehensive new standard for accounting for all aspects of financial instruments. It includes a logical model for classification and measurement; a single, forward-looking 'expected-loss' impairment model; and a substantially reformed approach to hedge accounting. The new standard is effective for years beginning on or after January 1, 2018.

Revenue Recognition

IFRS 15, "Revenue from Contracts with Customers" provides a comprehensive new standard on revenue recognition. It specifies how and when to recognize revenue as well as requiring entities to provide more informative and relevant disclosure. The new standard is effective for years beginning on or after January 1, 2017.

There are no other standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the Corporation's condensed interim consolidated financial statements. Further, the Corporation has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Financial Instruments and Risk Management

The Corporation's risk management policies are established to identify, analyze and manage the risks faced by the Corporation and to implement appropriate procedures to monitor risks and adherence to established controls. Risk management policies and systems are reviewed periodically in response to the Corporation's activities and to ensure applicability. In the normal course of business, the main risks arising from the Corporation's use of financial instruments include credit risk, liquidity risk, market risk and currency risk. These risks, and the actions taken to manage them, include:

Fair value

Due to the short-term nature of cash and cash equivalents, cash held in trust, notes receivable, trade and other payables and trust liabilities, the Corporation determined that the carrying amounts of these financial instruments approximate their fair value. Long-term investment consists of common shares held in a private corporation. The Corporation has determined that the fair value of these common shares cannot be reliably determined and as such the long-term investment is carried at cost.

Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions and notes receivable. The maximum exposure to credit risk is equal to the carrying value of the Corporation's cash and cash equivalents, cash held in trust and notes receivable.

The Corporation minimizes credit risk associated with its cash balances by dealing with major financial institutions in Canada and the United States. The notes receivable are due from key management personnel and the Corporation minimizes the associated credit risk by monitoring the amounts receivable and the financial position of the debtors.

Liquidity risk

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they come due. As at September 30, 2014, the Corporation had cash and cash equivalents of $8,198,467 (December 31, 2013 – $92,222) and had a positive net working capital position of $7,526,431 (December 31, 2013 – $795,209 negative net working capital position).

Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies other than the functional currency of the Corporation will fluctuate due to changes in foreign currency exchange rates. As at September 30, 2014, the Corporation's exposure to currency risk was limited to cash and cash equivalents in the amount of USD $5,948, and trade and other payables denominated in US dollars in the amount of USD $61,459 (December 31, 2013 – US $228). A 1% change in the exchange rate between the Canadian and US dollar would have a $555 annual impact on the net income and cash flows of the Corporation.

Interest rate risk

Interest rate risk is the risk that the fair value and cash flows associated with the Corporation's interest bearing financial assets and liabilities will fluctuate due to changes in market interest rates. As at September 30, 2014, the Corporation's exposure to interest rate risk was limited to cash and cash equivalents that earn interest at 1.16% per annum. A 1% change in the interest rate would have an $81,985 (December 31, 2013 – negligible) annual impact on the net income and cash flows of the Corporation.

Risks and Uncertainties

Due to the nature of the business, the legal and economic climate in which the Corporation is operating in and the present stage of development of its operations, the Corporation is subject to risks. The Corporation's future development and actual operating results may be different from those expected as at the date of this MD&A. There can be no certainty that the Corporation will be able to successfully implement its corporate strategy. No representation is or can be made as to the future performance of the Corporation and there can be no assurance that the Corporation will achieve its objectives. Accordingly, readers should carefully consider the following discussion of risks that pertain to the Corporation (the text below summarizes some of these risks and is not intended to be complete or exhaustive).

New Technology

The Corporation's success will depend in part on its ability to develop software and products that keep pace with continuing changes in technology, evolving industry standards and changing client preferences and requirements. The Corporation's software and products embody complex technology that may not meet those standards, changes and preferences. The Corporation may be unable to successfully address these developments on a timely basis or at all. Failure to respond quickly and cost-effectively to new developments through the development of software and new products or enhancements to existing software and products could reduce the Corporation's revenue.

Dependence on Key Personnel and Consultants

The success of the Corporation will be largely dependent upon the performance of its management and key employees. Failure by the Corporation to attract and retain key employees with necessary skills could have a materially adverse impact upon the Corporation's growth and profitability. The Corporation currently does not have key person insurance for its Management or other key employees. These individuals, and the contributions they will make, are important to the future operations and success of the Corporation. The unexpected loss or departure of any of the key officers, employees or consultants of the Corporation could be detrimental to the Corporation's future operations. The competition for skilled technical, management, sales and other employees is high in the Corporation's industry. There can be no assurance that the Corporation will be able to engage the services of such personnel or retain the Corporation's current personnel.

Foreign Currency, Payment Processing and Fiscal Matters

The Corporation's operations are subject to inherent market and industry risks resulting from unpredictable fluctuations in foreign currency exchange rates, failed or fraudulent financial transactions and similar credit risks. These occurrences could have a material adverse impact on the Corporation's results of operations.

Competition

The Corporation competes in a competitive industry that is constantly evolving and changing. The Corporation expects this competition to increase as new competitors enter the market. The Corporation's competitors may have greater financial, technical, sales, and production and marketing resources. The Corporation may not be able to compete on the same scale as these companies. Such competition may result in reduced sales, reduced margins or increased operating expenses.

Customer Base and Market Acceptance

While Management believes it can grow its client base, the inability to grow such a client base could have a material adverse effect on the Corporation. Although the Corporation believes that its products offer advantages over competitive companies and products, no assurance can be given that the Corporation's products will attain a degree of market acceptance on a sustained basis or that it will generate revenues sufficient for sustained profitable operations. Since the Corporation's current revenue source is highly dependent on electronic currency exchanges (specifically, BitCoin exchanges), the regulatory and acceptance risks of such electronic currencies could have a material impact on the Corporation's business.

Consumer Privacy, Data Use and Security

The Corporation is subject to regulations related to privacy and data protection and information security in the jurisdictions in which it does business, and could be negatively impacted by these regulations. Recently, these topics have received heightened legislative and regulatory focus in jurisdictions around the world. Regulation of privacy and data protection and information security may raise concerns about and scrutiny of the Corporation's practices in regard to the collection, use, disclosure or security of personal and sensitive information. Failure to comply with the privacy and data protection and security laws and regulations to which we are subject could result in fines, sanctions or other penalties, which could materially and adversely affect the Corporation's results of operations and overall business, as well as have an impact on our reputation. Any addition or change to regulations in these areas (as well as the manner in which such laws could be interpreted or applied) may also increase the Corporation's costs to comply with such regulations. Changes to these laws could also impact the Corporation's business operations by requiring changes to the Corporation's data practices and could impact aspects of the Corporation's business such as fraud monitoring. Any of these changes could materially and adversely affect our overall business and results of operations.

Future Acquisitions

The Corporation may seek to expand its business and capabilities through the acquisition of compatible technology, products or businesses. There can be no assurance that suitable acquisition candidates can be identified and acquired on favorable terms, or that the acquired operations can be profitably operated or integrated in the Corporation's operations. To the extent Management is successful in identifying suitable companies or products for acquisition, the Corporation may deem it necessary or advisable to finance such acquisitions through the issuance of shares, securities convertible into shares, debt financing, or a combination thereof. In such cases, the issuance of shares or convertible securities could result in dilution to the shareholders of the Corporation at the time of such issuance or conversion. The issuance of debt to finance acquisitions may result in, among other things, the encumbrance of certain of the Corporation's assets, impeding the Corporation's ability to obtain bank financing, decreasing the Corporation's liquidity, and adversely affecting its ability to declare and pay dividends to shareholders of the Corporation.

Losses from Operations

As at September 30, 2014, the Corporation had cash and cash equivalents of $8,198,467 (December 31, 2013 – $92,222). As at September 30, 2014, the Corporation had a positive net working capital position of $7,526,431 (December 31, 2013 – $795,209 negative net working capital position) and an accumulated deficit of $9,071,516 (December 31, 2013 – $1,802,586).

The Corporation has not yet been able to generate sufficient transaction volumes to sustain future operations. Whether and when the Corporation can generate sufficient operating cash flows or raise sufficient equity or debt financing in order to pay for its expenditures and settle its obligations as they fall due subsequent to September 30, 2014 is uncertain.

Stage of Development

The Corporation may be subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, particularly given the early stage of the Corporation's development. The ability of the Corporation to manage growth effectively will require it to continue to expand its operational and financial systems and to train and manage its employee base. The inability of the Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects.

Transaction Processing Systems

The Corporation's payment processing systems and other key service offerings may experience interruptions as a result of a disaster including, but not limited to, technology malfunctions, fire, weather events, power outages, telecommunications disruptions, terrorism, workplace violence, accidents or other catastrophic events. A disaster that occurs at, or in the vicinity of, our primary and/or back-up facilities in any location could interrupt our services. Although the Corporation continually monitors and assesses risks, potential impacts, and develops effective response strategies, the Corporation cannot ensure that its business would be immune to these risks.

Additionally, the Corporation relies on third-party service providers for the timely transmission of information across its global data network. Inadequate infrastructure in lesser-developed markets could also result in service disruptions, which could impact the Corporation's ability to do business in those markets. If, as a result of natural disaster, one of our service providers fails to provide the communications capacity or services the Corporation requires, the failure could interrupt the Corporation's services. Because of the intrinsic importance of the Corporation's processing systems to its business, any interruption or degradation could adversely affect the perception of the reliability of products carrying the Corporation's brand and materially reduce the Corporation's results of operations.

Additional Capital Requirements

The Corporation intends to continue to make investments to support its business growth and will require additional funds to implement its business strategy, including expansion of sales and marketing activities; development of new software, products and features; enhancement of its current operating infrastructure; and acquisition of complementary businesses and technologies. The Corporation's cash reserves may not be sufficient to fund its ongoing activities at all times. Accordingly, the Corporation may need to engage in equity or debt financings to secure additional funds. If the Corporation raises additional funds through further issuances of equity or convertible debt securities, shareholders of the Corporation could suffer significant dilution, and any new equity securities the Corporation issues could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Corporation in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which might make it more difficult for the Corporation to obtain additional capital and to pursue business opportunities. The Corporation can provide no assurance that sufficient debt or equity financing will be available for necessary or desirable infrastructure expenditures or acquisitions or to cover losses, and accordingly, the Corporation's ability to continue to support its business growth and to respond to business challenges could be significantly limited.

Legal Risks

The Corporation is subject to legal risks related to operations, contracts, relationships and otherwise, which could result in the Corporation being served with legal claims. Whether or not the claims are legally valid, such claims may result in legal fees, damages, settlement and other costs as well as significant time and distraction of Management and employees.

Money Laundering and Terrorism

The Corporation is subject to regulations that affect the payments industry. In particular, many of the Corporation's customers are subject to regulations applicable to banks and other financial institutions and, consequently, the Corporation is at times affected by such regulations. Regulation of the payments industry, including regulations applicable to the Corporation and its customers, has increased significantly in the last several years. The Corporation is subject to Anti-Money Laundering and Anti-Terrorism regulations with respect to the activities of its internet payment gateway. Money laundering or terrorist financing involving the Corporation's payment gateway could result in an enforcement action and/or damage the Corporation's reputation, which could result in a material adverse impact on the Corporation's business.

Operating Results and Financial Condition May Fluctuate on a Quarterly and Annual Basis

Operating results and financial condition may fluctuate from quarter to quarter and year to year, and are likely to continue to vary due to a number of factors, some of which are outside of the Corporation's control. These events could, in turn, cause the market price of the Corporation's shares to fluctuate. If operating results do not meet the expectations of securities analysts or investors, who may derive their expectations by extrapolating data from recent historical operating results, the market price of the Corporation's shares would likely decline.

Due to all of the foregoing factors and risks discussed in this "Risk and Uncertainties" section, individuals should not rely on quarter-to-quarter or year-to-year comparisons of the Corporation's operating results as an indicator of future performance.

Forward Looking Statements May Prove Inaccurate

Prospective purchasers are cautioned not to place undue reliance on forward-looking information. By its nature, forward looking information involves numerous assumptions, known and unknown risks, and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See under the heading "*Special Note Regarding Forward-Looking Information*".

Conflicts of Interest

Certain directors of the Corporation may engage in businesses similar to the Corporation and situations may arise where the directors may be in direct competition with the Corporation's business. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the Act, which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation to disclose his/her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the Act.

Absence of Cash Dividends

The Corporation has not paid any cash dividends to date on the common shares and there are no plans for such dividend payments in the foreseeable future.

Recent Events

The Corporation entered into the following agreements late in the third quarter and subsequent to the quarter end:

a) On September 25, 2014 the Corporation announced the contract and integration of its proprietary compliance, risk management and payment processing platform with leading US cryptocurrency exchange Cryptsy. The Corporation's platform provides Cryptsy with full risk management, security, compliance and payment services enabling them to offer their users seamless exchange between cryptocurrencies and fiat currencies. The Corporation currently is not in a position to quantify the impact of this contract on its financial results;

b) On September 30, 2014 the Corporation announced the contract and integration of its proprietary compliance, risk management and payment processing platform with online Bitcoin trading platform Cointrader. The Corporation's platform will provide Cointrader with full risk management, security, compliance and payment services enabling their users to experience seamless transactions between Bitcoin and fiat currencies such as USD and Canadian. The Corporation currently is not in a position to quantify the impact of this contract on its financial results; and

c) On October 29, 2014 the Corporation announced that it had finalized an agreement for a strategic partnership with US payment processor Knox Payments Inc. The agreement provides the Corporation exclusive access to Knox's payment methods and US banking, enabling regional US fiat payments in support of the US cryptocurrency channel. The Corporation can now offer its US-based merchants multiple real-time fiat payment options. Existing Corporation merchants will be able to use a single technical integration to accept fiat payments from both Canada and the US. The Corporation currently is not in a position to quantify the impact of this contract on its financial results.

Outlook

As at the date hereof, the Corporation has completed the automation of its KYC and risk management module and has commenced on boarding new customers. All new customers will start with a testing phase and then gradually ramp towards commercial processing volumes. The testing and ramping process is expected to continue for the remainder of Q4 2014 and through Q1 2015. The Company will continue to board new merchants and add banking relationships with the expectation of ramping to commercial processing levels by the start of Q2 2014.