Vogogo Inc.

Condensed Interim Consolidated Financial Statements

(in Canadian dollars)

(unaudited)

For the three and nine months ended September 30, 2015 and 2014

	September 30 2015 $	December 31 2014 $
ASSETS		
Current assets:		
Cash and cash equivalents	**12,059,017**	6,519,384
Cash held in trust (note 6)	**563,353**	611,080
Trade and other receivables	**33,359**	-
Notes receivable (note 11(b))	**156,375**	153,000
Prepaid expenses and deposits	**92,868**	16,277
	12,904,972	7,299,741
Non-current assets:		
Property and equipment	**10,739**	14,562
Intangible assets (note 5(b))	**3,332,408**	-
Long-term investment	**145,000**	145,000
	3,488,147	159,562
Total assets	**16,393,119**	7,459,303
LIABILITIES AND EQUITY		
Liabilities		
Current liabilities:		
Trade and other payables (note 7)	**497,229**	704,206
Trust liabilities (note 6)	**563,353**	611,080
Current portion of contingent consideration payable (note 5)	**1,948,281**	-
Total current liabilities	**3,008,863**	1,315,286
Non-current liabilities:		
Non-current portion of contingent consideration payable (note 5)	**1,010,196**	-
Total non-current liabilities	**1,010,196**	-
Total liabilities	**4,019,059**	1,315,286
Shareholders' Equity		
Share capital (note 8)	**29,906,393**	14,934,913
Warrants (note 9)	**871,948**	1,196,919
Contributed surplus (note 9)	**1,970,368**	1,117,616
Deficit	**(20,374,649)**	(11,105,431)
Total shareholders' equity	**12,374,060**	6,144,017
Total liabilities and shareholders' equity	**16,393,119**	7,459,303

Going concern (note 2(c))
Commitments and contingences (note 12)

Approved on behalf of the Board

(signed) "*Dale Johnson*"
Director

(signed) "*Geoff Gordon*"
Director and CEO

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

	3 months ended September 30, 2015	3 months ended September 30, 2014	**9 months ended September 30, 2015**	9 months ended September 30, 2014
REVENUE	**$ 63,950**	$ 23,638	**$ 112,594**	$ 212,534
EXPENSES				
General and administrative	**501,459**	645,692	**2,662,804**	1,665,648
Sales and marketing	**365,279**	247,382	**1,038,465**	656,757
Development and operations	**994,040**	276,960	**2,653,725**	853,805
Stock-based compensation (notes 5 and 10)	**513,301**	416,678	**2,507,807**	2,352,480
Transaction costs	**-**	3,150	**-**	373,304
Listing costs	**-**	930,852	**-**	930,852
Foreign exchange (gain) loss	**(12,957)**	-	**(47,314)**	-
Amortization	**323,765**	2,423	**541,308**	7,267
	2,684,887	2,523,137	**9,356,795**	6,840,113
Loss from operations	**(2,620,937)**	(2,499,499)	**(9,244,201)**	(6,627,579)
Accretion	**-**	-	**-**	(282,169)
Interest and bank charges	**(7,064)**	(9,399)	**(25,017)**	(36,998)
Net loss and comprehensive loss	**(2,628,001)**	(2,508,898)	**(9,269,218)**	(6,946,746)
Loss per share – basic and diluted (note 8)	**(0.06)**	(0.08)	**(0.21)**	(0.30)

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity

(in CAD) (unaudited)

	Share Capital $	Convertible Debentures - Equity Portion $	Contributed Surplus $	Warrants $	Deficit $	Total $
Balance, December 31, 2013	1,161,164	15,464	-	-	(1,802,586)	(625,958)
Issuance of shares (note 8)	693,000	-	-	-	-	693,000
Equity portion of convertible debentures (note 8)	-	316,435	-	-	-	316,435
Issuance of shares on conversion of debentures (note 8)	2,588,814	(227,700)	-	-	-	2,361,114
Share-based compensation (note 10)	-	-	2,352,480	-	-	2,352,480
Exercise of stock options (note 8 and 10)	1,868,952	-	(1,511,227)	-	-	357,725
Issuance of units (notes 8)	54,338	-	-	95,662	-	150,000
Exercise of warrants (notes 8 and 10)	309,092	-	-	(59,731)	-	249,361
Issuance of agents warrants (note 10)	-	(96,471)	-	964,709	-	868,238
Transfer of equity portion of convertible debentures on repayment (note 8)	-	(7,728)	7,728	-	-	-
Repurchase of shares (note 8)	(397,816)	-	-	-	(322,184)	(720,000)
Shares issued on reverse takeover (note 8)	930,000	-	49,417	-	-	979,417
Repurchase of shares on amalgamation of Limitless (note 8)	(40,163)	-	-	-	-	(40,163)
Issuance of finders warrants (note 8)	(339,208)	-	-	339,208	-	-
Issuance of shares on brokered and non brokered private placement (note 8)	7,694,865	-	-	-	-	7,694,865
Net loss and comprehensive loss	-	-	-	-	(6,946,746)	(6,946,746)
Balance, September 30, 2014	14,523,038	-	898,398	1,339,848	(9,071,516)	7,689,768
Balance, December 31, 2014	**14,934,913**	**-**	**1,117,616**	**1,196,919**	**(11,105,431)**	**6,144,017**
Issuance of shares on acquisition of Vanado Inc. (notes 5(a) and 8)	**545,455**	**-**	**-**	**-**	**-**	**545,455**
Issuance of shares on acquisition of Mevia Inc. (notes 5(b) and 8)	**1,650,000**	**-**	**-**	**-**	**-**	**1,650,000**
Share-based compensation (note 10)	**-**	**-**	**1,223,768**	**-**	**-**	**1,223,768**
Exercise of stock options (notes 8 and 10)	**825,864**	**-**	**(371,016)**	**-**	**-**	**454,848**
Exercise of warrants (notes 8 and 10)	**687,437**	**-**	**-**	**(324,971)**	**-**	**362,466**
Issuance of shares through short form prospectus (note 8)	**11,262,724**	**-**	**-**	**-**	**-**	**11,262,724**
Net loss and comprehensive loss	**-**	**-**	**-**	**-**	**(9,269,218)**	**(9,269,218)**
Balance, September 30, 2015	**29,906,393**	**-**	**1,970,368**	**871,948**	**(20,374,649)**	**12,374,060**

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

	3 months ended September 30, 2015 $	3 months ended September 30, 2014 $	**9 months ended September 30, 2015 $**	9 months ended September 30, 2014 $
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss and comprehensive loss	**(2,628,001)**	(2,508,898)	**(9,269,218)**	(6,946,746)
Add back (deduct) items not involving cash:				
Amortization	**323,765**	2,423	**541,308**	7,267
Accretion	**-**	-	**-**	282,169
Listing expenses	**-**	930,852	**-**	930,852
Interest on royalty financing	**-**	-	**-**	11,508
Stock-based compensation and non-cash commission expenses (notes 8 and 10)	**513,301**	416,678	**2,507,807**	2,567,480
	(1,790,935)	(1,158,945)	**(6,220,103)**	(3,147,470)
Changes in non-cash working capital items:				
Trade and other receivables	**(30,771)**	-	**(33,359)**	16,514
Trade and other payables	**(393,572)**	5,551	**(206,977)**	397,375
Notes receivable	**(1,125)**	-	**(3,375)**	(150,000)
Prepaid expenses and deposits	**(25,460)**	(56,368)	**(76,591)**	(61,112)
	(450,928)	(50,817)	**(320,302)**	202,777
Net cash used in operating activities	**(2,241,863)**	(1,209,762)	**(6,540,405)**	(2,944,693)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of property and equipment	**-**	-	**-**	(1,353)
Net cash used in investing activities	**-**	-	**-**	(1,353)
CASH FLOWS FROM FINANCING ACTIVITIES				
Proceeds from the issuance of convertible debentures	**-**	-	**-**	3,164,345
Repayment of royalty financing liability	**-**	-	**-**	(229,700)
Repayment of convertible debentures	**-**	-	**-**	(100,000)
Repurchase of shares (note 8)	**-**	(415,163)	**-**	(760,163)
Proceeds from the issuance of shares, net of share issue costs (note 8)	**-**	7,694,865	**11,262,724**	8,172,865
Proceeds from share subscription deposits	**-**	(5,665,000)	**-**	-
Proceeds from exercise of options (note 8)	**34,950**	57,725	**454,848**	357,725
Proceeds from exercise of warrants (note 8)	**200,216**	-	**362,466**	249,361
Proceeds from issuance of units (note 8)	**-**	-	**-**	150,000
Cash acquired on reverse acquisition	**-**	47,858	**-**	47,858
Net cash generated by financing activities	**235,166**	1,720,285	**12,080,038**	11,052,291
Net increase (decrease) in cash and cash equivalents for the period	**(2,006,697)**	510,523	**5,539,633**	8,106,245
Cash and cash equivalents, beginning of the period	**14,065,714**	7,687,944	**6,519,384**	92,222
Cash and cash equivalents, end of the period	**12,059,017**	8,198,467	**12,059,017**	8,198,467
Supplemental cash flow information:				
Interest paid	**-**	-	**-**	43,041

The accompanying notes are an integral part of the condensed interim consolidated financial statements.

1. NATURE OF OPERATIONS

Vogogo Inc. (the "Corporation" or "Vogogo"), formerly Southtech Capital Corporation ("Southtech"), is in the payment technology and transaction processing business. Vogogo Canada Inc. was incorporated under the *Business Corporations Act* (Alberta) on July 26, 2010 and is a wholly-owned subsidiary of the Corporation. In addition, on August 13, 2012 the Corporation incorporated Vogogo USA Inc., a wholly-owned subsidiary and Delaware company and on October 1, 2014 the Corporation incorporated Vogogo EU Ltd, a wholly-owned subsidiary registered under the laws of United Kingdom. The Corporation develops software that administers multiple electronic payments including card payments, pre-authorized debit, direct deposit, peer-to-peer and online banking payments for both the U.S. and Canadian markets. The head office is located at 400, 320 – 23rd Avenue SW, Calgary, Alberta, Canada, T2S 0J2.

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 ("CPC") as defined in Policy 2.4 of TSX Venture Exchange Inc. ("TSX Venture"). The principle business of Southtech was to identify and evaluate potential acquisitions or businesses ("Qualifying Transaction") and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of regulatory and, if required, shareholders' approval.

On September 11, 2014, Southtech completed its Qualifying Transaction which was effected pursuant to an agreement between Southtech and Redfall Technologies Inc. ("Redfall"). 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 share in the new amalgamated company for every one share held in Redfall and the former shareholders of Southtech received one fully paid share in the new amalgamated company for every five shares held in Southtech. The new amalgamated company changed its name to Vogogo Inc.

Upon closing of the transaction, the shareholders of Redfall owned 95.62% of the common shares of Vogogo and as result, the transaction is 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), however are a continuation of the financial statements of Redfall.

2. BASIS OF PRESENTATION

(a) Statement of compliance

These condensed interim consolidated financial statements have been prepared by management in accordance with International Accounting Standards ("IAS") 34, "Interim Financial Reporting" as issued by International Accounting Standards Board ("IASB").

The condensed interim consolidated financial statements were approved and authorized for issue by the Board of Directors on November 19, 2015.

(b) Basis of preparation

The accounting policies set out below have been applied consistently to all periods presented in these condensed interim consolidated financial statements, unless otherwise indicated.

The condensed interim consolidated financial statements have been prepared under the historical cost convention, except as noted.

2. BASIS OF PRESENTATION *(continued)*

(c) Going concern

These condensed interim consolidated financial statements have been prepared on the basis that the Corporation will continue as a going concern, which assumes that the Corporation will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern. As at September 30, 2015, the Corporation has cash and cash equivalents of $12,059,017 (December 31, 2014 - $6,519,384) and has a positive net working capital position of $9,896,109 (December 31, 2014 - $5,984,455). However, the Corporation has an accumulated deficit of $20,374,649 (December 31, 2014 - $11,105,431) as at September 30, 2015 and incurred a net loss during the nine months ended September 30, 2015 of $9,269,218 (September 30, 2014 - $6,946,746). The Corporation has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Corporation can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to September 30, 2015 is uncertain.

These condensed interim consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary were the going concern assumption inappropriate. These adjustments could be material.

(d) Functional and presentation currency

These condensed interim consolidated financial statements are presented in Canadian dollars ("CAD") which is the functional currency of the Corporation and Vogogo Inc. The functional currency of Vogogo USA Inc. is U.S. dollars ("USD"); Vanado Inc. is U.S. dollars ("USD") and for Vogogo EU Ltd. is British Pounds ("GBP").

(e) Basis of consolidation

These condensed interim consolidated financial statements include the accounts of the Corporation and its subsidiaries. All intercompany transactions have been eliminated in these condensed interim consolidated financial statements. Subsidiaries are those entities that the Corporation controls by having the power to govern the financial and operating policies of the entity. The existence and effect of potential voting rights that are currently exercisable are considered when assessing whether the Corporation controls another entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation and are subsequently deconsolidated from the consolidated financial statements on the date that control ceases. The accounting policies of the subsidiaries are consistent with the policies adopted by the Corporation.

3. SIGNIFICANT 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, 2014. Because the disclosures provided in these condensed interim consolidated financial statements do not conform in all respects with IFRS for annual consolidated financial statements, these condensed interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2014.

Intangible assets

Intangible assets purchased or acquired as part of a business combination are recorded at fair value at the acquisition date provided that they meet the criteria for recognition as explained for development costs in note 3(c) to the December 31, 2014 financial statements.

Amortization methods, useful lives and residual values are reviewed at each fiscal year end and adjusted if appropriate.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

There were no new accounting standards, interpretations or amendments to existing standards adopted during the nine months ended September 30, 2015 that would be expected to have a significant impact on the Corporation's condensed interim consolidated financial statements. There were no new accounting standards, interpretations or amendments issued during the nine months ended September 30, 2015 that are applicable to the Corporation in future periods. Further, the Corporation has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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.

(a) Areas of judgment

(i) Long-term investment valuation

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) Impairment tests

Management exercises judgment to determine whether there are factors that would indicate that an asset or a CGU is impaired. The determination of CGUs is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Factors considered include whether an active market exists for the output produced by the asset or group of assets as well as how management monitors and makes decisions about the Corporation's operations.

(iii) Going concern

Determining if the Corporation has the ability to continue as a going concern is dependent on its ability 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. Further disclosure is included in note 2(c).

(b) 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.

4. SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS *(continued)*

(ii) Stock-based compensation and warrants

The amounts recognized relating to the fair value of stock options and warrants are based on estimates of future volatility in the Corporation's share price, the expected lives of options and warrants, the risk-free interest rate, and other relevant assumptions. Volatility is estimated based on the average price volatility of common shares of a comparative group of companies over the preceding period equaling the expected lives of the Corporation's options and warrants.

(iii) Impairment of property and equipment and intangible assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less disposal costs and its value in use. The fair value less disposal costs estimate is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use estimate is based on a discounted cash flow model. The cash flows are derived from the projection for the next five years and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the performance of the asset or CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(iv) Contingent consideration

The valuation of the contingent consideration issued on the acquisition of Vanado Inc. ("Vanado") and the acquisition of assets from Mevia Inc. ("Mevia") (note 5) has been recorded at the fair value and has been based on management's assessment of the likelihood of the performance targets being met.

(v) 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.

5. ACQUISITIONS

a. Acquisition of Vanado

On January 1, 2015, the Corporation acquired all of the issued and outstanding shares of Vanado, Inc., a specialized consulting and payment services company based out of Denver, Colorado, USA, from an arm's length third party pursuant to a share purchase agreement ("SPA").

The purchase was satisfied by the issuance of 227,273 common shares of the Corporation with a fair value of $2.40 per share for total consideration of $545,455. Additional consideration included certain post-closing payments of up to $1 million payable on or before December 31, 2016 ("Performance Period"). These post-closing payments shall be payable in common shares of the Corporation upon the Corporation achieving certain performance thresholds set out in the SPA. The post-closing payments represent a contingent liability and were measured at fair value of $738,584.

5. ACQUISITIONS *(continued)*

The Corporation did not acquire any assets or liabilities or obtain inputs or processes on acquisition of Vanado other than the personnel employed by Vanado. As a result, management concluded that this acquisition does not meet the definition of business combination under IFRS and represents a share based payment. Accordingly, the Corporation has recorded the cost of acquiring Vanado as stock-based compensation in the statement of loss and comprehensive loss.

The stock-based compensation recognized upon acquisition consisted of:

	$
Shares issued (227,273 common shares at $2.40 each)	545,455
Contingent consideration payable based on milestones	738,584
Stock-based compensation	**1,284,039**

Management reviewed the probability of meeting the performance conditions and discounted future expected cash flows to record a fair value estimate of contingent consideration. This liability is reviewed each reporting period and any adjustments to this liability value is adjusted to stock-based compensation in the statement of loss and comprehensive loss. There was no adjustment required for the three or nine months ended September 30, 2015.

b. Acquisition of assets of Mevia

On April 30, 2015, the Corporation acquired certain assets from an arm's length third party private risk management and consulting services company, Mevia, pursuant to an asset purchase agreement ("APA").

The purchase was satisfied by the issuance of 600,000 common shares of the Corporation with a fair value of $2.75 per share for total consideration of $1,650,000. Additional consideration included certain post-closing payments of up to $3 million payable on or before April 30, 2017 ("Performance Period"). These post-closing payments shall be payable in common shares of the Corporation upon the Corporation achieving certain performance thresholds set out in the APA. The post-closing payments represent a contingent liability and were measured at fair value of $2,219,893.

The Corporation acquired only intangible assets consisting of risk management software and no other assets or liabilities were acquired as per the APA. Management concluded that this acquisition meets the definition of business combination under IFRS and has determined that the acquisition fair value equates to the fair value of the assets acquired, and has therefore recorded this acquisition value as the intangible asset addition on the statement of financial position.

These intangible assets are being amortized on a straight-line basis over the estimated useful lives of three years.

The intangible assets recognized upon acquisition consisted of:

	$
Shares issued (600,000 common shares at $2.75 each)	1,650,000
Contingent consideration payable based on milestones	2,219,893
Intangible Assets	**3,869,893**

5. ACQUISITIONS *(continued)*

Book value of intangible assets is as follows:

	$
Balance, December 31, 2013 and 2014	-
Additions	3,869,893
Amortization	(537,485)
Balance, September 30, 2015	**3,332,408**

Management reviewed the probability of meeting the performance conditions and discounted future expected cash flows to record a fair value estimate of contingent consideration. This liability is reviewed each reporting period and any adjustments to this liability value is adjusted to Intangible Asset on the statement of financial position. There was no adjustment required for the three or nine months ended September 30, 2015.

Estimated contingent consideration payable on milestones as at September 30, 2015:

	Vanado $	**Mevia** $	**Total** $
Current portion	**396,143**	**1,552,138**	**1,948,281**
Long term portion	**342,441**	**667,755**	**1,010,196**
	738,584	**2,219,893**	**2,958,477**

6. TRUST ASSETS AND LIABILITIES

Cash held in trust consists of cash held in bank accounts and represent amounts collected from customers of clients which are held in trust until being paid out to clients.

7. TRADE AND OTHER PAYABLES

	September 30, 2015 $	December 31, 2014 $
Trade accounts payable	**444,018**	594,175
Accrued payables	**28,757**	93,364
Other	**24,454**	16,667
	497,229	704,206

Trade accounts payable are non-interest bearing and are normally settled on 30 to 60 day terms. As at September 30, 2015, the Corporation has $253,497 (December 31, 2014 - $308,219) in accounts payable beyond 60 days.

8. SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Preferred Shares without nominal or par value and an unlimited number of Common Shares without nominal or par value. The Corporation has the following Common Shares issued and outstanding:

	Number of Shares #	Share Capital $
Balance, December 31, 2013	15,696,307	1,161,164
Repurchase of shares for cash (i)	(3,833,334)	(345,000)
Fair value adjustment of repurchase of shares (i)	-	61,422
Shares issued on conversion of convertible debenture (ii)	192,307	107,736
Shares issued for cash (iii)	500,000	45,000
Fair value adjustment of shares issued (iii)	-	215,000
Shares issued on conversion of convertible debenture (iv)	9,588,924	2,481,078
Shares issued for cash (v)	432,692	225,000
Shares issued for cash (vi)	400,000	208,000
Units issued for cash (vii)	288,462	150,000
Warrant component of units issued (vii)	-	(95,662)
Shares issued on exercise of share purchase warrants (vii)	479,540	249,361
Fair value on exercise of share purchase warrants (vii)	-	59,731
Shares issued on exercise of stock options (viii)	3,333,334	300,000
Fair value on exercise of stock options (viii)	-	1,452,020
Repurchase of shares for cash (ix)	(500,000)	(375,000)
Fair value adjustment of repurchase of shares (ix)	-	260,762
Repurchase of shares on acquisition of Limitless (x)	(53,551)	(40,163)
Elimination of Redfall common shares (xi)	(26,524,681)	-
Shares issued on reverse acquisition (xi)	26,524,681	-
Shares issued to Southtech (xii)	1,240,000	930,000
Shares issued for brokered placement (xiii)	4,666,667	3,500,000
Shares issued for non-brokered placement (xiv)	6,666,664	5,000,000
Share issue costs - Finder's Fee paid in cash (xv)	-	(598,396)
Share issue costs - Finders Warrants (xv)	-	(339,208)
Shares issued on exercise of stock options (xvi)	122,500	57,725
Fair value on exercise of stock options (xvi)	-	59,207
Shares issued on exercise of Finders Warrants (xvii)	158,386	118,790
Fair value on exercise of Finders Warrants (xvii)	-	67,723
Shares issued on exercise of stock options (xviii)	20,000	10,000
Fair value on exercise of stock options (xviii)	-	8,236
Shares issued on exercise of Finders Warrants (xix)	10,000	7,500
Fair value on exercise of Finders Warrants (xix)	-	4,276
Shares issued on exercise of Finders Warrants (xx)	42,643	31,982
Fair value on exercise of Finders Warrants (xx)	-	18,233
Shares issued on exercise of Finders Warrants (xxi)	96,000	72,000
Fair value on exercise of Finders Warrants (xxi)	-	41,046
Shares issued on exercise of Finders Warrants (xxii)	5,250	3,938
Fair value on exercise of Finders Warrants (xxii)	-	2,244
Shares issued on exercise of Finders Warrants (xxiii)	22,000	16,500
Fair value on exercise of Finders Warrants (xxiii)	-	9,407
Share issue costs – Legal and other	-	(206,739)
Balance, December 31, 2014	**39,574,791**	**14,934,913**

8. SHARE CAPITAL *(continued)*

	Number of Shares #	Share Capital $
Balance, December 31, 2014	**39,574,791**	**14,934,913**
Shares issued on acquisition of Vanado (xxiv)	227,273	545,455
Shares issued on exercise of stock options (xxv)	830,750	454,848
Fair value on exercise of stock options (xxv)	-	371,016
Shares issued on exercise of warrants (xxvi)	867,230	362,466
Fair value on exercise of warrants (xxvi)	-	324,971
Shares issued on acquisition of assets from Mevia (xxvii)	600,000	1,650,000
Shares issued through short form prospectus (xxviii)	5,566,000	12,523,500
Share issue costs – Underwriters' fees (xxviii)	-	(876,645)
Share issue costs – Legal and other (xxviii)	-	(384,131)
Balance, September 30, 2015	**47,666,044**	**29,906,393**

(i) On February 21, 2014 the Corporation repurchased 3,833,334 common shares at $0.09 per share for total cost of $345,000. The average carrying value of share capital as at the date of the buy-back was calculated at $0.07 per share, resulting in a premium of $0.02 per common share. The resulting premium of $61,422 was charged to deficit.

(ii) On March 5, 2014, the Corporation issued 192,307 common shares at $0.52 per share upon conversion of a $100,000 convertible debenture.

(iii) On March 17, 2014, the Corporation issued 500,000 common shares at $0.09 for total cash proceeds of $45,000. The fair value of these shares at the time was determined to be $0.52 per common share. These shares were issued below the market value by $0.43 per share, the total discount of $215,000 was credited to share capital and recorded as commission expenses and is included in the general and administration expense for the period.

(iv) During 2014, the Corporation issued a secured convertible debenture in amount of $3,164,345. The debenture was convertible into common shares of the Corporation at the option of the holder at $0.33 per share. On March 26, 2014, the Corporation issued 9,588,924 common shares upon conversion of the full $3,164,345 convertible debenture.

In connection with the issuance of the convertible debenture on February 11, 2014, the Corporation issued an aggregate of 2,275,000 agent warrants to acquire common shares of the Corporation for a period of five years at a price of $0.33 per common share expiring five years from the date of grant. Fair value of these agent warrants were calculated using the Black-Scholes option-pricing model and recorded as debenture transaction costs. The fair value of the agent warrants was determined to be $964,709, which was allocated to the debt and equity components of the convertible debenture.

Upon conversion the debt and equity portions of the convertible debenture and associated accretion to the conversion date of $281,442, net of warrant costs of $964,709, were transferred to share capital.

(v) On April 2, 2014, the Corporation issued a total of 432,692 common shares for cash at $0.52 per share for total proceeds of $225,000.

(vi) On April 7, 2014, the Corporation issued a total of 400,000 common shares for cash at $0.52 per share for total proceeds of $208,000.

8. SHARE CAPITAL *(continued)*

(vii) On April 30, 2014, the Corporation issued 288,462 units at $0.52 per unit for total proceeds of $150,000. Each unit is comprised of one common share and 2.6624 share purchase warrants, for a total issuance of 288,462 common shares and 768,002 share purchase warrants. Each share purchase warrant entitles the holder to purchase one common share at an exercise price of $0.52 per common share for up to three years following the issuance date. Fair value of these share purchase warrants were calculated using the Black-Scholes option-pricing. The fair value of these share purchase warrants was determined to be $95,662, which was allocated to warrants from share capital.

On June 27, 2014, 479,540 of the total 768,002 warrants were exercised at $0.52 per warrant for total proceeds of $249,361. The value of these warrants of $59,731 was transferred from warrants to share capital on exercise of these warrants.

(viii) On April 30, 2014, 3,333,334 stock options were exercised at $0.09 per stock option for total proceeds of $300,000. The value of the stock options of $1,452,000 was transferred from contributed surplus to share capital on exercise of these options.

(ix) On September 10, 2014 the Corporation repurchased 500,000 common shares at $0.75 per share for total proceeds of $375,000. The average carrying value of share capital as at the date of the buy-back was calculated at $0.23 per share, resulting in a premium of $0.52 per common share. The resulting premium of $260,762 was charged to deficit.

(x) On September 10, 2014 the Corporation cancelled 53,551 common shares at the fair value of $0.75 per share for a total of $40,163 on acquisition of Limitless.

(xi) On September 11, 2014, as part of the reverse acquisition the former holders of Redfall Class A common shares received 1 common share of the Corporation for every 1 Redfall Class A common share held.

(xii) On September 11, 2014, as part of the reverse acquisition the former holders of Southtech common shares received 1 common share of the Corporation for every 5 Southtech common share held.

(xiii) On September 11, 2014, in conjunction with the reverse acquisition, the Corporation completed a brokered private placement and issued 4,666,667 common shares at $0.75 for gross proceeds of $3,500,000.

(xiv) On September 11, 2014, in conjunction with the reverse acquisition, the Corporation completed a non-brokered private placement and issued 6,666,664 common shares at $0.75 for gross proceeds of $5,000,000.

(xv) On September 11, 2014, in connection with the brokered and non-brokered private placement the Corporation paid finder's fee of $598,396 and also issued 793,332 finders warrants ("Finders Warrant"). Each Finders Warrant is exercisable to one common share of the Corporation at $0.75 per finders warrant for a period of 12 months from the date of closing. The fair value of the Finders Warrants was calculated to be $339,208 using the Black-Scholes option pricing model and was recorded as share issue costs.

(xvi) On September 18, 2014, 122,500 stock options were exercised at an average price of $0.47 per stock option for total proceeds of $57,725. The value of the stock options of $59,207 was transferred from contributed surplus to share capital on exercise of these options.

(xvii) On October 1, 2014, 158,386 Finders Warrants were exercised at $0.75 per warrant for total proceeds of $118,790. The value of these warrants of $67,723 was transferred from warrants to share capital on exercise of these warrants.

8. SHARE CAPITAL *(continued)*

(xviii) On October 9, 2014, 20,000 stock options were exercised at a price of $0.50 per stock option for total proceeds of $10,000. The value of the stock options of $8,236 was transferred from contributed surplus to share capital on exercise of these options.

(xix) On October 14, 2014, 10,000 Finders Warrants were exercised at $0.75 per warrant for total proceeds of $7,500. The value of these warrants of $4,276 was transferred from warrants to share capital on exercise of these warrants.

(xx) On October 28, 2014, 42,643 Finders Warrants were exercised at $0.75 per warrant for total proceeds of $31,982. The value of these warrants of $18,233 was transferred from warrants to share capital on exercise of these warrants.

(xxi) On October 29, 2014, 96,000 Finders Warrants were exercised at $0.75 per warrant for total proceeds of $72,000. The value of these warrants of $41,046 was transferred from warrants to share capital on exercise of these warrants.

(xxii) On November 6, 2014, 5,250 Finder Warrants were exercised at $0.75 per warrant for total proceeds of $3,938. The value of these warrants of $2,244 was transferred from warrants to share capital on exercise of these warrants.

(xxiii) On December 12, 2014, 22,000 Finder Warrants were exercised at $0.75 per warrant for total proceeds of $16,500. The value of these warrants of $9,407 was transferred from warrants to share capital on exercise of these warrants.

(xxiv) On January 1, 2015, the Corporation acquired all the issued and outstanding shares of Vanado (note 5 (a)) by issuing 227,273 common shares of the Corporation at a price of $2.40 per share.

(xxv) On February 23, 2015, 100,000 stock options were exercised at a price of $0.75 per stock option for total proceeds of $75,000. On March 2, 2015, 20,000 stock options were exercised at a price of $0.33 per stock option for total proceeds of $6,600. On March 12, 2015, 25,000 stock options were exercised at a price of $0.75 per stock option for total proceeds of $18,750. On March 12, 2015, 37,500 stock options were exercised at a price of $0.33 per stock option for total proceeds of $12,375. On March 30, 2015, 10,000 stock options were exercised at a price of $0.52 per stock option for total proceeds of $5,200. On April 9, 2015, 152,100 stock options were exercised at a price of $0.52 per stock option for total proceeds of $79,092. On April 16, 2015, 200,000 stock options were exercised at a price of $0.52 per stock option for total proceeds of $104,000. On April 20, 2015, 37,900 stock option were exercised at a price of $0.52 per stock option for total proceeds of $19,708. On May 5, 2015, 73,250 stock options were exercised at a price of $0.33 per stock option for total proceeds of $24,173. On May 8, 2015, 100,000 stock options were exercised at a price of $0.75 per stock option for total proceeds of $75,000. On July 13, 2015, 15,000 stock options were exercised at a price of $0.33 per stock option for total proceeds of $4,950. On September 11, 2015, 60,000 stock options were exercised at a price of $0.50 per stock option for total proceeds of $30,000. The value of these stock options of $371,016, was transferred from contributed surplus to share capital on exercise of these options.

(xxvi) On March 20, 2015, 16,333 Finders Warrants were exercised at a price of $0.75 per warrant for total proceeds of $12,250. On March 30, 2015, 100,000 Finders Warrants were exercised at a price of $0.75 per warrant for total proceeds of $75,000. On May 6, 2015, 144,231 share purchase warrants were exercised at a price of $0.52 per warrant for a total proceeds of $75,000. On July 3, 2015, 606,666 share purchase warrants were exercised at a price of $0.33 per warrant for a total proceeds of $200,216. The value of these warrants of $324,971 was transferred from warrants to share capital on exercise of the warrants.

(xxvii) On April 30, 2015, the Corporation acquired certain assets of Mevia (note 5 (b)) by issuing 600,000 common shares of the Corporation at a price of $2.75 per share.

8. SHARE CAPITAL *(continued)*

(xxviii) On June 16, 2015, the Corporation completed a short form prospectus offering and issued a total of 5,566,000 common shares of the Corporation at an offering price of $2.25 per common share for total gross proceeds of $12,523,500. Underwriters' fees of 7% totaling $876,645 were paid in connection with the prospectus. In addition legal and other share issue costs of $384,131 were incurred.

The weighted average number of common shares outstanding used to calculate basic and diluted loss per share for the three and nine months ended September 30, 2015 are 47,596,533 and 43,143,427 respectively (three and nine months ended September 30, 2014 are 29,576,556 and 23,287,872 respectively.)

9. CONTRIBUTED SURPLUS AND WARRANTS

The contributed surplus and warrants reserve is used to recognize the fair value of stock options and warrants granted. When options and warrants are subsequently exercised, the fair value of such options in contributed surplus and warrants is credited to share capital. Refer to note 10 for further details on these plans.

Contributed Surplus

	$
Balance, December 31, 2014	1,117,616
Stock-based compensation expense	1,223,768
Exercise of stock options	(371,016)
Balance, September 30, 2015	**1,970,368**

Warrants

	$
Balance, December 31,2014	1,196,919
Exercise of warrants	(324,971)
Balance, September 30, 2015	**871,948**

10. STOCK-BASED COMPENSATION AND WARRANTS

The Corporation has a stock option plan ("the Plan") under which the Board of Directors of the Corporation may grant to directors, officers, employees and technical consultants to the Corporation, non-transferable options to purchase common shares, exercisable for a period of up to five years from the date of grant.

A summary of the Plan transactions for the nine months ended September 30, 2015 and year ended December 31, 2014 are as follows:

	For the nine months ended September 30, 2015		For the year ended December 31, 2014	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Outstanding at beginning of period	3,732,500	0.72	-	-
Options granted	1,785,000	1.59	7,208,334	0.42
Options cancelled / forfeited	(100,000)	(1.49)	-	-
Options exercised during the period	(830,750)	(0.55)	(3,475,834)	(0.11)
Outstanding at end of period	4,586,750	1.07	3,732,500	0.72

The following provides a summary of options outstanding and exercisable as at September 30, 2015:

Options outstanding			Options exercisable		
Outstanding at September 30, 2015	**Weighted average remaining contractual life**	**Weighted average exercise price $**	**Number exercisable at September 30, 2015**	**Weighted average remaining contractual life**	**Weighted average exercise price $**
4,586,750	4.19 years	1.07	1,151,750	3.87 years	0.62

The fair value of each share-based payment transaction was estimated on the date of the grant, as determined by using the Black-Scholes option-pricing model with the following weighted average assumptions:

	For the nine months ended September 30, 2015	For the year ended December 31, 2014
Fair value of options	\$0.91 to \$2.41	\$0.34 to \$3.14
Exercise price	\$1.59	\$0.42
Share price	\$1.59	\$0.67
Dividend yield	0%	0%
Forfeiture %	3.83%	0%
Risk-free interest rate	0.75%	1.61%
Expected life of options	5 years	3.04 years
Expected volatility	125%	127%

The Corporation recorded stock-based compensation expense for options of \$513,301 and \$1,223,768 (2014 - \$416,678 and \$2,352,480) with an offsetting increase to contributed surplus in respect of the stock options granted during the three and nine months ended September 30, 2015, respectively. 830,750 (2014 – 3,455,834) stock options were exercised during the nine months ended September 30, 2015 and as a result \$371,016 (2014 - \$1,511,227) was transferred to share capital from contributed surplus.

10. STOCK-BASED COMPENSATION AND WARRANTS *(continued)*

A summary of warrant transactions for the nine months ended September 30, 2015 and year ended December 31, 2014 are as follows:

	For the nine months ended September 30, 2015		For the year ended December 31, 2014	
	Number of warrants	Weighted average exercise price $	Number of warrants	Weighted average exercise price $
Outstanding at beginning of period	3,022,515	0.41	-	-
Agents warrants granted	-	-	2,275,000	0.33
Warrants granted	-	-	768,002	0.52
Finders Warrants granted	-	-	793,332	0.75
Warrants exercised	(867,230)	0.42	(813,819)	0.61
Outstanding at end of period	2,155,285	0.41	3,022,515	0.41

The following provides a summary of warrants outstanding as at September 30, 2015:

Warrants outstanding		
Outstanding at September 30, 2015	Weighted average remaining contractual life	Weighted average exercise price $
2,155,285	3.95 years	$0.41

The fair value of each warrant was estimated on the date of the grant, as determined by using the Black-Scholes option-pricing model with the following weighted average assumptions:

	For the nine months ended September 30, 2015	For the year ended December 31, 2014
Fair value of warrants	-	$0.34 to $0.43
Exercise price	-	$0.45
Share price	-	$0.57
Dividend yield	-	0%
Risk-free interest rate	-	1.52%
Expected life of warrants	-	3.9 years
Expected volatility	-	106%

11. RELATED PARTY TRANSACTIONS

(a) The Corporation considers its key management personnel to be its Chief Executive Officer, Chief Operating Officer, Chief Relationship Officer, Chief Financial Officer, Chief Technology Officer and directors. Key management compensation is composed of payroll, stock based compensation and consulting fees paid to key management and companies controlled by key management. During the three and nine months ended September 30, 2015, key management compensation amounted to $345,711 and $955,784, respectively (2014 - $516,684 and $1,078,445), split between general and administrative, sales and marketing, stock-based compensation and development and operations expenses, based on expense type and work performed.

Total personnel expenses for employees, consultants, directors and management included in expenses in the consolidated statement of loss and comprehensive loss for the three and nine months ended September 30, 2015 was $2,495,437 and $6,160,047 respectively, (2014 - $776,270 and $2,099,628), split between general and administrative, sales and marketing, stock-based compensation and development and operations expenses, based on expense type and work performed.

(b) On April 28, 2014, the Corporation provided loans to two companies controlled by two key management personnel for $75,000 each 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, 2016. Interest expense of $6,375 has been accrued as at September 30, 2015 and included in the notes receivable balance.

12. COMMITMENTS AND CONTINGENCIES

(a) Commitments

The Corporation is committed under a lease on their office space, expiring July 31, 2017 for future minimum rental payments exclusive of occupancy costs as follows:

	$
2015	20,592
2016	82,368
2017	48,048
	151,008

(b) Contingencies

In December 2014, a statement of claim was filed in the Alberta Court of Queen's Bench by a company controlled by the previous Chief Technology Officer of the Corporation. The claim alleges a breach of certain provisions of the Business Corporations Act (Alberta) by the Corporation in connection with a February 2014 repurchase of certain Common shares of the Corporation previously held by the company. The claim seeks damages in an amount in excess of $15,000,000.

In August, 2015, a letter was received claiming that the Corporation owes a company which previously transacted with the Corporation $325,000 relating to fees incurred by the company in connection with transactions involving the Corporation, as well as a non-completion fee under the contract that the company had with the Corporation.

The Corporation believes the suit and the claim are both without merit and litigation counsel has been authorized and instructed to vigorously defend against these claims and, accordingly, the Corporation has not accrued a provision relating to the claims. As at the date of these consolidated financial statements, these claims are still pending.

13. CAPITAL MANAGEMENT

The Corporation optimizes its capital structure with a view to ensure a strong financial position to support its operations and growth strategies. The Corporation's capital structure is made up of share capital, warrants, contributed surplus and deficit as equity components and the Corporation strives to maximize the value associated with its capital. In order to maintain or adjust its capital structure, the Corporation may from time to time issue shares and adjust its spending.

The Corporation's capital consists of:

	September 30, 2015 $	**December 31, 2014** $
Share capital	29,906,393	14,934,913
Warrants	871,948	1,196,919
Contributed surplus	1,970,368	1,117,616
Deficit	(20,374,649)	(11,105,431)
	12,374,060	6,144,017

The Corporation is not subject to externally imposed capital requirements and the Corporation's overall strategy with respect to capital risk management remained unchanged during the years presented.

The Corporation's approach to capital management has not changed during the nine months ended September 30, 2015.

14. 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:

(a) Fair value

Due to the short-term nature of cash and cash equivalents, cash held in trust, trade and other receivables, deposits, 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.

(b) 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, trade and other receivables 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, trade and other receivables and notes receivable.

14. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (*continued)*

The Corporation minimizes credit risk associated with its cash balance substantially by dealing with major financial institutions in Canada and the United States. The Corporation mitigates credit risk associated with trade and other receivables by evaluating the credit worthiness of entities prior to extending credit terms to them. The notes receivable are due from key management personnel and the Corporation minimizes the associated credit risk by monitoring the amount receivable and the financial position of the debtors.

Approximately 32% of the Corporation's revenue during the nine months ended September 30, 2015 (2014 - 94%) was generated from 2 (2014 – 2) customers.

(c) 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, 2015, the Corporation has cash and cash equivalents of $12,059,017 (December 31, 2014 - $6,519,384) and has a positive net working capital position of $9,896,109 (December 31, 2014 - $5,984,455) in order to manage liquidity risk.

(d) 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, 2015, the Corporation's exposure to currency risk is limited to cash and cash equivalents denominated in US dollars in the amount of US $407,732 (December 31, 2014 - US $583,064) trade and other receivables denominated in US dollars in the amount of US $3,952 (December 31, 2014 – $Nil) and trade and other payables denominated in US dollars in the amount of US $48,484 (December 31, 2014 - $36,268). A 1% rate change between the Canadian and US dollar and Canadian would have a $3,500 (December 31, 2014 - $5,500) impact on the net income and cash flows of the Corporation.

(e) 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, 2015, the Corporation's exposure to interest rate risk is limited to cash and cash equivalents that earns interest of 0.88% per annum. A 1% change in the interest rate would have a $120,000 (December 31, 2014 – $70,600) impact on the net income and cash flows of the Corporation.

15. SEGMENTED INFORMATION

The Corporation has one operating segment serving all geographic locations. Substantially all of the Corporation's revenues are generated in Canada. Substantially all of the Corporation's assets are located in Canada.