Vogogo Inc.

Management Discussion and Analysis

For The Three Months Ended March 31, 2016

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") believes is required to gain an understanding of the financial results of the Corporation for the three months ended March 31, 2016 compared to the same period in 2015, 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". Additional information relating to Vogogo, including the Corporation's annual information form dated May 24, 2016 for the year ended December 31, 2015 (the "Annual Information Form") is available under Vogogo's profile on www.sedar.com.

This MD&A, presented and dated as of May 24, 2016, should be read in conjunction with the unaudited condensed interim consolidated financial statements and related notes for the three months ended March 31, 2016 and the audited consolidated financial statements and related notes for the years ended December 31, 2015 and 2014.

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 and debt. 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 and debt financings.

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. The unaudited 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 if the going concern assumption was inappropriate. These adjustments could be material.

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 Annual Information Form. 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.

Business Overview

Vogogo is a risk management and payment services business that has spent recent years developing and launching technologies that enable secure and compliant transaction processing for businesses. Vogogo offers risk mitigation services, including know-your-customer ("KYC") profiling and on-boarding, client underwriting, fraud mitigation, real-time transaction monitoring, and smart transaction routing, coupled with compliance services such as reporting, sanction checks and anti-money laundering-counter terrorist financing ("AML-CTF") processes. The Corporation also offers a suite of payment services that can be sold separately or bundled together with its risk management services. Vogogo's services are tailored for business verticals that feature higher transaction risk levels, including the cryptocurrency industry.

Vogogo has obtained authorization from the Financial Conduct Authority ("FCA"), the UK's banking and financial services regulator, to operate as an authorized Electronic Money Institution ("EMI"). As an authorized EMI, the Corporation has established safeguarding accounts with two commercial banks based in Europe, as well as transaction acquiring relationships with two European banks.

The EMI authorization allows Vogogo to operate as an independent provider of payment processing, stored value, e-wallet, pre-paid card, and foreign exchange services along with related risk management services. The authorization is issued for the UK and extends to the broader European Economic Area ("EEA") through a cross-border services arrangement known as passporting.

Vogogo is registered and operates as a Canadian Money Service Business with the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC").

Strategic Focus

Vogogo and the Cryptocurrency Vertical

Throughout 2014 and the first half of 2015, Vogogo was focused on servicing the emerging cryptocurrency market. Management believed that businesses developing and offering services based on cryptocurrencies or blockchain technologies were poised to disrupt conventional financial services and it was expected that there would continue to be growth in the cryptocurrency sector for the foreseeable future.

Vogogo developed technology to mitigate the transaction risks associated with cryptocurrencies based on providing access to commercial banking and payments for businesses operating in the cryptocurrency market. The Corporation believed it had the operational experience, knowledge of transaction risk management, regulatory expertise, and technology to establish itself as an early mover in the cryptocurrency market.

Throughout 2014 and early 2015, Vogogo secured several prominent cryptocurrency based businesses as clients in Canada and commenced limited initial processing of corresponding payments.

Arranging supportive acquiring relationships for cryptocurrency transactions proved problematic, especially in the primary US market. The nascent cryptocurrency technologies coupled with traditional bank conservatism and an uncertain, developing regulatory environment specific to each jurisdiction resulted in significant caution by banking partners and regulators in assessing and preparing to fully engage with Vogogo. This resulted in longer-than-expected and still uncertain timing for Vogogo to be able to deliver payment services to the cryptocurrency industry in the key markets of the US and Europe.

As well, the pace of growth in cryptocurrency adoption has slowed. Transaction services based on cryptocurrencies remain cumbersome for users and the corresponding service businesses are mired in low-margin business models. As a result, early adopters still drive the cryptocurrency market and Management believes that many of the businesses in the cryptocurrency sector have been unable to achieve sustainable financial viability.

Cryptocurrencies and blockchain technologies have attracted attention from the conventional financial services sector. Many conventional financial services businesses (e.g. banks) are researching how these technologies could improve their businesses. Regulatory frameworks that include these technologies are beginning to take shape. Management has come to believe that these technologies are transitioning from a competitive-disruptive path to a more integrated path with conventional financial services. This trend has resulted in a reduced number of viable companies that are offering services based solely on cryptocurrencies and, as a result, the momentum has declined for disrupting the business models of the conventional financial services sector. Vogogo's market opportunity based on servicing cryptocurrency companies has not been growing as expected. In Q3 2015, Management determined that the focus of the Corporation's business development efforts needed to extend beyond the cryptocurrency market in order to meet the growth projections the Corporation had planned for.

Expanded Sales Focus

In Q3 2015, Vogogo commenced an expanded sales program focused on providing payment processing and risk management services to business verticals that have challenges dealing with transaction risk. Establishing supportive acquiring bank relationships remained problematic, even for clients outside of the cryptocurrency market. To mitigate the uncertainty of bank support in Europe and to increase margins, the Corporation worked throughout 2015 to become an authorized EMI, thereby enhancing the banks' comfort in actively working with Vogogo and allowing the Corporation to become a Payment Facilitator ("PayFac") with European banking partners. The PayFac structure provides a more efficient payment framework and lowers the cost of related banking services. Following authorization as an EMI in November 2015, the Corporation arranged two European acquiring bank partners and established a PayFac structure. The Corporation's first active European PayFac relationship was secured in Q1 2016.

Vogogo continues to work with a US bank partner on a jointly administered bank program that is expected to provide payment processing and stored value services in a structure that Management believes fulfills all US regulatory compliance obligations. This program is expected to support qualified businesses operating in high-risk verticals, including the cryptocurrency sector. A contract between Vogogo and its US banking partner to provide a jointly administered

US bank program was finalized in December 2015 and the corresponding technology integration is nearing completion.

Beginning in Q3 2015, the Corporation increased sales emphasis on transaction risk services as a stand-alone offering (i.e. available separate from payment processing services). Additional investment in risk technology was made to flexibly accommodate the varied transaction risk management needs of clients in multiple market verticals. Despite broad interest in the Corporation's risk toolkit, clients have been slow to contract with Vogogo for provision of these services. While sales opportunities for stand-alone risk services continue to be pursued, the Corporation is examining alternate approaches for monetizing this capability.

The Focus for 2016

Vogogo is focused on generating near-term revenue by selling payment services through its new PayFac relationship. The process for activating the PayFac relationship involved extensive set-up and coordination with Vogogo's European banking partner, with several corresponding delays. Originally scheduled to be active in January 2016, the PayFac program went live in March 2016.

Vogogo continues to work with its US bank partner on a jointly administered US bank program. The process for activating the US bank program also involves extensive set-up and coordination, and there have been several corresponding delays. Originally scheduled to be active in Q1 2016, the program is expected to now go live in the second half of 2016. While Management expects that the US bank program will be successful, the pace and extent of adoption are uncertain due to the unique nature of the program.

With direction from the board of directors of the Corporation (the "Board"), Management commenced a vigorous cost reduction program in March 2016 while simultaneously focusing on near-term revenue opportunities. Adjustments include staffing reductions and intense cost stewardship that prioritize cash preservation while maintaining critical business functions. The adjustments are expected to be substantially complete in Q2 2016.

Due to the deterioration in Vogogo's original market opportunity involving services for the cryptocurrency industry and the longer-than-expected timing for generating material revenues in more conventional payment processing and transaction risk services, the Board determined in April 2016 that a process would be immediately initiated to identify and examine strategic alternatives focused on increasing shareholder value. The alternatives may include, but are not limited to, a modified plan for continuing the business; the sale or combination of Vogogo's payment and risk management assets to or with another firm; a strategic vend-in, amalgamation, reverse amalgamation or similar transaction; a sale of one or more corporate assets; a strategic business combination or strategic partnership. Opportunities, if any, will be assessed based on synergies with Vogogo's business and the potential to increase shareholder value. There can be no assurance that this exploration process will result in any transaction. There is no set timetable with respect to the Board's review, and the Corporation does not expect to make further public comment regarding these matters unless and until the Board approves a specific action or otherwise concludes its review.

While the Board explores strategic options, Vogogo will continue its operational plan to expand its client base while making cash conservation a top priority.

About Vogogo

Vogogo Inc. (the "Corporation" or "Vogogo") provides payment processing and related transaction risk services. 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 registered in Delaware and on October 1, 2014 the Corporation incorporated Vogogo EU Ltd. ("Vogogo EU"), a wholly owned subsidiary registered under the laws of the United Kingdom. On January 1, 2015 the Corporation acquired all the issued and outstanding shares of Vanado Inc., a Colorado company. 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 the US, UK and Canadian markets. The head office is located at 400, 320 – 23rd Avenue SW, Calgary, Alberta, Canada, T2S 0J2. The registered office is located at Torys LLP, 4600, 525 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1G1.

BASIS OF PRESENTATION

This MD&A should be read in conjunction with the unaudited condensed interim consolidated financial statements for the three months ended March 31, 2016 and the audited consolidated financial statements for the years ended December 31, 2015 and 2014.

The unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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 on May 24, 2016.

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, may not be comparable with calculation of similar measures for other entities and should be considered non-IFRS measures. These measures are described and presented in order to provide information regarding the Corporation's financial results, liquidity and ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent IFRS measures. 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. The EBITDA and Adjusted EBITDA are calculated as follows:

> EBITDA = Net Loss + Interest Expense – Interest Income + Accretion + Taxes (if any) + Depreciation + Amortization.
>
> Adjusted EBITDA = EBITDA + Stock Based Compensation.

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.

Cash Flow From Operations

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

	March 31 2016 $	March 31 2015 $
CASH FLOW FROM OPERATIONS		
Net loss	**(2,354,220)**	(3,759,129)
Add back (deduct) items not involving cash:		
Amortization – property and equipment	**720**	1,274
Amortization – intangible assets	**322,491**	-
Stock-based compensation	**360,488**	1,599,243
	(1,670,521)	(2,158,612)
Changes in non-cash working capital items:		
Trade and other receivables	**1,711**	-
Notes receivable	**(1,125)**	(1,125)
Prepaid expenses and deposits	**(9,646)**	(31,290)
Trade and other payables	**(288,420)**	85,676
	(297,480)	53,261
Net cash used in operations	**(1,968,001)**	(2,105,351)

SUMMARY OF FINANCIAL AND OPERATIONAL RESULTS

The following tables set forth unaudited condensed interim consolidated financial data prepared in accordance with IFRS for the three months ended March 31, 2016 and 2015, respectively.

Financial Snapshot

	Three Months Ended	
($)	**March 31, 2016**	**March 31, 2015**
Revenues	**164,452**	11,753
Net loss	**(2,354,220)**	(3,759,129)
Comprehensive loss	**(2,466,303)**	(3,759,129)
	As at March 31, 2016	**As at December 31, 2015**
Working capital (current assets less current liabilities)	**5,645,886**	7,428,490
Total assets	**16,623,173**	15,788,160
Total liabilities	**8,136,116**	5,195,288

Summary Results of Operations

($)	Three Months Ended March 31, 2016	March 31, 2015
General and administrative expenses	**708,039**	1,084,297
Sales and marketing expenses	**319,766**	333,596
Development and operations expenses	**812,751**	810,074
Net cash used in operating activities	**(1,968,001)**	(2,105,351)
Net loss	**(2,354,220)**	(3,759,129)
Interest (income), net	**(8,348)**	(3,782)
Amortization and depreciation	**323,211**	1,274
EBITDA	**(2,039,357)**	(3,761,637)
Stock-based compensation	**360,488**	1,599,243
Adjusted EBITDA (EBITDA less share-based compensation)	**(1,678,869)**	(2,162,394)

Summary of Quarterly Results

The following table presents unaudited selected financial data for each of the last eight quarters up to March 31, 2016.

($)	Mar 31, 2016	Dec 31, 2015	Sept 30, 2015	June 30, 2015	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014
Total assets	16,623,173	15,788,160	16,393,119	18,525,387	5,432,724	7,459,303	9,187,195	9,458,084
Net working capital	5,645,886	7,428,490	9,896,109	11,451,878	3,749,580	5,984,455	7,526,431	1,299,384
Total liabilities	8,136,116	5,195,288	4,019,059	4,271,793	1,982,002	1,315,286	1,497,427	7,992,940
Revenue	164,452	80,657	31,527	18,268	11,743	15,981	16,985	66,669
Comprehensive loss	(2,466,303)	(2,875,176)	(2,628,001)	(2,882,088)	(3,759,129)	(2,033,915)	(2,508,898)	(2,060,333)
Basic and diluted loss per Share	(0.05)	(0.05)	(0.06)	(0.06)	(0.10)	(0.07)	(0.08)	(0.06)

Comprehensive loss for the three months ended March 31, 2016 decreased to $2.5 million compared to $3.8 million for the same period in 2015. The lower quarterly loss was the result of lower general and administrative, sales and marketing, development and operations and stock-based compensation expenses compared to the same period in 2015. In addition; revenues for the quarter were significantly higher when compared to the same quarter last year.

RESULTS OF OPERATIONS

Revenues

($)	March 31, 2016	March 31, 2015
Revenues	**164,452**	11,743

Vogogo's Q1 2016 revenues were significantly higher at $164,452 compared to $11,743 for the same quarter last year. This increase is mainly due to an increase in revenues from risk services and revenues from payment processing in Europe. Vogogo EU received an EMI license during fall of 2015 and started generating revenue in March 2016.

General and Administrative

($)	March 31, 2016	March 31, 2015
General and administrative expenses	**708,039**	1,084,297

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. For the three months ended March 31 2016, G&A expenses decreased to $708,039, a decrease of $376,258 when compared to the same period in 2015.

G&A expenses during the first quarter of 2016 were lower when compared to the same quarter last year due to cost reduction initiatives that the Corporation has been implementing since the beginning of 2016.

For the first quarter of 2016, 89% of G&A expenses related to personnel, consulting, professional fees and rent while, for the same period in 2015, 93% of G&A expenses related to personnel, consulting, professional fees and rent.

Sales and Marketing

($)	March 31, 2016	March 31, 2015
Sales and marketing expenses	**319,766**	333,596

Sales and marketing expenses consist principally of salaries, commissions, travel and other costs associated with the Corporation's sales force, marketing and commercialization activities including advertising, collateral development and printing, sales training, trade shows and pre-

and post-sales technical support. Sales and marketing expenses for the three months ended March 31, 2016 were lower by $13,830 as compared to the same period in 2015.

Sales and marketing expenses are expected to decrease over the next few months as Vogogo continues to implement its cost reduction initiatives.

Development and Operations

($)	March 31, 2016	March 31, 2015
Development and Operations	**812,751**	810,074

Development and operations ("D&O") 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 Vogogo believes that investment in research and development is required to remain competitive and will result in creating a valuable asset, Vogogo has not capitalized any development costs during 2015 or to date in 2016. Expenditures for most of 2015 and to date in 2016 are based on further developing the risk management and payment processing technology to service businesses operating in higher risk verticals within e-commerce markets, in the key regional markets of Canada, the US and Europe. The goal is to continue to differentiate from competitors in terms of relevant and superior technology.

D&O expenses for the first quarter 2016 were lower by $2,677 compared to the same period in 2015.

D&O expenses are expected to decrease over the next several months as Vogogo continues to implement its cost reduction initiatives.

For the three months ended March 31, 2016 and 2015, 100% of the D&O expenses were related to personnel, consulting and IT expenses.

Amortization

($)	March 31, 2016	March 31, 2015
Amortization expense	**323,211**	1,274

Amortization expense relates to the property and equipment and intangible assets owned by the Corporation. Specifically, the Corporation owns computer equipment, furniture and fixtures, leasehold improvements and intangible assets related to the Corporation's risk platform. These assets are depreciated over their useful lives and impairments, if any, are assessed at every reporting period. Expenses incurred for the quarter ended March 31, 2015 were primarily the result of depreciating office equipment, furniture, fixtures and intangible assets. The increase in Q1 2016 reflects the amortization of the Corporation's intangible assets of $3,869,893 resulting from the acquisition of assets of Mevia Inc. ("Mevia"), an arm's length third party private risk management and consulting services company during the second quarter of 2015.

Stock-based Compensation

($)	March 31, 2016	March 31, 2015
Stock-based compensation	**360,488**	1,599,243

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 in Denver, Colorado ("Vanado"), for an aggregate deemed purchase price of approximately $1,284,039, comprised of the issuance of 227,273 common shares in the capital of the Corporation pursuant to a share purchase agreement ("Agreement") and the fair value of contingent consideration comprised of certain post-closing payments of up to $1,000,000, which would be payable in common shares of the Corporation subject to the Corporation achieving certain performance thresholds set out in the Agreement. The entire $1,284,039 was allocated to stock-based compensation for Q1 2015. The remaining $315,204 of stock-based compensation for the quarter ended March 31, 2015 was comprised of fair valuing option grants using the Black Scholes option-pricing model.

Stock-based compensation for the quarter ended March 31, 2016 relates entirely to stock options valued using the Black Scholes option pricing model.

Net Loss and Comprehensive Loss

($)	March 31, 2016	March 31, 2015
Net Loss	**(2,354,220)**	(3,759,129)
Comprehensive loss	**(2,466,303)**	(3,759,129)

Included in net loss and comprehensive loss for the quarter ended March 31, 2016 and 2015 are significant non-cash charges including $360,488 and 1,599,243 respectively in stock-based compensation and amortization of $323,211 and $1,274 respectively. The lower loss is the result of lower G&A expenses and an increase in revenues.

The difference between net loss and comprehensive loss for the three months ended March 31, 2016 is the result of foreign exchange gain on translation of foreign operations. During the three months ended March 31, 2015 this amount was immaterial and therefore was not accounted for separately.

The Corporation's cash and cash equivalents at March 31, 2016 totaled $8,426,538 (December 31, 2015 - $10,489,615) and the positive net working capital position amounted to $5,645,886 (December 31, 2015 – $7,428,490). The Corporation has an accumulated deficit at March 31, 2016 of $25,621,606 (December 31, 2015 – $23,267,386). 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 March 31, 2016 is uncertain.

Liquidity and Capital Resources

Management closely monitors cash flow requirements and has sufficient cash to meet all of its current operational and financial obligations.

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'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; and
- To invest cash on hand in highly liquid and highly rated financial instruments.

The Corporation plans to fund these expenditures through current cash available and, if necessary and feasible, various financing options including equity and/or debt financing.

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. In order to maintain or adjust its capital structure, the Corporation may from time to time issue shares and adjust its spending.

	March 31, 2016 $	December 31, 2015 $
Share capital	**30,944,778**	30,944,778
Warrants	**550,364**	550,364
Contributed surplus	**2,708,043**	2,347,555
Accumulated other comprehensive income (loss)	**(94,522)**	17,561
Deficit	**(25,621,606)**	(23,267,386)

	8,487,057	10,592,872

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 periods presented.

Acquisitions

a. Acquisition of Vanado shares

On January 1, 2015, the Corporation acquired all of the issued and outstanding shares of Vanado from an arm's length third-party pursuant to the Agreement.

The purchase was satisfied by the issuance of 227,273 common shares of the Corporation with a fair value of $2.40 per share based on the closing trading price on January 1, 2015 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. These post-closing payments shall be payable in common shares of the Corporation upon the Corporation achieving certain performance thresholds related as set out in the Agreement. $500,000 of the contingent consideration was dependent on the Corporation securing US domestic automated clearing house processing capabilities, and the remaining contingent consideration is dependent on meeting monthly revenue targets of US $200,000, US $425,000 and US $600,000 in any two consecutive months. The fair value of the contingent consideration was valued at $738,584 at the closing date based on the likelihood of the performance thresholds being met and the estimated timing of the payments. The performance threshold related to the clearing house capabilities was achieved during the year ended December 31, 2015 and as a result 591,366 common shares of the Corporation were issued on December 3, 2015 with a fair value of $0.78 per share for total value of $461,265.

The Corporation did not acquire any assets or liabilities or obtain inputs or processes on the 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 the 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 through

the statement of loss and comprehensive loss. None of the performance targets were met and there was no adjustment for the quarter ended March 31, 2016.

b. Acquisition of assets of Mevia

On April 30, 2015, the Corporation acquired certain assets from Mevia, in order to obtain the company's risk management software, 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 based on the closing trading price on April 30, 2015 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. These post-closing payments shall be payable in common shares of the Corporation upon the Corporation achieving certain performance as set out in the APA. The contingent consideration is dependent on meeting monthly revenue targets of CDN $250,000, CDN $500,000 and CDN $800,000 in any two consecutive months. The post-closing payments represent a provision 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. The intangible asset acquired was measured at fair value at the acquisition date based on estimated discounted cash flows.

These intangible assets are being amortized on a straight-line basis over the estimated useful life 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**

Book value of intangible assets is as follows:

	$
Balance, December 31, 2014	-
Additions	3,869,893

Amortization	(859,976)
Balance, December 31, 2015	**3,009,917**
Amortization	(322,491)
Balance, March 31, 2016	**2,687,426**

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 adjustment to this liability value is reflected in the statement of loss and comprehensive loss. None of the performance targets were met and there was no adjustment required for the quarter ended March 31, 2016.

Contingent Consideration - Acquisitions

Estimated contingent consideration payable on milestones as at March 31, 2016:

	Vanado	**Mevia**	**Total**
	$	**$**	**$**
Current portion	**377,267**	**2,219,893**	**2,597,160**
Long-term portion	**-**	**-**	**-**
	377,267	**2,219,893**	**2,597,160**

The revenues and profit or loss since the closing date of the acquisitions, and pro forma revenues and profit or loss giving effect to the acquisitions as if they had occurred on January 1, 2015, are not practical to determine. The operations of the acquired assets are not managed as separate business units, and the Corporation's general business overhead and other costs are not allocated or identified on a specific asset basis. Such allocations would, accordingly, be arbitrary and would require significant assumptions and estimates concerning management's intentions and decision-making.

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 months ended March 31, 2016, key management compensation amounted to $374,045 (2015 - $295,470), split between general and administrative sales and marketing, development, operations, and stock-based compensation expenses, based on work performed.

Total personnel expenses for employees, consultants, directors and management included in expenses in the unaudited interim consolidated statement of loss and comprehensive loss totaled $1,610,697 for the three months ended March 31, 2016 (March 31, 2015 - $1,459,587),

split between general and administrative, sales and marketing, development and operations expenses, based on 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 were originally due April 28, 2015. The loan agreements were amended to extend the maturity date to April 28, 2017. Interest of $8,625 has been accrued as at March 31, 2016 (December 31, 2015 – $7,500) and included in the notes receivable balance.

Commitments

The Corporation is committed to leases for its Calgary office space, expiring July 31, 2017, and its London, UK office space, expiring December 31, 2017 for future minimum rental payments exclusive of occupancy costs as follows:

	London	Calgary	Total
	$	$	$
2016	26,859	59,202	86,061
2017	-	46,046	46,046
	26,859	**105,248**	**132,107**

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 addition, the party has claimed that 50% of the shares representing the long-term investment in the statement of financial position were transferred to them in 2012.

On January 20, 2016, a statement of claim was filed in the Alberta Court of Queen's Bench by a firm that was party to a proposed business combination in 2014, which did not proceed and was mutually terminated at that time. The claim alleges a breach of certain provisions of the business combination agreement pursuant to the Corporation completing its reverse take-over transaction in September 2014. The claim seeks damages in an amount in excess of $4,000,000.

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

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 49,022,410 common shares, 3,698,418 stock options, 1,396,951 warrants convertible into common shares, and no preferred shares outstanding.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the unaudited condensed interim consolidated financial statements in conformity with IFRS requires Management to make judgments in applying its accounting policies, including estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets and 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.

1) Areas of Judgment

(a) Impairment tests
Management exercises judgment to determine whether there are factors that would indicate that an asset or a cash generating unit ("CGU") is impaired. Factors considered include whether an active market exists for the output produced by the asset or group of assets, estimates of future revenues and costs, discount rates and other relevant assumptions.

(b) Business combinations
Determining whether an acquisition should be accounted for as a business combination or represents an asset purchase requires judgment on a case-by-case basis, depending on Management's assessment as to whether the acquisition meets the definition of a business.

(c) 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. Further disclosure is included in note 2(c) of the unaudited condensed interim consolidated financial statements.

2) Assumptions and Critical Estimates

(a) Stock-based compensation and warrants
The amounts recorded relating to fair value of stock options and warrants are based on estimates of future volatility in the Corporation's share price, 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.

(b) 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.

(c) Estimate of useful life for intangibles

Management's judgment involves the use of estimates for determining the useful life for intangibles to determine amortization methods and rates.

(d) Contingent consideration

The valuation of the contingent consideration issued on the acquisition of shares of Vanado and the acquisition of assets from Mevia has been recorded at fair value and has been based on Management's assessment of the likelihood of the performance targets being met. The associated liability is measured at fair value at each reporting date based on the likelihood of the performance targets being met.

(e) 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.

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 in adherence with 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 and market risk. These risks, and the actions taken to manage them, include:

(a) Fair value

Due to the short-term nature of trade and other receivables, notes receivable, deposits, 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, deposits 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, deposits and notes receivable.

The Corporation minimizes credit risk associated with its cash balance substantially by dealing with major financial institutions in Canada, the United States and the United Kingdom. Trade and other receivables consist primarily of accrued interest receivable on the guaranteed investment certificates issued by the Corporation's Canadian bank. 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 71% of the Corporation's revenue during the three months ended March 31, 2016 (2015 - 35%) was generated from 3 (2015 – 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 March 31, 2016, the Corporation has cash and cash equivalents of $8,426,538 (December 31, 2015 - $10,489,615) and has a positive net working capital position of $5,645,886 (December 31, 2015 - $7,428,490) in order to manage liquidity risk. Trade and other payables, trust liabilities and the contingent consideration payable are expected to be paid in the next year.

(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 March 31, 2016, the Corporation's exposure to currency risk is limited to cash and cash equivalents denominated in US $474,374 (December 31, 2015 - US $338,718); GBP 384,599 (December 31, 2015 – GBP 389,938), Euro 79,354 (December 31, 2015 – Euro Nil) and trade and other payables denominated in US $41,586 (December 31, 2015 - US $296,774); GBP 83,257 (December 31, 2015 – GBP 7,644); Euro 12,000 (December 31, 2015 – Euro Nil) and trade and other receivables denominated in US $7,414 (December 31, 2015 – US $11,382); Euro 2,220 (December 31, 2015 – Euro 2,697). A 1% change in the exchange rate between the Canadian and US dollar, GBP and Euro would have a $1,000 (2015 – $3,500) 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 March 31, 2016, the Corporation is not exposed to any interest rate risk.

Risks and Uncertainties

Due to the nature of the business, the legal and economic climate in which the Corporation is operating 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).

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. Accordingly, the Corporation's ability to continue to support its business growth and to respond to business challenges could be significantly limited.

Banking & Processing

The Corporation's success depends on its ability to secure and develop banking and/or third party processing relationships that can effectively support Vogogo's service offering in target markets. The Corporation's service offering is focused on market verticals that are considered high risk from a banking perspective and consequently require sophisticated approaches to transactional risk management, compliance and financial crime prevention. Due to the high-risk nature of its target markets, the Corporation may be unable to successfully secure and retain banking partners. Failure to do so could materially reduce the Corporation's revenue potential.

Regulatory Risk

Vogogo's anticipated global operations may require it to be compliant with laws in many jurisdictions on matters such as anti-corruption, trade restrictions, taxation, securities regulation, banking regulations and data privacy, amongst others. Complying with these diverse requirements in multiple jurisdictions may be a challenge and could require significant resources.

Some of these laws may impose conflicting requirements; there may be restrictions on the movement of cash and other assets; or restrictions on the import and export of certain technologies; or restrictions on the repatriation of earnings, all of which may expose the Corporation to penalties for non-compliance and harm its reputation. Vogogo's relationships with its banking partners require that it comply with complex laws and regulations relating to the banking and payment processing industry.

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 operates 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, 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 and / or increased operating expenses.

Customer Base and Market Acceptance

While Management believes it can expand its client base, the inability to expand 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 the Corporation's 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 other processes such as fraud monitoring. Any of these changes could materially and adversely affect the Corporation's 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.

Continued Losses from Operations

As at March 31, 2016, the Corporation had cash and cash equivalents of $8,426,538 (December 31, 2015 - $10,489,615) and had a positive net working capital position of $5,645,886 (December 31, 2015 - $7,428,490). However, the Corporation had an accumulated deficit of $25,621,606 (December 31, 2015 - $23,267,386) as at March 31, 2016 and incurred a net loss during the three months ended March 31, 2016 of $2,354,220 (2015 - $3,759,129). 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 March 31, 2016 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 and 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.

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, the market price of the Corporation's shares would likely decline.

Indemnity Risks

Certain of the Corporation's agreements with its merchants contain indemnity provisions that require the Corporation to indemnify the merchant whether or not a transaction is properly completed. Corresponding indemnity claims could potentially have an adverse impact on the Corporation's business.

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 investors 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, that 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.