Filing Statement of

UPSNAP, INC.

April 10, 2015

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2. CORPORATE STRUCTURE

2.1 NAME AND INCORPORATION

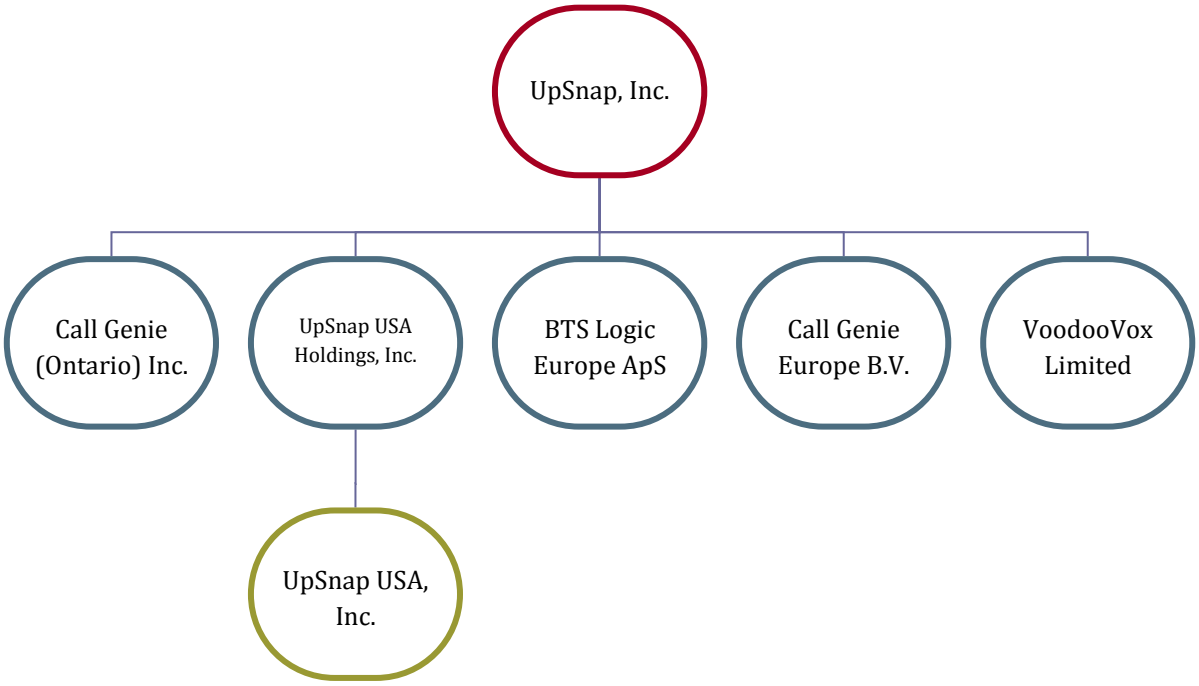
UpSnap, Inc. (formerly VoodooVox Inc., formerly Call Genie Inc.)(the "Company" or "UpSnap") is domiciled in Canada. The head office is located at 100 Consilium Place, Suite 200, Toronto, Ontario, Canada.

2.2 LEGAL STATUS

UpSnap was incorporated under the laws of Canada on October 17, 2000, and was continued into Alberta on February 5, 2003.

2.3 SUBSIDIARIES

UpSnap has five subsidiaries: (i) Call Genie (Ontario) Inc., (ii) UpSnap USA Holdings, Inc., (iii) Call Genie Europe B.V., (iv) VoodooVox Limited; and (v) BTS Logic Europe ApS (see diagram below).



Call Genie (Ontario) Inc. was incorporated under the *Business Corporations Act* (Ontario) on September 11, 2003. All of the issued and outstanding shares of Call Genie (Ontario) Inc. are legally and beneficially owned by UpSnap.

On January 17, 2012, Call Genie USA, Inc. changed its name to VoodooVox USA Holdings, Inc., and on July 11, 2014, VoodooVox USA Holdings, Inc. changed its name to UpSnap USA Holdings, Inc. ("UpSnap USA Holdings"). UpSnap USA Holdings was incorporated under the laws of the State of Delaware, USA on October 7, 2003, and all of the issued and outstanding shares of UpSnap USA Holdings are legally and beneficially owned by UpSnap.

BTS Logic ApS ("BTS") was incorporated under the laws of Denmark on October 13, 1997. All of the issued and outstanding shares of BTS are legally and beneficially owned by UpSnap.

Call Genie Europe B.V. was incorporated under the laws of the Netherlands on July 6, 2007. All of the issued and outstanding shares of Call Genie Europe B.V. are legally and beneficially owned by UpSnap.

Pursuant to a merger transaction that closed on January 2, 2008, PhoneSpots, Inc. ("PhoneSpots") (a Delaware Company incorporated on May 25, 1999, as StreetSmart, Inc., which later changed its name to PocketThis, Inc. and then to PhoneSpots, Inc.) became a wholly owned subsidiary of UpSnap USA Holdings. On January 17, 2012, PhoneSpots changed its name to VoodooVox USA, Inc., and on July 11, 2014, VoodooVox USA, Inc. changed its name to UpSnap USA, Inc. ("UpSnap USA").

PhoneSpots Limited was, at the time of the January 2008 merger transaction, a wholly owned subsidiary of PhoneSpots, Inc. PhoneSpots Limited was incorporated under the laws of the United Kingdom and has been in operation since 2000. Following the January 2008 merger transaction, all of the issued and outstanding shares of PhoneSpots Limited became, and continue to be, legally and beneficially owned by UpSnap. On January 31, 2012, PhoneSpots Limited changed its name to VoodooVox Limited.

2.4 TRANSACTION STRUCTURE

The Issuer is not re-qualifying.

2.5 NON-CORPORATE ISSUERS AND ISSUERS INCORPORATED OUTSIDE OF CANADA

The Issuer is a corporate issuer incorporated in Canada.

3. GENERAL DEVELOPMENT OF THE BUSINESS

3.1 HISTORY AND BACKGROUND

GENERAL

In 2012, UpSnap transformed its existing software and solutions into a mobile advertising managed service. As a mobile advertising company, UpSnap secures advertising directly from advertisers or their agents and earns fees by either placing ads within third party publications or by triggering performance based events such as initiating a click-to-call phone call to a direct response call center or initiating an application download.

In March 2014, UpSnap began offering its mobile advertising services to small businesses on a subscription basis. Advertisers pay a monthly fee in return for a fixed number of mobile display ads. UpSnap believes that there are several advantages to the new subscription model. Subscription fees are earned by displaying ads to consumers rather than by triggering specific performance criteria and contracts are for a longer term than UpSnap's traditional advertising campaigns resulting in more predictable long term revenue. In addition, UpSnap sells the subscriptions through a reseller network, allowing it to leverage its resellers' sales forces and customer relationships.

By offering a broader set of mobile advertising solutions, UpSnap hopes to accelerate its mobile advertising revenue growth.

RECENT ACQUISITIONS

During late 2011 and early 2012, two acquisitions of business assets were completed as follows:

Old UpSnap

On October 23, 2011, pursuant to the terms of a definitive agreement with UpSnap Services LLC ("Old UpSnap"), the Company acquired all of the assets and business operations of Old UpSnap, which was located in North Carolina, USA. Old UpSnap owned certain mobile advertising technologies that include direct response mobile landing pages and other click to call products. The Old UpSnap solution is used by the Company to provide mobile internet users with relevant ads.

Old VoodooVox

On January 6, 2012, the Company acquired the assets and business operations from a Delaware company then operating as VoodooVox, Inc. ("Old VoodooVox"). Old VoodooVox, located in Massachusetts, USA, provided real-time demographic information on phone calls and mobile ad traffic. Working with proprietary information developed by Old VoodooVox and data provided by third party aggregators, the acquired technology enables customer companies to gain valuable insight into their call volume and mobile game/application activity.

THREE YEAR HISTORY

2012

During the first quarter, the Company completed the acquisition of Old VoodooVox in support of its new mobile advertising managed service business model. The Company worked to integrate and consolidate the three companies, Call Genie, Old UpSnap and Old VoodooVox, and began to focus on the execution and growth of the mobile advertising business model. Some of the key developments included the following:

Old VoodooVox Acquisition

On January 6, 2012, the Company acquired the assets and business operations from a Delaware company then operating as VoodooVox, Inc. Old VoodooVox, located in Massachusetts, provided real-time demographic information on phone calls and mobile ad traffic. Working with proprietary information developed by Old VoodooVox and data provided by third party aggregators, the acquired technology enables companies to gain valuable insight into their call volume and mobile game/application activity.

With the acquisition of the assets and business operations of Old UpSnap and Old VoodooVox, the Company moved to provide highly targeted, relevant ads to mobile consumers including users of mobile smartphones.

Cost Reduction Program

The acquisitions of Old UpSnap and Old VoodooVox resulted in redundancies in the consolidated Company's structure including redundant offices, employees and network and data center costs. During 2012 a major cost reduction program was initiated and costs were reduced across all aspects of the Company's operations, as highlighted below:

- Reduced headcount from 52 in Q1 2012 to 21 in Q1 2013
- Eliminated four offices and four data centers
- Eliminated six network platforms
- Combined four separate network monitoring systems

The redundant costs from the Old UpSnap and Old UpSnap acquisitions are reflected as increased costs in the Company's operating results for 2012. In addition, the new business model requires that the company purchase Ad Traffic from publishers in order to place customer advertisements. These purchases are reflected as an increase in the Company's publisher and data costs.

The consolidation and integration of Old UpSnap and Old VoodooVox included changes in the Company's executive team. These changes included the appointment of Alex Pekurar, previously the Company's Controller, as Chief Financial Officer, replacing Chris Shelton who departed, and the assumption by Gene Cohen of overall Operations and Tony Philipp of overall Sales responsibility, from Chet Chan, formerly Chief Operating Officer, who also departed.

In October 2012, Micky Tsui was appointed Chairman of the Board, filling the Chairman role vacated due to the resignation of Richard DeVries, former director and the previous Chairman. In January 2013, UpSnap appointed George Cooney as Chief Executive Officer to lead the newly transformed Company.

Microsoft

During 2012, Microsoft Inc. concluded the AdExchange reporting technologies project, although the Company's Master Services Agreement remains intact.

Introduction of Caller Analytics Platform Services

UpSnap introduced two services that are based upon technologies acquired through the acquisition of Old VoodooVox: Caller Analytics Reporting and Real-Time Analytics ("RTA"). The former service provides demographic reports on consumer phone numbers/traffic and the latter provides an API to a real-time feed for demographic information on mobile or landline phone numbers on a query basis.

Working Capital Improvement

During the third quarter of 2012, the Company implemented a debt deferral program in conjunction with a financing and reached agreements with its debenture holders to defer principal and interest payments on approximately $5 million aggregate principal amount of debentures. This deferral program resulted in a significant improvement in the Company's working capital deficit.

Financing Activities

In March 2012, the Company completed a non-brokered private placement of 250 debentures, in denominations of $1,000, in the aggregate principal amount of $250,000. The debentures bear interest at the rate of 15% per annum, payable quarterly in June and September, and matured on September 2, 2012. The Company incurred financing costs of $13,000 in connection with this placement of debentures. On maturity, the Company entered into an agreement with the debenture holder to defer the repayment of principal and interest to September 2, 2014.

In March 2012, the Company completed a non-brokered private placement of 750 debentures, in denominations of $1,000, in the aggregate principal amount of $750,000. The debentures bear interest at the rate of 15% per annum, payable semi-annually in September and March, and mature on March 1, 2013. Two officers of the Company purchased a total of 60 debentures and two directors purchased a total of 35 debentures for a total aggregate principal of $95,000. In September 2012, the Company entered into agreements with the debenture holders to defer repayment of principal and interest on all debentures for at least one year, with $420,000 in debentures agreeing to defer until March 1, 2015.

In May 2012, a total of $475,000 of convertible debentures matured. The Company redeemed $10,000 in convertible debentures and entered into agreements with the remaining debenture holders to defer repayment of principal and interest to October 12, 2014.

In May 2012, the Company completed a non-brokered private placement of 100 units. Each unit, in denominations of $1,000, consisted of a non-convertible debenture and 40 Common Shares. The debentures, in the aggregate principal of $100,000, bear interest at a rate of 12.0% per annum, payable at maturity, and matured on September 20, 2012. On maturity, the Company entered into agreements with the debenture holders to redeem $50,000 and defer repayment of principal and interest on the remainder to January 20, 2013.

In June 2012, the Company completed a non-brokered private placement of 815 units. Each unit, in denominations of $1,000, consisted of a non-convertible debenture and 60 Common Shares. The units were converted into 48,900 Common Shares for proceeds of $67,000 and $748,000 aggregate principal

debentures. The debentures bear interest at a rate of 17.5% per annum, payable quarterly, and mature on June 27, 2014. The Company issued 46,000 Common Shares valued at $58,000 for costs related to this financing.

In August 2012, a total of $1,170,000 of convertible debentures matured. The Company redeemed $820,000 in convertible debentures and entered into agreements with the remaining debenture holders to defer repayment of principal and interest to October 12, 2014.

In August 2012, a total of $875,000 of debentures matured. The Company entered into agreements with the debenture holders to defer repayment of principal and interest to August 12, 2015 and to change the interest rate on the debenture to 10%.

In August 2012, the Company completed a brokered private placement of 1,837 units. Each unit, in denominations of $1,000, consisted of a non-convertible debenture and 60 warrants. The debentures, in aggregate principal of $1,837,000, bear interest at a rate of 12% per annum, payable quarterly, and mature on August 13, 2015. The warrants have an exercise price of $1.00 and expire on August 13, 2015. The Company incurred financing costs of $280,000 in connection with this debenture.

In September 2012, the Company completed a brokered private placement of 1,000 units. Each unit, in denominations of $1,000, consisted of a non-convertible debenture and 60 warrants. The debentures, in aggregate principal of $1,000,000, bear interest at a rate of 12% per annum, payable quarterly, and mature on September 19, 2015. The warrants have an exercise price of $1.00 and expire on September 19, 2015. One officer of the company purchased 50 units. The Company incurred financing costs of $186 in connection with this debenture

In October 2012, a total of $2,090,000 in convertible debentures matured. The Company redeemed $205,000 in convertible debentures and entered into agreements with the remaining debenture holders to defer repayment of principal and interest to October 31, 2014.

In October 2012, the Company completed a non-brokered private placement of 200 units. Each unit, in denominations of US$1,000, consisted of a non-convertible debenture and 60 warrants. The debentures, in aggregate principal of $200,000, bear interest at a rate of 12% per annum, payable quarterly, and mature on October 25, 2015. The warrants have an exercise price of $1.00 and expire in October, 2015.

In November 2012, the Company completed a brokered private placement of 625 units. Each unit, in denominations of $1,000, consisted of a non-convertible debenture and 60 warrants. The debentures, in aggregate principal of $625,000, bear interest at a rate of 12% per annum, payable quarterly, and mature on November 19, 2015. The warrants have an exercise price of $1.00 and expire on November 19, 2015. One officer of the company purchased 50 units and one director of the company purchased 25 units. The Company incurred financing costs of $63 in connection with this debenture.

2013

During 2013, UpSnap continued investing in its mobile advertising technologies and sales team. Revenues from mobile advertising grew to $2.3 million for the year ended December 31, 2013, compared to $1.7 million in 2012. In addition, the Company embarked on a transformational financing that included the conversion of more than 95% of the Company's outstanding debentures into Common Shares. Some of the key developments included the following:

UpSnap Local

UpSnap launched a hyper local mobile advertising exchange called UpSnap Local. The product enables publishers, mobile app developers and web sites the opportunity to drive revenue with hyper-local ads targeted to consumers in real-time using their location and interest. The product provides:

- Consumers that are ready to engage in local commerce with a local business advertiser
- Dynamic access to consumers in all mobile contexts including: Search, Display, in App, Maps, Directory, Social and Video
- Real-time Revenue Reporting Dashboard for Supply-Side-Providers (SSPs) and Demand-Side-Providers (DSPs)
- Access to Local Ads from Millions of US Small Business Advertisers

Transformational Financing and Debt Reduction

The working capital required to pay publishers and hire additional sales staff proved to be a significant obstacle to revenue growth. In recent years the Company relied on external debt financing to provide it with the working capital required to support ongoing operations. The large debt balance and associated carrying costs made it challenging to attract new investment. In April 2013, the Company embarked on a transformational financing that included the conversion of more than 95% of the Company's outstanding debentures into Common Shares. In June 2013, the Company's shareholders approved the proposed financing and in July 2013, the Company reached agreements with debenture holders to convert approximately 96% of issued and outstanding debentures into Common Shares. In September 2013, UpSnap completed the transformational financing by raising gross proceeds of $1.6 million in an equity private placement. Along with other agreements with creditors to convert or reduce outstanding payable amounts the Company achieved a reduction in its liabilities of $15.0 million.

Financing Activities

In January 2013, the Company completed a brokered private placement of 525 units. Each unit, in denominations of $1,000, consisted of a non-convertible debenture and 60 warrants. The debentures, in aggregate principal of $525,000, bear interest at a rate of 12% per annum, payable quarterly, and mature on January 30, 2016. The warrants have an exercise price of $1.00 and expire on January 30, 2016. The Company incurred financing costs of $53,000 in connection with this debenture, consisting of $52,000 in cash and $1,000 on the issuance of 945 common shares to the broker.

In March 2013, the Company completed a brokered private placement of 150 units. Each unit, in denominations of $1,000, consisted of a non-convertible debenture and 60 warrants. The debentures, in aggregate principal of $150,000, bear interest at a rate of 12% per annum, payable quarterly, and mature on March 18, 2015. The principal and interest amounts may be repaid by the Company through the provision of certain services to the holder. The warrants have an exercise price of $1.00 and expire on March 18, 2015. The Company incurred financing costs of $6,000 in connection with this debenture.

During the second quarter, the Company received a series of promissory notes totaling $650,000. Each promissory note bears interest at 10% until June 28, 2013, and 39% thereafter. The Company incurred financing costs of $49,000 in connection with the promissory note. The financing costs were added to the outstanding balance on the promissory notes. On August 21, 2013, the Company agreed to settle the outstanding principal and accrued interest through the payment of $625,000 and the issuance of a new promissory note of $103,000 bearing interest at 10% until November 1, 2013. Subsequently, the note holder agreed to extend the maturity date to February 6, 2014.

On June 14, 2013, the shareholders and directors of the Company approved an incentive program in an effort to encourage holders of outstanding debentures to convert outstanding principal and interest into common shares, excluding certain short term promissory notes and a debenture from a strategic investor where the principal and interest amounts may be repaid by the Company through the provision of certain services to the holder. The incentive program offered debenture holders the option to convert the principal amount of debentures and the accrued but unpaid interest thereon into Common Shares at the weighted average market price of the Company's Common Shares. Effective August 30, 2013, the Company converted an aggregate of $11,865,000 principal amount of debentures and $1,366,000 accrued interest thereon into 52,924,759 Common Shares at a conversion price of $0.25 per share. The Company incurred financing costs of $381,000 on the conversion.

UpSnap recorded a loss on the settlement of the Company's non-convertible debentures of $688,000, calculated as the difference between the carrying value of the Company's non-convertible debentures and the fair value of the equity issued. On the Company's pre-existing convertible debentures, the Company recorded a loss on the amendment of the conversion terms of $5,247,000, equal to the number of incremental common shares that could have been distributed to debenture holders under the new conversion terms as compared to the number of common shares under the original conversion terms of the debentures, and an adjustment to contributed surplus of $767,000.

In September 2013, the Company completed a brokered private placement for 6,476,000 Common Shares, at a price of $0.25 per share, for aggregate gross proceeds of $1,619,000. The Company incurred financing costs of $215,000 and issued 438,880 warrants to the broker. The broker warrants have an exercise price of $0.25 and expire on September 5, 2015.

In October 2013, the Company issued a series of convertible short term notes for gross proceeds of $500,000. The notes bear no interest and have a one year term after which they convert into a 12% convertible debenture. The Company incurred financing costs of $115,000 in connection with the notes.

2014

In February 2014, UpSnap completed an equity private placement financing for gross proceeds of $4.8 million. The financing included a strategic investment by User Friendly Media ("**UFM**"), a private media company and portfolio company of Veronis Suhler Stevenson, consisting of approximately 40% of UpSnap's issued and outstanding Common Shares.

On completion of the financing, Bruce Howard, CEO of UFM, David Lambert, CFO of UFM, and Walter Andri joined UpSnap's Board. In March 2014, the Company's Board appointed Bruce Howard to succeed George Cooney as CEO. Mr. Howard brings more than 25 years of experience in sales and marketing in the advertising industry and especially in providing small businesses with affordable and effective advertising solutions. Mr. Howard led an effort to broaden UpSnap's revenue streams, including subscription and performance-based models to improve the Company's revenue and cash flow predictability.

Small Business Subscriptions

In March 2014, UpSnap began offering its mobile advertising services to small businesses on a subscription basis. Advertisers pay a monthly fee in return for a fixed number of mobile display ads. UpSnap believes that there are several advantages to the new subscription model. Subscription fees are CPM based rather than performance based and contracts are for a longer term than UpSnap's traditional

advertising campaigns resulting in more predictable long term revenue. Also, UpSnap sells the subscriptions through a reseller network, allowing it to leverage its resellers' sales forces and customer relationships. To date, UpSnap has secured agreements with 20 active resellers for its subscription services.

Subscription contracts are generally for a one year term and the Company bills and records revenue monthly over the term. As all subscription contracts have been in place for less than a year, revenue from contracts signed in 2014 will continue to be recognized in future periods. Through the new focus on a broader set of mobile advertising solutions, UpSnap succeeded in accelerating growth of its mobile advertising revenue.

Financing Activities

On February 6, 2014, the Company completed a brokered private placement for 85,000,000 common shares, at a price of $0.05 per share, for aggregate gross proceeds of $4.3 million. In addition, the Company converted a short term note that was issued in October 2013 with a face value of $500 and a carrying value of $422 along with fees of $75 into 11,500,000 common shares at the $0.05 per share issue price. The Company incurred financing costs of $1,223,000, of which $888,000 was paid in cash and $335,000 was paid through the issuance of 7,685,000 warrants to its brokers. The warrants have an exercise price of $0.05 per share and expire on February 6, 2016.

Concurrently with the equity private placement, the Company issued a debenture for gross proceeds of $100,000. The debenture bears interest at a rate of 13.5% per annum and matures on February 6, 2017. No interest is payable in the first year. Subsequently, interest is payable quarterly and, at the debenture holder's option, interest payments may be made in common shares rather than cash. The Company incurred financing costs of $25,000 in connection with this debenture, of which $18,000 was paid in cash and $7,000 on the issuance of 160,000 warrants to a broker. The warrants have an exercise price of $0.05 and expire on February 6, 2016.

3.2 SIGNIFICANT ACQUISITIONS AND DISPOSITIONS

There are no significant acquisition or disposition, completed or proposed, for which financial statements would be required under National Instrument 41-101 General Prospectus Requirements if this Listing Statement were a prospectus.

3.3 INDUSTRY TRENDS, COMMITMENT OR EVENTS

INDUSTRY TRENDS AND COMPETITIVE CONDITIONS

Management of UpSnap believes that the Company is positioned at the intersection of two fast growing trends in the technology industry, being the widespread adoption of smartphones and mobile app development. Mobile advertising has become a focus for merchants looking to maximize the effectiveness of their on-line advertising dollars.

Adoption of Smartphones

Driven by intuitive user interfaces, increased functionality, faster processing speeds, and advanced display technologies with touch capabilities, it has become possible to deliver rich innovative consumer media experiences on a wide variety of mobile connected devices or smartphones. The growth of worldwide 3G network penetration, advanced next-generation 4G networks and prevalence of Wi-Fi access have facilitated the delivery of content on mobile connected devices.

Mobile usage has altered how content is consumed. Consumers are increasingly using their mobile devices instead of personal computers or other traditional media to consume content. Mobile devices have become increasingly important to daily life as users rely on mobile connectivity to read newspapers, magazines, blogs, watch movies, play games, check sports scores, monitor weather forecasts, conduct banking transactions and obtain maps and directions.

Access to faster wireless networks

With the growth in the adoption of mobile connected devices, consumers increasingly expect to have a high-quality online experience everywhere. High-speed mobile networks are steadily expanding their footprint. UpSnap also believes the rise of next-generation networks such as 4G and the prevalence of Wi-Fi will further accelerate consumption of content on mobile devices. The combination of widespread network access and faster network technologies is enabling the proliferation of rich media content, presenting new opportunities in the mobile ecosystem.

App Development

Mobile apps have been created by developers as an easy, intuitive and interactive way to instantly deliver content on mobile devices. Developers are pursuing a variety of approaches to monetize their apps. One of the key opportunities is to place advertisements within apps.

Increased Competition from On-line Advertisers

The mobile advertising market is highly competitive and unpredictable because of the fragmented nature of the industry and its early stage of development. Despite the prospects for significant growth in the area of digital directional media, the competition for advertising dollars is expected to be significant among directory services companies and online search companies such as Google, Apple, Yahoo and Microsoft.

Increase in Mobile Advertising

As advertisers seek to maximize the effectiveness of their ad campaigns, the attractiveness of traditional advertising such as newspapers, radio, and television is declining relative to digital advertising. The increasing influence of demographic groups such as the "Net Generation" is one of the drivers behind a major shift in advertising models away from mass-market, interrupt driven vehicles and toward more targeted, search driven vehicles.

MARKET

Based on the benefits of mobile advertising as compared to traditional offline advertising and PC-based advertising, UpSnap believes that advertisers will continue to shift their advertising budgets to mobile. The proliferation of smartphones, mobile apps downloads, and general reliance on mobile connectivity provides a high growth market for mobile advertising. In April 2014, BIA/Kelsey, a leading research

company, forecasted total U.S. mobile ad spending will grow from $11.4 billion in 2014 to $30.3 billion in 2018. Management believes that the Company is well positioned to capitalize on opportunities in these markets and views the Company's established presence in such markets as a competitive advantage.

Readers are cautioned that UpSnap has not independently verified the accuracy of the information provided by BIA/Kelsey, Forester and IDC, nor is UpSnap certain of whether that information is empirically verifiable as it involves expectations of future developments.

4. NARRATIVE DESCRIPTION OF THE BUSINESS

4.1 GENERAL

BUSINESS STRATEGY OF THE COMPANY

UpSnap provides highly-targeted, data-driven mobile advertising to attract the ideal audience for brands big and small. Combining first-party proprietary data and real-time analytics, UpSnap goes beyond location to deliver site agnostic and results-driven campaigns that produce qualified, engaged customers. UpSnap tailors each campaign to align with unique business goals, delivering the right customers for more meaningful exposure and better business results.

In addition to its mobile advertising services, UpSnap provides mobile platform products consisting of software and services to allow customers such as telephone carriers to run their own mobile advertising exchanges. UpSnap also provides voice and data search solutions consisting of software and services that allow customers to perform voice and data searches on proprietary business directories.

UpSnap's products and services are available internationally in more than 11 countries in North America, Europe and other parts of the world. The principal countries in which UpSnap operates, directly and indirectly, are the United States, Canada and various European jurisdictions.

The following sections set out summary information concerning key elements of UpSnap's business strategy.

Software as a Service ("SaaS")

The Company provides its mobile advertising software as a hosted solution rather than through a licensing model. The Company's SaaS platform provides it with direct control over the selection and placement or insertion of advertisements. The Company manages traffic flow and determines the publisher sources to be used on a real-time basis in an effort to maximize yield.

Expanded Product Offering

In 2013, UpSnap launched its hyper-local performance mobile advertising exchange that it branded UpSnap Local. This ad exchange technology allows UpSnap to connect consumers that are ready to engage in local commerce with millions of U.S. small business advertisers. Ads can be inserted into all mobile contexts including search, display, in app, maps, directory, social and video and can be targeted in real time based on the consumer's location and interests. The technology includes a real time reporting dashboard that advertisers can use to track campaign performance.

In March 2014, UpSnap began offering its mobile advertising services to small businesses on a subscription basis. Advertisers pay a monthly fee in return for a fixed number of mobile display ads. The adds typically target a local area and are associated with a strong call to action such as “tap to call”, “tap for directions”, “tap for appointment”, “tap for coupon”, or “tap for website”. UpSnap generally sells these subscriptions through a reseller network.

International Opportunities

UpSnap continues to pursue international opportunities by leveraging its global customer base and contacts. The breakdown of revenues for 2014 was as follows: 76% from US contracts and 24% from Europe and Rest of World.

Revenues by Product Type

The following table sets out additional information concerning revenue by product line for the years indicated.

In thousands	2012	2013	2014	% of total 2014
Mobile Advertising	1,736	2,261	2,989	75%
Mobile Platform	906	430	296	7%
Voice and Data Search	1,346	832	675	17%
Total	3,988	3,523	3,960	100%

BUSINESS MODEL

UpSnap's current business model is based on establishing long-term relationships with advertisers either directly or indirectly through advertising agencies and other media companies. UpSnap enters into arrangements with advertisers, which typically include the signing of an insertion order. Each insertion order, which generally remains in effect for a limited time period and involves a limited budget, outlines the performance criteria under which UpSnap earns a fee. The fees can be classified into two broad categories: CPM fees and CPA fees. Cost Per Thousand, or "CPM" fees, are earned based on simple insertion or display of the ad into any advertising inventory slot. No action is required by the consumer in order to earn this type of fee. Cost Per Action, or "CPA" fees, are earned when a consumer who hears or sees the ad takes a specific action. Performance criteria for CPA fees can include, but are not limited to, initiating a click-to-call phone call to a direct response call center, selecting an alternative merchant from a disconnected telephone number or providing additional merchant information.

In order to earn CPM or CPA fees, UpSnap must source publishers who have places to insert advertisements ("Ad Traffic" or “inventory”). The arrangements to purchase Ad Traffic can be either on a fixed fee or revenue share basis. Fixed fees have a higher risk/return profile as the amount paid to the publisher is fixed and UpSnap's revenues vary based on the effectiveness of the ad campaigns. Alternatively, the publisher arrangements can be revenue share based where the publisher earns a percentage of the CPM or CPA fees earned by UpSnap. This has lower risk to UpSnap, but costs are potentially higher than a fixed fee. To date, UpSnap has generally favored revenue share arrangements.

SELLING AND MARKETING PLANS AND STRATEGY

UpSnap markets and sells highly-targeted, data-driven mobile advertising to attract the ideal audience for brands big and small. Primarily, UpSnap employs direct sales personnel in the United States and Canada. The direct sales force is organized into individual account teams that include a sales executive as well as personnel from the Company's operations. At December 31, 2014, the Company had 6 staff dedicated to the sales and marketing of its products and services.

In addition, the Company relies upon various arrangements with industry participants to resell its products and solutions. To advertising aggregators, UpSnap provides a range of tools and multi-modal advertising solutions designed to enable them to target and reach ready to transact consumers using mobile devices and the mobile web. To service providers who support or have access to mobile consumers, UpSnap provides solutions that enable such providers to offer users mobile local search or opt-in ("know me"), which, in turn, enables consumers to access relevant local merchants/content.

UpSnap's products and services have been implemented internationally in more than 11 countries in North America, Europe and other parts of the world. The principal countries in which UpSnap operates are the United States, Canada and various European jurisdictions.

UpSnap generates sales leads through existing business relationships, marketing partners, industry conferences, targeted advertisements and its public relations efforts. UpSnap qualifies all leads and opportunities through an internal bid qualification process and assigns account teams to each potential opportunity. The account team then initiates the sales process, which generally involves multiple meetings and presentations focused on UpSnap's technologies, products and services, as well as the development of an appropriate business case.

5. SELECTED CONSOLIDATED FINANCIAL INFORMATION

5.1 ANNUAL INFORMATION

The following table sets out selected financial and share information of the Company as at December 31, 2014, 2013, and 2012 and for the years then ended:

KEY FINANCIAL METRICS in 000's (except share amounts)	**2014**	**2013**	**2012**
Revenue			
- Mobile advertising	2,989	2,261	1,736
- Mobile platform	296	430	906
- Voice and data search	675	832	1,346
Total revenue	3,960	3,523	3,988
Operating costs	7,376	6,886	11,178
Operating loss	(3,416)	(3,363)	(7,190)
Net loss	(4,117)	(12,242)	(11,152)
Total assets	1,458	2,633	4,039
Total long term liabilities	80	562	10,952
Loss per share – basic and fully diluted	(0.03)	(0.48)	(2.82)
Common Shares outstanding			
- Basic	168,642,191	72,142,191	4,040,351
- Fully diluted	192,968,366	81,718,131	5,541,210

5.2 QUARTERLY INFORMATION

The following table sets out selected financial information of the Company for the quarters indicated.

Unaudited (000's, except per share amounts)	**Q1 2013**	**Q2 2013**	**Q3 2013**	**Q4 2013**	**Q1 2014**	**Q2 2014**	**Q3 2014**	**Q4 2014**
Revenue								
Mobile advertising	413	740	558	551	710	545	730	1,004
Mobile platform	135	115	122	56	148	13	61	73
Voice and data search	221	180	194	238	185	153	156	182
	769	1,035	874	845	1,043	711	947	1,259
Expenses								
Publisher and data costs	291	429	407	453	526	310	558	630
Labour Costs	823	777	640	1,040	945	809	593	606
Other Operating Costs	375	275	174	161	236	413	298	430
Acquisition earn out	-	-	-	-	-	-	-	-
Amortization	261	260	259	261	258	259	259	246
	1,750	1,741	1,480	1,915	1,965	1,791	1,708	1,912
Operating Loss	(981)	(706)	(606)	(1,070)	(922)	(1,080)	(761)	(653)
Other income(expense)								
Interest income (expense)	(556)	(601)	(430)	(60)	(46)	(38)	(38)	(36)
Gain (loss) on sale of investment	(172)	-	-	-	-	-	-	-
Gain on sale of assets	-	26	-	-	-	-	-	-
Loss from debt incentive program	-	-	(5,316)	-	-	-	-	-
Loss on impairment of goodwill	-	-	-	-	-	-	-	(232)
Loss on impairment of intangibles	-	-	-	-	-	-	-	(601)
Gain (loss) on settlement of debt	-	-	(1,770)	-	290	-	-	-
Income tax (expense)	-	-	-	-	-	-	-	-
Net loss for the period	(1,709)	(1,281)	(8,122)	(1,130)	(678)	(1,118)	(799)	(1,522)
Basic and diluted loss per share	(0.40)	(0.30)	(0.33)	(0.02)	(0.01)	(0.01)	(0.00)	(0.01)

5.3 DIVIDENDS

As of the date hereof, the Company has not paid any dividends or made any distributions on its Common Shares. The future payment of dividends or distributions will be dependent upon the financial requirements of the Company to fund ongoing operations and future growth, the financial condition of the Company and other factors that the Board of Directors may consider appropriate in the circumstances. UpSnap is subject to certain restrictions on the declaration and payment of dividends set out in the *Business Corporations Act* (Alberta). In particular, the *Business Corporations Act* (Alberta) provides that a Company shall not declare or pay a dividend if there are reasonable grounds for believing that: (a) the Company is, or would after the payment of the dividend be, unable to pay its liabilities as they become due; or (b) the realizable value of the Company's assets would thereby be less than the aggregate of its liabilities and the stated capital of all classes of its shares.

5.4 FOREIGN GAAP

The Issuer has prepared its financial statements in accordance with Canadian GAAP.

6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's discussion and analysis for the preceding financial years have been filed and can be found on "SEDAR" at www.sedar.com.

7. MARKET FOR SECURITIES

7.1 TRADING INFORMATION

Until January 16, 2012, the Common Shares were listed and posted for trading on the Toronto Stock Exchange ("TSX") under the trading symbol "GNE". On January 17, 2012, the Common Shares were listed and posted for trading on the TSX under the trading symbol "VVX". On December 13, 2012, the Company moved its Common Shares and listed Debentures to the Canadian Securities Exchange ("CSE") under the trading symbol "VVX". On July 24, 2014, the Company changed its trading symbol to "UP" in conjunction with the name change to UpSnap, Inc.

8. CONSOLIDATED CAPITALIZATION

8.1 CHANGES IN SHARE CAPITAL

The following table sets out the changes in the Company's share capital since January 1, 2014:

(in 000's, except share data)	Common shares	Share capital	Contributed surplus
Balance at January 1, 2014	72,142,191*	83,437	18,375
Private placement	85,000,000	4,250	-
Share issue costs on private placement	-	(1,223)	335
Note conversion	11,500,000	497	-
Warrants issued on debenture	-	-	7
Stock-based compensation	-	-	181
Balance at Filing Date	168,642,191	86,961	18,898

9. OPTIONS TO PURCHASE SECURITIES

9.1 OPTIONS OUTSTANDING

The following table sets out the Company's outstanding options at the Filing Date:

	Options Outstanding	Options Exercisable	Weighted Average Exercise Price in $	Weighted Average Remaining Life in Years
Current and former officers and directors	5,560,900	3,011,722	0.12	4.19
Current and former employees	4,146,025	1,485,542	0.10	4.47
Current and former consultants	120,500	48,417	0.05	4.87
Total at Filing Date	15,724,975	6,394,503	0.10	4.44

STOCK OPTION PLAN

Under the Company's current Stock Option Plan (the "Plan"), the Company's directors may approve the issuance of stock options to directors, officers, employees and consultants of the Company and its affiliates. The aggregate number of shares reserved for issuance under the Plan is up to 15% of the number of outstanding common shares. As at the Filing Date, 15,724,975 stock options remained outstanding at prices ranging from $0.05 to $9.25 per share. Options for the Company's directors vest immediately while options for employees generally vest ratably over a period of three years. All options have a life of five years and have expiry dates ranging from August 19, 2015 to November 13, 2019.

10. DESCRIPTION OF THE SECURITIES

10.1 COMMON SHARES

As at the Filing Date, there were 168,642,191 Common Shares outstanding and the Company has distributed options, warrants and debentures that entitle the holders of such instruments to acquire additional Common Shares from the treasury of the Company.

The holders of the Common Shares are entitled to one vote per share at meetings of shareholders, to receive such dividends as may be declared by the Company and to receive the remaining property and assets of the Company upon dissolution or winding up of the Company. The Common Shares are not subject to any future calls or assessments and there are no pre-emptive, conversion or redemption rights attached to the Common Shares.

10.2 DEBT SECURITIES

On March 2, 2011, the Company distributed $5,000,000 aggregate principal amount of convertible secured debentures in connection with a brokered private placement. The principal amount of the debentures bears interest at a rate of 12.0% per annum, payable semi-annually, and the debentures are scheduled to mature on March 2, 2015. At the option of each debenture holder, outstanding principal under the debentures may be converted into Common Shares based on a conversion price of $12.50 per share. The Company granted a security interest to the debenture holders, pursuant to a general security agreement covering all of the assets of the Company. In January 2012, the Company converted $2,320,000 aggregate principal into Common Shares and in August 2013, the Company converted the remaining $2,680,000 into Common Shares. As a result, there are no debentures listed for trading at the Filing Date.

10.4 OTHER SECURITIES

The Company's listed securities consist of Common Shares.

10.5 MODIFICATION OF TERMS

There are no provisions to modify the terms of any listed securities.

10.6 OTHER ATTRIBUTES

There are no limitations or qualifications on the Company's listed securities.

10.7 PRIOR SALES

On September 5, 2013, the Company completed a brokered private placement for 6,476,000 Common Shares, at a price of $0.25 per share, for aggregate gross proceeds of $1,619,000. The Company incurred

financing costs of $215,000 and issued 438,880 warrants to the broker. The broker warrants have an exercise price of $0.25 and expire on September 5, 2015.

On February 6, 2014, the Company completed a brokered private placement for 96,500,000 Common Shares, at a price of $0.05 per share, and for a $100,000 debenture for aggregate gross proceeds of $4,925,000. The debenture bears interest at 13.5% and matures on February 6, 2017. The Company incurred financing costs of $922,000 and issued 7,845,000 warrants to the broker. The broker warrants have an exercise price of $0.05 and expire on February 6, 2016.

10.8 STOCK EXCHANGE PRICE

Until January 16, 2012, the Common Shares were listed and posted for trading on the TSX under the trading symbol "GNE". On January 17, 2012, the Common Shares were listed and posted for trading on the TSX under the trading symbol "VVX". On December 13, 2012, the Common Shares were listed and posted for trading on the CSE under the trading symbol "VVX". On July 24, 2014, the Company changed its trading symbol to "UP" in conjunction with the name change to UpSnap, Inc. The following table sets out the market price ranges and the aggregate volume of trading of the Common Shares for the months indicated:

	High ($)	**Low ($)**	**Close ($)**	**Volume (Common Shares)**
Q2 2013	0.50	0.25	0.25	182,000
Q3 2013	0.25	0.15	0.15	707,116
Q4 2013	0.15	0.05	0.07	4,852,949
Q1 2014	0.11	0.01	0.08	6,014,002
Q2 2014	0.10	0.04	0.55	3,581,865
Q3 2014	0.06	0.02	0.35	2,974,208
Q4 2014	0.04	0.01	0.02	10,068,016
January 2015	0.02	0.01	0.01	4,365,121
February 2015	0.02	0.01	0.01	3,942,363
March 2015	0.03	0.01	0.02	3,806,970
April 2015*	0.02	0.02	0.02	105,989

*To the Filing Date.

11. ESCROWED SECURITIES

11.1 ESCROWED SECURITIES

None of the Company's outstanding securities are subject to escrow restrictions.

12. PRINCIPAL SHAREHOLDERS

12.1 PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of the Company, as of the date of this Listing Statement, persons that beneficially own or exercises control or direction over the Company's shares carrying more than 10% of the votes attached to the shares are as follows:

UFPB UpSnap LLC, a subsidiary of User Friendly Media, owns 67,500,000 Common Shares, representing 40% of the Company's outstanding Common Shares as of the Filing Date.

In a voting agreement with UFPB UpSnap LLC, Stableview Asset Management Inc. agreed to vote 21,800,000 Common Shares that it beneficially controls at any annual general meeting or special meeting of the shareholders of the Company, in favor of (1) the election of Board members in accordance with the SPA (see Section 22.1), (2) the sale of the shares or assets of the Company to UFM subject to price restrictions, and (3) the sale of the shares or assets of the Company to a third party. The term of the agreement is four years or earlier subject to certain ownership thresholds.

13. DIRECTORS AND OFFICERS

13.1 – 13.5 DIRECTORS AND OFFICERS

The names, municipalities of residence, positions with the Company and the principal occupations of the directors and executive officers of the Company as at the Filing Date are set out in the following table and the notes thereto.

Name	Address (municipality)	Office or Position with Company	Number of Common Shares Held[11]	Director Since
S. Graeme Ross[1][2][3][5]	Wainfleet, Ontario, Canada	Director	3,557 (<1%)	August 2004
Micky Tsui[1][2][3][6]	Plano, Texas, U.S.A.	Director, Chairman	287,717 (<1%)	October 2012
Bruce Howard[1][2][3][4][7]	The Woodlands, Texas, U.S.A.	CEO, Director	431,000 (<1%)	February 2014
David Lambert[1][2][3][8]	The Woodlands, Texas, U.S.A.	Director	Nil	February 2014
Walter Andri[1][2][3][9]	Toronto, Ontario Canada	Director	787,351 (<1%)	February 2014
Alex Pekurar[4][10]	Toronto, Ontario Canada	Chief Financial Officer	40,000 (<1%)	N/A

Notes:

(1) Member of the Audit Committee.

(2) Member of the Compensation Committee.

(3) Member of Governance and Nominating Committee.

(4) Member of Disclosure Committee.

(5) Mr. Ross has been President and Director of Bovinia Inc. (a private consulting company) since 1993. From September 2009 to June 2014, Mr. Ross has been a financial advisor with HollisWealth and since then with Goodfellows Financial Services in St. Catherines, Ontario.

(6) Mr. Tsui is an owner of DataSpan Inc., a Dallas-based leading provider of Data Life-cycle Management solution. He also serves as President and CEO of the company since Oct, 2014. Mr. Tsui has run White Horse Partner, LLP, a business management and consulting company, since July 2010. Between Oct 2009 and May 2010, Mr. Tsui served as Senior Vice President and General Manager of Nuance Communications. Between Dec 2000 and Dec 2008, Mr. Tsui served as Senior Vice President and General Manager of Avaya.

(7) Mr. Howard has been CEO of User Friendly Media (a private directory publisher) since 1999.

(8) Mr. Lambert has been CFO of User Friendly Media (a private directory publisher) since 2004.

(9) Mr. Andri is currently Managing Director and President of Avaya Canada. He oversees the sales, service and support across Avaya's Engagement, Customer Experience Management, Networking, Services and Small and Medium Business technologies. Mr. Andri was formerly Senior Vice President of Primus Telecommunications, playing a critical role in driving growth and leading the transformation of one of the Canada's largest alternative telecommunications service providers. Also, he was Vice President, Small and Medium Business at TELUS, Vice President Channels for Koodo Mobile, and has held senior leadership roles at Virgin Mobile, Philips Consumer Products and GE.

(10) Mr. Pekurar has served as CFO of the Company since October 2012; Controller of the Company since January 2011; Audit Manager at Collins Barrow from August 2006 to December 2010.

(11) Does not include shares issuable upon the exercise of outstanding options or other convertible securities.

The term of each director expires at the next annual meeting of shareholders of the Company.

13.6 – 13.9 CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES AND SANCTIONS

To the knowledge of UpSnap, other than as described below, no director or executive officer of the Company is, as at the date of this Listing Statement, or has been, within ten years before the date hereof, a director, chief executive officer, or chief financial officer any issuer that:

(i) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation for a period of more than 30 consecutive days (collectively, an "Order"), that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of UpSnap, no director or executive officer of the Company or shareholder holding a sufficient number of securities of UpSnap to affect materially the control of UpSnap:

(i) is, as of the date of this Listing Statement, or has been within ten years before the date hereof, a director or executive officer of any company (including UpSnap) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(ii) has, within the ten years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver manager or trustee appointed to hold the assets of the director, executive officer or shareholder.

To the knowledge of UpSnap, no director, executive officer or shareholder holding a sufficient number of securities of UpSnap to affect materially the control of UpSnap has been subject to:

(i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

13.10 CONFLICTS OF INTEREST

Certain of the directors of UpSnap are also officers, directors or consultants of other companies engaged in the technology industry. As a result, situations may arise where the interests of such directors conflict with their interests as directors of other companies. The resolution of such conflicts will be governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of UpSnap and, in the case of the *Business Corporations Act* (Alberta), UpSnap's governing statute, that directors declare their interest in and refrain from voting on, any material contract or material transaction in which they may have a conflict of interest.

13.11 MANAGEMENT

BRUCE HOWARD – CHIEF EXECUTIVE OFFICER AND DIRECTOR

Bruce Howard is a seasoned executive with more than 25 years of sales, marketing, production, publishing, new market development and general management experience in both the competitive and utility telephone directory publishing industry. His experience and reputation are widely recognized in the directory publishing industry. Over the course of his career, Mr. Howard has worked with companies including Ameritech Advertising Services, Southeast Directory Company, and America's Directories South. He holds a BA degree in Business Administration from Alma College in Alma, Michigan, and has completed the majority of coursework toward a Master of Science in Management from Walsh College in Troy, Michigan. Mr. Howard has been the CEO of User Friendly Media since August 1999.

ALEX PEKURAR – CHIEF FINANCIAL OFFICER

Alex Pekurar joined UpSnap in January 2011 and previously served as our controller. Mr. Pekurar has over 13 years of leadership experience in both technology and accounting industries. Mr. Pekurar oversees all aspects of our financial operations and investor relations and brings to our team a culture of accountability and transparency. Prior to joining UpSnap, Mr. Pekurar worked in public accounting at Collins Barrow, where he attained his CPA designation. He holds a Bachelor of Applied Science in Computer Engineering from the University of Toronto and a Master of Management and Professional Accounting from the Rotman School of Management at the University of Toronto.

JAMES KUPERNIK – VICE PRESIDENT, OPERATIONS

James Kupernik joined UpSnap in 2007. With over 15 years of experience in the web development industry, Mr. Kupernik brings to our team an extensive understanding of the complexities of the mobile ad industry, as well as our company platform. During his time with our company, he has served as Network Engineer, Lead Traffic Manager, Programmer, Developer and Product Manager. Through this broad range of technical experience, Mr. Kupernik possesses a deep insight into both the application development and the deployment processes. As VP of Operations, Mr. Kupernik works closely with our sales, ad operations and software development teams to ensure the proper technical execution of all products and services.

SHANNON MCBRIDE – SVP SALES AND MARKETING

Shannon McBride, has over 20 years of experience in advertising and digital media leadership with roles in sales, marketing, channel strategy and operations. As SVP of Sales, Ms. McBride is in charge of cultivating client relationships, driving customer acquisition, and scaling the sales team. Prior to joining UpSnap, Ms. McBride worked for Dex Media, AT&T YP.com and Local Matters Inc. In her 12 years with Dex Media, Ms. McBride met every budget requirement and exceeded revenue objectives. At AT&T YP.com, Ms. McBride was part of opening the Denver office and was recognized nationally by AT&T for her sales leadership performance. Ms. McBride has an MBA from the University of Denver and Competitive Strategy Certification from Wharton.

GREG GARRICK – VICE PRESIDENT, SALES AND MARKETING

Greg Garrick is responsible for the development and execution of all UpSnap sales & marketing strategy. He joined UpSnap in May 2014 with a wealth of small business and marketing experience. Most recently he was Vice President, Marketing & Communications for Manta, the world's largest online small business community. Prior to that, he served as the VP of Marketing & Corporate Development at Hearst-owned LocalEdge Media. Previous employers include Dex Media, SBC and Ameritech, where he served in a variety of marketing roles including strategy, product development and innovation. Mr. Garrick also served for several years as a top 5% media consultant with Gerson Lehrman Group, advising clients on small business marketing trends. He has substantial experience in developing digital & mobile products that resonate with SMBs. Mr. Garrick has a BA from Drake University.

14. CAPITALIZATION

14.1 ISSUED CAPITAL

	Number of Securities (non-diluted)	Number of Securities (fully-diluted)	% of Issued (non-diluted)	% of Issued (fully diluted)
Public Float				
Total outstanding (A)	168,642,191	192,922,366	100	100
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 10% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 10% voting position in the Issuer upon exercise or conversion of other securities held) (B)	69,049,625	73,737,025	41	38
Total Public Float (A-B)	99,592,566	119,185,341	59	62
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	-	-	-	-
Total Tradeable Float (A-C)	168,642,191	192,922,366	100	100

PUBLIC SECURITYHOLDERS (REGISTERED)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	7	166
100 – 499 securities	20	5,014
500 – 999 securities	5	4,356
1,000 – 1,999 securities	10	13,895
2,000 – 2,999 securities	2	4,052
3,000 – 3,999 securities	2	6,382
4,000 – 4,999 securities	-	-
5,000 or more securities	48	168,608,326
	94	168,642,191

PUBLIC SECURITYHOLDERS (BENEFICIAL)

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	93	10,694
100 – 499 securities	298	69,242
500 – 999 securities	91	60,926
1,000 – 1,999 securities	76	96,621
2,000 – 2,999 securities	35	80,769
3,000 – 3,999 securities	14	46,917
4,000 – 4,999 securities	11	46,380
5,000 or more securities	192	23,553,005
	1,021	23,964,554

14.2 CONVERTIBLE SECURITIES

COMMON SHARES

The following table sets out UpSnap's convertible securities as of the Listing Date:

Description of Security	Number of convertible / exchangeable securities outstanding	Number of listed securities issuable upon conversion / exercise
Stock Options	15,724,975	15,724,975
Share Purchase Warrants	8,555,200	8,555,200

14.3 SECURITIES RESERVED FOR ISSUANCE

There are no listed securities reserved for issuance.

15. EXECUTIVE COMPENSATION

15.1 STATEMENT OF EXECUTIVE COMPENSATION

The following table sets out the total compensation paid to each executive of the Company for the year indicated:

Name and Principal Position	Year	Salary	Option-based Awards	Incentive Plans	All Other Compensation	Total Compensation
George Cooney, CEO[1]	2014	30,833	3,682	Nil	205,596	265,962
	2013	183,103	97,302	Nil	Nil	280,405
	2012	N/A	N/A	N/A	N/A	N/A
Michael Durance, Chief Strategy Officer[2]	2014	Nil	Nil	Nil	57,692	57,692
	2013	138,214	51,378	Nil	51,253	240,845
	2012	210,243	61,102	Nil	Nil	271,348
Alex Pekurar, CFO[3]	2014	114,462	34,697	Nil	Nil	149,159
	2013	114,462	42,638	Nil	Nil	157,100
	2012	95,000	5,246	Nil	Nil	100,249
Chris Shelton, CFO[4]	2014	N/A	N/A	N/A	N/A	N/A
	2013	N/A	N/A	N/A	N/A	N/A
	2012	120,317	21,542	Nil	Nil	141,859
Gene Cohen, SVP Operations[5]	2014	59,354	(15,174)	Nil	47,784	91,965
	2013	187,850	69,235	Nil	Nil	257,085
	2012	191,538	97,603	Nil	Nil	273,386
Tony Philipp, SVP Sales and Marketing[6]	2014	N/A	N/A	N/A	N/A	N/A
	2013	118,660	Nil	Nil	Nil	118,660
	2012	156,207	37,150	Nil	Nil	193,357
Shannon McBride, SVP Sales and Marketing[7]	2014	153,931	47,069	13,922	Nil	214,922
	2013	53,629	26,065	21,977	Nil	101,671
	2012	N/A	N/A	N/A	N/A	N/A
Chet Chan, COO[8]	2014	N/A	N/A	N/A	N/A	N/A
	2013	N/A	N/A	N/A	N/A	N/A
	2012	196,750	9,166	Nil	Nil	205,917
Bruce Howard, CEO[9]	2014	Nil	4,591	Nil	Nil	4,591
	2013	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A
James Kupernik, VP Operations[10]	2014	125,339	11,012	Nil	Nil	136,351
	2013	N/A	N/A	N/A	N/A	N/A
	2012	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Mr. Cooney was appointed CEO in January 2013 and departed March 2014.

(2) Mr. Durance was appointed Chief Strategy Executive in January 2013, was formerly CEO from 2005 to 2013 and departed June 2014..

(3) Mr. Pekurar was appointed CFO in October 2012 and was formerly Controller from 2011 to 2012.

(4) Mr. Shelton departed in September 2012.

(5) Mr. Cohen was appointed SVP Operations in October 2012 and departed April 2014.

(6) Mr. Philipp was appointed SVP Marketing in October 2012 and departed June 2013.

(7) Ms. McBride was appointed SVP Sales in July 2013.

(8) Mr. Chan departed in September 2012.

(9) Mr. Howard was appointed CEO in March 2014.

(10) Mr. Kupernik was appointed VP Operations in April 2014.

COMPENSATION DISCUSSION AND ANALYSIS

In assessing the compensation of its executive officers, the Company does not have in place any formal objectives, criteria or analysis; instead, it relies mainly on Board discussion.

The Company's executive compensation program has three principal components: base salary, incentive bonus plan and stock awards or options. Base salaries for all employees of the Company will be established for each position through comparative information relative to regional market pay, along with the competencies and skills of the individuals. Incentive bonuses are designated to add a variable component of compensation based on corporate and individual performances for executive officers and employees. No bonuses have been paid to executive officers; however, sales personnel have received incentive bonuses in the form of sales commissions earned based on their individual commission plans.

The Company has no other forms of compensation, although payments may be made from time to time to individuals or companies they control for provision of consulting services. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length services providers.

OPTION-BASED AWARDS

Stock options are granted to provide an incentive to the directors, officers, employees and consultants of the Company to achieve the longer-term objectives of the Company; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Company; and to attract and retain persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Company. The Company awards stock options to its executive officers and its employees, based upon the Board's review of a proposal from the CEO. Previous grants of incentive stock options are taken into account when considering new grants.

DIRECTOR COMPENSATION

Independent directors of the Company earn a quarterly fee of $5,000 for serving on the board of directors and all directors can be issued option-based awards in accordance with the Company's stock option plan. The value of option-based awards are estimated using a Black-Scholes option pricing model. The following table sets out the total compensation paid to directors during the year ended December 31, 2014:

Name	Fees Earned	Option-based Awards	All Other Compensation	Total Compensation
Micky Tsui	15,000l	Nil	Nil	15,000
S. Graeme Ross	15,000	Nil	Nil	15,000
Nancy Shemwell(1)	Nil	Nil	Nil	Nil
Walter Andri(2)	15,000	Nil		15,000
David Lambert(3)	Nil	4,591	Nil	4,591

Notes:

(1) Ms. Shemwell resigned the Board in February 2014.

(2) Mr. Andri joined the Board in February 2014.

(3) Mr. Lambert joined the Board in February 2014.

16. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

16.1 AGGREGATE INDEBTEDNESS

As at the Filing Date, none of the executive officers or directors of the Company, or associates or affiliates of such persons:

(a) are or have been indebted to the Company at any time; or

(b) are or have been indebted to another entity at any time where that indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar.

16.2 INDEBTEDNESS OF DIRECTORS AND OFFICERS

No directors or officers were indebted to the Issuer or any of its subsidiaries as at the Filing Date.

17. RISK FACTORS

17.1 – 17.3 RISK FACTORS RELATING TO THE BUSINESS OF THE CORPORATION

In addition to the other information contained in this Listing Statement, readers should give careful consideration to the following risk factors, which should be read in conjunction with the detailed information and risk factors appearing elsewhere in this Filing Statement. Any of the matters highlighted in these risk factors could have a material adverse effect on the business, results of operations and financial condition of the Company.

The risks and uncertainties described below are not the only ones facing the Company. Additional risks and uncertainties that the Company is not aware of, or that are currently deemed immaterial, may also impair the Company's business results of operations and financial condition.

An investment in and ownership of Common Shares should be considered highly speculative due to the nature of UpSnap's business, its current stage of development and the Company's requirement for additional financing.

SUBSTANTIAL CAPITAL REQUIREMENTS; LIQUIDITY; GOING CONCERN

Because of the costs associated with further development of UpSnap's technology and business, and the fact that UpSnap's ability to generate revenue will depend on a variety of factors (including the ability of UpSnap to meet its development schedule and consumer and merchant acceptance of UpSnap technologies), additional funds are required to support UpSnap's business. UpSnap has accumulated a substantial deficit and currently has a significant working capital deficiency. These conditions indicate the existence of material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Additional funds (whether through additional equity financing, debt financing or other sources) may not be available (at all or on terms acceptable to UpSnap) or may result in significant dilution to UpSnap shareholders or significant interest obligations. The inability to obtain additional funds may have a material adverse effect on UpSnap's business, results of operations, and financial condition.

NO RECORD OF PROFIT

UpSnap has incurred significant losses to date, and there can be no assurance that the future business activities of UpSnap will be profitable. Since its organization, UpSnap has incurred costs to develop and enhance its technology, to establish strategic relationships, to acquire complementary technologies and to build administrative support systems. UpSnap has incurred negative operational cash flow to date. UpSnap incurred losses from operations of $4.1 million for the year ended December 31, 2014, $12.2 million for the year ended December 31, 2013, $11.2 million for the year ended December 31, 2012, $13.2 million for the year ended December 31, 2011, $8.6 million for the year ended December 31, 2010, $12.4 million for the year ended December 31, 2009, $20.5 million for the year ended December 31, 2008, $12.6 million for the year ended December 31, 2007, and $6.5 million for the year ended December 31, 2006. UpSnap's ability to operate profitably and generate positive cash-flow in the future will be affected by a variety of factors (including its ability to further develop and test its technology on schedule and on budget, the pace at which it secures additional customers, the time and expense required for the roll-out of its products, its success in marketing its solutions and services to consumers and merchants, the

intensity of the competition experienced by UpSnap and the availability of additional capital to pursue its business plan, including development of new solutions and services). An inability to generate sufficient funds from operations will have a material adverse effect on UpSnap's business, results of operations and financial condition.

DEVELOPING MARKET

UpSnap is engaged in the development and marketing of solutions and services that are relatively new and, as such, the primary market for UpSnap's solutions and services is underdeveloped and continues to evolve. As is typical in the case of a new evolving industry segment, the demand for the Company's solutions and services is subject to a high level of uncertainty. If the markets for the UpSnap solutions and services fail to develop, develop more slowly than expected or become saturated with competitors, or if the Company's solutions and services do not achieve and maintain market acceptance, the Company's business, results of operations and financial condition will be materially adversely affected.

CURRENT ENTERPRISE VALUE ASSIGNED BY THE MARKET; LIQUIDITY

The actions of all stakeholders in the business may be adversely affected by the current market capitalization of the Company. These stakeholders include customers, potential customers, competitors, channel delivery counterparties, technology counterparties, and current or prospective employees. These stakeholders may ascribe a higher business risk to the Company due to its relatively low market capitalization, and any perception of higher risks may have a material adverse effect on UpSnap's business, results and financial condition.

THIRD PARTY TECHNOLOGY

In providing its solutions and services, UpSnap is, and will continue to be, dependent on technologies and infrastructure that are beyond UpSnap's control, including landline and cellular telephone networks, directory databases and speech recognition and text-to-speech applications. There can be no assurance that if weaknesses or errors in third party software or hardware are detected, UpSnap will be able to correct or compensate for such weaknesses or errors. If UpSnap is unable to address weaknesses or errors and the Company's solutions and services are therefore unable to meet consumer or merchant needs or expectations, UpSnap's business, results of operations and financial condition will be materially adversely affected. In addition, there can be no assurance that the Company will continue to have access to required third-party technology on terms acceptable to UpSnap. If UpSnap is unable to obtain third party technology on acceptable terms, UpSnap's business, results of operations and financial condition will be materially adversely affected.

RAPID TECHNOLOGICAL CHANGE

The technology industry is subject to rapid change, and the inability of UpSnap to adapt to such change may have an adverse effect on UpSnap's business, results of operations and financial condition. The effect of new developments and technological changes on the business sector in which UpSnap is active cannot be predicted. Such developments would include, but are not limited to, change in how mobile advertising is delivered by advertisers and transacted with potential consumers, declining paid directory assistance transactions and resulting advertising opportunities arising on a global basis, a change in the success rate on the application of analytics in advertising, consumer backlash resulting from the collection and use of

demographic intelligence, clients' ability to execute and industry consolidation. UpSnap's failure to adapt to any of the above could have a material adverse effect on UpSnap's business, results of operations and financial condition.

COMPETITION

UpSnap is subject to competition from other organizations (many of which have substantially greater human and financial resources) and there can be no assurance that UpSnap will be able to compete effectively in its target markets. Technologies exist that are competitive with the Company's product suite. Certain organizations with substantially greater financial and human resources than the Company have active research and development initiatives involving the development and implementation of voice search capabilities, workstation applications, analytics and ad network arrangements. The inability of UpSnap to preserve existing customers and secure additional customers due to competitive technologies will have a material adverse effect on UpSnap's business, results of operations and financial condition.

In addition, advances in communications technology as well as changes in the marketplace and the regulatory environment are constantly occurring and any such change could have a material adverse effect on UpSnap.

NEED FOR RESEARCH AND DEVELOPMENT

To achieve its business objectives and obtain market share and profitability, UpSnap will need to continually research, develop and refine the Company's various technologies. Many factors may limit UpSnap's ability to develop and refine required technologies or to create, acquire or negotiate access to new technologies. UpSnap may also be exposed to marketplace resistance to new technology and services. Any failure of UpSnap to develop new technologies or refine its existing technologies, or offer new solutions and services could have a material adverse effect on UpSnap's business, results of operations and financial condition.

DEFECTS AND LIABILITY

The hardware and software utilized to deliver the Company's solutions and services is complex and sophisticated and may contain design defects or software errors that are difficult to detect and correct. There can be no assurance that the Company's technologies will be free from errors or defects, or, if discovered, that UpSnap will be able to successfully correct such errors in a timely manner or at all. Errors or failures in the Company's technologies could result in loss of or delay in market acceptance of the Company's solutions and services and correcting such errors and failures could require significant expenditures. Because of the competitive nature of the marketplace in which the Company's product suite is delivered, the reputational harm resulting from errors and failures could be very damaging to UpSnap. The consequences of such errors and failures could have a material adverse effect on UpSnap's businesses, results of operations and financial condition.

PATENTS AND OTHER INTELLECTUAL PROPERTY

While UpSnap has applied for patents for certain elements of its technology, there can be no assurance that such applications will result in the granting of patent protection. Competitors may have filed patent applications or hold issued patents relating to services or processes competitive with those of UpSnap.

Any patents covering elements of the UpSnap technology granted to third parties (or the inability of UpSnap to successfully challenge such patents) may impair UpSnap's ability to do business in a particular area including in key markets. Others may independently develop similar services or duplicate unpatented elements of the Company's technologies.

UpSnap's success will be largely dependent upon its ability to protect its proprietary technologies. UpSnap relies upon copyrights, trademarks and trade secrets to protect its intellectual property. Where appropriate, UpSnap also enters into non-disclosure agreements with persons to whom it reveals proprietary information. Any failure or inability on the part of UpSnap to protect its intellectual property could have a material adverse effect on UpSnap's business, results of operations and financial condition.

UpSnap may be required to engage in litigation in the future to enforce or protect its intellectual property rights or to defend against claims of invalidity and UpSnap may incur substantial costs as a result. Any claims or litigation initiated by UpSnap to protect its intellectual property could result in significant expense to UpSnap and diversion of the efforts of UpSnap's technical and management resources, whether or not the claims or litigation are determined in favor of UpSnap.

ABILITY TO MANAGE GROWTH

Responding to consumer and merchant demands, expansion into other geographical markets and targeted growth in UpSnap's business has placed, and is likely to continue to place, significant strains on UpSnap's administrative and operational resources and increased demands on its management, internal systems, procedures and controls. If UpSnap experiences rapid acceptance of its solutions and services, the need to manage such growth will add to the demands on UpSnap's management, resources, systems, procedures and controls. There can be no assurance that UpSnap's administrative infrastructure, systems, procedures and controls will be adequate to support UpSnap's operations or that UpSnap's officers and personnel will be able to manage any significant expansion of operations. If UpSnap is unable to manage growth effectively, UpSnap's business, operating results and financial condition will be materially adversely affected.

PERSONNEL RESOURCES

UpSnap is (and will continue to be) reliant upon its management and technical personnel in all aspects of its business, including to anticipate and address consumer and merchant demands in areas such as software development, customer service, marketing, finance, strategic planning and management. There can be no assurance that qualified management or technical personnel will be available to UpSnap in the future. The loss of services of any of the Company's management or technical personnel could have a material adverse effect on its business, results of operations and financial condition.

POTENTIAL FLUCTUATIONS IN QUARTERLY OPERATING RESULTS

UpSnap expects to be exposed to significant fluctuations in quarterly operating results caused by many factors, including changes in the demand for the Company's solutions and services, the introduction of competing technologies, market acceptance of enhancements to the Company's solutions and services, delays in the introduction of enhancements to the Company's solutions and services, changes in UpSnap's pricing policies or those of its competitors, the mix of solutions and services sold, foreign currency

exchange rates and general economic conditions. Such fluctuations could have a material adverse effect on UpSnap's business, results of operations and financial condition.

RISK OF INDUSTRY CONSOLIDATION

UpSnap's customers include carriers, telecommunication providers, yellow pages providers, directory assistance providers, publishers, publisher aggregators, advertisers, advertising aggregators, agencies, directory data providers, mobile application and service providers, ad networks, in-call media, and search engines. Each of these industries is characterized by constant change, restructuring and consolidation. As a result, UpSnap may have established working relationships with one such customer undermined by a business combination or other transaction with another business in the marketplace. This could have a material adverse effect on UpSnap's business, results of operations and financial conditions.

GOVERNMENT REGULATION

The marketplace within which UpSnap operates is in constant flux in relation to government regulation. Areas being regulated include regulation relating to call handling, privacy, opt-in requirements for mobile application. Regulation is also being considered for use and application of consumer demographic information for mobile advertising purposes and other areas impacting on mobile advertising. The consequences of such regulation or changes to such regulation could have a material adverse effect on UpSnap’s business, results of operations and financial condition.

COSTS ASSOCIATED WITH COMPLIANCE WITH SECURITIES LAWS

UpSnap is a publicly traded Company and is subject to all of the obligations imposed on "reporting Corporations" under applicable securities laws and all of the obligations applicable to a listed company under stock exchange rules. Direct and indirect costs associated with public company status have increased in recent years and regulatory initiatives under consideration may further increase the costs of being public in Canada and could have a material adverse effect on UpSnap's business, results of operations and financial condition. If UpSnap is unable to generate significant revenues from business operations, the cost of complying with applicable regulatory requirements will represent a significant financial burden to UpSnap and may have a material adverse effect on UpSnap's business, results of operations and financial condition.

18. PROMOTERS

18.1-18.2 PROMOTERS

In the normal course of financing the Company pays fees to agents and brokers. The fees paid by the Company are disclosed in its financial statements and regulatory filings. Other than as follows, the Company has not engaged any promoters in the past two years:

On April 15, 2014, the Company retained Virtus Advisory Group Inc. ("Virtus") to provide strategic investor relations services. Virtus will assist the Company by undertaking ongoing communications and promotional support for the Company's relations with the professional investment community. In connection with the engagement, Virtus has been awarded a consulting contract for a monthly fee of $5,000.

19. LEGAL PROCEEDINGS

19.1 LEGAL PROCEEDINGS

On February 6, 2015, UpSnap was added as a defendant in two claims commenced in the Ontario Superior Court of Justice by certain investors and former investors of UpSnap against their former investment advisor and other defendants. The claims seek aggregate damages of approximately $3,900 for alleged breach of fiduciary duties by UpSnap to its investors and former investors. UpSnap is contesting the claim, which is in a preliminary stage.

19.2 REGULATORY ACTIONS

The Company is not aware of any regulatory actions.

20. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

20.1 INTEREST OF MANAGEMENT

From 2010 to 2012, the directors and officers of the Company purchased $1,170,000 aggregate principal amount of non-convertible debt in connection with private placement transactions undertaken by the Company. These directors and officers received aggregate interest payments of $57,000 in 2013, $6,000 in 2012, $182,000 in 2011 and $66,000 in 2010. A portion of the proceeds of the financing completed in March 2011 was used to repay non-convertible debentures issued in November 2010 of which an officer of the Company had purchased $100,000. As part of the Incentive Program in December 2011 directors and officers converted $300,000 aggregate principal amount of debentures and accrued but unpaid interest into a total of 60,002 Common Shares. As part of the Incentive Program in August 2013, directors and officers converted $355,000 aggregate principal amount of debentures into a total of 1,420,000 common shares.

In a private placement that closed September 2013, officers and directors of the Company purchased $30,000 aggregate amount of Common Shares at $0.25 per share. In a private placement that closed February 2014, User Friendly Media, a private directory publisher, purchased $3,375,000 in Common Shares at $0.05 per share, representing 40% of the Company's issued and outstanding Common Shares, and a $100,000 debenture.

Other than the foregoing, there are no material interests, direct or indirect, of any director, executive officer, person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years, or during the current financial year, that has materially affected or is reasonably expected to materially affect the Company.

21. AUDITORS, TRANSFER AGENTS AND REGISTRARS

21.1 AUDITORS

The Company's auditor is Collins Barrow Toronto LLP.

21.2 TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Company's Common Shares is Computershare Trust Company of Canada at its principal offices in Toronto, Ontario.

22. MATERIAL CONTRACTS

22.1 MATERIAL CONTRACTS

Other than contracts entered into in the ordinary course of business, the following contracts are material to UpSnap (involving the Company or any of its affiliates) and were entered into during the two years before the Filing Date:

Securities Purchase Agreement

On February 6, 2014, the Company entered into a Securities Purchase Agreement (the "SPA") with UFPB UpSnap LLC ("UFPB"), a Delaware limited liability company owned by User Friendly Media, pursuant to which UFPB purchased an aggregate of 67,500,000 Common Shares of the Company for a purchase price of $3,375,000 ($0.05 per common share) by way of private placement. The SPA was entered into concurrently with a debenture purchase agreement (described below), under which UFPB purchased a secured debenture from the Company in the aggregate principal amount of $100,000, as well as a securities purchase agreement with certain other investors.

Pursuant to the SPA, for so long as UFPB and its affiliates own at least 5% of the issued and outstanding Common Shares, the Company cannot, without the prior consent of UFPB, issue any Common Shares at a purchase price less than the per share purchase price under the SPA, or issue any Common Shares to the extent that the effective purchase or conversion price of the underlying shares floats, varies, or is otherwise subject to adjustment based on the market price of the Common Shares.

In addition, pursuant to the SPA, if the Company wishes to raise addition capital through a subsequent placement, it must provide notice to UFPB, upon which UFPB shall have 15 business days to provide a financing proposal to the Company. If the Company elects to accept the proposal, UFPB, unless electing otherwise, will be the sole investor in the subsequent placement under the terms of the financing proposal. If the Company rejects the proposal, the Company may, for a period of 90 days, complete a subsequent placement with one or more third parties, at a price per share that is not less than the price offered by UFPB under the rejected financing proposal.

The SPA provides that for a period of 5 years from the date of closing or until UFPB completes a take-over of the Company, the Company shall, at each annual and/or special meeting of the shareholders at which directors are to be elected, nominate 5 members to the Board**,** with such nominees to be composed of 2 members nominated by UFPB, 2 members nominated by the majority of the members of the Board not nominated by UFPB, and one independent member of the Board nominated by mutual agreement between UFPB and the majority of the members of the Board not nominated by UFPB. The Company cannot decrease or increase the size of the Board without the prior written consent of UFPB.

At any time after one year from the closing date, UFBP may make a demand that the Company effect a public offering of all or part of its Common Shares in Canada or the U.S. pursuant to a prospectus or registration statement. The SPA also has a standstill provision, effective from the closing date for a period of one year, under which UFPB agrees not to acquire securities of the Company outside of the normal course, and not to solicit proxies from shareholders of the Company in respect of any take-over bid or other business combination notwithstanding the ability of UFPB to make a take-over offer in accordance with the terms of the SPA.

Debenture Purchase Agreement

On February 6, 2014, the Company entered into a Debenture Purchase Agreement (the "DPA") with UFPB. The DPA sets out the terms of UFPB's purchase of a secured debenture in the aggregate principal amount of $100,000, secured by a lien on all of the assets of the Company and its subsidiaries. The lien ranks senior to all other liens except for the lien securing the existing debentures of the Company. The maturity date of the debenture is February 6, 2017. The DPA was entered into concurrently with the SPA (as described above), as well as a securities purchase agreement with certain other investors.

The debenture bears interest on the unpaid principal amount at the rate of 13.5% per annum. Interest is payable in Common Shares issued to UFPB quarterly at a price determined by the arithmetic average of the VWAP of a Common Share for the 5 trading days immediately preceding each quarterly interest payment date. Upon an event of default, interest shall be paid in cash unless agreed to otherwise by UFPB. Upon the occurrence and for the duration thereafter of an event of default, the interest rate will increase to the lesser of 20% per annum or the highest rate permitted by law.

Pursuant to the DPA, any existing debentures of the Company purchased by UFPB shall be amended effective as of the closing date of the DPA to make their terms pari passu in all respects of the debenture purchased under the DPA. These amended debentures, if any, shall be in substantially the same form as the debenture to be purchased under the DPA.

The DPA includes certain covenants by the Company, including a negative covenant requiring the written consent of UFPB before the Company can undertake certain corporate actions and transactions. This negative covenant includes, without limitation, change of control transactions, the alteration of the Company's constating documents, dispositions of assets outside of the ordinary course of business and approval of the annual budget and any large expenditures.

The Company must immediately notify UFPB upon the occurrence of any event of default. Events of default include the non-payment of interest and/or principal amount upon maturity of the debenture, the bankruptcy or insolvency of the Company, the breach of any warranty or representation under the DPA, the forfeiture of a material portion of the Company's assets, and the failure to pay any interest or principal amount on any of the Company's other indebtedness when such payments become due.

23. INTEREST OF EXPERTS

23.1 DIRECT OR INDIRECT INTEREST

The consolidated financial statements of the Company as at and for the year ended December 31, 2013, have been audited by Collins Barrow Toronto LLP. Collins Barrow Toronto LLP. have advised UpSnap that they are independent in accordance with the auditors' rules of professional conduct applicable in Ontario.

23.2 – 23.3 BENEFICIAL OWNERSHIP

The experts listed above do not have a beneficial ownership.

23.4 DIRECTOR APPOINTMENTS

The experts listed above are not expected to be elected, appointed or employed by the Company.

24. OTHER MATERIAL FACTS

24.1 MATERIAL FACTS

There is no other material fact about the Issuer and its securities that are not disclosed under the preceding items and are necessary in order for the Filing Statement to contain full, true and plain disclosure of all material facts relating to the Issuer and its securities.

25. FINANCIAL STATEMENTS

25.1 AUDITED FINANCIAL STATEMENTS

Audited financial statements for the preceding financial years have been filed and can be found on "SEDAR" at www.sedar.com.