BRISIO INNOVATIONS INC.

FORM 2A

LISTING STATEMENT

JUNE 5, 2015

1. Table of Contents

2. Corporate Structure

2.1 This Form 2A is filed with respect to Brisio Innovations Inc. (the "**Company**" or the "**Issuer**") in connection with its listing on the Canadian Stock Exchange (referred to herein as the "**CSE**"). The Company's head office is located at Suite 490 – 580 Hornby Street, Vancouver, British Columbia, Canada V6C 3B6. The Company's registered office is located at Suite 800 – 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H1. All dollar amounts referenced herein are shown in Canadian dollars, unless otherwise indicated.

2.2 The Company was incorporated on May 21, 1993 as "567905 Alberta Ltd." pursuant to the *Business Corporations Act (Alberta)*. On September 8, 1993, the Company changed its name to "Hilstar Capital Corporation". Pursuant to Articles of Amendment filed on October 5, 1995, the Company changed its name to "KINeSYS Pharmaceuticals Inc." and its then issued and outstanding common shares were consolidated on a three-for-one basis (one new common share for every three common shares then outstanding). On August 20, 1997, the Company changed its name to "Green River Petroleum Inc.". On July 6, 1999, the Company changed its name to "Green River Holdings Inc." and its then issued and outstanding common shares were consolidated on a five-for-one basis (one new common share for every five common shares outstanding). On July 28, 2000, the Company changed its name to "Netco Energy Inc.", and its then issued and outstanding common shares were consolidated on a two-for-one basis (one new common share for every two common shares then outstanding).

On July 14, 2011, the Company changed its name to "Netco Silver Inc.". On August 26, 2013, the Company's then issued and outstanding common shares were consolidated on a five-for-one basis (one new common share for every five common shares outstanding). On February 11, 2014, the Company changed its name to its current name of "Brisio Innovations Inc." and changed the jurisdiction of the Company from the Province of Alberta to the Province of British Columbia.

2.3 The Company has two wholly-owned subsidiaries, Green River Petroleum (USA) Inc., which was incorporated in the State of Washington and Netco Argentina S.A., incorporated in Argentina.

Both of the foregoing subsidiaries are currently dormant and are not used in connection with the Company's operating activities.

2.4 Not applicable.

2.5 Not applicable.

3. General Development of the Business

3.1 During 2010, the Company was in the oil and natural gas business. It was involved in exploring for natural gas in the Columbia River Basin of south-central Washington State where, in 2007, it acquired an undivided 7.5% working interest in undeveloped mineral leases and an exploratory wellbore. The Company did not operate the Columbia River Basin properties.

In 2011, the Company changed its strategic focus from oil and natural gas to mining and, in June 2011, acquired an option from Marifil Mines Ltd. ("**Marifil**") to acquire up to a 75% interest in Marifil's Toruel Property, located about 25 kilometers southeast of the village of Los Menucos, Rio Negro Province, Argentina. Under the terms of the option agreement, the Company was to earn a 50% interest in the Toruel Property during the following three years by paying Marifil an aggregate of $200,000 in cash, issuing Marifil 3,150,000 of its common shares, and making work expenditures of $2,800,000 on the Toruel Property. The Company was to earn a further 10% interest over the following two years by providing Marifil with a pre-feasibility study on the Toruel

Property and paying Marifil $100,000 for each of those two years. The Company was to earn a further 10% interest in the Toruel Property over the following two years by providing Marifil with a feasibility study on the Toruel Property.

On September 19, 2012, the Company and Marifil entered into an assignment and purchase agreement, which was to supersede the 2011 option agreement, whereby the Company agreed to purchase all of Marifil's 100% interest in the Toruel Property and all exploration data related thereto. The Company also agreed to assume Marifil's existing property payment obligations to the underlying owners of the Toruel Property. The acquisition was expected to close on or about November 30, 2012. However, on November 26, 2012, the Company announced the termination of the purchase agreement as a result of the recent decline of the availability of capital for early stage exploration companies, which prevented the Company from being able to meet its financial obligations under the purchase agreement, and a difficult political situation in Argentina. The Toruel Property was returned to Marifil. Consequently, the Company wrote off the full value of its interest in the Toruel Property (amounting to $767,755) as at September 30, 2012.

In 2013, after careful consideration of market forces, investor interest and the capabilities of management, the board of directors of the Company (the "**Board**") determined to change direction and seek opportunities in the technology sector, with a particular focus on the acquisition of software applications or "apps". In February 2014, the Company changed its name to "Brisio Innovations Inc.", which occurred in connection with the listing of the Company's common shares on the CSE, to more clearly reflect the Company's new business plan. The Company is now focused on the acquisition, development and marketing of software applications for mobile computing devices, including smart phones, tablets, smart TVs and wearable computers.

In December 2013, the Company completed its initial app acquisition by purchasing all rights, intellectual property and online assets associated with the "On the Fly – Voice Translator" mobile application. "On the Fly" is a simple to use voice translator application that allows a person to translate voice and text "on the fly". The application recognizes speech and text and translates into over 70 supported languages. The app is available for iPhones and iPads and can be purchased on iTunes and the Apple App store for $2.99. The Company feels the market potential for a simple and quick translation system is substantial, and with over 150,000 worldwide downloads, the Company has inherited a robust user base for the marketing of future acquired applications.

In February 2014, the Company purchased all the rights and intellectual property and online assets associated with a portfolio of 40 applications. This portfolio focuses on health and wellness and gaming apps, and has an established and growing user base, which currently generates consistent monthly cashflow.

Also in February 2014, the Company acquired all rights, intellectual property and online assets associated with Boostify, an Android smartphone speed booster and battery saver. Boostify tunes Android mobile phones for extra speed and maximum system memory and it stops unwanted apps from using internet bandwidth and draining battery. As such, it allows users to boost memory, free up RAM, reduce CPU load and save battery life, all with one easy click. Boostify has been downloaded over 150,000 times.

In March 2014, the Company purchased all rights, intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!", an Android and IOS game app that has been one of the most highly downloaded and played games on Android and IOS since its release. The Company paid the vendor US$135,137 (C$149,462) as consideration for these assets. Spermy's Journey has over 4.5 million downloads to date on the App Store and Google Play, and has attained stats such as top 5 overall game in 10 countries, number 1 overall downloaded app in 6 countries, and top 5 overall arcade game in 21 countries. In November 2014, the Company released the source code for its hit game Spermy's Journey for iOS and

Android so developers around the world can create their own game using our proven underlying code.

In January 2015, the Company invested in Lite Access Technologies Inc. Lite Access' proprietary microduct technology extends a Network Provider's ability to deliver true broadband connectivity directly to end users, such as homes, government and educational institutions, emergency response facilities. Lite Access has successfully deployed thousands of kilometers of microduct networks throughout North and South America, the UK, the Caribbean and Asia. Brisio's strategy is to build a portfolio of high-value investments, with Lite Access being the first investment in a company unrelated to the mobile app space. In June 2015, Lite Access went public on the Canadian Securities Exchange.

In February 2015, the Company invested in Intema Solutions Inc. ("Intema"). Intema provides a wide range of products and services, including predictive marketing, search engine marketing, and programming and integration services. Intema has been simplifying and optimizing the online marketing activities of medium and large companies through innovating technologies and cutting edge expertise for more than 15 years. The investment in Intema is consistent with Brisio's goal of building a portfolio of high-value investments.

3.2 The response to Item 3.1 is responsive to this Item 3.2.

3.3 Statements included in this Listing Statement that do not relate to present or historical conditions are "forward-looking statements". Forward-looking statements are projections in respect of future events or the Company's future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "intend", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", or "continue", or the negative of these terms or other comparable terminology. Forward-looking statements in this Listing Statement include statements with respect to: the ability of the Company to acquire new apps; whether any apps acquired will be embraced by the purchasing public; expected future growth of the smart device market; and statements regarding estimated capital requirements and use of proceeds. These statements are only predictions and involve known and unknown risks and uncertainties, including the risks in the section entitled "Risk Factors", and other factors which may cause the Company's actual results, levels of activity or performance to be materially different from any future results, levels of activity or performance expressed or implied by these forward-looking statements.

Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future results, levels of activity or performance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all of such factors and to assess in advance the impact of such factors on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.

4 Narrative Description of the Business

4.1 <u>General</u>

The Company is in the business of acquisition, development and marketing of software applications for mobile computing devices, including smart phones, tablets, smart TVs and wearable computers. The Company intends to pursue acquisitions to better monetize undercapitalized, privately controlled assets. The Company's plan is to inexpensively convert "best of breed' apps from one platform and one language to many and to cross market them to a global audience. The Company believes that the acquisition of new and established apps presents a strong business opportunity where, by implementing proven business strategies, the Company may increase revenue and profit with substantially less risk then creating new software from "scratch".

The Company believes that a significant number of apps are well conceived, and have market appeal and acceptance, yet have not reached their full economic potential because they lack several attributes of effective business strategies. Many apps have never been properly marketed, either because of lack of resources or skill. Many are only available in one format, such as IOS, Android or Blackberry, as the developer may be skilled in only one device format. Further, many apps are only available in one language, so have not been localized to new markets.

The mobile app business is a high margin business. Once initial development has been completed, the cost to operate and maintain a successful app can be very low, with resulting high gross profits. Through its existing management and new advisors to the Board, the Company believes it has the opportunity to leverage its expertise and acquire and monetize a portfolio of apps in an effort to increase shareholder value.

In addition to investing in the mobile app space, the Company also intends to build a portfolio of high-value investments typically within the technology sector.

The Company expects to use its current working capital to pay its current operating costs and then hopes to generate sufficient cash flow from app sales to pay its operating costs on a go forward basis.

Business Objectives

The Company's major objective for the next twelve months is to continue the execution of its business plan, building a portfolio of high-value investments.

Working Capital and Use of Funds

The following table sets out the Company's proposed use of funds for the next twelve months:

Working capital deficit as at December 31, 2014	($71,031)
Salaries or consulting fees	$120,000
Office expenses	$25,000
Professional fees	$75,000
Marketing	$20,000
Miscellaneous general and administrative	$40,000
Acquisitions of software applications	$50,000
Budget deficit	($401,031)

While the above table reflects the Company's intended use of funds based on current working capital deficit, the Company hopes to acquire apps that generate sufficient revenue to positively impact available working capital. However, there is no guarantee that the Company will be able to acquire such apps or, if it does, whether they will produce sufficient revenue to have such an impact.

Acquisition Plan

The Company has identified a number of apps that are available for purchase for attractive prices. It continues to perform due diligence on these apps in anticipation of potential offers to purchase. The Company has identified such potential acquisitions through a combination of sources, including: agents, known as "app brokers", who have presented it with potential purchase opportunities on a weekly basis; existing relationships of directors and advisory board members; networking events; and online resources, including Apptopia and others.

The Company's objective is to construct a strong purchasing infrastructure that will allow it to realize cost efficiencies through the use of similar transaction structuring mechanisms and agreements.

Market

In 2010, the mobile application market generated $10.2 billion dollars of revenue from 10.9 billion downloads, according to Research2Guidance and IDC. Those same reports predict revenue in excess of $100 billion dollars by 2015, representing a 158% compound annual growth rate ("CAGR"), from over 182 billion downloads.

ABI Research estimated mobile users will download 70 billion apps in 2013 – 56 billion to smartphones and 14 billion to tablets.

As of July 2013, the Google Play store officially reached over 1 million apps and had over 50 billion downloads. Apple's App Store reached 1 million apps and over 60 billion downloads by October 2013.

Marketing

There are significant unmet needs for both mobile app developers and consumers. The market, while very large, is still immature, which is making it harder for developers to effectively monetize their apps.

From a consumer's perspective:

- search and discovery for apps is very difficult;
- there are many duplicate and redundant apps;
- there is no easy way to share app ratings; and
- the quality of apps is extremely variable.

From a developers perspective:

- many developers do not know how to effectively monetize their apps;
- many developers, while having great ideas, do not have the resources to properly promote their apps; and
- it can be difficult to deploy apps across multiple platforms, for example to make an app usable on both iOS and Android platforms.

The Company believes there is a significant advantage in controlling a portfolio of apps, as it will allow cross marketing of different apps to the diverse user base that may be generated from the umbrella portfolio of apps as a whole, allowing marketing to be targeted to particular audiences. The Company believes this could be a very cost efficient method of marketing to new audiences.

Marketing Plan

The Company expects that all direct revenues from apps will be via paid downloads and "add-ons" to apps via the Google Play Store and the Apple Appstore. Google and Apple retain a 30% transaction fee and then flow the balance to the Company.

The Company expects to use traditional online marketing methods, including: ad words; app store keywords; the Company website and websites for individual apps; affiliate marketing channels; online video; Google / Bing, etc. targeted word search phrases; social media, including Facebook and Twitter; targeted blogs that are industry or sector specific; and email, SMS and mobile campaigns. The Company may also utilize bundling mechanisms, whereby it will offer a bundle of apps at a discounted price, and submit apps to app review sites for review and comment, thereby gaining additional publicity and name recognition. The Company also plans to leverage existing and future strategic relationships.

Advisors

The following individuals act as advisors to the Board:

Yoshitaro Kumagai

Mr. Kumagai has been an advisor to domestic and international start-ups and corporations, including Pure Digital, which was acquired by Cisco for $590 million. He is a director of Destiny Media Technologies Inc., a TSXV listed company, and, since 1981, has held positions with Singer, the Imaging Division of Mead Corporation and IDEC Corporation, where he was responsible for Japanese and US sales and operations. Subsequently he served as President of DPA Technology, Chairman and CEO of Vivitar Corporation, a distributor of various camera and computer peripheral devices, and SVP Business Development for GestureTek, a company providing camera enabled gesture recognition software for presentation and entertainment systems.

Dan Robinson

Mr. Robinson is the founder and CEO of Perch Communications Inc., which developed Perch, the first hand-free, always-on video communication app. Prior to founding Perch, he was CEO of the British Columbia Innovation Council (BCIC), a government corporation supporting entrepreneurship in the Province of British Columbia, and co-founder of Bootup Labs, an internet seed accelerator, which, during Mr. Robinson's time there, invested and mentored eight new companies, including Summify (acquired by Twitter) and Layerboom (acquired by Joyent). Mr.

Robinson is Chairman and a co-founder of Strutta, a social promotions platform for developing and managing interactive contests and promotions. He was also the co-founder and CEO of Peerflix, a DVD swapping service, and of Spinway, a free dial-up ISP.

4.2 Not applicable.

4.3 Not applicable.

4.4 Not applicable.

5. Selected Consolidated Financial Information

5.1 Annual Information

The following table summarizes selected annual financial data for the Company prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board (the "**IASB**") for the three fiscal years ended December 31, 2014, 2013 and 2012 and for the three months ended March 31, 2015. The information presented below is derived from the Company's financial statements which were examined by its independent auditor (excluding the three months ended March 31, 2015). The information set forth below should be read in conjunction with the Company's audited annual financial statements and related notes thereto, which are available on SEDAR at www.sedar.com.

	Year ended 12/31/2012 (audited)	**Year ended 12/31/2013 (audited)**	**Year ended 12/31/2014 (audited)**	**3 months ended 03/31/2015 (unaudited)**
Gross revenues	$ -	$ -	$ 68,180	$ 6,201
Total expenses	1,212,869	405,625	538,292	75,843
Net loss	(1,278,273)	(409,112)	(504,605)	(69.098)
Basic and diluted loss, per share	(0.03)	(0.04)	(0.03)	0.00
Total assets	77,412	337,616	428,532	551,796
Long-term debt	-	-	-	-
Dividends declared	-	-	-	-

5.2 Quarterly Information

The following table summarizes selected quarterly financial data for the Company prepared in accordance with IFRS as issued by the IASB for each of the eight most recently completed quarters.

	Mar. 31, 2015	**Dec. 31, 2014**	**Sept 30, 2014**	**June 30, 2014**	**Mar. 31, 2014**	**Dec. 31, 2013**	**Sept. 30, 2013**	**June 30, 2013**
Total gross revenues	6,201	8,108	12,496	38,402	9,174	-	-	-
Net loss - total	(69,098)	(143,134)	(95,964)	(102,717)	(162,790)	(39,642)	(309,733)	(25,831)
Basic and diluted income (loss) per share	0.00	0.00	0.00	(0.01)	(0.01)	0.00	(0.03)	0.00

5.3 The Company does not have a dividend policy. There are no restrictions that could prevent the Company from paying dividends.

5.4 Not applicable.

6. Management's Discussion and Analysis

Annual MD&A for the fiscal year ended December 31, 2014 – Attached as Appendix A

Interim MD&A for the three months ended March 31, 2015 – Attached as Appendix B

7. Market for Securities

The Company's common shares are currently listed for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "BZI".

8. Consolidated Capitalization

The following is a summary of significant changes in the Company's capitalization since December 31, 2014:

Designation of Security	Amount Outstanding as of March 31, 2015 (undiluted)	Amount Outstanding as of March 31, 2015 (fully diluted)	Amount Outstanding as of December 31, 2014 (undiluted)	Amount Outstanding as of December 31, 2014 (fully diluted)
Common shares	24,451,162	37,618,586	19,977,309	31,082,806
Preferred shares	-	-	-	-

In January 2015, the Company closed a non-brokered private placement pursuant to which it sold an aggregate of 2,073,853 units at a price of $0.075 per unit for gross proceeds of $155,539.

Also in January 2015, the Company closed a non-brokered private placement pursuant to which it sold an aggregate of 2,350,000 units at a price of $0.10 per unit for gross proceeds of $235,000.

On March 9, 2015, 50,000 outstanding warrants were exercised at a price of $0.10 per share.

As a result of the financings noted above, the Company's working capital deficit as of March 31, 2015 was approximately $29,307, on an unaudited basis.

9. Options to Purchase Securities

The following table sets forth the amount and terms of currently outstanding options to acquire common shares the Company has granted to all directors, past directors, executive officers, past executive officers, all other employees and past employees, and consultants. The Company has not granted options to any person who is not, or was not previously, a director, officer, employee or consultant. Exercise prices shown reflect consolidations of the Company's common share capital.

Category	Aggregate Number of Individuals	Aggregate Number of Options	Date of Grant	Exercise Price	Expiry Date
Directors and Past Directors	1	20,000	March 4, 2011	$0.60	March 4, 2016
	1	30,000	October 18, 2011	$0.75	October 18, 2016
	2	300,000	September 27, 2013	$0.15	September 27, 2018
	2	140,000	February 28, 2014	$0.30	February 28, 2019
Executive Officers and Past Executive Officers	1	20,000	April 28, 2011	$0.825	April 28, 2016
	1	30,000	October 18, 2011	$0.75	October 18, 2016
	1	240,000	September 27, 2013	$0.15	September 27, 2018
	1	140,000	February 28, 2014	$0.30	February 28, 2019
	1	150,000	December 12, 2014	$0.10	December 12, 2019
Employees and Past Employees	N/A	N/A	N/A	N/A	N/A
Consultants	1	15,000	March 4, 2011	$0.60	March 4, 2016
	1	20,000	October 18, 2011	$0.75	October 18, 2016
	3	200,000	September 27, 2013	$0.15	September 27, 2018
	1	20,000	February 28, 2014	$0.30	February 28, 2019

10. Description of the Securities

10.1 The Company's authorized capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value. Preferred shares may be issued in one or more series and the Company's directors may fix the number of shares which is to comprise each series and designate the rights, privileges, restrictions and conditions attaching to each series. As of the date of this Listing Statement, there are no preferred shares issued and outstanding.

Holders of common shares are entitled to vote at all meetings of shareholders, except meetings at which only holders of a specified class of shares are entitled to vote, receive any dividend declared by the Company and, subject to the rights, privileges, restrictions and conditions attaching to any other class of shares, receive the remaining property of the Company upon dissolution.

10.2 Not applicable.

10.3 Not applicable.

10.4 Not applicable.

10.5 The provisions in the Company's Articles attaching to the common shares and the preferred shares may be altered, amended, repealed, suspended or changed by the affirmative vote of the holders of not less than two-thirds of the common shares and two-thirds of the preferred shares, respectively, present in person or by proxy at any such meeting of holders.

10.6 Not applicable.

10.7 Prior Sales

During the 12 months preceding the date of this Listing Statement, the Company issued the following common shares and securities convertible into common shares:

Date of Issuance	Type of Security Issued	Number of Securities Issued	Price per Security	Total Funds Received
November 6, 2014	Common Shares[(1)]	100,000	$0.10	$10,000
December 12, 2014	Stock Options[(2)]	150,000	N/A	N/A
January 7, 2015	Units[(3)]	2,073,853	$0.075	$155,539
January 27, 2015	Units[(4)]	2,350,000	$0.10	$235,000
March 9, 2015	Common Shares[(5)]	50,000	$0.10	$5,000

(1) The common shares were issued as the result of the exercise of 100,000 warrants.

(2) Each stock option entitles the holder to purchase one common share at an exercise price of $0.10 per share until December 12, 2019.

(3) Each unit consists of one common share and one half of one warrant, each whole warrant entitles the holder to purchase one additional common share at a price of $0.15 per common share until January 7, 2016.

(4) Each unit consists of one common share and one half of one warrant, each whole warrant entitles the holder to purchase one additional common share at a price of $0.20 per common share until January 27, 2016.

(5) The common shares were issued as the result of the exercise of 50,000 warrants.

10.8 Stock Exchange Price

The high and low market prices, and volume traded of the Company's common shares on the CSE for each month of the current quarter and the immediately preceding quarter were as follows:

Monthly Highs, Lows and Volumes	High ($)	Low ($)	Volume
April 2015	0.160	0.120	446,017
March 2015	0.185	0.130	373,740
February 2015	0.185	0.120	448,107
January 2015	0.200	0.090	904,840

The high and low market prices, and volume traded of the Company's common shares on the CSE for each full fiscal quarter for the seven quarters preceding the quarter ended March 31, 2015 were as follows:

Quarterly Highs, Lows and Volumes	High ($)	Low ($)	Volume
Quarter ended December 31, 2014	0.120	0.055	1,160,342
Quarter ended September 30, 2014	0.280	0.140	793,300
Quarter ended June 30, 2014	0.390	0.230	2,232,926
Quarter ended March 31, 2014	0.375	0.230	1,471,709
Quarter ended December 31, 2013	0.430	0.170	1,542,118
Quarter ended September 30, 2013	0.280	0.010	2,083,770
Quarter ended June 30, 2013	0.035	0.010	2,433,397

The trading price and volume of the Company's common shares has been and may continue to be subject to wide fluctuations. The stock market has generally experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of companies with little or no current business operations. Because the Company's common shares are expected to be only sporadically traded on the CSE, shareholders may find it difficult to liquidate their common shares, or purchase new common shares at certain times.

11. Escrowed Securities

As of the date of this Listing Statement, the Company does not have any escrowed securities.

12. Principal Shareholders

12. As at the date of this Listing Statement, the Company is not aware of any principal shareholders beneficially owning or exercising control or direction over, directly and indirectly, shares carrying more than 10% of the voting rights attached to any class of voting securities of the Company.

13 Directors and Officers

13.1 The following table sets out information concerning directors and executive officers of the Company:

Name Municipality/Province of Residence and Position(s) with the Company[(1)]	Principal Occupation Business or Employment for Last Five Years[(1)]	Date of Appointment as Director or Officer	Number of Common Shares Owned[(2)]
Paul Andreola[(3)] Vancouver, BC President, CEO and Director	Mr. Andreola has been a Director of the Company since April 2011 and President and CEO of the Company since February 2013. He has been self-employed since October 2008.	April 28, 2011	1,392,266[(4)]
Scott MacEachern Vancouver, BC CFO and Secretary	CFO and Secretary of the Company since March 2014. Mr. MacEachern is a Chartered Accountant and founder of the accounting firm LedgerLiberty Solutions Inc. since 2013. Prior to this, he worked at Ernst & Young from 2006 - 2011 and as a Controller from 2011-2013.	March 10, 2014	Nil[(5)]
Colin Bowkett[(3)] West Vancouver, BC Director	Mr. Bowkett has been a director of the Company since November 2010. He has been president of Archer Petroleum Corp., a TSXV listed oil and gas issuer, since February 2010 and a director of Archer Petroleum Corp. since June 2009.	November 17, 2010	472,000[(6)]
Steve Vestergaard[(3)] Lions Bay, BC Director	Mr. Vestergaard has been the chairman, president and CEO of Destiny Media Technologies, Inc. since 1999.	July 18, 2013	2,174,800[(7)]

(1) Information has been furnished by the respective directors and officers individually.

(2) The information as to common shares beneficially owned or over which a person set forth above exercises control or direction, directly or indirectly, not being within the knowledge of the Company, has been based on insider reports filed on SEDI by the respective directors and officers.

(3) Member of audit committee.

(4) Includes 66,600 common shares held directly and 1,325,666 common shares held indirectly by Patricia Finlayson, spouse of Paul Andreola. Does not include stock options to acquire 20,000 common shares at a price of $0.60 per share until April 28, 2016, stock options to acquire 30,000 common shares at a price of $0.75 per share until October 18, 2016, stock options to acquire 240,000 common shares at a price of $0.15 per share until September 27, 2018, stock options to acquire 140,000 common shares at a price of $0.30 until February 28, 2019, warrants to acquire 1,000,000 common shares at a price of $0.10 per share until October 3, 2015 held indirectly through Patricia Finlayson and warrants to acquire 31,666 common shares at a price of $0.10 per share until October 25, 2015 held indirectly through Patricia Finlayson.

(5) Does not include stock options to acquire 150,000 common shares at a price of $0.10 per share until December 12, 2019.

(6) Does not include stock options to acquire 20,000 common shares at a price of $0.60 per share until March 4, 2016, stock options to acquire 30,000 common shares at a price of $0.75 per share until October 18, 2016, stock options to acquire 100,000 common shares at a price of $0.10 per share until September 27, 2018, stock options to acquire 70,000 common shares at a price of $0.30 per share until February 19, 2019 and warrants to acquire 400,000 common shares at a price of $0.10 per share until October 3, 2015.

(7) Does not include stock options to acquire 200,000 common shares at a price of $0.10 per share until September 27, 2018, stock options to acquire 70,000 common shares at a price of $0.30 per share until February 28, 2019 and warrants to acquire 2,000,000 common shares at a price of $0.10 per share until October 3, 2015.

13.2 The table above sets forth the period during which each director has served as a director. All directors hold office until the next annual meeting of shareholders or until their earlier death, removal or resignation.

13.3 As a group, the directors and executive officers of the Company beneficially own, and exercise control and direction over, an aggregate of 4,039,066 common shares of the Company, representing 16.5% of the issued and outstanding common shares, on an undiluted basis, as at March 31, 2015.

13.4 The Company has an Audit Committee, comprised of Paul Andreola, Colin Bowkett and Steve Vestergaard.

13.5 Details of the principal occupations of any director or executive officer of the Company are set forth in the table above.

13.6 No director or officer of the Company, or shareholder holding a sufficient number of securities to affect materially control of the Company is, or within 10 years before the date of this Listing Statement, has been, a director or officer of any other issuer that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied such other issuer access to any exemptions under Ontario securities law for a period of more than 30 consecutive days;

(b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in such other issuer being the subject of a cease trade or similar order or an order that denied such other issuer access to any exemption under securities legislation for a period of more than 30 consecutive days;

(c) 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

(d) 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.

13.7 No director or officer of the Company, or a shareholder holding sufficient securities of the Company to affect materially the control of the Company, has:

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

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

13.8 Not applicable.

13.9 No director or officer of the Company, or shareholder holding a sufficient number of securities to affect materially control of the Company, or a personal holding company of any such persons, has, within the 10 years before the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such person.

13.10 There are no existing or potential material conflicts of interest between the Company or a subsidiary of the Company and a director or officer of the Company or a subsidiary of the Company.

13.11 The Company's management team is comprised of Paul Andreola and Scott MacEachern. The following table provides information about each member of management that is in addition to the information included in the table in Section 13.1 above:

Name and Position with the Company	**Age**	**Responsibilities with the Company**	**Employee or Independent Contractor?**	**Particular Industry Experience**	**Non-Competition or Non-Disclosure Agreement? (Yes / No)**
Paul Andreola President and CEO	51	President and CEO	Independent Contractor	Mr. Andreola has over 20 years of business development and financial markets experience. He is the cofounder of both MDU Communications Inc. (OTCBB: MDTV), a provider of premium telecommunications services, and Destiny Media Technologies Inc. (TSXV: DSY), a leader in digital media distribution.	No
Scott MacEachern CFO and Secretary	29	CFO and Secretary	Independent Contractor	Mr. MacEachern is a Chartered Accountant. He is founder of the accounting firm LedgerLiberty Solutions Inc. and has worked in the accounting industry for the past nine years.	No

14. Capitalization

14.1 The following table sets out information regarding the Company's common shares.

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)	24,451,162	37,618,586	100%	100%
Held by Related Persons or employees of the Company or Related Person of the Company, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Company (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Company upon exercise or conversion of other securities held) (B)	4,039,066	8,390,732	16.5%	22.3%
Total Public Float (A-B)	20,412,096	29,227,854	83.5%	77.7%
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)	2,350,000	2,350,000		
Total Tradeable Float (A-C)	22,101,162	35,268,586	90.1%	93.8%

Public Securityholders (Registered)

The following table sets forth information regarding the number of registered "public securityholders" of the Company, being persons other than persons enumerated in section (B) of the previous chart:

Class of Security: Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	49	1,127
100 – 499 securities	11	2,110
500 – 999 securities	2	1,600
1,000 – 1,999 securities	2	2,610
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	1	3,453
4,000 – 4,999 securities	1	4,020
5,000 or more securities	20	20,397,177

Public Securityholders (Beneficial)

The following table sets forth information regarding the number of beneficial "public securityholders" of the Company, being persons other than persons enumerated in section (B) of the issued capital chart who either: (i) hold securities in their own name as registered shareholders; or (ii) hold securities through an intermediary where the Company has been given written confirmation of shareholdings:

Class of Security: Common Shares

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	117	3,925
100 – 499 securities	93	21,042
500 – 999 securities	46	29,722
1,000 – 1,999 securities	77	93,820
2,000 – 2,999 securities	61	129,772
3,000 – 3,999 securities	34	110,822
4,000 – 4,999 securities	36	147,040
5,000 or more securities	309	14,699,604
Unable to confirm		

Non-Public Securityholders (Registered)

The following table sets forth information regarding the number of registered "non-public securityholders" of the Company, being persons enumerated in section (B) of the issued capital chart:

Class of Security: Common Shares

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	0	0
100 – 499 securities	0	0
500 – 999 securities	0	0
1,000 – 1,999 securities	0	0
2,000 – 2,999 securities	0	0
3,000 – 3,999 securities	0	0
4,000 – 4,999 securities	0	0
5,000 or more securities	4	4,039,066

14.2 The following table sets out information regarding any securities convertible or exchangeable into any class of listed securities:

Description of Security	Number of convertible / exchangeable securities outstanding[(1)]	Number of listed securities issuable upon conversion / exercise[(1)]
Warrants	11,842,424[(2)(3)(4) (5)(6)]	11,842,424
Stock Options	1,325,000[(7)(8)(9)(10)(11)(12)]	1,325,000

(1) Number of securities and exercise prices of securities issued or granted prior to August 2013 have been adjusted to give effect to the Company's five for one consolidation of common shares that occurred in August 2013.

(2) On October 3, 2013, the Company issued 8,000,000 warrants, each exercisable into one common share at a price of $0.10 per share exercisable until October 3, 2015 of which 7,950,000 remain outstanding.

(3) On October 24, 2013, the Company issued 1,333,331 warrants, each exercisable into one common share at a price of $0.10 per share exercisable until October 24, 2015 of which 1,199,998 remain outstanding.

(4) On April 10, 2014, the Company issued 480,499 warrants, each exercisable into one common share at a price of $0.45 per share exercisable until April 10, 2015 of which 480,499 remain outstanding.

(5) On January 7, 2015, the Company issued 1,036,927 warrants, each exercisable into one common share at a price of $0.15 per share exercisable until January 7, 2016 of which 1,036,927 remain outstanding.

(6) On January 27, 2015, the Company issued 1,175,000 warrants, each exercisable into one common share at a price of $0.20 per share exercisable until January 27, 2016 of which 1,175,000 remain outstanding.

(7) On March 4, 2011, the Company granted 75,000 stock options, each of which is exercisable into one common share at a price of $0.60 per share until March 4, 2016 of which 35,000 remain outstanding.

(8) On April 28, 2011, the Company granted 40,000 stock options, each of which is exercisable into one common share at a price of $0.825 per share until April 28, 2016 of which 20,000 remain outstanding.

(9) On October 18, 2011, the Company granted 225,000 stock options, each of which is exercisable into one common share at a price of $0.75 per share until October 18, 2016 of which 80,000 remain outstanding.

(10) On September 27, 2013, the Company granted 850,000 stock options, each of which is exercisable into one common share at a price of $0.15 per share until September 27, 2018 of which 740,000 remain outstanding.

(11) On February 28, 2014, the Company granted 300,000 stock options, each of which is exercisable into one common share at a price of $0.30 per share until February 28, 2019 of which 300,000 remain outstanding.

(12) On December 12, 2014, the Company granted 150,000 stock options, each of which is exercisable into one common share at a price of $0.10 per share until December 12, 2019 of which 150,000 remain outstanding.

14.3 Not applicable.

15. Executive Compensation

15.1 The following information has been derived from the Company's Statement of Executive Compensation on Form 51-102F6 for the fiscal year ended December 31, 2013, which was included in the Company's management information circular dated July 3, 2014, delivered in connection with the Company's annual general meeting of shareholders held on July 31, 2014. The Executive Compensation for the fiscal year ended December 31, 2014 will be disclosed in the Company's management information circular, in connection with the Company's annual general meeting of shareholders to be held on July 28, 2015, will be available at the end of the month of June 2015.

General

For the purpose of this Listing Statement:

"**CEO**" means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**Named Executive Officer**" or "**NEO**" means each of the following individuals:

(a) a CEO;

(b) a CFO;

(c) each of the Company's three most highly compensated executive officers, including any of its subsidiaries, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than $150,000 for that financial year, as determined in accordance with subsection 1.3(6) of Form 51-102F6 *Statement of Executive Compensation*, for that financial year; or

(d) any individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company or any of its subsidiaries, nor acting in a similar capacity, at the end of that financial year.

Compensation Discussion and Analysis

Goals and Objectives

Given the Company's present size and stage of development, the Board does not currently have an active compensation committee in place and, accordingly, the Board as a whole is responsible for determining the compensation (including long-term incentive in the form of stock options) to be granted to the Company's executive officers and directors to ensure that such arrangements reflect the responsibilities and risks associated with each position. Management directors are required to abstain from voting with respect to their own compensation.

The Board reviews, on an annual basis, the corporate goals and objectives relevant to executive compensation, evaluates each executive officer's performance in light of those goals and objectives and sets the executive officer's compensation level based, in part, on this evaluation. The Board also takes into consideration the Company's overall performance, shareholder returns and the awards given to executive officers in past years.

The Board's compensation philosophy is aimed at attracting and retaining qualified and experienced people, which is critical to the success of the Company, and may include a "pay-for-performance" element which supports the Company's commitment to delivering strong performance for its shareholders.

Executive Compensation Program

Executive compensation is comprised of two main elements: base fee or salary and long-term incentive compensation (option-based awards). The Board reviews both components in assessing the compensation of individual executive officers.

Base fees or salaries are intended to provide current compensation and a short-term incentive for executive officers to meet the Company's goals, as well as to remain competitive within the industry. Base fees or salaries are compensation for job responsibilities and reflect the level of skills, expertise and capabilities demonstrated by the executive officers.

Stock options are an important part of the Company's long-term incentive strategy for its executive officers, permitting them to participate in an appreciation of the market value of the Company's shares over a stated period of time. Stock options are intended to reinforce commitment to long-term growth of the Company and shareholder value. They reward overall corporate performance, as measured through the price of the Common Shares, and enable executives to acquire and maintain a significant ownership position in the Company. See "Share Based Awards and Option Based Awards" below.

The Company has not retained a compensation consultant or advisor to assist the Board in determining compensation for any of the Company's directors or officers. Given the Company's current stage of development, the Company has not considered the implications of the risks associated with the Company's compensation practices. Although the Company has not adopted a formal policy forbidding a NEO or director from purchasing financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director, the Company is not aware of any NEO or director having entered into this type of transaction.

Share-Based and Option-Based Awards

Executive officers of the Company, as well as directors, employees and consultants, are eligible to participate in the Company's Stock Option Plan (2013) (the "**Stock Option Plan**") to receive grants of stock options. The Company granted a total of 1,325,000 stock options, which remain issued and outstanding as of the date of this Information Circular. The Company regards the strategic use of incentive stock options as a cornerstone of the Company's compensation plan. It applies to employees at all levels and continues to be one of the Company's primary tools for attracting, motivating and retaining qualified employees, which is critical to the Company's success. The Company is committed to long-term incentive programs that promote the continuity of an excellent management team and, therefore, the long-term success of the Company. The Company established the Stock Option Plan as an incentive to serve the Company in attaining its goal of improving shareholder value.

The Board is responsible for administering the Stock Option Plan and determining the type and amount of compensation to be paid to directors, officers, employees and consultants of the Company. Stock options are typically part of the overall compensation package for executive officers and employees. In evaluating option grants to a NEO, the Board evaluates a number of factors including, but not limited to: (i) the number of options already held by such NEO; (ii) a fair balance between the number of options held by the NEO concerned and the other executives of the Company, in light of their responsibilities and objectives; and (iii) the value of the options (generally determined using a Black-Scholes analysis) as a component in the NEO's overall compensation package. For more details of the Stock Option Plan, see "Stock Option Plan".

Compensation Governance

The Board has not adopted any specific policies or practices to determine the compensation for the Company's directors and officers, other than disclosed above. Given the Company's current stage of development, the Company does not currently have an active compensation committee in place.

Summary Compensation Table

Particulars of compensation paid to each NEO in the financial years ended December 31, 2013, 2012 and 2011 is set out in the summary compensation table below:

Name and principal position	Year Ending	Salary(10) ($)	Share-based awards(11) ($)	Option-based awards(10) ($)	Non-equity incentive plan compensation ($)		Pension value ($)	All other compen-sation ($)	Total compen-sation ($)
					Annual incentive plans	Long-term incentive plans			
Michael Sweatman(1) Former CFO, Secretary and Director	12/31/13	10,000(2)	Nil	14,000(12)	Nil	Nil	Nil	Nil	24,000
	12/31/12	22,500(3)	Nil		Nil	Nil	Nil	Nil	22,500
	12/31/11	11,125(4)	Nil	27,500(13)	Nil	Nil	Nil	Nil	38,625
Andrew Gourlay(5) Former President, CEO and Director	12/31/13	Nil	Nil	1,400(12)	Nil	Nil	Nil	Nil	1,400
	12/31/12	900	Nil	Nil	Nil	Nil	Nil	Nil	900
	12/31/11	5,500(6)	Nil	16,500(13)	Nil	Nil	Nil	Nil	22,000
Paul Andreola(7) President, CEO and Director	12/31/13	41,000(8)	Nil	33,600(12)	Nil	Nil	Nil	Nil	74,600
	12/31/12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	12/31/11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Scott MacEachern(9) CFO and Secretary	12/31/13	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	12/31/12	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	12/31/11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Michael Sweatman was appointed CFO and Secretary of the Company on November 17, 2010. Michael Sweatman resigned from those positions on March 5, 2014.

(2) In 2013, Michael Sweatman was paid $10,000 in management fees for services provided. He was also granted 100,000 options on September 27, 2013.

(3) In 2012, Michael Sweatman was paid $16,900 and was owed $5,600 in management fees. Management fees were only accrued until September 30, 2012.

(4) In 2011, Michael Sweatman was paid $5,500 in Directors' fees and $5,625 in management fees for services provided. He was also granted a total of 250,000 options in 2011.

(5) Andrew Gourlay was appointed as President and CEO of the Company of February 15, 2011 and resigned of February 19, 2013. He was also a director of the Company from February 15, 2011 to December 11, 2013.

(6) Andrew Gourlay was paid $4,750 in Directors' fees and $750 in management fees for services provided. He was also granted a total of 150,000 options during 2011.

(7) Paul Andreola was appointed as President and CEO of the Company on February 19, 2013.

(8) In 2013, Paul Andreola was paid $41,000 and was owed $15,000 in management fees for services provided. He was also granted a total of 150,000 options during 2011.

(9) Scott MacEachern was appointed CFO and Secretary of the Company on March 5, 2014.

(10) The value of perquisites including property or other personal benefits provided to a NEO that are generally available to all employees, and that the aggregate are worth less than $50,000, or are worth less than 10% of a NEO's total salary for the financial year, are not reported herein.

(11) The Company has not granted any restricted shares or restricted share units, stock appreciation rights or long-term incentive plan payouts to NEOs.

(12) The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yields 0%; expected annual volatility 172%; risk-free interest rate 1.86%; market share price of $0.15; forfeiture rate of 0% and expected life of 5 years. The weighted average fair value of options granted was $0.14 per option. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.

(13) The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: dividend yields 0%; expected annual volatility 146%; risk-free interest rate 1.99%; market share price of $0.12; forfeiture rate of 0% and expected life of 5 years. The weighted average fair value of options granted was $0.11 per option. The Black-Scholes pricing model was used to estimate the fair value as it is the most accepted methodology.

There were no Named Executive Officers serving as executive officers at the end of the year ended December 31, 2013 or executive officers who served during that financial year whose total compensation exceeded $150,000 per year.

Incentive Plan Awards

An "incentive plan" is any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period. An "incentive plan award" means compensation awarded, earned, paid or payable under an incentive plan.

Outstanding Share-Based Awards and Option-Based Awards

No share-based awards were granted to the NEOs during the financial year ended December 31, 2013. The following table sets forth all option-based grants to NEOs that were outstanding as of December 31, 2013, including awards granted before the year ended December 31, 2013:

	Option-based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Exercise price ($)**	**Expiration date**	**Value of unexercised in-the-money options ($)**
Paul Andreola President and CEO	20,000	$0.60	April 28, 2016	N/A(1)
	30,000	$0.75	October 18, 2016	N/A(1)
	240,000	$0.15	September 27, 2018	39,600(2)
Michael Sweatman Former CFO and Secretary	20,000	$0.60	March 4, 2016	N/A(1)
	30,000	$0.75	October 18, 2016	N/A(1)
	100,000	$0.15	September 27, 2018	16,500(2)
Andrew Gourlay Former President and CFO	20,000	$0.60	March 4, 2016	N/A(1)
	10,000	$0.75	October 18, 2016	N/A(1)
	10,000	$0.15	September 27, 2015	1,650(2)
Scott MacEachern CFO and Secretary	N/A	N/A	N/A	N/A

(1) The options held by the NEO were not in-the-money as of December 31, 2013.

(2) The closing price of the common shares on December 31, 2013 was $0.315.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value that would have been realized by NEOs if options granted under option based awards during the year ended December 31, 2013 had been exercised on the vesting date:

Name	Option-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)	Non-equity incentive plan compensation – Value earned during the year ($)
Paul Andreola President and CEO	14,400[(1)]	N/A	N/A
Michael Sweatman Former CFO and Secretary	6,000[(1)]	N/A	N/A
Andrew Gourlay Former President and CEO	600[(1)]	N/A	N/A
Scott MacEachern CFO and Secretary	N/A	N/A	N/A

(1) The closing price of the common shares on September 27, 2013 was $0.21.

Pension Plan Benefits

The Company does not have any pension plans that provide for payments or benefits at, following, or in connection with retirement.

Termination and Change of Control Benefits

The Company does not have any contracts, agreements, plans or arrangements that provide for payments to any NEO or director at, following, or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in a NEO's or director's responsibility.

Compensation of Directors

The following table sets forth the details of all compensation provided to the directors of the Company, other than directors who were also NEOs, during the year ended December 31, 2013:

Name	Fees Earned ($)	Share-based Awards ($)	Option-based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Colin Bowkett[(1)]	30,000	Nil	14,000[(2)]	Nil	Nil	Nil	44,000
Steve Vestergaard	Nil	Nil	28,000[(2)]	Nil	Nil	Nil	28,000

(1) In 2013, Mr. Bowkett was paid $25,000 and is owed $5,000 in management fees.

(2) The fair value of stock options was estimated using Black-Scholes option-pricing model with the following weighted average assumptions: dividend yield 0%; expected annual volatility 172%; risk-free interest rate 1.86%; market share price of $0.15; forfeiture rate of 0% and expected life of 5 years. The weighted average fair value of options granted was $0.14 per option. The Black-Scholes pricing model was used to estimate the fair value as it is the most acceptable methodology.

Narrative Discussion

During the fiscal year ended December 31, 2013, Colin Bowkett was paid management fees for services provided to the Company and he did not receive any directors' fees. Directors are entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors and may receive cash bonuses from time to time which the Company awards to directors for serving in their capacity as a member of the Board. Executive officers who also act as directors of the Company do not receive any additional compensation for services rendered in their capacity as directors.

Directors are also entitled to participate in the Stock Option Plan, which is designed to give each option holder an interest in preserving and maximizing shareholder value in the longer term. Individual grants are determined by an assessment of each individual director's current and expected future performance, level of responsibilities and the importance of his position and contribution to the Company.

Outstanding Share-Based Awards and Option-Based Awards

No share-based awards were granted to the directors during the year ended December 31, 2013. The following table sets forth all option-based awards granted to directors that were outstanding as of December 31, 2013, including awards granted before the year ended December 31, 2013:

	Option-based Awards			
Name	**Number of securities underlying unexercised options (#)**	**Option exercise price ($)**	**Option expiration date**	**Value of unexercised in-the-money options ($)**
Colin Bowkett	20,000	$0.60	March 4, 2016	N/A(1)
	30,000	$0.75	October 18, 2016	N/A(1)
	100,000	$0.15	September 27, 2018	16,500(2)
Steve Vestergaard	200,000	$0.15	September 27, 2018	33,000(2)

(1) The options held by the NEOs were not in-the-money as of December 31, 2103.
(2) The closing price of the common shares on December 31, 2013 was $0.315.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value that would have been realized by directors if options granted under option based awards during the year ended December 31, 2013 had been exercised on the vesting date:

Name	**Option-based awards – Value vested during the year ($)**	**Share-based awards – Value vested during the year ($)**	**Non-equity incentive plan compensation – Value earned during the year ($)**
Colin Bowkett	6,000	N/A	N/A
Steve Vestergaard	12,000	N/A	N/A

(1) The closing price of the common shares on December 31, 2013 was $0.315.

16. Indebtedness of Directors and Executive Officers

16.1 Not applicable.

16.2 Not applicable.

17. Risk Factors

17.1 There are numerous and varied risks, known and unknown, that may prevent the Company from achieving its goals. If any of these risks actually occur, the Company's business, financial condition or results of operation may be materially adversely affected. In such case, the trading price of the Company's common shares could decline and investors could lose all or part of their investment. The following is a summary of certain risks that may be applicable to the business of the Company:

The Company has a very limited operating history in its new area of business.

Because the Company has a limited operating history in its new area of business, you should consider and evaluate its operating prospects in light of the risks and uncertainties frequently encountered by early-stage companies in rapidly evolving markets. These risks include:

- risks that it may not have sufficient capital to achieve its growth strategy;
- risks that it may not develop its product and service offerings in a manner that enables it to be profitable and meet its customers' requirements;
- risks that its growth strategy may not be successful; and
- risks that fluctuations in its operating results will be significant relative to its revenues.

The Company's future growth will depend substantially on its ability to address these and the other risks described in this section. If it does not successfully address these risks, its business may be significantly harmed.

The Company cannot predict its future capital needs and it may not be able to secure additional financing.

The Company believes that its raised capital is sufficient to meet its presently anticipated working capital and capital expenditure requirements for the near future. This belief is based on its operating plan which, in turn, is based on assumptions, which may prove to be incorrect. In addition, the Company may need to raise significant additional funds sooner in order to support its growth, develop new or enhanced services and products, respond to competitive pressures, acquire or invest in complementary or competitive businesses or technologies, or take advantage of unanticipated opportunities. If its financial resources are insufficient, it will require additional financing in order to meet its plans for expansion. The Company cannot be sure that this additional financing, if needed, will be available on acceptable terms or at all. Furthermore, any debt financing, if available, may involve restrictive covenants, which may limit its operating flexibility with respect to business matters. If additional funds are raised through the issuance of equity securities, the percentage ownership of existing shareholders will be reduced, such shareholders may experience additional dilution in net book value, and such equity securities may have rights, preferences or privileges senior to those of its existing shareholders. If adequate funds are not available on acceptable terms or at all, the Company may be unable to develop or enhance its services and products, take advantage of future opportunities, repay debt obligations as they become due, or respond to competitive pressures, any of which could have a material adverse effect on its business, prospects, financial condition, and results of operations.

Volatile global financial and economic conditions may negatively affect the Company's operations.

Current global financial and economic conditions remain extremely volatile. Access to public and private capital and financing continues to be negatively impacted by many factors as a result of the global financial crisis and global recession. Such factors may impact the Company's ability to obtain financing in the future on favourable terms or obtain any financing at all. Additionally, global economic conditions may cause a long term decrease in asset values. If such global volatility, market turmoil and the global recession continue, the Company's operations and financial condition could be adversely impacted.

There can be no assurance that the Company's shareholders or purchasers of the Company's common shares will be able to resell their shares at prices equal to or greater than their cost.

The market price of the Company's common shares could be subject to significant fluctuations in response to various factors, many of which are beyond the Company's control. In addition, the stock markets have experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of many companies whose businesses are dependent on technology and that often have been unrelated to the operating performance of such companies. These broad market fluctuations may adversely affect the market price of the Company's common shares. There can be no assurance that the holders or purchasers of the Company's common shares will be able to resell their shares at prices equal to or greater than their cost.

The Company operates in a new and rapidly changing industry, which makes it difficult to evaluate its business and prospects.

The mobile app industry is a new and rapidly evolving industry. The growth of the mobile app industry and the level of demand and market acceptance of the Company's apps are subject to a high degree of uncertainty. The Company's future operating results will depend on numerous factors affecting the mobile app industry, many of which are beyond its control.

The Company's ability to plan for mobile app development and distribution will be significantly affected by its ability to anticipate and adapt to relatively rapid changes in the tastes and preferences of its current and potential users. New and different types of entertainment may increase in popularity at the expense of apps. A decline in the popularity of apps in general, or any apps that the Company may acquire in particular, would harm its business and prospects.

Apps that the Company has or may acquire are expected to be based on new and unproved technologies that will be subject to the risks of failure inherent in the development of new products and services.

Because any apps that the Company has or may acquire are expected to be based on new technologies, they are expected to be subject to risks of failure that are particular to new technologies, including the possibility that:

- the Company's new business strategy, including its plan to acquire apps under an umbrella portfolio, will not result in any products or services that gain market acceptance;

- the Company's mobile apps and the technology powering its services may unfavorably interact with other types of commonly used applications and services, thus restricting the circumstances in which they may be used;

- proprietary rights of third parties may preclude the Company from marketing a new product or service; or

- third parties may market superior or more cost-effective products or services.

As a result, the Company's activities may not result in a broad enough base of commercially viable products or services, which would harm its sales, revenue and financial condition.

If the Company is unable to maintain a stable relationship with the markets where its apps are distributed, its business may suffer.

Apple's "App Store" and Google's "Google Play" are expected to be the primary distribution, marketing, promotion and payment platforms for the Company's apps. In the event that the Company begins to generate revenue, it expects to generate substantially all of its revenue from the sale of mobile apps through these platforms. Any deterioration in the Company's relationship with Apple or Google could harm its business and adversely affect the price of the Company's common shares.

The Company expects that it will be subject to Apple's and Google's standard terms and conditions for application developers, which govern the promotion, distribution and operation of mobile apps on their platforms. The financial condition and business of the Company could be harmed if:

- Apple or Google discontinues or limits access to its platform;

- Apple or Google modifies its terms of service or other policies, including fees charged to, or other restrictions on, the Company or other application developers, or Apple or Google changes how the personal information of its users is made available to application developers on their respective platforms or shared by users;

- Apple or Google establishes more favorable relationships with one or more of the Company's competitors; or

- Apple or Google develops its own competitive offerings.

The Company expects that it will benefit from Apple and Google's strong brand recognition and large user base in marketing any apps it may acquire. If Apple or Google loses its market position or otherwise falls out of favor with mobile users, the Company expects that it would need to identify alternative channels for marketing, promoting and distributing any apps it may acquire, which could consume substantial resources and may not be effective. In addition, Apple and Google have broad discretion to change their terms of service and other policies with respect to the Company and other developers, and those changes may be unfavorable to the Company. Any such changes in the future could significantly alter how the Company's app users experience its apps or interact within its apps, which may harm the Company's business.

The mobile application industry is subject to rapid technological change and, to compete, the Company expects that it will need to continually enhance any mobile apps it may acquire.

The Company expects that it will need to continue to enhance and improve the performance, functionality and reliability of any mobile apps it may acquire. The mobile application industry is characterized by rapid technological change, changes in user requirements and preferences, frequent new product and services introductions embodying new technologies, and the emergence of new industry standards and practices that could render the Company's products and services obsolete. Its success will depend, in part, on its ability to both internally develop and license leading technologies to enhance its existing mobile apps and services, acquire new mobile apps and services that address the increasingly sophisticated and varied needs of its customers, and respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. If the Company is unable to adapt to changing market conditions, customer requirements or emerging industry standards, the Company may not be able to generate revenue or expand its business.

The Company may face intense competition and expects competition to increase in the future, which could prohibit it from developing a customer base and generating revenue.

The mobile application industry is highly competitive, with low barriers to entry and the Company expects more companies to enter the sector and a wider range of apps and related products and services to be introduced. The Company's competitors may already have an established market in this industry. Most of these companies have significantly greater financial and other resources than the Company and have been developing their products and services and building app portfolios longer than the Company.

The Company's business and financial results could be affected by changing consumer preferences.

As a proposed supplier of mobile apps, the Company expects that it will need to continually offer themes and products that appeal to users. The Company expects that its success will depend in part on unpredictable and volatile factors that are beyond its control, such as customer preferences, competing apps, travel activity and the availability of other entertainment activities. If the Company is unable to anticipate or react to any significant changes in user or customer preferences in a timely manner, the demand for any apps it may acquire could decline, which could affect its financial condition.

Defects in any apps the Company may acquire may adversely affect its business.

Tools, code, subroutines and processes contained within any apps the Company may acquire may contain defects when introduced and also when updates and new versions are released. The Company's introduction of mobile apps with defects or quality problems may result in adverse publicity, product returns, reduced orders, uncollectible or delayed accounts receivable, product redevelopment costs, loss of or delay in market acceptance of the Company's apps or claims by customers or others against the Company. Such problems or claims may have a material and adverse effect on the Company's business, prospects, financial condition and results of operations.

Concerns about health risks associated with wireless equipment may reduce the demand for the Company's services.

Mobile communications devices have been alleged to pose health risks, including cancer, due to radio frequency emissions from these devices. As any apps that the Company may acquire are expected to operate on mobile communications devices, the actual or perceived health risk of mobile communications devices could adversely affect the Company through a reduction in mobile communication devise users, thereby reducing potential user and purchasers of the Company's apps.

If third parties claim that the Company infringes their intellectual property, it may result in costly litigation.

Third parties may claim that any apps that the Company may acquire infringe their intellectual property rights. Any such claims, with or without merit, could cause costly litigation that could consume significant management time. As the number of product and services offerings in the mobile application market increases and functionalities increasingly overlap, the Company may become increasingly subject to infringement claims. Such claims may also require the Company to enter into royalty or license agreements. If required, the Company may not be able to obtain such royalty or license agreements, or obtain them on terms acceptable to it.

The Company may become subject to government regulation and legal uncertainties that could reduce demand for any apps it may acquire or increase its cost of doing business, thereby adversely affecting its financial results.

Due to the increasing popularity and use of mobile applications, it is possible that a number of laws and regulations may become applicable to the Company or may be adopted in the future with respect to mobile applications, covering issues such as user privacy; taxation; right to access personal data; copyrights; distribution; and characteristics and quality of services.

The applicability of existing laws governing issues such as property ownership, copyrights and other intellectual property issues, encryption, taxation, libel, export or import matters and personal privacy to mobile apps is uncertain. For example, laws relating to the liability of providers of online services for activities of their users and other third parties are currently being tested by a number of claims, including actions based on invasion of privacy and other torts, unfair competition, copyright and trademark infringement, and other theories based on the nature and content of the materials searched, the ads posted or the content provided by users. It is difficult to predict how existing laws will be applied to the Company's business and the new laws to which the Company may become subject.

If the Company is not able to comply with these laws or regulations or if it becomes liable under these laws or regulations, the Company could be directly harmed, and it may be forced to implement new measures to reduce its exposure to this liability. This may require the Company to expend substantial resources or to modify any apps it may acquire, which could harm its business, financial condition and results of operations. In addition, the increased attention focused upon liability issues as a result of lawsuits and legislative proposals could harm its reputation or otherwise impact the growth of its business. Any costs incurred as a result of this potential liability could harm the Company's business and operating results.

It is possible that a number of laws and regulations may be adopted or construed to apply to the Company that could restrict the mobile industry, including user privacy, advertising, taxation, content suitability, copyright, distribution and antitrust. Furthermore, the growth and development of electronic commerce and virtual goods may prompt calls for more stringent consumer protection laws that may impose additional burdens on companies conducting business through mobile devices. The Company anticipates that scrutiny and regulation of its industry will increase and it may be required to devote legal and other resources to addressing such regulation. Changes to these laws intended to address these issues could create uncertainty in the marketplace. Such uncertainty could reduce demand for the Company's services or increase the cost of doing business due to increased costs of litigation or increased service delivery costs.

Failure to comply with federal and provincial privacy laws and regulations, or the expansion of current, or the enactment of new, privacy laws or regulations, could adversely affect the Company's business.

A variety of federal and provincial laws and regulations govern the collection, use, retention, sharing and security of consumer data. The existing privacy-related laws and regulations are evolving and subject to potentially differing interpretations. In addition, various federal, provincial and foreign legislative and regulatory bodies may expand current, or enact new, laws regarding privacy matters. Several internet companies have incurred penalties for failing to abide by the representations made in their privacy policies and practices. Any failure, or perceived failure, by the Company to comply with its privacy policies or with any data-related consent orders, regulations, federal, provincial or international privacy or consumer protection-related laws, or industry self-regulatory principles, could result in claims, proceedings or actions against the Company by governmental entities or others, or other liabilities, which could adversely affect the Company's business. In addition, a failure or perceived failure to comply with industry standards or with the Company's own privacy policies and practices could adversely affect its business.

The Company's business may suffer if it is unable to successfully integrate any apps it may acquire into the Company's business or otherwise manage the growth associated with multiple acquisitions.

The Company intends to pursue acquisitions that provide a strong foundation for its new business model. Its ability to grow through future acquisitions will depend on the availability of suitable acquisition candidates at an acceptable cost, its ability to compete effectively to attract these candidates and the availability of financing to complete larger acquisitions, if required. Since the Company expects the mobile app industry to consolidate in the future, it may face significant competition in executing its growth strategy. Future acquisitions or investments could result in potential dilutive issuances of equity securities, use of significant cash balances or incurrence of debt, contingent liabilities or amortization expenses related to goodwill and other intangible assets, any of which could adversely affect the Company's financial condition and results of operations. The benefits of an acquisition or investment may also take considerable time to develop, and the Company cannot be certain that any particular acquisition or investment will produce the intended benefits.

18. Promoters

18.1 The following table discloses information with respect to the Company's promoters, who hold director and officer positions with the Company:

Name	Date of Appointment as Promoter	Number of Common Shares Owned	Percentage of Common Shares	Number of Options Held
Paul Andreola	April 2011	1,392,266	5.7%	430,000
Colin Bowkett	November 2010	472,000	1.9%	220,000
Steve Vestergaard	July 18, 2013	2,174,800	8.9%	270,000
Scott MacEachern	March 10, 2014	Nil	Nil	150,000

All are currently directors and/or officers of the Company. They do not receives specific compensation for their services as promoters. For details of compensation paid to them, see "Executive Compensation".

18.2 Not applicable.

19. Legal Proceedings

19.1 Not applicable.

19.2 Not applicable.

20. Interest of Management and Others in Material Transactions

20.1 Not applicable.

21. Auditors, Transfer Agents and Registrars

21.1 The auditor of the Company is MacKay LLP, having an address at Suite 1100 – 1177 West Hastings Street, Vancouver, BC V6E 4T5.

21.2 Computershare Trust Company of Canada, of 510 Burrard Street, 2nd Floor, Vancouver, BC V6C 3B9, is the transfer agent who maintains the securities register and the register of transfers for the Company's common shares.

22. Material Contracts

22.1 The material contracts which the Company has entered into during the last two years are set out below:

In December 2013, the Company, through its President, Paul Andreola, completed the acquisition of its first mobile application, "On the Fly" for a purchase price of $50,000, pursuant to the terms of an application purchase and sale agreement among Mr. Andreola, Talir d.o.o Croatia IVO Valcic and Apptopia, Inc.

In June 2014, the Company entered into a Definitive Agreement to acquire up to 100% of the issued and outstanding securities of OakBranch Media and its underlying assets

22.2 Not applicable.

23 Interest of Experts

23.1 Not applicable.

23.2 Not applicable.

23.3 Not applicable.

23.4 Not applicable.

24. Other Material Facts

24.1 Not applicable.

25. Financial Statements

25.1 Annual Financial Statements for the year ended December 31, 2014 (audited) – Attached as Appendix C

Annual Financial Statements for the year ended December 31, 2013 (audited) – Attached as Appendix D

Annual Financial Statements for the year ended December 31, 2012 (audited) – Attached as Appendix E

Interim Financial Statements for the three months ended March 31, 2015 (unaudited) – Attached as Appendix F

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, BRISIO INNOVATIONS INC., listed on the CSE. The foregoing contains full, true and plain disclosure of all material information relating to BRISIO INNOVATIONS INC. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Vancouver, British Columbia, this 5th day of June, 2015.

"Paul Andreola"	***"Scott MacEachern"***
Paul Andreola President, CEO and Director	Scott MacEachern Chief Financial Officer and Secretary
"Colin Bowkett"	***"Steve Vestergaard"***
Colin Bowkett Director	Steve Vestergaard Director

This following management's discussion and analysis ("**MD&A**") for Brisio Innovations Inc. was prepared by management based on information available as at April 17, 2015. It should be reviewed together with the audited annual consolidated financial statements for the year ended December 31, 2014 (the "**Annual Financial Statements**"), and the MD&A and audited annual consolidated financial statements for the year ended December 31, 2013. The Company's quarterly unaudited condensed interim consolidated financial statements and the year-end audited annual consolidated financial statements are filed on SEDAR and are available for review at www.sedar.com.

As used in this MD&A, the terms "we", "us", "our", "Brisio" "the Group" and "our Company" mean Brisio Innovations Inc. and our subsidiaries, Green River Petroleum (USA) Inc., a Washington corporation, and Netco Argentina S.A., an Argentinean corporation unless the context clearly requires otherwise.

Unless otherwise noted, all dollar amounts are expressed in Canadian dollars ("**C$**" or "**$**") and any references to common shares are to common shares in the capital of Brisio Innovations Inc., unless the context clearly requires otherwise.

Forward-Looking Statements

Certain information in this MD&A and the documents incorporated by reference contain forward-looking statements, which includes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements are statements which relate to future events or our future performance, including our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", or "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks described in the section titled "Risk Factors" commencing on page 14 of this MD&A, that may cause the Company's or the industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking information and statements will occur or, if they do occur, what benefits we will obtain from them. This MD&A contains forward-looking information and statements, which may include but are not limited to: statements with respect to the financial and operating performance of the Company and its subsidiaries; investment objectives and strategies; the business goals and strategies; forecast operating and financial results; planned capital expenditures; potential future market for our products; our plans for, and results of, exploration and development activities; our treatment under governmental regulatory and tax laws; competitive advantages; business prospects and opportunities; costs and timing of developmental new projects; our management's assessment of future plans and operations; our anticipated liquidity and various matters that may impact such liquidity; and requirements for additional capital.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this MD&A. These assumptions, which include: management's current expectations; estimates and assumptions about certain projects and the markets we operate in; the global economic environment; interest rates; the successful and timely implementation of capital projects; our ability to generate sufficient cash flow from operations to meet our current and future obligations and other risks and uncertainties described from time to time in the filings we make with securities regulatory authorities; the impact of increasing competition; our ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the projects in which we have an interest to operate the field in a safe, efficient and effective manner; future commodity prices; currency, exchange and interest rates; taxes and environmental matters in the jurisdictions in which we operate may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking information and statements, including, but not limited to: the failure of the Company to execute our business plans; general economic conditions as they affect us; risks arising from our operations generally; competition; accuracy of cost estimates; fluctuations in commodities prices; fluctuations in product supply and demand; risks associated with technology and its application to our business; changes in the applicable regulatory framework, including changes in regulatory approval process and land–use designations, tax, environmental, and other laws or regulations, or changes associated with compliance; the loss of key management employees; our ability to control our operating costs, general administrative and other expenses; other factors beyond our control; insufficient investor interest in our securities which may impact on our ability to raise additional financing as required; and those factors described in the section titled "Risk Factors" in this MD&A.

The forward-looking information is based on the estimates and opinions of our management at the time they are made. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Readers of this MD&A are cautioned not to rely on these forward-looking information and statements. The forward-looking information in this MD&A is made as of April 17, 2015 and the Company assumes no obligation to update or revise them to reflect new events or circumstance, except as required by law.

Description of Business

Brisio is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. The Company's common shares are listed on the Canadian Securities Exchange (the "**CSE**") under the symbol "BZI".

Formerly a natural resource exploration company focused on the discovery and development of mineral and oil and gas properties, the Company ceased activity in the natural resource industry in 2013.

Brisio is now focused on the acquisition, development and marketing of software applications for mobile computing devices, including smart phones, tablets, smart TVs and wearable computers.

Overall Performance

The Company launched a new business unit targeting the smart device market, which currently includes smart phones, tablets and smart TVs and wearable computers.

For the year ended December 31, 2014, the Company generated $68,180 (2013 - $nil) in gross revenue from the sale of mobile software applications, had a working capital deficit of $71,031 (2013 – working capital of $118,516) and an accumulated deficit at December 31, 2014 of $20,540,886 (2013 – $20,036,281). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time.

Mobile Software Applications:

On December 19, 2013, the Company completed its initial app acquisition by purchasing all rights, intellectual property and online assets associated with the "On the Fly – Voice Translator" mobile application. "On the Fly" is a simple to use voice translator application that allows a person to translate voice and text "on the fly". The application recognizes speech and text and translates into over 70 supported languages. The app is available for iPhones and iPads and can be purchased on iTunes and the Apple App store for $2.99. The Company feels the market potential for a simple and quick translation system is substantial, and with over 150,000 worldwide downloads, the Company has inherited a robust user base for the marketing of future acquired applications. This app acquisition is consistent with Brisio's new strategic direction.

In February 2014, the Company purchased all the rights and intellectual property and online assets associated with a portfolio of 40 applications. This portfolio focuses on health and wellness and gaming apps, and has an established and growing user base, which currently generates consistent monthly cashflow.

Also in February 2014, the Company acquired all rights, intellectual property and online assets associated with Boostify, an Android smartphone speed booster and battery saver. Boostify tunes Android mobile phones for extra speed and maximum system memory and it stops unwanted apps from using internet bandwidth and draining battery. As such, it allows users to boost memory, free up RAM, reduce CPU load and save battery life, all with one easy click. Boostify has been downloaded over 150,000 times.

On March 27, the Company purchased all rights, intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!", an Android and IOS game app that has been one of the most highly downloaded and played games on Android and IOS since its release earlier this year. The Company paid the vendor US$135,137 (C$149,462) as consideration for these assets. Spermy's Journey has over 4.5 million downloads to date on the App Store and Google Play, and has attained stats such as top 5 overall game in 10 countries, number 1 overall downloaded app in 6 countries, and top 5 overall arcade game in 21 countries. In November 2014, the Company released the source code for its hit game Spermy's Journey for iOS and Android so developers around the world can create their own game using our proven underlying code. This was done in conjunction with our business plan for creating the world's first independent app developer community.

Oil & Gas – Columbia River Basin, Washington:

In 2007, the Company acquired and continues to retain a 7.5% working interest in undeveloped leases in the Columbia River Basin of south central Washington. As of December 31, 2014, the Company has an interest in approximately 3,300 undeveloped gross mineral acres. As a consequence of negative results from two unsuccessful exploratory gas wells, the Company has written off the value of the Columbia River Basin properties.

Ongoing global economic instability has had a significant negative impact on many segments of the world economy due to many factors including, without limitation: the effects of the subprime lending and general credit market crises, the European debt crisis, volatile energy costs, slower economic activity, decreased consumer confidence, reduced corporate profits and capital spending, adverse business conditions, increased unemployment and liquidity concerns. We cannot predict the timing or duration of economic slowdowns or the timing or strength of subsequent economic recoveries, worldwide or in our industry, and we cannot predict the extent to which economic slowdowns will impact our business. However, the uncertainty regarding the financial markets and worldwide political and economic climates are expected to likely have a negative impact on our business, financial condition and results of operations.

Annual Financial Information

The following table contains a summary of our financial results for the three years ended December 31, 2014, 2013 and 2012:

	Financial Years Ended December 31		
(C$)	**2014**	**2013**	**2012**
Gross Revenues	68,180	-	-
Net Income (Loss) for the Year	(504,605)	(409,112)	(1,278,273)
Basic and Diluted Net Income (Loss) per Share	(0.03)	(0.04)	(0.14)
Total Assets	428,532	337,616	77,412
Total Long-Term Financial Liabilities	-	-	-

The discussion and analysis of our financial condition and results of operations is based on our Annual Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Application of IFRS requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the revenues and expenses reported during the period. Changes in these estimates, judgments and assumptions will occur as a result of future events, and accordingly, actual results could differ from amounts estimated. Our reporting currency is Canadian dollars.

Discussion of Operations

Year ended December 31, 2014 compared to the year ended December 31, 2013:

Our net loss for the year ended December 31, 2014 increased to $504,605 compared to a net loss of $409,112 for the same period in 2013. The increased loss is primarily due to the issuance of 48,000 bonus shares at a cost of $14,400 compared to $nil in 2013, management fees of $137,500 paid in 2014 compared to $70,000 in 2013, and consulting fees for application development included in professional fees of $28,942 in 2014 compared to $nil in 2013.

General and administrative expenses increased to $456,880 in the year ended December 31, 2014 compared to $405,625 for the same period in 2013. The Company had a foreign exchange loss of $1,432 in the year ended December 31, 2014 compared to a loss of $3,726 for the same period in 2013.

Intangible mobile software applications increased to $167,402 for the year ended December 31, 2014, compared to $53,975 at December 31, 2013 due to the Company's purchase of all rights, intellectual property and online assets associated with the "On the Fly – Voice Translator" iOS mobile application ("app") for US$50,000 (C$53,975), a portfolio of health and wellness and gaming apps for US$21,000 (C$23,428), Android speed booster app "Boostify" for US$3,000 (C$3,341), and the gaming app "Spermy's Journey, A Race To The Egg!" for US$135,137 (C$149,462).

Share capital increased to $19,670,082 as of December 31, 2014, from $19,334,037 at December 31, 2013, as a result of the exercise of 100,000 options at $0.15 per share, the closing of a financing of 960,998 units at $0.30 per unit, the issuance of 48,000 bonus shares and the exercise of 133,333 share purchase warrants at $0.10 per share.

Contributed surplus increased to $961,636 as at December 31, 2014 compared to $874,735 at December 31, 2013 as a result of shared-based payments expense for 300,000 options issued to officers, directors and consultants in February 2014 and for 150,000 options issued to an officer in December 2014.

In August 2013, the Company obtained an aggregate of $60,000 in loans (the "**Loan**") whereby the lenders (the "**Lenders**") agreed to loan such funds to the Company in consideration for the Company issuing as a bonus, an aggregate of 48,000 common shares of the Company to the Lenders. The Loan was for a term of twelve months, bore interest at a rate of 12% per annum, before and after maturity and was renewable by the parties for additional terms as may be mutually agreed to by the parties. Steve Vestergaard, a director of the Company, was one of the Lenders and loaned the Company $50,000. The Loan was paid back in full in October 2013. The bonus shares were issued on April 14, 2014.

On January 9, 2014, Green River Petroleum (USA) Inc. (Wyoming) was administratively dissolved by the State of Wyoming. The Company will not be applying for a certificate of reinstatement.

On January 14, 2014, Mr. Danny Robinson joined the Company's advisory board. Mr. Robinson is an experienced tech entrepreneur and executive and is the founder and CEO of Perch, the first hands-free, always-on video communication app company. Prior to starting with Perch, Mr. Robinson was CEO of the BC Innovation Council, a government corporation supporting entrepreneurship in the Province of British Columbia, and co-founder of Bootup Labs, an internet seed accelerator which, during his time there, invested and mentored eight new companies, including Summify (acquired by Twitter) and Layerboom (acquired by Joyent). Mr. Robinson is Chairman and a co-founder of Strutta, a social promotions platform for developing and managing interactive contests and promotions. Mr. Robinson was also a co-founder and CEO of Peerflix, a DVD swapping service, and Spinway, a free dial-up internet service provider. As an experienced entrepreneur, Mr. Robinson works to promote British Columbia as the tech centre he believes it can be by connecting local entrepreneurs with Silicon Valley-based investors and mentors. To this end, he co-organizes the popular tech mixer, Launch Party Vancouver.

On January 16, 2014, Mr. Yoshitaro Kumagai joined the Company's advisory board. Mr. Kumagai has a wealth of experience and an outstanding track record of success in various sectors of the technology industry. He is a highly respected executive with over twenty years of experience in the electronics and consumer fields. Mr. Kumagai has held senior management positions at a number of successful international companies, including chairman and CEO of Vivitar Corporation. Mr. Kumagai is an advisor and/or co-founder of a number of successful technology start-up companies, including San Francisco, CA based Fitbit Inc., the maker of a multi award winning line or wireless enable wearable devices. Since 2001, Mr. Kumagai has been a director of Destiny Media Technologies Inc. a provider of products and services that enable content owners to securely display and distribute audio and video content digitally through the internet. Mr. Kumagai has been an advisor to both domestic and international start-ups and corporations. He was an original member and advisor to Pure Digital Inc., which was acquired by Cisco Systems Inc. in 2009 for $590 million after which time Mr. Kumagai joined Cisco as a senior advisor. Mr. Kumagai was an original member of Picture Vision, a provider of virtual photo content distribution systems to PC and mobile phones. As a senior advisor in charge of business development and mergers and acquisitions, he helped establish their Japanese subsidiary. The company was later sold to Kodak for $200 million. In addition, Mr. Kumagai was co-founder of Bayes Japan, a leading Japanese cellular phone content developer. The company developed more than 50 games in Japan including multi-player games for i-mode and AU. All games were approved by Docomo for listing in their official game list, including games such as DragonQuest-Monsters, DragonQuest-LotoCity and Chinmoku-no-Kantai from Kodansha. The company was acquired by Tose, one of Japan's leading game developing companies. Mr. Kumagai also holds the position of senior advisor to Catch Media Inc. Catch Media is the developer of Play Anywhere*, a modular and robust cloud-based B2B registry, tracking, routing and clearinghouse service that can be implemented across multiple ecosystems. Mr. Kumagai holds a BS in Mechanical Engineering from Hosei University and a BC in Information Systems and Mathematics from Georgia State University.

At the close of trading on Tuesday, February 11, 2014, the Company's common shares were delisted from the TSX Venture Exchange and commenced trading on the CSE at market open on Wednesday, February 12, 2014.

On February 12, 2014, the Company completed its name change to Brisio Innovations Inc. and the continuance of its corporate jurisdiction from Alberta to British Columbia.

In February 2014, the Company purchased all the rights and intellectual property and online assets associated with a portfolio of 40 applications. This portfolio focuses on health and wellness and gaming apps, and has an established and growing user base, which currently generates consistent monthly cashflow. The portfolio consists of apps that generate both purchase and advertising revenue.

Also in February 2014, the Company acquired all rights, intellectual property and online assets associated with Boostify, an Android smartphone speed booster and battery saver. Boostify tunes Android mobile phones for extra speed and maximum system memory and it stops unwanted apps from using internet bandwidth and draining battery. As such, it allows users to boost memory, free up RAM, reduce CPU load and save battery life, all with one easy click. Boostify has been downloaded over 150,000 times.

On February 28, 2014, the Company granted stock options to certain of its directors, officers and consultant to purchase a total of 300,000 common shares of the Company pursuant to the terms of the Company's stock option plan. All options are exercisable at a price of $0.30 per share for five years.

On February 28, 2014, a total of 477,500 warrants at a price of $1.10 expired.

On March 2, 2014, an additional 166,000 warrants at a price of $1.10 expired.

On March 7, 2014, Mr. Michael Sweatman resigned at the Company's Chief Financial Officer, Secretary and Director.

On March 7, 2014, Mr. Scott MacEachern was appointed as the Company's new Chief Financial Officer and Secretary. Mr. MacEachern is a Chartered Accountant with extensive public company finance experience. Currently the founder of the accounting firm LedgerLiberty Solutions Inc., Mr. MacEachern also develops productivity applications for accountants and teaches for the Vancouver School Board. Mr. MacEachern spent the previous years as Controller for multiple companies listed on the TSX and TSXV exchanges, and was responsible for regulatory compliance, financial statement and tax return preparation, as well as coordination of external audits. Prior to this, Mr. MacEachern spent several years at Ernst & Young leading audits of companies in the technology, mining and investment industries.

On March 14, 2014, the Company entered into a non-binding letter of intent (the "**LOI**") with OakBranch Media Inc. ("**OakBranch**") to acquire up to 100% of the issued and outstanding securities of OakBranch and its underlying assets (the "**Transaction**"). OakBranch is an integrated media company with its main assets being the Good e-Reader website, a leading website specializing in e-Reader, eBook and Digital Publishing News, which has over 230,000 unique visitors per month, and the Good e-Reader App Store, which with over 35,000 apps, 420,000 unique visitors and 7 million page views per month, is the largest independent Android and Blackberry alternative app store in Canada. OakBranch also operates its own video studio and YouTube channel,. Brisio will undertake the Transaction on the following terms:

(a) in consideration for aggregate cash payments of $130,000, to be paid by Brisio to OakBranch upon the achievement of certain milestones by OakBranch to be determined by Brisio and specified in the definitive agreement to be entered into between Brisio and OakBranch with respect to the Transaction (the "**Definitive Agreement**"), Brisio will acquire securities of OakBranch, of a class to be determined and specified in the Definitive Agreement, sufficient to give Brisio a 30% voting and equity interest in OakBranch;
(b) OakBranch will grant Brisio an option, that will expire one year from the date of closing of the Definitive Agreement (the "**Closing**"), to acquire additional securities of OakBranch,

of a class to be determined and specified in the Definitive Agreement, sufficient to give Brisio an additional 19.9% voting and equity interest in OakBranch, bringing Brisio's total interest in OakBranch to 49.9%, exercisable upon: (i) the issuance by Brisio to OakBranch of 250,000 common shares of Brisio (each, a "**Brisio Share**"), and (ii) the payment of $75,000 by Brisio to OakBranch; and

(c) OakBranch will cause each of the shareholders of OakBranch (collectively, the "**OakBranch Shareholders**") to grant Brisio a right of first refusal to acquire the remaining 50.1% of the outstanding voting and equity interests of OakBranch from time to time the OakBranch Shareholders on terms to be specified in the Definitive Agreement.

As of December 31, 2014, the Company has made aggregate cash payments of $100,000 to OakBranch. As of December 31, 2014, the shares have not been issued.

On March 12, 2014, 100,000 stock options were exercised for total proceeds of $15,000.

In April 2014, the Company purchased all rights and intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!", an Android and IOS game app that had been one of the most highly downloaded and played games on Android and IOS since its release earlier in the year. The Company paid the vendor US$135,137 (C$149,462) as consideration for these assets.

Mr. Brian Appell, the developer of Spermy's Journey, will be joining the Company's board of advisors. Mr. Appell is a veteran tech entrepreneur and mobile app developer, and founder of Avalanche Mountain Apps, a mobile application company that focuses primarily on creating games for the iPhone, iPad and Android devices.

On April 10, 2014, the Company completed its non-brokered private placement financing pursuant to which it has issued 960,998 units (each, a "**Unit**") at a price of $0.30 per Unit for gross proceeds of $288,299 (the "**Financing**"). Each Unit consists of one common share of the Company (each, a "**Share**") and one-half of one share purchase warrant (each, a "**Warrant**"). Each whole warrant entitles the holder thereof to purchase one additional Share at a price of $0.45 per Share for a period of one year from closing of the Financing, subject to an acceleration provision whereby, in the event that the Shares trade above $0.60 per Share for a period of ten consecutive trading days, the Company may accelerate the expiry date of the Warrants to a date that is thirty days after the completion of such period. The proceeds of the Financing will be used for general working capital. The Company paid a finder's fee of $9,700 to Canaccord Genuity Corp. for the introduction of certain subscribers to the Financing. The securities issued in connection with the Financing are subject to a hold period of four months and one day under applicable Canadian Securities laws. None such securities have been or will be registered under the United States *Securities Act of 1933*, as amended (the "**1933 Act**"), and none of them may be offered or sold to the United States absent registration or pursuant to an applicable exemption from the registration requirements of the 1933 Act and applicable state securities laws.

Per the August 2013 loan agreements, a total of 48,000 bonus shares were issued on April 14, 2014.

On April 28, 2014, 33,333 outstanding warrants were exercised at a price of $0.10 per share.

In June 2014, the Company executed a Definitive Agreement to acquire up to 100% of the issued and outstanding securities of OakBranch Media and it's underlying assets. The secific terms of the acquisition are detailed above on pages 6 and 7, under the section "Discussion of Operations".

Also in June 2014, the Company entered into a strategic relationship with Newnote Financial Corp. ("**Newnote**") (SEC: NEU) to help develop and implement a Bitcoin Virtual Currency payment system for the Company's Good e-Reader Appstore. Upon completion, the Company expects that the Good e-Reader Appstore will be the largest independent Appstore in the world to allow Bitcoin and/or virtual currency transactions. In addition , through OakBranch Media, the

Company has agreed to assist in marketing and distributing Newnote's new bitcoin app "CoinExchange" through the Good e-Reader website, Appstore, and other OakBranch Media assets. OakBranch offers a variety of marketing services to app developers and publishers to help distribute their products worldwide. CoinExchange allows investors to trade Bitcoin in a fashion similar to a stock exchange. It supports muliple order types and allows investors to enter multiple concurrent orders which are automatically executed when the criteria is met. It allows investors to get better buy and sell prices by allowing more control over the conditions under which the Bitcoins are sold without having to always be watching the Bitcoin prices. Newnote is pioneering innovative crypto-currency and Bitcoin related software products and services geared at the growing business segment of this bourgeoning market. Newnote has positioned itself to be a leading contender in delivering opportunities to startup business world-wide and continues to create new opportunities for its clients and its shareholders.

On July 31, 2014, the Company held its annual general meeting of shareholders and all resolutions placed before the shareholders were voted in favour.

Fourth Quarter

Three-month period ended December 31, 2014 compared to the three-month period ended December 31, 2013:

Our net loss for the three-month period ended December 31, 2014 increased to $143,134 compared to a net loss of $39,642 for the same period in 2013.

General and administrative expenses increased to $58,473 in the three-month period ended December 31, 2014 compared to $39,506 for the same period in 2013. The increase in general and administrative expenses is primarily due to the share-based payment reversal of $49,825 in the three-month period ended December 31, 2013 compared to and expense $13,939 in the current period. Professional fees decreased to $39,908 for the three-month period ended December 31, 2014 compared to $45,482 for the same period in 2013.

In October 2014, the Company entered into a non-binding Letter of Intent to acquire certain assets owned by Austin Legate Church, doing business as "Bright Newt." Over the past three years, Bright Newt has built a portfolio of mobile apps and other app-related products. Bright Newt's portfolio features various iOS and Android apps, including Viva Match Battle, published in mid-June 2014, as well as an iOS app marketing guide, app development tutorials, a source code marketplace, and a range of development tools. Under the terms of the Letter of Intent, the Company will issue to Mr. Church 500,000 shares of the company at the closing of a Definitive Agreement. The Company will also be entering into an employment agreement with Mr. Church and will, subject to regulatory approval, issue 200,000 options at $0.20.

In November 2014, 100,000 warrants were exercised at a price of $0.10 per share.

In December 2014, the board of directors approved a proposed private placement offering of up to 2,000,000 units at a price of $0.075 per unit for gross proceeds of $150,000. Each unit will be comprised of one common share of the Company and one-half of one transferable common share purchase warrant, with each whole warrant entitling the holder to purchase one additional common share at a price of $0.15 per share for a period of one year from the date of the issue. The warrants are subject to an acceleration clause that in the event the Company's common shares trade at a closing price of greater than $0.25 per share during any twenty consecutive trading-day period, at any time after the expiry of four months, the Company may accelerate the warrant expiry date to 21 days after the date that the Company provides notice to holders.

Also in December 2014, the Company granted stock options to certain of its directors, officers and consultants to purchase a total of 150,000 common shares of the Company pursuant to the terms of the Company's stock option plan. All of the options are exercisable at a price of $0.10 per share for five years.

Summary of Quarterly Results

The following table presents selected unaudited consolidated financial information for the last eight quarters:

	2014				2013			
(C$)	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Gross Revenues	8,108	12,496	38,402	9,174	-	-	-	-
Net Income (Loss) for the Period	(143,134)	(95,964)	(102,717)	(162,790)	(39,642)	(309,733)	(25,831)	(33,906)
Basic & Diluted Income (Loss) per Share	0.00	0.00	(0.01)	(0.01)	(0.00)	(0.03)	0.00	0.00

Liquidity and Capital Resources

Cash and cash equivalents at December 31, 2014 totaled $98,927 compared to $238,302 as at December 31, 2013.

As of December 31, 2014, the Company had a working capital deficiency of $71,031 compared to a working capital of $118,516 as at December 31, 2013.

At December 31, 2014, the Company had a cash and cash equivalents balance of $98,927, accounts receivable of $8,070 and goods and services tax recoverable of $1,806 to settle current liabilities of $182,161.

The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In March 2014, 100,000 options were exercised at a price of $0.15.

In April 2014, the Company completed a non-brokered private placement financing of 960,998 units at a price of $0.30 per unit for gross proceeds of $288,299.

Also in April 2014, 33,333 warrants were exercised at a price of $0.10.

In November 2014, 100,000 warrants were exercised at a price of $0.10.

Off-Balance Sheet and Other Financial Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

We do not have any commitments under contracts or other types of hedging arrangements which might expose us to commodity price or production volume risks.

We do not have in place any off-balance sheet financing type arrangements.

Transactions between Related Parties

During the year-ended December 31, 2014, directors of the Company billed management fees totaling $137,500 (2013 - $70,000).

During the year-ended December 31, 2014, the share-based payments relating to the directors and officers of the Company totaled $95,313 (2013 - $92,453).

Proposed Transactions and Subsequent Events

In January 2015, the Company closed its non-brokered private placement pursuant to which it sold an aggregate of 2,073,853 units at a price of $0.075 per unit, for gross proceeds of $155,539. Each unit sold was comprised of one common share in the capital of the Company and one half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.15 per share until 5:00 p.m. (Vancouver time) on January 7, 2016. The warrants are subject to an acceleration clause pursuant to which, if, at any time after May 8, 2015, the Company's common share trade at a closing price of greater than $0.25 per share for at least twenty consecutive trading days, the Company may accelerate the expiry date of the warrants to 21 days after the date the Company provides notice of same to the warrant holders. The proceeds of the non-brokered private placement will be used for working capital purposes.

In January 2015, the Company completed an investment in Lite Access Technologies Inc. ("**Lite Access**"). The terms of the investment are as follows: The Company has subscribed for 333,333 units at a price of $0.15 per unit, for a total purchase price of $50,000. Each unit is comprised of one common share of Lite Access and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share of Lite Access at a price of $0.30 per share at any time on or before the date that is one year from the date of issuance of the warrant. Lite Access is a privately held Canadian corporation, founded in 2003, and is a world leader in microduct and fiber-optic technologies. Lite Access' proprietary microduct technology extends a Network Provider's ability to deliver true broadband connectivity directly to end users, such as homes, government and educational institutions, emergency response facilities. Lite Access has successfully deployed thousands of kilometers of microduct networks throughout North and South America, the UK, the Caribbean and Asia.

Also in January 2015, the Company closed a non-brokered private placement offering pursuant to which it sold an aggregate of 2,350,000 units at a price of $0.10 per unit for gross proceeds of $235,000. Each unit sold was comprised of on common share in the capital of the Company and one half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.20 per share until 5:00 p.m. (Vancouver time) on January 27, 2016. The warrants are subject to an acceleration clause pursuant to which if, at any time after May 28, 2015, the Company's common shares trade at a closing price of greater than $0.30 per share for at least twenty-one consecutive trading days, the Company may accelerate the expiry date of the warrants to 21 days after the date that the Company provides notice of same to the warrant holder. The proceeds of the non-brokered private placement will be used for working capital purposes.

In February 2015, the Company completed an investment in Intema Solutions Inc. ("Intema"). The Company subscribed for 2,000,000 units of Intema at a price of $0.075 per unit, for a total price of $150,000. Each unit was comprised of one common share of Intema and one share purchase warrant, with each warrant entitling the Company to acquire one additional Intema share at a price of $0.15 per share at any time on or before the second anniversary of the issuance of units. Intema is a leader in permission-based email marketing, and provides a wide range of products and services, including predictive marketing, search engine marketing, and programming and integration services. Intema has been simplifying and optimizing the online marketing activities of medium and large companies through innovating technologies and cutting edge expertise for more than 15 years.

On March 9, 2015, 50,000 outstanding warrants were exercised at a price of $0.10 per share.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

Our management routinely makes judgments and estimates about the effects of matters that are inherently uncertain. As the number of variables and assumptions affecting the probable future resolution of the uncertainties increase, these judgments become even more subjective and complex. We have identified certain accounting policies that are the most important to the portrayal of our current financial condition and results of operations.

The key elements and assumptions that we have made under these principles and their impact on the amounts reported in the December 31, 2014 Annual Financial Statements remain substantially unchanged from those described in our December 31, 2013 annual audited financial statements.

Please refer to Note 3 of our Annual Financial Statements for our Significant Accounting Policies.

The significant accounting policies that we use are disclosed in the notes to our Annual Financial Statements for the year ended December 31, 2014. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The following discussion outlines such accounting policies and is included in the MD&A to aid the reader in assessing our significant accounting policies and practices of our Company and the likelihood of materially different results being reported. Our management reviews its estimates regularly.

The following significant accounting policies outline the major policies involving critical estimates:

Intangible assets

Intangible assets are recorded at cost upon acquisition and are depreciated over their estimated lives. Depreciation is expensed over the estimated useful life of the assets using the straight-line method. The Company monitors events and changes in circumstances which require an assessment of recoverability. If the carrying amount of the intangible assets is not recoverable, an impairment loss is recognized in the statement of operations, determined by comparing the carrying amount of the asset to its fair value. The adoption of this policy is due to the purchase of mobile software applications and is consistent with the Company's new strategy. The adoption of this policy has no impact on prior year financial information.

Revenue recognition

The Group derives revenues from the sale of software and mobile applications through various platforms. The Group recognizes revenue when all of the following conditions are satisfied: (i) significant risks and rewards have transferred to the buyer; (ii) the Company no longer retains managerial involvement or effective control over the goods sold; (iii) the fee amount of revenue can be measured reliably; (iv) it is probable the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For revenue earned through certain mobile platforms, we recognize revenue based on the gross amount because we are acting as the principal and we have the contractual right to determine the price to be paid. We record the related platform and payment processing fees as cost of sales in the period incurred.

We have relationships with advertising networks for advertisements within our applications. We generally report our advertising revenue net of amounts retained by advertising networks because we act as an agent.

The adoption of this policy is due to the purchase of mobile software applications and is consistent with the Company's new strategy. The adoption of this policy has no impact on the current or prior year financial information.

Impairment:

Financial assets:

A financial asset, other than those designated as FVTPL is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets:

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**CGU**"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

Income Tax Accounting:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that if the income tax expense related to items recognized directly in equity, the income tax expense would also be recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share-Based Payments:

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Legal, Environmental Remediation and Other Contingent Matters:

We are required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine that the loss can reasonably be estimated. When the loss is determined, it is charged to earnings. Our management must continually monitor known and potential contingent matters and make appropriate provisions by charges to earnings when warranted by circumstance.

New Accounting Standards and Interpretations Not Yet Adopted

Effective annual periods beginning on or after July 1, 2014:	
IFRS 2	*Stock Based Compensation*
IAS 24	*Related Party Transactions*
Effective annual periods beginning on or after January 1, 2015:	
IFRS 15	*Revenue from Contracts with Customers*
Effective annual periods beginning on or after January 1, 2016:	
IFRS 10 (Amendment)	*Consolidated Financial Statements*
IFRS 11 (Amendment)	*Joint Arrangements*
IFRS 14	*Regulatory Deferral Accounts*
IAS 16 (Amendment)	*Property, Plant and Equipment*
IAS 27 (Amendment)	*Separate Financial Statements*
IAS 28 (Amendment)	*Investments in Associates and Joint Ventures*
IAS 38 (Amendment)	*Intangible Assets*
Effective annual periods beginning on or after January 1, 2018:	
IFRS 9	*Financial Instruments: Classification and Measurement*

The Company is currently assessing the impact that these standards will have on the financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

Financial Instruments and Other Instruments

Our Company is exposed in varying degrees to a number of risks arising from financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of our Company's risk management framework. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Board approves and monitors the risk management process.

Please refer to Note 4 and 5 of our Annual Financial Statements for additional details on our Financial Instruments and Other Instruments.

Risk Factors

Risks Related to Failure to Implement the Development Plan: The Company forecasts increasing sales in the coming years. Failure to achieve this anticipated success within a certain time period could adversely affect the market value of the Company's shares.

Risks Related to Contractors: The Company's success hinges on such factors as the performance and training of its developers. The development of new technology and the desire to produce more creative and innovative mobile software applications require specific expertise. The Company could face challenges in terms of recruiting experienced individuals with specialised technical skills to ensure its growth.

Risks Related to the Departure of Key Employees and Contractors: The Company's success is closely linked to its ability to maintain a relationship with its key employees and contractors. If, for whatever reason, they leave or become unavailable for an extended period, this could have an impact on the Company.

The Company's future success will also depend on its ability to attract, train, retain and motivate very technically skilled employees and contractors. Losing one or more key employees, managers, or contractors, or failing to attract new highly skilled staff could have a significant negative impact on the Company's revenue, earnings and financial position. The Company is organised today in such a way as to minimise risk related to the departure or extended unavailability of key employees or managers. One measure aimed at reducing this risk is stock options.

Risks Related to Dependence on Clients: The Company has partners that are responsible for distributing its mobile software applications to consumers around the world. Despite the existence of diverse partners, Apple and Google are expected to generate the majority of the Company's revenue.

Risks Related to Dependence on Suppliers and Subcontractors: The Company works with several suppliers around the world and has not identified any major risks related to dependence on any supplier in particular.

The Company has no significant financial dependence on its subcontractors or suppliers that is likely to affect its development plan.

Risks Related to Changes in Technology: The Company is part of a very competitive market, marked by quickly changing technologies that require serious investment in research and development and are subject to economic fluctuations.

Like all publishers, the Company is dependent on technological advances. In order to remain competitive, it is essential for a publisher to properly anticipate market tendencies and choose the right development format for a mobile software application. This selective and strategic choice is very important relative to the amounts invested. An inappropriate choice could have negative consequences on expected revenue. However, the Company still remains proficient in the necessary technologies and has the resources it needs to adapt to technological changes in its core business.

Risks Related to Information Systems and Computer Security: Despite the integration systems implemented, the Company is not entirely protected from computer abuse, intrusions, problems with network user identification, and so on. Changes in regulations, the implementation of new mobility solutions, the spread of viruses and increased use of the Internet are just a few reasons why global security solutions need to be put in place. Information is a strategic resource of considerable value and must therefore be protected in an appropriate manner. Information system security protects information from these threats to ensure business continuity. Security measures are aimed at guaranteeing the confidentiality, integrity and availability of information.

Risks Related to Growth Management: The Company's ability to manage its growth effectively will require it to implement, improve and make effective use of all its resources. Any significant growth in activity could subject the Company, its managers and its teams to a great deal of pressure. In particular, the Company must continue to develop its infrastructure and financial and operating procedures, replace or upgrade its information systems and recruit, train, motivate, manage and retain key employees and contractors. The management team's inability to manage growth effectively would have a significant negative impact on the Company's revenue, earnings and financial position.

Litigation – Legal Proceedings and Arbitration: There are no government, court or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or with which it is threatened, that could have or have had a significant impact on the financial position or profitability of the Company over the past 12 months, although there is always the possibility that such proceedings could arise.

Regulatory Environment: The Company, like all mobile software application publishers, must abide by a number of national regulations, notably concerning content and consumer protection. Non-compliance with these regulations can have a negative impact on sales (delayed release or recalling of products from the market, for example).

The Company has developed tools and set up the necessary procedures to comply with local laws and regulations regarding consumer protection, including making information on content accessible to consumers. Compliance with the regulatory environment also involves an internal policy aimed at fighting corruption in all its forms.

Intellectual Property Risks: The Company's mobile software application catalogue is protected by intellectual property rights. This catalogue's success, however, could lead to attempts at copying and piracy. To prevent this risk, the Company must implement a permanent monitoring system and act quickly when illegal copies are placed online.

Currency Fluctuations: We maintain our deposit accounts in U.S., Argentinean and Canadian currencies and we are therefore subject to currency fluctuations. These currency fluctuations could materially affect our financial position and results. We do not engage in currency hedging activities.

Inflation Risk in Argentina: Argentina has a history that includes high rates of inflation. This can affect the Company by increasing the cost of doing business in Argentina as well as decreasing the real value of the Argentine pesos kept in the Company's bank account in Argentina. The Company limits the risk of inflation by limiting the amount of funds kept in its Argentinean bank account. The Company only transfers to the Argentinean subsidiary the funds necessary to pay current liabilities and does not maintain any large bank account balances in Argentina.

***Need to Manage Growth*:** We could experience rapid growth in production, revenues, personnel, complexity of administration and in other areas. There can be no assurance that we will be able to manage the impact that future growth could place on our administrative infrastructure, systems, and controls. If we are unable to manage future growth effectively, our business, operating results and financial condition may be materially and adversely affected.

Reliance on Key Personnel/Employees: The Company's success is largely dependent upon the performance of its directors and officers. As of February 2015, the Company has a C$1,000,000 Directors' and Officers' liability insurance policy. The loss of service of any director or officer could have a materially adverse effect on the Company.

Financial Risks: Financial risks include changing interest rates, which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

***Conflicts of Interest*:** Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors or officers will be in direct competition with our Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act.* Some of our directors and officers are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to our Company and their duties to the other companies on whose boards they serve, the directors and officers of our Company have agreed to the following:

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial ability and needs of the companies to participate;

2. no commissions or other extraordinary consideration will be paid to such directors and officers; and

3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to our Company except on the same or better terms than the basis on which they are offered to third party participants.

Outstanding Share Data

Our common shares are listed for trading on the CSE under the symbol "BZI".

As at December 31, 2014, we have the following securities outstanding:

Class of Shares	Par Value	Number Authorized	Number Issued
Common	Nil	Unlimited	19,977,309
Preferred	Nil	Unlimited	Nil

Security Type	Number Outstanding	Exercise / Convert Price	Conversion / Expiry Date
Options	35,000	$0.60	March 4, 2016
Options	20,000	$0.825	April 28, 2016
Options	80,000	$0.75	October 18, 2016
Options	740,000	$0.15	September 27, 2018
Options	300,000	$0.30	February 28, 2019
Options	150,000	$0.10	December 12, 2019
Warrants	8,000,000	$0.10	October 3, 2015
Warrants	1,299,998	$0.10	October 24, 2015
Warrants	480,499	$0.45	April 10, 2015

As at the date of this MD&A, we have the following securities outstanding:

Class of Shares	Par Value	Number Authorized	Number Issued
Common	Nil	Unlimited	24,451,162
Preferred	Nil	Unlimited	Nil

Security Type	Number Outstanding	Exercise / Convert Price	Conversion / Expiry Date
Options	35,000	$0.60	March 4, 2016
Options	20,000	$0.825	April 28, 2016
Options	80,000	$0.75	October 18, 2016
Options	740,000	$0.15	September 27, 2018
Options	300,000	$0.30	February 28, 2019
Options	150,000	$0.10	December 12, 2019
Warrants	7,950,000	$0.10	October 3, 2015
Warrants	1,199,998	$0.10	October 24, 2015
Warrants	480,499	$0.45	April 10, 2015
Warrants	1,036,927	$0.15	January 7, 2016
Warrants	1,175,000	$0.20	January 27, 2016

There are no common shares held in escrow or subject to pooling.

Additional Information

Additional information relating to our Company is available on SEDAR at www.sedar.com. We also maintain a web site at www.brisio.com and an email address support@brisio.com for shareholder communication. Our phone number is (604) 644-0072.

This following management's discussion and analysis ("**MD&A**") for Brisio Innovations Inc. was prepared by management based on information available as at May 21, 2015. It should be reviewed together with the unaudited condensed interim consolidated financial statements for the quarter ended March 31, 2015 (the "**Interim Financial Statements**"), and the MD&A and audited annual consolidated financial statements for the year ended December 31, 2014. The Company's quarterly unaudited condensed interim consolidated financial statements and the year-end audited annual consolidated financial statements are filed on SEDAR and are available for review at www.sedar.com.

As used in this MD&A, the terms "we", "us", "our", "Brisio" "the Group" and "our Company" mean Brisio Innovations Inc. and our subsidiaries, Green River Petroleum (USA) Inc., a Washington corporation, and Netco Argentina S.A., an Argentinean corporation unless the context clearly requires otherwise.

Unless otherwise noted, all dollar amounts are expressed in Canadian dollars ("**C$**" or "**$**") and any references to common shares are to common shares in the capital of Brisio Innovations Inc., unless the context clearly requires otherwise.

Forward-Looking Statements

Certain information in this MD&A and the documents incorporated by reference contain forward-looking statements, which includes forward-looking information within the meaning of applicable Canadian securities laws. Forward-looking statements are statements which relate to future events or our future performance, including our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", or "potential" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks described in the section titled "Risk Factors" commencing on page 11 of this MD&A, that may cause the Company's or the industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. No assurance can be given that any of the events anticipated by the forward-looking information and statements will occur or, if they do occur, what benefits we will obtain from them. This MD&A contains forward-looking information and statements, which may include but are not limited to: statements with respect to the financial and operating performance of the Company and its subsidiaries; investment objectives and strategies; the business goals and strategies; forecast operating and financial results; planned capital expenditures; potential future market for our products; our plans for, and results of, exploration and development activities; our treatment under governmental regulatory and tax laws; competitive advantages; business prospects and opportunities; costs and timing of developmental new projects; our management's assessment of future plans and operations; our anticipated liquidity and various matters that may impact such liquidity; and requirements for additional capital.

While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested in this MD&A. These assumptions, which include: management's current expectations; estimates and assumptions about certain projects and the markets we operate in; the global economic environment; interest rates; the successful and timely implementation of capital projects; our ability to generate sufficient cash flow from operations to meet our current and future obligations and other risks and uncertainties described from time to time in the filings we make with securities regulatory authorities; the impact of increasing competition; our ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability of the operator of the projects in which we have an interest to operate the field in a safe, efficient and effective manner; future commodity prices; currency, exchange and interest rates; taxes and environmental matters in the jurisdictions in which we operate may prove to be incorrect. A number of risks and uncertainties could cause our actual results to differ materially from those expressed or implied by the forward-looking information and statements, including, but not limited to: the failure of the Company to execute our business plans; general economic conditions as they affect us; risks arising from our operations generally; competition; accuracy of cost estimates; fluctuations in commodities prices; fluctuations in product supply and demand; risks associated with technology and its application to our business; changes in the applicable regulatory framework, including changes in regulatory approval process and land–use designations, tax, environmental, and other laws or regulations, or changes associated with compliance; the loss of key management employees; our ability to control our operating costs, general administrative and other expenses; other factors beyond our control; insufficient investor interest in our securities which may impact on our ability to raise additional financing as required; and those factors described in the section titled "Risk Factors" in this MD&A.

The forward-looking information is based on the estimates and opinions of our management at the time they are made. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Readers of this MD&A are cautioned not to rely on these forward-looking information and statements. The forward-looking information in this MD&A is made as of May 21, 2015 and the Company assumes no obligation to update or revise them to reflect new events or circumstance, except as required by law.

Description of Business

Brisio is a reporting issuer in the provinces of British Columbia, Alberta and Ontario. The Company's common shares are listed on the Canadian Securities Exchange (the "**CSE**") under the symbol "BZI".

Formerly a natural resource exploration company focused on the discovery and development of mineral and oil and gas properties, the Company ceased activity in the natural resource industry in 2013.

Brisio is now focused on the acquisition, development and marketing of software applications for mobile computing devices, including smart phones, tablets, smart TVs and wearable computers.

Overall Performance

The Company launched a new business unit targeting the smart device market, which currently includes smart phones, tablets and smart TVs and wearable computers.

For the three-month period ended March 31, 2015, the Company generated $6,201 (2014 - $9,174) in gross revenue from the sale of mobile software applications, had a working capital deficit of $29,307 (December 31, 2014 –$71,031) and an accumulated deficit at March 31, 2015 of $20,609,984 (December 31, 2014 – $20,540,886). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time.

Mobile Software Applications:

On December 19, 2013, the Company completed its initial app acquisition by purchasing all rights, intellectual property and online assets associated with the "On the Fly – Voice Translator" mobile application. "On the Fly" is a simple to use voice translator application that allows a person to translate voice and text "on the fly". The application recognizes speech and text and translates into over 70 supported languages. The app is available for iPhones and iPads and can be purchased on iTunes and the Apple App store for $2.99. The Company feels the market potential for a simple and quick translation system is substantial, and with over 150,000 worldwide downloads, the Company has inherited a robust user base for the marketing of future acquired applications.

In February 2014, the Company purchased all the rights and intellectual property and online assets associated with a portfolio of 40 applications. This portfolio focuses on health and wellness and gaming apps, and has an established and growing user base, which currently generates consistent monthly cashflow.

Also in February 2014, the Company acquired all rights, intellectual property and online assets associated with Boostify, an Android smartphone speed booster and battery saver. Boostify tunes Android mobile phones for extra speed and maximum system memory and it stops unwanted apps from using internet bandwidth and draining battery. As such, it allows users to boost memory, free up RAM, reduce CPU load and save battery life, all with one easy click. Boostify has been downloaded over 150,000 times.

In March 2014, the Company purchased all rights, intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!", an Android and IOS game app that has been one of the most highly downloaded and played games on Android and IOS since its release . The Company paid the vendor US$135,137 (C$149,462) as consideration for these assets. Spermy's Journey has over 4.5 million downloads to date on the App Store and Google Play, and has attained stats such as top 5 overall game in 10 countries, number 1 overall downloaded app in 6 countries, and top 5 overall arcade game in 21 countries. In November 2014, the Company released the source code for its hit game Spermy's Journey for iOS and Android so developers around the world can create their own game using our proven underlying code. This was done in conjunction with our business plan for creating the world's first independent app developer community.

Oil & Gas – Columbia River Basin, Washington:

In 2007, the Company acquired and continues to retain a 7.5% working interest in undeveloped leases in the Columbia River Basin of south central Washington. As of March 31, 2015, the Company has an interest in approximately 2,740 undeveloped gross mineral acres. As a consequence of negative results from two unsuccessful exploratory gas wells, the Company has written off the value of the Columbia River Basin properties.

Ongoing global economic instability has had a significant negative impact on many segments of the world economy due to many factors including, without limitation: the effects of the subprime lending and general credit market crises, the European debt crisis, volatile energy costs, slower economic activity, decreased consumer confidence, reduced corporate profits and capital spending, adverse business conditions, increased unemployment and liquidity concerns. We cannot predict the timing or duration of economic slowdowns or the timing or strength of subsequent economic recoveries, worldwide or in our industry, and we cannot predict the extent to which economic slowdowns will impact our business. However, the uncertainty regarding the financial markets and worldwide political and economic climates are expected to likely have a negative impact on our business, financial condition and results of operations.

Quarterly Financial Information

The following table contains a summary of our financial results for the three-month periods ended March 31, 2015 and 2014:

	Three-month period ended March 31	
(C$)	**2015**	**2014**
Gross Revenues	6,201	9,174
Net Income (Loss) for the Period	(69,098)	(162,790)
Basic and Diluted Net Income (Loss) per Share	0.00	(0.01)
Total Assets	551,796	345,288
Total Long-Term Financial Liabilities	-	-

The discussion and analysis of our financial condition and results of operations is based on our Interim Financial Statements, which have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). Application of IFRS requires the use of estimates, judgments and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the revenues and expenses reported during the period. Changes in these estimates, judgments and assumptions will occur as a result of future events, and accordingly, actual results could differ from amounts estimated. Our reporting currency is Canadian dollars.

Discussion of Operations and First Quarter

Three-month period ended March 31, 2015 compared to the three-month period ended March 31, 2014:

Our net loss for the three-month period ended March 31, 2015 decreased to $69,098 compared to a net loss of $162,790 for the same period in 2014. The decreased loss is primarily due to share-based payment expense of $87,186 incurred in the first quarter of fiscal 2014 compared to $nil in the first quarter of fiscal 2015.

General and administrative expenses decreased to $55,227 for the three-month period ended March 31, 2015 compared to $159,973 for the same period in 2014. The Company had a foreign exchange gain of $544 in the three-month period ended March 31, 2015 compared to a loss of $1,015 for the same period in 2014.

Intangible mobile software applications decreased to $146,580 for the three-month period ended March 31, 2015, compared to $220,950 for the same period in 2014. In the first quarter of 2014, the Company's purchased of all rights, intellectual property and online assets associated with the "On the Fly – Voice Translator" iOS mobile application ("app") for US$50,000 (C$53,975), a portfolio of health and wellness and gaming apps for US$21,000 (C$23,428), Android speed booster app "Boostify" for US$3,000 (C$3,341), and the gaming app "Spermy's Journey, A Race To The Egg!" for US$135,137 (C$149,462).

Share capital increased to $20,065,621 as of March 31, 2015, from $19,670,082 at December 31, 2014, as a result of the closing of a financing of 2,073,853 units at a price of $0.075 per unit, the closing of a financing of 2,350,000 units at a price of $0.10 per unit and the exercise of 50,000 share purchase warrants at a price of $0.10 per share.

In August 2013, the Company obtained an aggregate of $60,000 in loans (the "**Loan**") whereby the lenders (the "**Lenders**") agreed to loan such funds to the Company in consideration for the Company issuing as a bonus, an aggregate of 48,000 common shares of the Company to the Lenders. The Loan was for a term of twelve months, bore interest at a rate of 12% per annum, before and after maturity and was renewable by the parties for additional terms as may be mutually agreed to by the parties. Steve Vestergaard, a director of the Company, was one of the Lenders and loaned the Company $50,000. The Loan was paid back in full in October 2013. The bonus shares were issued on April 14, 2014.

On March 14, 2014, the Company entered into a non-binding letter of intent (the "**LOI**") with OakBranch Media Inc. ("**OakBranch**") to acquire up to 100% of the issued and outstanding securities of OakBranch and its underlying assets (the "**Transaction**"). OakBranch is an integrated media company with its main assets being the Good e-Reader website, a leading website specializing in e-Reader, eBook and Digital Publishing News, which has over 230,000 unique visitors per month, and the Good e-Reader App Store, which with over 35,000 apps, 420,000 unique visitors and 7 million page views per month, is the largest independent Android and Blackberry alternative app store in Canada. OakBranch also operates its own video studio and YouTube channel,. Brisio will undertake the Transaction on the following terms:

(a) in consideration for aggregate cash payments of $130,000, to be paid by Brisio to OakBranch upon the achievement of certain milestones by OakBranch to be determined by Brisio and specified in the definitive agreement to be entered into between Brisio and OakBranch with respect to the Transaction (the "**Definitive Agreement**"), Brisio will acquire securities of OakBranch, of a class to be determined and specified in the Definitive Agreement, sufficient to give Brisio a 30% voting and equity interest in OakBranch;
(b) OakBranch will grant Brisio an option, that will expire one year from the date of closing of the Definitive Agreement (the "**Closing**"), to acquire additional securities of OakBranch, of a class to be determined and specified in the Definitive Agreement, sufficient to give Brisio an additional 19.9% voting and equity interest in OakBranch, bringing Brisio's total interest in OakBranch to 49.9%, exercisable upon: (i) the issuance by Brisio to OakBranch of 250,000 common shares of Brisio (each, a "**Brisio Share**"), and (ii) the payment of $75,000 by Brisio to OakBranch; and
(c) OakBranch will cause each of the shareholders of OakBranch (collectively, the "**OakBranch Shareholders**") to grant Brisio a right of first refusal to acquire the remaining 50.1% of the outstanding voting and equity interests of OakBranch from time to time the OakBranch Shareholders on terms to be specified in the Definitive Agreement.

In June 2014, the Company executed a Definitive Agreement to acquire up to 100% of the issued and outstanding securities of OakBranch Media and it's underlying assets. As of March 31, 2015, the Company has made aggregate cash payments of $100,000 to OakBranch. As of March 31, 2015, the shares have not been issued.

In June 2014, the Company entered into a strategic relationship with Newnote Financial Corp. ("**Newnote**") (SEC: NEU) to help develop and implement a Bitcoin Virtual Currency payment system for the Company's Good e-Reader Appstore. Upon completion, the Company expects that the Good e-Reader Appstore will be the largest independent Appstore in the world to allow Bitcoin and/or virtual currency transactions. In addition , through OakBranch Media, the Company has agreed to assist in marketing and distributing Newnote's new bitcoin app "CoinExchange" through the Good e-Reader website, Appstore, and other OakBranch Media assets. OakBranch offers a variety of marketing services to app developers and publishers to help distribute their products worldwide. CoinExchange allows investors to trade Bitcoin in a fashion similar to a stock exchange. It supports muliple order types and allows investors to enter multiple concurrent orders which are automatically executed when the criteria is met. It allows investors to get better buy and sell prices by allowing more control over the conditions under which the Bitcoins are sold without having to always be watching the Bitcoin prices. Newnote is pioneering innovative crypto-currency and Bitcoin related software products and services geared at the growing business segment of this bourgeoning market. Newnote has positioned itself to be a leading contender in delivering opportunities to startup business world-wide and continues to create new opportunities for its clients and its shareholders.

In October 2014, the Company entered into a non-binding Letter of Intent to acquire certain assets owned by Austin Legate Church, doing business as "Bright Newt." Over the past three years, Bright Newt has built a portfolio of mobile apps and other app-related products. Bright Newt's portfolio features various iOS and Android apps, including Viva Match Battle, published in mid-June 2014, as well as an iOS app marketing guide, app development tutorials, a source code marketplace, and a range of development tools. Under the terms of the Letter of Intent, the Company will issue to Mr. Church 500,000 shares of the company at the closing of a Definitive Agreement. The Company will also be entering into an employment agreement with Mr. Church and will, subject to regulatory approval, issue 200,000 options at $0.20.

In January 2015, the Company closed a non-brokered private placement pursuant to which it sold an aggregate of 2,073,853 units at a price of $0.075 per unit, for gross proceeds of $155,539. Each unit sold was comprised of one common share in the capital of the Company and one half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.15 per share until 5:00 p.m. (Vancouver time) on January 7, 2016. The warrants are subject to an acceleration clause pursuant to which, if, at any time after May 8, 2015, the Company's common share trade at a closing price of greater than $0.25 per share for at least twenty consecutive trading days, the Company may accelerate the expiry date of the warrants to 21 days after the date the Company provides notice of same to the warrant holders. The proceeds of the non-brokered private placement will be used for working capital purposes.

In January 2015, the Company completed an investment in Lite Access Technologies Inc. ("**Lite Access**"). The terms of the investment are as follows: The Company has subscribed for 333,333 units at a price of $0.15 per unit, for a total purchase price of $50,000. Each unit is comprised of one common share of Lite Access and one-half of one share purchase warrant. Each whole warrant entitles the holder to acquire one additional share of Lite Access at a price of $0.30 per share at any time on or before the date that is one year from the date of issuance of the warrant. Lite Access is a privately held Canadian corporation, founded in 2003, and is a world leader in microduct and fiber-optic technologies. Lite Access' proprietary microduct technology extends a Network Provider's ability to deliver true broadband connectivity directly to end users, such as homes, government and educational institutions, emergency response facilities. Lite Access has successfully deployed thousands of kilometers of microduct networks throughout North and South America, the UK, the Caribbean and Asia.

Also in January 2015, the Company closed a non-brokered private placement offering pursuant to which it sold an aggregate of 2,350,000 units at a price of $0.10 per unit for gross proceeds of $235,000. Each unit sold was comprised of on common share in the capital of the Company and one half of one transferable share purchase warrant. Each whole warrant entitles the holder thereof to acquire one common share at a price of $0.20 per share until 5:00 p.m. (Vancouver time) on January 27, 2016. The warrants are subject to an acceleration clause pursuant to which if, at any time after May 28, 2015, the Company's common shares trade at a closing price of greater than $0.30 per share for at least twenty-one consecutive trading days, the Company may accelerate the expiry date of the warrants to 21 days after the date that the Company provides notice of same to the warrant holder. The proceeds of the non-brokered private placement will be used for working capital purposes.

In February 2015, the Company completed an investment in Intema Solutions Inc. ("Intema"). The Company subscribed for 2,000,000 units of Intema at a price of $0.075 per unit, for a total price of $150,000. Each unit was comprised of one common share of Intema and one share purchase warrant, with each warrant entitling the Company to acquire one additional Intema share at a price of $0.15 per share at any time on or before the second anniversary of the issuance of units. Intema is a leader in permission-based email marketing, and provides a wide range of products and services, including predictive marketing, search engine marketing, and programming and integration services. Intema has been simplifying and optimizing the online marketing activities of medium and large companies through innovating technologies and cutting edge expertise for more than 15 years.

On March 9, 2015, 50,000 outstanding warrants were exercised at a price of $0.10 per share.

Summary of Quarterly Results

The following table presents selected unaudited consolidated financial information for the last eight quarters:

	2015	2014				2013		
(C$)	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Gross Revenues	6,201	8,108	12,496	38,402	9,174	-	-	-
Net Income (Loss) for the Period	(69,098)	(143,134)	(95,964)	(102,717)	(162,790)	(39,642)	(309,733)	(25,831)
Basic & Diluted Income (Loss) per Share	0.00	0.00	0.00	(0.01)	(0.01)	(0.00)	(0.03)	0.00

Liquidity and Capital Resources

Cash and cash equivalents at March 31, 2015 totaled $85,157 compared to $98,927 as at December 31, 2014.

As of March 31, 2015, the Company had a working capital deficiency of $29,307 compared to $71,031 as at December 31, 2014.

At March 31, 2015, the Company had a cash and cash equivalents balance of $85,157, accounts receivable of $10,706 and goods and services tax recoverable of $2,638 to settle current liabilities of $134,523.

The Company's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern.

In January 2015, the Company closed a non-brokered private placement pursuant to which it sold an aggregate of 2,073,853 units at a price of $0.075 per unit, for gross proceeds of $155,539.

Also in January 2015, the Company closed a non-brokered private placement offering pursuant to which it sold an aggregate of 2,350,000 units at a price of $0.10 per unit for gross proceeds of $235,000.

On March 9, 2015, 50,000 outstanding warrants were exercised at a price of $0.10 per share.

Off-Balance Sheet and Other Financial Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to investors.

We do not have any commitments under contracts or other types of hedging arrangements which might expose us to commodity price or production volume risks.

We do not have in place any off-balance sheet financing type arrangements.

Transactions between Related Parties

During the three-month period ended March 31, 2015, directors of the Company billed management fees totaling $22,500 (2014 - $25,000).

During the three-month period ended March 31, 2015, the share-based payments relating to the directors and officers of the Company totaled $nil (2014 - $87,186).

Proposed Transactions and Subsequent Events

As of the date of this MD&A, there were no proposed transactions or subsequent events.

Critical Accounting Estimates

The preparation of financial statements in conformity with IFRS requires our management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting periods.

Our management routinely makes judgments and estimates about the effects of matters that are inherently uncertain. As the number of variables and assumptions affecting the probable future resolution of the uncertainties increase, these judgments become even more subjective and complex. We have identified certain accounting policies that are the most important to the portrayal of our current financial condition and results of operations.

The key elements and assumptions that we have made under these principles and their impact on the amounts reported in the March 31, 2015 Interim Financial Statements remain substantially unchanged from those described in our December 31, 2014 annual audited financial statements.

Please refer to Note 3 of our Interim Financial Statements for our Significant Accounting Policies.

The significant accounting policies that we use are disclosed in the notes to our Interim Financial Statements for the quarter ended March 31, 2015. Certain accounting policies require that management make appropriate decisions with respect to the formulation of estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The following discussion outlines such accounting policies and is included in the MD&A to aid the reader in assessing our significant accounting policies and practices of our Company and the likelihood of materially different results being reported. Our management reviews its estimates regularly.

The following significant accounting policies outline the major policies involving critical estimates:

Intangible assets

Intangible assets are recorded at cost upon acquisition and are depreciated over their estimated lives. Depreciation is expensed over the estimated useful life of the assets using the straight-line method. The Company monitors events and changes in circumstances which require an assessment of recoverability. If the carrying amount of the intangible assets is not recoverable, an impairment loss is recognized in the statement of operations, determined by comparing the carrying amount of the asset to its fair value.

Revenue recognition

The Group derives revenues from the sale of software and mobile applications through various platforms. The Group recognizes revenue when all of the following conditions are satisfied: (i) significant risks and rewards have transferred to the buyer; (ii) the Company no longer retains managerial involvement or effective control over the goods sold; (iii) the fee amount of revenue can be measured reliably; (iv) it is probable the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For revenue earned through certain mobile platforms, we recognize revenue based on the gross amount because we are acting as the principal and we have the contractual right to determine the price to be paid. We record the related platform and payment processing fees as cost of sales in the period incurred.

Advertising revenue for advertisements within the applications are recorded net of amounts retained by advertising networks.

For every contract signed, the Group examines its characteristics in order to determine whether it is appropriate to recognize the net or gross revenue from services rendered by agents.

Impairment:

Financial assets:

A financial asset, other than those designated as FVTPL is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

Non-financial assets:

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**CGU**"). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

Income Tax Accounting:

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that if the income tax expense related to items recognized directly in equity, the income tax expense would also be recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Share-Based Payments:

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

Legal, Environmental Remediation and Other Contingent Matters:

We are required to both determine whether a loss is probable based on judgment and interpretation of laws and regulations and determine that the loss can reasonably be estimated. When the loss is determined, it is charged to earnings. Our management must continually monitor known and potential contingent matters and make appropriate provisions by charges to earnings when warranted by circumstance.

New Accounting Standards and Interpretations Not Yet Adopted

Effective annual periods beginning on or after July 1, 2014:	
IFRS 2	*Stock Based Compensation*
IAS 24	*Related Party Transactions*
Effective annual periods beginning on or after January 1, 2015:	
IFRS 15	*Revenue from Contracts with Customers*
Effective annual periods beginning on or after January 1, 2016:	
IFRS 10 (Amendment)	*Consolidated Financial Statements*
IFRS 11 (Amendment)	*Joint Arrangements*
IFRS 14	*Regulatory Deferral Accounts*
IAS 16 (Amendment)	*Property, Plant and Equipment*
IAS 27 (Amendment)	*Separate Financial Statements*
IAS 28 (Amendment)	*Investments in Associates and Joint Ventures*
IAS 38 (Amendment)	*Intangible Assets*
Effective annual periods beginning on or after January 1, 2018:	
IFRS 9	*Financial Instruments: Classification and Measurement*

The Company is currently assessing the impact that these standards will have on the financial statements. The Company plans to adopt these standards as soon as they become effective for the Company's reporting period.

Financial Instruments and Other Instruments

Our Company is exposed in varying degrees to a number of risks arising from financial instruments. The Board of Directors has overall responsibility for the establishment and oversight of our Company's risk management framework. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Board approves and monitors the risk management process.

Please refer to Note 4 and 5 of our Interim Financial Statements for additional details on our Financial Instruments and Other Instruments.

Risk Factors

Risks Related to Failure to Implement the Development Plan: The Company forecasts increasing sales in the coming years. Failure to achieve this anticipated success within a certain time period could adversely affect the market value of the Company's shares.

Risks Related to Contractors: The Company's success hinges on such factors as the performance and training of its developers. The development of new technology and the desire to produce more creative and innovative mobile software applications require specific expertise. The Company could face challenges in terms of recruiting experienced individuals with specialised technical skills to ensure its growth.

Risks Related to the Departure of Key Employees and Contractors: The Company's success is closely linked to its ability to maintain a relationship with its key employees and contractors. If, for whatever reason, they leave or become unavailable for an extended period, this could have an impact on the Company.

The Company's future success will also depend on its ability to attract, train, retain and motivate very technically skilled employees and contractors. Losing one or more key employees, managers, or contractors, or failing to attract new highly skilled staff could have a significant negative impact on the Company's revenue, earnings and financial position. The Company is organised today in such a way as to minimise risk related to the departure or extended unavailability of key employees or managers. One measure aimed at reducing this risk is stock options.

Risks Related to Dependence on Clients: The Company has partners that are responsible for distributing its mobile software applications to consumers around the world. Despite the existence of diverse partners, Apple and Google are expected to generate the majority of the Company's revenue.

Risks Related to Dependence on Suppliers and Subcontractors: The Company works with several suppliers around the world and has not identified any major risks related to dependence on any supplier in particular.

The Company has no significant financial dependence on its subcontractors or suppliers that is likely to affect its development plan.

Risks Related to Changes in Technology: The Company is part of a very competitive market, marked by quickly changing technologies that require serious investment in research and development and are subject to economic fluctuations.

Like all publishers, the Company is dependent on technological advances. In order to remain competitive, it is essential for a publisher to properly anticipate market tendencies and choose the right development format for a mobile software application. This selective and strategic choice is very important relative to the amounts invested. An inappropriate choice could have negative consequences on expected revenue. However, the Company still remains proficient in the necessary technologies and has the resources it needs to adapt to technological changes in its core business.

Risks Related to Information Systems and Computer Security: Despite the integration systems implemented, the Company is not entirely protected from computer abuse, intrusions, problems with network user identification, and so on. Changes in regulations, the implementation of new mobility solutions, the spread of viruses and increased use of the Internet are just a few reasons why global security solutions need to be put in place. Information is a strategic resource of considerable value and must therefore be protected in an appropriate manner. Information system security protects information from these threats to ensure business continuity. Security measures are aimed at guaranteeing the confidentiality, integrity and availability of information.

Risks Related to Growth Management: The Company's ability to manage its growth effectively will require it to implement, improve and make effective use of all its resources. Any significant growth in activity could subject the Company, its managers and its teams to a great deal of pressure. In particular, the Company must continue to develop its infrastructure and financial and operating procedures, replace or upgrade its information systems and recruit, train, motivate, manage and retain key employees and contractors. The management team's inability to manage growth effectively would have a significant negative impact on the Company's revenue, earnings and financial position.

Litigation – Legal Proceedings and Arbitration: There are no government, court or arbitration proceedings, including any proceedings of which the Company is aware, which are pending or with which it is threatened, that could have or have had a significant impact on the financial position or profitability of the Company over the past 12 months, although there is always the possibility that such proceedings could arise.

Regulatory Environment: The Company, like all mobile software application publishers, must abide by a number of national regulations, notably concerning content and consumer protection. Non-compliance with these regulations can have a negative impact on sales (delayed release or recalling of products from the market, for example).

The Company has developed tools and set up the necessary procedures to comply with local laws and regulations regarding consumer protection, including making information on content accessible to consumers. Compliance with the regulatory environment also involves an internal policy aimed at fighting corruption in all its forms.

Intellectual Property Risks: The Company's mobile software application catalogue is protected by intellectual property rights. This catalogue's success, however, could lead to attempts at copying and piracy. To prevent this risk, the Company must implement a permanent monitoring system and act quickly when illegal copies are placed online.

Currency Fluctuations: We maintain our deposit accounts in U.S., Argentinean and Canadian currencies and we are therefore subject to currency fluctuations. These currency fluctuations could materially affect our financial position and results. We do not engage in currency hedging activities.

Inflation Risk in Argentina: Argentina has a history that includes high rates of inflation. This can affect the Company by increasing the cost of doing business in Argentina as well as decreasing the real value of the Argentine pesos kept in the Company's bank account in Argentina. The Company limits the risk of inflation by limiting the amount of funds kept in its Argentinean bank account. The Company only transfers to the Argentinean subsidiary the funds necessary to pay current liabilities and does not maintain any large bank account balances in Argentina.

***Need to Manage Growth*:** We could experience rapid growth in production, revenues, personnel, complexity of administration and in other areas. There can be no assurance that we will be able to manage the impact that future growth could place on our administrative infrastructure, systems, and controls. If we are unable to manage future growth effectively, our business, operating results and financial condition may be materially and adversely affected.

Reliance on Key Personnel/Employees: The Company's success is largely dependent upon the performance of its directors and officers. As of February 2015, the Company has a C$1,000,000 Directors' and Officers' liability insurance policy. The loss of service of any director or officer could have a materially adverse effect on the Company.

Financial Risks: Financial risks include changing interest rates, which are beyond the Company's control. Additional financial risks are the Company's ability to raise capital to continue funding its operations.

***Conflicts of Interest*:** Some of the directors and officers are engaged and will continue to be engaged in the search for additional business opportunities on behalf of other corporations, and situations may arise where these directors or officers will be in direct competition with our Company. Conflicts, if any, will be dealt with in accordance with the relevant provisions of the British Columbia *Business Corporations Act.* Some of our directors and officers are or may become directors or officers of other companies engaged in other business ventures. In order to avoid the possible conflict of interest which may arise between the directors' duties to our Company and their duties to the other companies on whose boards they serve, the directors and officers of our Company have agreed to the following:

1. participation in other business ventures offered to the directors will be allocated between the various companies and on the basis of prudent business judgment and the relative financial ability and needs of the companies to participate;

2. no commissions or other extraordinary consideration will be paid to such directors and officers; and

3. business opportunities formulated by or through other companies in which the directors and officers are involved will not be offered to our Company except on the same or better terms than the basis on which they are offered to third party participants.

Outstanding Share Data

Our common shares are listed for trading on the CSE under the symbol "BZI".

As of March 31, 2015 and as of the date of this MD&A, we have the following securities outstanding:

Class of Shares	Par Value	Number Authorized	Number Issued
Common	Nil	Unlimited	24,451,162
Preferred	Nil	Unlimited	Nil

Security Type	Number Outstanding	Exercise / Convert Price	Conversion / Expiry Date
Options	35,000	$0.60	March 4, 2016
Options	20,000	$0.825	April 28, 2016
Options	80,000	$0.75	October 18, 2016
Options	740,000	$0.15	September 27, 2018
Options	300,000	$0.30	February 28, 2019
Options	150,000	$0.10	December 12, 2019
Warrants	7,950,000	$0.10	October 3, 2015
Warrants	1,199,998	$0.10	October 24, 2015
Warrants	480,499	$0.45	April 10, 2015
Warrants	1,036,927	$0.15	January 7, 2016
Warrants	1,175,000	$0.20	January 27, 2016

There are no common shares held in escrow or subject to pooling.

Additional Information

Additional information relating to our Company is available on SEDAR at www.sedar.com. We also maintain a web site at www.brisio.com and an email address support@brisio.com for shareholder communication. Our phone number is (604) 644-0072.

Appendix C

BRISIO INNOVATIONS INC.

Consolidated Financial Statements
(Expressed in Canadian dollars)

December 31, 2014 and 2013

Index

Independent Auditors' Report

Brisio Innovations Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes		**December 31, 2014**		December 31, 2013
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**98,927**	$	238,302
Accounts receivable			**8,070**		39,129
GST recoverable			**1,806**		3,781
Prepaid expenses			**2,327**		2,429
			111,130		283,641
Non-current assets					
Software applications	7		**167,402**		53,975
Deposit on investments	8,9		**150,000**		-
			317,402		53,975
		$	**428,532**	$	337,616
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	13	**$**	**182,161**	$	165,125
			182,161		165,125
SHAREHOLDERS' EQUITY					
Share capital	10		**19,670,082**		19,334,037
Share subscriptions received			**155,539**		-
Contributed surplus	10		**961,636**		874,735
Deficit			**(20,540,886)**		(20,036,281)
			246,371		172,491
		$	**428,532**	$	337,616

Nature and continuance of operations (note 1)

Approved on behalf of the Board:

"Paul Andreola" **Director**

"Steve Vestergaard" **Director**

The notes are an integral part of these consolidated financial statements

Brisio Innovations Inc.

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian dollars)

Year Ended December 31,	Notes		2014		2013
REVENUE					
Gross revenue from software applications	12	$	**68,180**	$	-
Cost of sales			**(81,412)**		-
Gross profit (loss)			**(13,232)**		**-**
GENERAL AND ADMINISTRATION EXPENSES					
Bonus share issuance	13		**14,400**		-
Management fees	13		**137,500**		70,000
Office and general			**65,786**		92,572
Professional fees			**106,532**		79,412
Share-based payment	10, 13		**101,125**		120,901
Transfer agent and filing			**31,537**		42,740
			456,880		405,625
Loss before other items			**(470,112)**		(405,625)
OTHER ITEMS					
Foreign exchange gain (loss)			**(1,432)**		(3,726)
Interest and miscellaneous income			**-**		239
Write-off of accounts receivable			**(33,061)**		-
			(34,493)		(3,487)
Loss and comprehensive loss for the year		**$**	**(504,605)**	$	(409,112)
Basic and diluted loss per share		**$**	**(0.03)**	$	(0.04)
Weighted average number of shares outstanding			**19,583,542**		11,600,733

The notes are an integral part of these consolidated financial statements

Brisio Innovations Inc.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Share Subscriptions Received	Contributed Surplus	Deficit	Total
Balance as at January 1, 2014	18,734,978	$ 19,334,037	$ -	$ 874,735	$ (20,036,281)	$ 172,491
Issue of share capital, net	1,242,331	336,045	-	(14,224)	-	321,821
Share subscription proceeds	-	-	155,539	-	-	155,539
Share-based payment	-	-	-	101,125	-	101,125
Total comprehensive loss for the year	-	-	-	-	(504,605)	(504,605)
Balance as at December 31, 2014	19,977,309	**$ 19,670,082**	**$ 155,539**	**$ 961,636**	**$ (20,540,886)**	**$ 246,371**

	Number of Shares	Share Capital	Share Subscriptions Received	Contributed Surplus	Deficit	Total
Balance as at January 1, 2013	9,401,655	$ 18,834,037	$ -	$ 753,834	$ (19,627,169)	$ (39,298)
Share-based payment	-	-	-	120,901	-	120,901
Issue of share capital, net	9,333,331	500,000	-	-	-	500,000
Adjustment	(8)	-	-	-	-	-
Total comprehensive loss for the year	-	-	-	-	(409,112)	(409,112)
Balance as at December 31, 2013	18,734,978	**$ 19,334,037**	**$ -**	**$ 874,735**	**$ (20,036,281)**	**$ 172,491**

The notes are an integral part of these consolidated financial statements

Brisio Innovations Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

Year Ended December 31,		2014		2013
CASH FLOWS PROVIDED BY (USED IN):				
Operating activities				
Net loss for the year	$	**(504,605)**	$	(409,112)
Adjustment for items not involving cash:				
Foreign exchange loss		**1,432**		3,726
Write-off of accounts receivable		**33,061**		-
Amortization		**69,844**		-
Bonus share issuance		**14,400**		-
Share-based payment		**101,125**		120,901
		(284,743)		(284,485)
Changes in non-cash working capital:				
Decrease (increase) in accounts receivable		**(2,001)**		5,639
Increase (decrease) in accounts payable and accrued liabilities		**17,035**		48,415
Decrease (increase) in GST recoverable		**1,975**		(2,073)
Decrease (increase) in prepaid expenses		**102**		(1,050)
		(267,632)		(233,554)
Investing activities				
Software applications		**(183,271)**		(53,975)
Deposit on investments		**(150,000)**		-
		(333,271)		(53,975)
Financing activities				
Share subscriptions received		**155,539**		-
Issuance of common shares		**307,421**		500,000
		462,960		500,000
Foreign exchange on cash		**(1,432)**		(3,726)
Increase (decrease) in cash and cash equivalents		**(139,375)**		208,745
Cash and cash equivalents, beginning of year		**238,302**		29,557
Cash and cash equivalents, end of year	$	**98,927**	$	238,302

Supplemental cash flow information

The Company paid no interest or income taxes.

The Company received no cash receipts for interest and income taxes.

During the year ended December 31, 2014, non-cash activity included:

a) transfer of $14,224 from contributed surplus to share captial upon stock option exercise.

The notes are an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Brisio Innovations Inc. (the "Company") is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's shares are listed on the Canadian Securities Exchange ("CSE"). The head office and principal address is 580 Hornby Street, Suite 490, Vancouver, British Columbia, Canada, V6C 3B6.

On February 7, 2014, the CSE approved the listing of the Company's common shares on the CSE. At the close of trading on February 11, 2014, the Company's shares were delisted from the TSX Venture Exchange.

The consolidated financial statements of the Company as at and for the years ended December 31, 2014 and 2013 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the acquisition, development and marketing of software applications for mobile computing devices, such as smart phones, tablets and wearable computers. The Company was previously involved in the mining and petroleum and natural gas industries.

During the year ended December 31, 2013, the Company completed a 5 for 1 share consolidation. All references to number of shares, warrants, stock options and per share amounts have been retroactively restated to reflect the consolidation, unless otherwise noted.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Group will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the year ended December 31, 2014, the Group generated $68,180 (2013 - $Nil) in gross revenue from the sale of mobile software applications, has a working capital deficit of $71,031(2013 – working capital of $118,516) and an accumulated deficit of $20,540,886 (2013 - $20,036,281). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Group's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were approved by the Board of Directors on April 15, 2015.

2. BASIS OF PREPARATION (continued)

(b) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the Group's functional currency.

(c) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for financial assets classified as fair value through profit or loss which are stated at their fair value.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(d) Use of estimates and judgments:

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant accounting estimates:

a. The inputs used in accounting for share-based payment in profit or loss;
b. The judgement of indications of impairment of each property and related determination of the net realizable value and write-down of those properties where applicable;
c. The tax basis of assets and liabilities and related deferred income tax assets and liabilities;
d. Amounts of provisions, if any, for decommissioning obligations; and
e. Rates of depreciation of intangible assets.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments (continued):

Significant accounting judgments:

a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management; and

b. The analysis of the functional currency for each entity of the Group. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

c. The going concern risk assessment (see note 1).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

(a) Basis of consolidation

(i) Subsidiaries:

The consolidated financial statements of the Company include its wholly-owned subsidiaries, Green River Petroleum (USA) Inc., incorporated in the State of Washington, USA and Netco Argentina S.A., incorporated in Argentina. Both subsidiaries were inactive at December 31, 2014.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Jointly controlled operations and jointly controlled assets:

Many of the Group's resource activities and oil and natural gas activities involve jointly controlled assets. The consolidated financial statements include the Group's share of these jointly controlled assets and a proportionate share of the relevant revenue and related costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(iii) Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Any foreign currency gains or losses are recognized in net income (loss) for the period.

(c) Financial instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date, as opposed to settlement date. The Group has classified its cash and cash equivalents as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Group’s accounts receivable are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Group has not classified financial assets as available-for-sale assets.

Transactions costs associated with FVTPL and available-for-sale financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Group's accounts payable and accrued liabilities are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit and loss. The Group has not classified any financial liabilities as FVTPL.

The Group is not engaged in any financial derivative contracts.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and cash equivalents that are readily convertible into cash and which are subject to insignificant risk of changes in value.

(e) Intangible assets

Intangible assets are recorded at cost upon acquisition and are depreciated over their estimated lives. Depreciation is expensed over the estimated useful life of the assets using the straight-line method. The Company monitors events and changes in circumstances which require an assessment of recoverability. If the carrying amount of the intangible assets is not recoverable, an impairment loss is recognized in profit or loss, determined by comparing the carrying amount of the asset to its fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investments in associates

An associate is an entity over which the Company has significant influence. If the Company holds, directly or indirectly (i.e. through subsidiaries), 20% or more of the voting power of the investee, it is presumed the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

If the Company has significant influence over an investee, it must account for its investment in an associate using the equity method. Under the equity method, on initial recognition, the investment in an associate is recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition. The Company's share of the investee's profit or loss is recognized in the Company's profit or loss.

Distributions received from an investee reduce the carrying amount of the investment. It may also be necessary to adjustment the carrying amount for changes in the Company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The Company's share of those changes is recognized in the investor's other comprehensive income.

(g) Impairment

(i) Financial assets:

A financial asset, other than those designated as FVTPL is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

(ii) Non-financial assets:

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

(h) Revenue recognition

The Group derives revenues from the sale of software and mobile applications through various platforms. The Group recognizes revenue when all of the following conditions are satisfied: (i) significant risks and rewards have transferred to the buyer; (ii) the Company no longer retains managerial involvement or effective control over the goods sold; (iii) the fee amount of revenue can be measured reliably; (iv) it is probable the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For revenue earned through certain mobile platforms, revenue is recognized based on the gross amount because the Group is acting as the principal has the contractual right to determine the price to be paid. The related platform and payment processing fees are recorded as cost of sales in the period incurred.

Advertising revenue for advertisements within the applications are recorded net of amounts retained by advertising networks.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue recognition (continued)

For every contract signed, the Group examines its characteristics in order to determine whether it is appropriate to recognize the net or gross revenue from services rendered by agents.

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that if the income tax expense related to items recognized directly in equity, the income tax expense would also be recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

<u>Valuation of equity units issued in private placements</u>

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Share capital (continued)

allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

(k) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Share-based payments (continued)

vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(l) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

(m) Changes in accounting policies

The Company has adopted the new standards and interpretations issued by the IASB that were effective on January 1, 2014 as outlined below:

IFRS 10 - Consolidated Financial Statements and IFRS 12, Disclosures of Interests in Other Entities and IAS 27, Separate Financial Statements

IFRS 10 and 12 and IAS 27 have been amended with an effective date for annual periods beginning or after January 1, 2014. The amendment provides for the definition of an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity. The amendments also deal with the disclosures required and preparation of separate financial statements of an investment entity.

IAS 32 - Financial Instruments: Presentation

This amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

IAS 36 - Impairment of Assets

This amendment requires disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are effective for annual periods beginning on or after January 1, 2014.

The Company assessed the adoption of these new standards and interpretations and determined there was no impact to the financial statements for the current period or the prior periods presented.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) IFRS standards issued but not yet effective:

Effective annual periods beginning on or after July 1, 2014:	
IFRS 2	*Stock Based Compensation*
IAS 24	*Related Party Transactions*
Effective annual periods beginning on or after January 1, 2015:	
IFRS 15	*Revenue from Contracts with Customers*
Effective annual periods beginning on or after January 1, 2016:	
IFRS 10 (Amendment)	*Consolidated Financial Statements*
IFRS 11 (Amendment)	*Joint Arrangements*
IFRS 14	*Regulatory Deferral Accounts*
IAS 16 (Amendment)	*Property, Plant and Equipment*
IAS 27 (Amendment)	*Separate Financial Statements*
IAS 28 (Amendment)	*Investments in Associates and Joint Ventures*
IAS 38 (Amendment)	*Intangible Assets*
Effective annual periods beginning on or after January 1, 2018:	
IFRS 9	*Financial Instruments: Classification and Measurement*

The Group is currently assessing the impact that these standards will have on the financial statements. The Group plans to adopt these standards as soon as they become effective for the Group’s reporting period.

4. DETERMINATION OF FAIR VALUES

Estimates of the fair value of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. At December 31, 2014, the Group's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are recognized on the statement of financial position at their carrying value which approximated their fair value due to their short-term nature.

All financial instruments measured at fair value are categorized into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. DETERMINATION OF FAIR VALUES (continued)

The following table sets forth the Group's financial assets measured at fair value by level within the fair value hierarchy.

December 31, 2014	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 98,927	$ -	$ -	$ 98,927

December 31, 2013	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 238,302	$ -	$ -	$ 238,302

5. FINANCIAL RISK MANAGEMENT

(a) Overview

The Group's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as:

- market risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees management's establishment and execution of the Group's risk management framework. Management has implemented and monitors compliance with risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Group's activities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(Expressed in Canadian Dollars)

5. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk

The Group's cash is held in bank accounts and due to the short-term nature of these financial instruments fluctuations in market interest rates do not have an impact on the fair value as at December 31, 2014.

The Group's sensitivity to interest rates is currently immaterial due to the short term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Currency risk is the risk to the Group's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Group does not use derivative instruments to reduce its exposure to foreign currency risk.

At December 31, 2014, the Group had the following financial assets and liabilities in foreign currencies:

	US Dollars	Argentine Pesos
Cash	$ 37,305	20,943
Accounts receivable	$ -	24,827
Accounts payable	$ 19,725	231,602

At December 31, 2014 US dollar amounts were converted at a rate of $1.00 US dollars to $1.1601 Canadian dollars and Argentine pesos amounts were converted at a rate of 1.00 Argentine pesos to $0.1371 Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk. The Group is not exposed to significant other price risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Group's cash and cash equivalents and accounts receivable are exposed to credit risk. The credit risk on cash and cash equivalents is considered small because the majority of funds have been placed with major Canadian and Argentinean financial institutions. Management believes that the credit risk related to its accounts receivable is remote.

5. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet liabilities when due.

At December 31, 2014, the Group had a cash balance of $98,927, accounts receivable of $8,070 and GST recoverable of $1,806. The Group has accounts payable and accrued liabilities of $182,160. The Group intends to raise funds adequate to meet its liquidity needs for the next twelve months via private placement or the sale of over-performing investments.

6. CAPITAL MANAGEMENT

The Group considers its capital structure to include working capital and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Group is reasonable.

The Group is not subject to any external capital restrictions and the Group did not change its approach to capital management during the year.

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

Depreciation of intangible assets is computed using the straight-line method and is recognized over a three year period. During the year ended December 31, 2014, $69,844 (2013 - $nil) of depreciation was recognized.

Software Applications:

Cost		
Balance at December 31, 2012	$	-
Acquisitions		53,975
Balance at December 31, 2013		53,975
Acquisitions		183,271
Balance at December 31, 2014	$	237,246
Amortization		
Balance at December 31, 2012	$	-
Amortization expense included in cost of sales		-
Balance at December 31, 2013		-
Amortization expense included in cost of sales		69,844
Balance at December 31, 2014	$	69,844
Carrying amounts		
December 31, 2013	$	53,975
December 31, 2014	$	167,402

In December 2013, the Company purchased all rights, intellectual property and online assets associated with the “On the Fly – Voice Translator” iOS mobile application (the “app”) for US$50,000 (C$53,975).

On February 13, 2014, the Company purchased all rights, intellectual property and online assets associated with a portfolio of 40 applications for US$21,000 (C$23,428). The portfolio focuses on health and wellness and gaming apps. On February 18, 2014, the Company purchased all rights, intellectual property and online assets associated with Boostify for US$4,500 (C$5,062).

7. INTANGIBLE ASSETS (continued)

On March 27, 2014, the Company purchased all rights, intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!". The Company paid the vendor US$135,137 (C$149,462) as consideration for these assets.

On July 8, 2014, the Company purchased all rights, intellectual property and online assets associated with the Intrusion application for US$5,000 (C$5,319).

8. DEPOSIT ON INVESTMENT – OAKBRANCH MEDIA INC.

On June 9, 2014, the Company executed a Definitive Agreement to acquire up to 100% of the issued and outstanding securities of OakBranch Media Inc. ("OakBranch") and its underlying assets.

The terms of the Definitive Agreement are as follows:

(a) in consideration for aggregate cash payments of $130,000, to be paid by the Company to OakBranch upon the achievement of certain milestones, the Company will acquire securities of OakBranch, sufficient to give the Company a 30% voting and equity interest in OakBranch;

(b) OakBranch will grant the Company an option, that will expire June 8, 2015, to acquire additional securities of OakBranch, sufficient to give the Company an additional 19.9% voting and equity interest in OakBranch, bringing the Company's total interest in OakBranch to 49.9%, exercisable upon: (i) the issuance by the Company to OakBranch 250,000 common shares of the Company and (ii) the payment of $75,000 by the Company to OakBranch; and

(c) OakBranch will cause each of the shareholders of OakBranch to grant the Company a right of first refusal to acquire the remaining 50.1% of the outstanding voting and equity interests of OakBranch.

In addition, the Company will appoint one Director to OakBranch's Board of Directors.

As of December 31, 2014, the Company has made aggregate cash payments of $100,000 to OakBranch. As of December 31, 2014, the shares have not been issued.

(Expressed in Canadian Dollars)

9. DEPOSIT ON INVESTMENT – LITE ACCESS TECHNOLOGIES

Deposit of investment in Lite Access Technologies Inc. consists of common shares issued subsequent to year end:

In December 2014, the Group subscribed for 333,333 units of Lite Access Technologies Inc. ("Lite Access") at a price of $0.15 per unit for a total purchase price of $50,000. Each unit is comprised of one common share of Lite Access, a privately held Canadian corporation, and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share of Lite Access at a price of $0.30 per share for one year from the date of issuance. As of December 31, 2014, the shares have not been issued.

10. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

(b) Issued

On August 26, 2013, the Company received TSX Venture Exchange approval for the consolidation of its common shares on a one (1) post-consolidations common share for every five (5) pre-consolidation common shares.

	Year ended December 31, 2014		Year ended December 31, 2013	
	Number of Shares	Amount	Number of Shares	Amount
Common shares:				
Balance, beginning of year	18,734,978	$19,334,037	9,401,655	$ 18,834,037
Share consolidation adjustment	-	-	(8)	-
Transactions during the year:				
Private placement	960,998	279,088	9,333,331	500,000
Bonus shares	48,000	14,400	-	-
Options exercised	100,000	29,224	-	-
Warrants exercised	133,333	13,333	-	-
Balance, end of year	**19,977,309**	**$19,670,082**	**18,734,978**	**$19,334,037**

On October 3, 2013, the Company closed a non-brokered private placement financing (the "Financing") of 8,000,000 units (each, a "Unit") at a price of $0.05 per Unit for gross proceeds of $400,000. Each Unit consists of one common shares of the Company (each a "Share") and one share purchase warrant (each, a "Warrant"). One Warrant entitles the holder thereof to purchase one additional Share of the Company at a price of $0.10 per Share for a period of two years after closing of the Financing.

10. SHARE CAPITAL (continued)

(b) Issued (continued)

On October 24, 2013, the Company closed a non-brokered private placement financing (the "Second Financing") of 1,333,331 Units at a price of $0.075 per Unit for gross proceeds of $100,000. Each Unit consists of one Share of the Company and one Warrant. One Warrant entitles the holder thereof to purchase one additional Share of the Company at a price of $0.10 per Share for a period of two years after the closing of the Second Financing.

In March 2014, 100,000 options were exercised at a price of $0.15. The share price for the options exercised during the year ended December 31, 2014 was $0.15.

On April 10, 2014, the Company completed its non-brokered private placement financing pursuant to which it has issued 960,998 units (each, a "Unit") at a price of $0.30 per Unit for net proceeds of $279,088. Each Unit consists of one common share of the Company (each, a "Share") and one-half of one share purchase warrant (each, a "Warrant"). Each whole warrant entitles the holder thereof to purchase one additional Share at a price of $0.45 per Share for a period of one year from closing of the Financing, subject to an acceleration provision whereby, in the event that the Shares trade above $0.60 per Share for a period of ten consecutive trading days, the Company may accelerate the expiry date of the Warrants to a date that is thirty days after the completion of such period.

Per the August 2013 loan agreements, a total of 48,000 bonus shares were issued on April 14, 2014.

On April 28, 2014, 33,333 outstanding warrants were exercised at a price of $0.10 per share.

On November 7, 2014, 100,000 outstanding warrants were exercised at a price of $0.10 per share.

(c) Stock options

The Company has a stock option plan in accordance with the policies on the TSX Venture Exchange whereby, from time to time at the discretion of the Board of Directors, stock options are granted to directors, officers and certain consultants.

Under the plan up to 10% of the total number of issued common shares of the Company, calculated on a non-diluted basis, at the time an option is granted are available for the issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options can be granted for a maximum term of 10 years. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares issued and outstanding at the time of grant unless disinterested shareholder approval is obtained. Any options granted to consultants or persons performing Investor Relations under the Amended Stock Option Plan shall vest to the optionee as follows: 25% at date of grant, 25% six months from date of grant, 25% nine months from date of

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

(c) Stock options (continued)

grant and the remaining 25% twelve months from the date of grant. All other options granted under the Amended Stock Option Plan shall have vesting terms set at the discretion of the Board of Directors.

On September 27, 2013, the Company granted a total of 850,000 stock options to officers, directors and consultants at an exercise price of $0.15 per share for a period of 5 years.

On February 28, 2014, the Company granted a total of 300,000 stock options to officers, directors and consultants at an exercise price of $0.30 per share for a period of 5 years.

In March 2014, 100,000 options were exercised at a price of $0.15.

On December 12, 2014, the Company granted a total of 150,000 stock options to an officer at an exercise price of $0.10 per share for a period of 5 years.

For the year ended December 31, 2014, $101,125 (2013 - $120,901) has been recorded as share-based payment relating to options issued and fully vested during the year. The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: Dividend yield 0% (2013 – 0%), expected annual volatility 198% (2013 – 172%); risk-free interest rate 1.80% (2013 – 1.86%); market share price of $0.23 (2013 - $0.15); forfeiture rate of 0% and expected life of 5 years. Expected volatility was based on the historical share price volatility over the past 5 years. The expected life of the option was calculated based on the history of option exercises.

A summary of the stock option activity is as follows:

	December 31, 2014		December 31, 2013	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	1,065,000	$0.26	428,000	$0.70
Granted	450,000	0.23	850,000	0.15
Exercised	(100,000)	0.15	-	-
Expired/Cancelled	(90,000)	(0.62)	(213,000)	(0.74)
Balance, end of year	1,325,000	$0.24	1,065,000	$0.26

As at December 31, 2014, the Company has outstanding directors' and employees' incentive stock options enabling the holders to acquire additional common shares as follows:

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

(c) Stock options (continued)

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
35,000	35,000	$ 0.60	March 4, 2016
20,000	20,000	$0.825	April 28, 2016
80,000	80,000	$0.75	October 18, 2016
740,000	740,000	$0.15	September 27, 2018
300,000	300,000	$0.30	February 28, 2019
150,000	150,000	$0.10	December 12, 2019
1,325,000	1,325,000		3.75 years remaining

(d) Warrants

	December 31, 2014		December 31, 2013	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	9,976,831	$0.16	1,405,764	$1.05
Issued	480,499	$0.45	9,333,331	$0.10
Exercised	(133,333)	($0.10)	-	-
Expired/Cancelled	(643,500)	($1.10)	(762,264)	($1.01)
Balance, end of year	9,680,497	$0.12	9,976,831	$0.16

As at December 31, 2014, the Company has outstanding share purchase warrants entitling the holders to acquire additional common shares, as follows:

Number of Warrants	Exercise Price	Expiry Date
8,000,000	$0.10	October 3, 2015
1,199,998	$0.10	October 24, 2015
480,499	$0.45	April 10, 2015[(1)]
9,680,497		

[(1)] expired unexercised subsequent to year end.

On April 28, 2014, 33,333 outstanding warrants were exercised at a price of $0.10 per share.

On November 7, 2014, 100,000 outstanding warrants were exercised at a price of $0.10 per share.

(Expressed in Canadian Dollars)

11. INCOME TAXES

Income tax expense varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before taxes as follows:

		2014		2013
Loss for the year before income tax	$	(504,605)	$	(409,112)
Statutory Canadian corporate tax rate		26.00%		25.75%
Anticipated tax recovery		(131,197)		(105,346)
Change in tax rates resulting from:				
Effect of tax rate change		-		(47,100)
Effect of jurisdictional tax rate difference		(5,973)		(4,421)
Unrecognized items for tax		26,437		32,390
Tax benefits not realized		110,773		124,477
Income tax expense (recovery)	$	-	$	-

The significant components of the Company's deferred tax assets are as follows:

		2014		2013
Exploration and evaluation assets	$	2,775,395	$	2,775,395
Non-capital loss carry forwards		1,985,848		1,883,008
Capital loss carry forwards		127,249		127,249
Software applications		18,160		-
Other		10,118		12,776
		4,916,770		4,798,428
Unrecognized deferred tax assets		(4,916,770)		(4,798,428)
Deferred income taxes	$	-	$	-

At December 31, 2014, the Company has available non-capital tax losses for Canadian income tax purposes of $2,182,770 and net operating losses for US income tax purposes of $3,271,867 (US$2,970,386) available for carry-forward to reduce future years' taxable income, if not utilized, expiring as follows:

		Canada		United States
2018	$	-	$	1,387,021
2027		113,090		152,685
2028		378,101		280,495
2029		259,831		367,360
2030		166,062		442,758
2031		316,115		318,805
2032		373,867		318,778
2033		269,756		1,716
2034		305,948		2,249
	$	2,182,770	$	3,271,867

(Expressed in Canadian Dollars)

12. SEGMENTED REPORTING

The Company is organized into business units based on unique software applications and has the following reportable operating segment results for the year ended December 31, 2014. These reportable segments did not exist in the prior year.

	Spermy's Journey	On the Fly – Voice Translator	Other software applications	Total
Total assets	$107,945	$35,983	$23,474	$167,402
Total liabilities	$ Nil	$ Nil	$ Nil	$ Nil
Revenues	$35,265	$28,332	$4,583	$68,180
Amortization	($41,517)	($17,992)	($10,335)	($69,844)
Cost of Sales	($700)	($8,989)	($1,879)	($11,568)
Net Operating Income	($6,952)	$1,351	($7,631)	($13,232)

$34,103 of the above revenue was generated from the Apple app store.

13. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to parties not at arm's length to the Group for the years ending December 31, 2014 and 2013:

December 31,	**2014**	2013
Compensation of key management:		
Management fees	$ 137,500	$ 70,000
Share-based payment	95,313	92,453
	$ 232,813	$ 162,453

Included in accounts payable and accrued liabilities at December 31, 2014 is $28,125 (2013 - $20,000) due to directors for unpaid management fees. During the year ended December 31, 2013 a director loaned the Company $50,000 which was repaid with interest of $1,151 during the year and the director was issued 40,000 bonus shares (valued at $12,000) of the Company in April 2014.

On May 9, 2013, three Directors of the Company each loaned the Company $750 for a total of $2,250 for general working capital. These were considered short-term loans that were non-interest bearing and were repaid during the fourth quarter of 2013.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the years ended December 31, 2014 and 2013.

14. LOANS PAYABLE

On August 6, 2013, the Company obtained an aggregate of $60,000 in loans, for 12 months, bearing interest at a rate of 12% per annum. These loans, in the amount of $60,000 principal plus interest of $1,381, were repaid in November 2013.

The lenders had agreed to loan such funds to the Company in consideration for the Company issuing as a bonus an aggregate of 48,000 common shares of the Company to the lenders. The bonus shares were issued in the second quarter of 2014.

15. SUBSEQUENT EVENTS

On January 8, 2015, the Company closed its non-brokered private placement pursuant to which it sold an aggregate of 2,073,853 units at a price of $0.075 per unit for gross proceeds of $155,539. Each unit sold was comprised of one common share in the capital of the Company and one-half of one transferable share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.15 per share until January 7, 2016. The warrants are subject to an acceleration clause.

On January 28, 2015, the Company closed its non-brokered private placement pursuant to which it sold an aggregate of 2,350,000 units at a price of $0.10 per unit for gross proceeds of $235,000. Each unit sold was comprised of one common share in the capital of the Company and one-half of one transferable share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.20 per share until January 27, 2016. The warrants are subject to an acceleration clause.

On February 11, 2015, the Company completed an investment in Intema Solutions Inc. (“Intema”). The Company subscribed for 2,000,000 units of Intema at a price of $0.075 per unit for a total price of $150,000. Each unit is comprised of one common share of Intema and one share purchase warrant, with each warrant entitling the Company to acquire one additional share at a price of $0.15 per share for two years.

On March 9, 2015, 50,000 outstanding warrants were exercised at a price of $0.10 per share.

Appendix D

BRISIO INNOVATIONS INC.

(formerly known as Netco Silver Inc.)

Consolidated Financial Statements

(Expressed in Canadian dollars)

December 31, 2013 and 2012

<u>Index</u>

Independent Auditors' Report

Brisio Innovations Inc.
(formerly known as Netco Silver Inc.)

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes		December 31, 2013		December 31, 2012
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**238,302**	$	29,557
Accounts receivable			**39,129**		44,768
GST / HST recoverable			**3,781**		1,708
Prepaid expenses			**2,429**		1,379
			283,641		77,412
Non-current assets					
Software applications	8		**53,975**		-
			53,975		-
		$	**337,616**	$	77,412
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	13	**$**	**165,125**	$	116,710
			165,125		116,710
SHAREHOLDERS' EQUITY					
Share capital	10		**19,334,037**		18,834,037
Contributed surplus	10		**874,735**		753,834
Deficit			**(20,036,281)**		(19,627,169)
			172,491		(39,298)
		$	**337,616**	$	77,412

Nature and continuance of operations (note 1)
Commitment (note 14)
Subsequent events (note 15)

Approved on behalf of the Board:

"Paul Andreola" **Director**

"Steve Vestergaard" **Director**

The accompanying notes are an integral part of these consolidated financial statements

Brisio Innovations Inc.
(formerly known as Netco Silver Inc.)

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian dollars)

Year Ended December 31,	Notes		2013		2012
GENERAL AND ADMINISTRATION EXPENSES					
Management fees	13	**$**	**70,000**	$	140,400
Office and general			**92,572**		127,914
Professional fees			**79,412**		141,732
Share-based compensation	10, 13		**120,901**		23,630
Transfer agent and filing			**42,740**		21,102
Write down of exploration and evaluation assets	7		**-**		758,091
			405,625		1,212,869
Loss before other items			**(405,625)**		(1,212,869)
OTHER ITEMS					
Foreign exchange gain (loss)			**(3,726)**		(66,629)
Interest and miscellaneous income			**239**		1,225
			(3,487)		(65,404)
Loss and comprehensive loss for the year		**$**	**(409,112)**	$	(1,278,273)
Basic and diluted loss per share		**$**	**(0.04)**	$	(0.14)
Weighted average number of shares outstanding			**11,600,733**		9,186,608

The accompanying notes are an integral part of these consolidated financial statements

Brisio Innovations Inc.
(formerly known as Netco Silver Inc.)

Consolidated Statement of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance as at January 1, 2013	9,401,655	$ 18,834,037	$ 753,834	$ (19,627,169)	-$ 39,298
Share-based compensation	-	-	120,901	-	120,901
Issue of share capital, net	9,333,331	500,000	-	-	500,000
Adjustment	(8)	-	-	-	-
Total comprehensive loss for the year	-	-	-	(409,112)	(409,112)
Balance as at December 31, 2013	18,734,978	**$ 19,334,037**	**$ 874,735**	**$ (20,036,281)**	**$ 172,491**

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance as at January 1, 2012	8,064,655	$ 18,041,108	$ 717,380	$ (18,348,896)	$ 409,592
Share-based compensation	-	-	23,630	-	23,630
Finder's warrants	-	(12,824)	12,824	-	-
Issue of share capital, net	1,337,000	805,753	-	-	805,753
Total comprehensive loss for the year	-	-	-	(1,278,273)	(1,278,273)
Balance as at December 31, 2012	9,401,655	**$ 18,834,037**	**$ 753,834**	**$ (19,627,169)**	**$ (39,298)**

The accompanying notes are an integral part of these consolidated financial statements

Brisio Innovations Inc.
(formerly known as Netco Silver Inc.)

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

Year Ended December 31,		2013		2012
CASH FLOWS PROVIDED BY (USED IN):				
Operating activities				
Net loss for the year	**$**	**(409,112)**	$	(1,278,273)
Adjustment for items not involving cash:				
Foreign exchange loss		**3,726**		66,629
Share-based compensation		**120,901**		23,630
Write down of exploration and evaluation assets		**-**		758,091
		(284,485)		(429,923)
Changes in non-cash working capital:				
Decrease (increase) in accounts receivable		**5,639**		(34,316)
Increase (decrease) in accounts payable and accrued liabilities		**48,415**		28,305
Decrease (increase) in GST / HST recoverable		**(2,073)**		5,444
Decrease (increase) in prepaid expenses		**(1,050)**		2,192
		(233,554)		(428,298)
Investing activities				
Exploration and evaluation assets		**-**		(487,805)
Software applications		**(53,975)**		-
		(53,975)		(487,805)
Financing activities				
Issuance of common shares		**500,000**		763,253
		500,000		763,253
Foreign exchange on cash		**(3,726)**		(66,629)
Increase (decrease) in cash		**208,745**		(219,479)
Cash and cash equivalents, beginning of year		**29,557**		249,036
Cash and cash equivalents, end of year	**$**	**238,302**	$	29,557

Supplemental cash flow information

The Company paid $1,381 (2012 - $nil) for interest and $nil (2012 - $nil) for income taxes.

The Company received no cash receipts for interest and income taxes.

Non-cash investing and financing activities

During the year ended December 31, 2013, the Company issued nil (2012 - 250,000) common shares with a value of $Nil (2012 - $42,500) pursuant to mineral exploration property agreements.

During the year ended December 31, 2013, the Company issued nil (2012 - 320,600) finder's warrants valued at $Nil (2012 - $12,824).

Cash and cash equivalents consists of:

		2013		2012
Cash	$	238,302	$	6,357
Term deposits		**-**		23,200
	$	238,302	$	29,557

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Brisio Innovations Inc. (formerly known as Netco Silver Inc.) (the "Company") is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. At December 31, 2013, the Company's shares were listed on the TSX Venture Exchange ("TSXV"). The head office and principal address is 580 Hornby Street, Suite 490, Vancouver, British Columbia, Canada, V6C 3B6.

On February 7, 2014, the Canadian Securities Exchange ("CSE") approved the listing of the Company's common shares on the CSE. At the close of trading on February 11, 2014, the Company's shares were delisted from the TSXV.

The consolidated financial statements of the Company as at and for the years ended December 31, 2013 and 2012 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the acquisition, development and marketing of software applications for mobile computing devices, such as smart phones, tablets and wearable computers. The Company was previously involved in the mining and petroleum and natural gas industries.

During the year ended December 31, 2013, the Company completed a 5 for 1 share consolidation. All references to number of shares, warrants, stock options and per share amounts have been retroactively restated to reflect the consolidation, unless otherwise noted.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Group will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Group currently has minimal revenues from the sale of mobile software applications, has a working capital of $118,516 (2012 – working capital deficiency of $39,298) and an accumulated deficit of $20,036,281 (2012 - $19,627,169). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Group's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were approved by the Board of Directors on April 9, 2014.

2. BASIS OF PREPARATION (continued)

(b) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the Group's functional currency.

(c) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for financial assets classified as fair value through profit or loss which are stated at their fair value.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(d) Use of estimates and judgments:

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant accounting estimates:

a. The inputs used in accounting for share-based compensation in profit or loss;
b. The assessment of indications of impairment of each property and related determination of the net realizable value and write-down of those properties where applicable;
c. The tax basis of assets and liabilities and related deferred income tax assets and liabilities;
d. Amounts of provisions, if any, for decommissioning obligations; and
e. Rates of depreciation of intangible assets.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments (continued):

Significant accounting judgments:

a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management; and

b. The analysis of the functional currency for each entity of the Group. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

(a) Basis of consolidation

(i) Subsidiaries:

The consolidated financial statements of the Company include its wholly-owned subsidiaries, Green River Petroleum (USA) Inc., incorporated in the State of Wyoming and in the State of Washington, USA and Netco Argentina S.A., incorporated in Argentina. Both subsidiaries were inactive at December 31, 2013.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Jointly controlled operations and jointly controlled assets:

Many of the Group's resource activities and oil and natural gas activities involve jointly controlled assets. The consolidated financial statements include the Group's share of these jointly controlled assets and a proportionate share of the relevant revenue and related costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(iii) Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Any foreign currency gains or losses are recognized in net income (loss) for the period.

(c) Financial instruments

<u>Financial Assets</u>

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date, as opposed to settlement date. The Group has classified its cash and cash equivalents as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Group’s accounts receivable are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Group has not classified any financial asset as available-for-sale.

Transactions costs associated with FVTPL and available-for-sale financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Group's accounts payable and accrued liabilities are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit and loss. The Group has not classified any financial liabilities as FVTPL.

The Group is not engaged in any financial derivative contracts.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and cash equivalents that are readily convertible into cash and which are subject to insignificant risk of changes in value.

(e) Intangible assets

Intangible assets are recorded at cost upon acquisition and are depreciated over their estimated lives. Depreciation is expensed over the estimated useful life of the assets using the straight-line method. The Company monitors events and changes in circumstances which require an assessment of recoverability. If the carrying amount of the intangible assets is not recoverable, an impairment loss is recognized in profit or loss, determined by comparing the carrying amount of the asset to its fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Exploration and evaluation assets

Exploration and evaluation ("E&E") costs are those expenditures incurred on properties for which technical feasibility and commercial viability have not been determined. Exploration and evaluation costs, including the costs of acquiring licenses, acquisition of rights to explore, geological and geophysical, drilling, sampling, trenching and survey costs, decommissioning and often directly attributable internal costs, initially are capitalized as exploration and evaluation assets. The costs are accumulated in cost centres by well, field or exploration area and not depreciated pending determination of technical feasibility and commercial viability.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and/or probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and/or probable reserves have been discovered. Upon determination of proven and/or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment or expensed to exploration and evaluation impairments.

(g) Impairment

(i) Financial assets:

A financial asset, other than those designated as FVTPL is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(g) Impairment (continued)

(i) Financial assets (continued):

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Non-financial assets:

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue recognition

The Group derives revenues from the sale of software and mobile applications through various platforms. The Group recognizes revenue when all of the following conditions are satisfied: (i) significant risks and rewards have transferred to the buyer; (ii) the Company no longer retains managerial involvement or effective control over the goods sold; (iii) the fee amount of revenue can be measured reliably; (iv) it is probable the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

According to IAS 18-7/18-8, a business which is acting as a principal in a transaction recognizes the amounts billed to the end client as revenue. In order to determine if a business is acting as a principal or as an agent, the risks and responsibilities taken by the business to deliver the goods or render the services should be evaluated.

In this regard, the Group referred to IAS18.IE21, which provides a list of indicators to determine whether a business is acting as a principal or an agent.

For every contract signed, the Group examines its characteristics in order to determine whether it is appropriate to recognize the net or gross revenue from services rendered by agents.

(i) Decommissioning obligations

When the Group's activities give rise to dismantling, decommissioning and site disturbance remediation activities, provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the asset retirement obligations are charged against the provision.

(j) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that if the income tax expense related to items recognized directly in equity, the income tax expense would also be recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Income tax (continued)

Deferred tax is recognized using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(k) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Earnings (loss) per share

Basic earnings per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

(n) New accounting standards and interpretations not yet adopted

IFRS 9 – Financial Instruments

In an effort to reduce the complexity of accounting for financial instruments, the IASB is engaged in a project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities, which may affect the Company's accounting for its financial assets. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to a company's own credit risk out of earnings and recognized the change in other comprehensive income. The application date of this standard has not been determined.

IFRS 10 - Consolidated Financial Statements and IFRS 12, Disclosures of Interests in Other Entities and IAS 27, Separate Financial Statements

IFRS 10 and 12 and IAS 27 have been amended with an effective date for annual periods beginning or after January 1, 2014. The amendments provides for the definition of an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity. The amendments also deal with the disclosures required and preparation of separate financial statements of an investment entity.

IAS 32 - Financial Instruments

Presentation, this amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

IAS36 - Impairment of Assets

This amendment requires disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are effective for annual periods beginning on or after January 1, 2014.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New accounting standards and interpretations not yet adopted (continued)

The Group is currently assessing the impact that this revised or new standard will have on the financial statements.

4. DETERMINATION OF FAIR VALUES

Estimates of the fair value of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. At December 31, 2013, the Group's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. These items are recognized on the statement of financial position at their carrying value which approximated their fair value due to their short-term nature.

All financial instruments measured at fair value are categorized into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table sets forth the Group’s financial assets measured at fair value by level within the fair value hierarchy.

December 31, 2013	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 238,302	$ -	$ -	$ 238,302

December 31, 2012	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 29,557	$ -	$ -	$ 29,557

5. FINANCIAL RISK MANAGEMENT

(a) Overview

The Group's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as:

- market risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees management's establishment and execution of the Group's risk management framework. Management has implemented and monitors compliance with risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Group's activities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Group's cash is held in bank accounts and due to the short-term nature of these financial instruments fluctuations in market interest rates do not have an impact on the fair value as at December 31, 2013.

The Group's sensitivity to interest rates is currently immaterial due to the short term maturity of its monetary assets and liabilities.

(Expressed in Canadian Dollars)

5. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(ii) Foreign currency risk

Currency risk is the risk to the Group's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Group does not use derivative instruments to reduce its exposure to foreign currency risk.

At December 31, 2013, the Group had the following financial assets and liabilities:

	US Dollars	Argentine Pesos
Cash	$ -	3,765
Accounts receivable	$ -	234,513
Accounts payable	$ 19,725	165,668

At December 31, 2013 US dollar amounts were converted at a rate of $1.00 US dollars to $1.0636 Canadian dollars and Argentine pesos amounts were converted at a rate of 1.00 Argentine pesos to $0.1632 Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk. The Group is not exposed to significant other price risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Group's cash and cash equivalents and accounts receivable are exposed to credit risk. The credit risk on cash and cash equivalents is considered small because the funds have been placed with major Canadian and Argentinean financial institutions. Management believes that the credit risk related to its accounts receivable is remote.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet liabilities when due.

At December 31, 2013, the Group had a cash balance of $238,302, accounts receivable of $39,129 and GST / HST recoverable of $3,781. The Group has accounts payable and accrued liabilities of $165,125.

(Expressed in Canadian Dollars)

6. CAPITAL MANAGEMENT

The Group considers its capital structure to include working capital and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Group is reasonable.

The Group is not subject to any external capital restrictions and the Group did not change its approach to capital management during the year.

7. EXPLORATION AND EVALUATION ASSETS

Balance, December 31, 2011	$	227,786
Additions		530,305
Write down		(758,091)
Balance, December 31 2012	$	-

Argentina, Toruel property:

In March 2011, the Company entered into an option agreement (the "Agreement") with Marifil Mines Ltd. ("Marifil") whereby Marifil granted the Company an option (the "Option") to acquire up to a 75% interest in Marifil's Toruel property located in the Rio Negro Province of the Republic of Argentina (the "Property").

On September 19, 2012, the Company and Marifil Mines Ltd. entered into an assignment and purchase agreement, whereby the Company agreed to purchase all of Marifil's 100-per-cent interest in the Toruel copper-silver project, located in the Rio Negro province of Argentina, and all exploration data related thereto.

On November 26, 2012, the Company announced the assignment and purchase agreement dated September 19, 2012 was terminated. The Toruel property was returned to Marifil. Consequently, the Company wrote off the full value of the property as at September 30, 2012.

(Expressed in Canadian Dollars)

8. INTANGIBLE ASSETS

In December 2013, the Company purchased all rights, intellectual property and online assets associated with the “On the Fly – Voice Translator” iOS mobile application (the “app”) for US$50,000 (C$53,975).

Depreciation of intangible assets is computed using the straight-line method and is recognized over a three year period. During the year ended December 31, 2013, $nil depreciation was recognized.

9. DECOMMISSIONING OBLIGATIONS

No decommissioning liability has been accrued at December 31, 2013 for the Group’s properties as there has been no activity on the properties that would obligate the Group to do so.

10. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

(b) Issued

On August 26, 2013, the Company received TSX Venture Exchange approval for the consolidation of its common shares on a one (1) post-consolidations common share for every five (5) pre-consolidation common shares.

	Year ended December 31, 2013		Year ended December 31, 2012	
	Number of Shares	Amount	Number of Shares	Amount
Common shares:				
Balance, beginning of year	9,401,655	$ 18,834,037	8,064,655	$ 18,041,108
Share consolidation adjustment	(8)	-	-	-
Transactions during the year:				
Private placement	9,333,331	500,000	1,287,000	750,429
Marifil option agreement	-	-	50,000	42,500
Balance, end of year	**18,734,978**	**$19,334,037**	**9,401,655**	**$18,834,037**

On February 20, 2012, in connection with the closing of the Agreement (described above in Note 7), the Company issued 50,000 common shares to Marifil as required under the terms of the Option Agreement with Marifil with respect to the Toruel Property. The price

10. SHARE CAPITAL (continued)

(b) Issued (continued)

per share was based on the closing price on date of issuance, for a total value of $42,500.

On February 29, 2012, the Company closed the first tranche of the non-brokered private placement financing, pursuant to which the Company issued 955,000 units at a price of $0.625 per unit for gross proceeds of $596,875. Each unit consisted of one common share of the Company and one half of one common share purchase warrant, and each warrant entitles the holder to purchase an additional common share at $1.10 per share for a period of 24 months from the closing of the financing. The warrants contain a provision providing that if the Company's shares trade at a closing price in excess of $0.30 on the TSX Venture Exchange (or such other exchange on which the Company's shares are then principally traded) for a period of 10 consecutive trading days, the Company may issue a notice accelerating the expiry date to 30 days from the date of such notice. In connection the closing of the first tranche, the Company paid aggregate cash commissions of $35,700 and issued an aggregate of 57,120 finder's warrants, with each finder's warrant exercisable into one common share at a price of $0.625 per share for a period of 18 months.

On March 2, 2012, the Company closed the final tranche of the non-brokered private placement financing, pursuant to which the Company issued 332,000 units at a price of $0.625 per unit for gross proceeds of $207,500. Each unit consisted of one common share of the Company and one half of one common share purchase warrant and each warrant entitles the holder to purchase an additional common share at $1.10 per share for a period of 24 months from the closing of the financing. The warrants contain a provision providing that if the Company's shares trade at a closing price in excess of $0.30 on the TSX Venture Exchange (or such other exchange on which the Company's shares are then principally traded) for a period of 10 consecutive trading days, the Company may issue a notice accelerating the expiry date to 30 days from the date of such notice. In connection with the closing of the final tranche, the Company paid aggregate cash commissions and fees of $5,422 and issued an aggregate of 7,000 finder's warrants, with each finder's warrant exercisable into one common share at a price of $0.625 per share for a period of 18 months.

A total fair value cost of $12,824 has been recognized as share issuance costs and has been recorded in contributed surplus in recognition of the fair value of the finder's warrants issued in the first and second tranches of the private placements described above.

10. SHARE CAPITAL (continued)

(b) Issued (continued)

On October 3, 2013, the Company closed a non-brokered private placement financing (the “Financing”) of 8,000,000 units (each, a “Unit”) at a price of $0.05 per Unit for gross proceeds of $400,000. Each Unit consists of one common shares of the Company (each a “Share”) and one share purchase warrant (each, a “Warrant”). One Warrant entitles the holder thereof to purchase one additional Share of the Company at a price of $0.10 per Share for a period of two years after closing of the Financing.

On October 24, 2013, the Company closed a non-brokered private placement financing (the “Second Financing”) of 1,333,331 Units at a price of $0.075 per Unit for gross proceeds of $100,000. Each Unit consists of one Share of the Company and one Warrant. One Warrant entitles the holder thereof to purchase one additional Share of the Company at a price of $0.10 per Share for a period of two years after the closing of the Second Financing.

10. SHARE CAPITAL (continued)

(c) Stock options

The Company has a stock option plan in accordance with the policies on the TSX Venture Exchange whereby, from time to time at the discretion of the board of directors, stock options are granted to directors, officers and certain consultants.

Under the plan up to 10% of the total number of issued common shares of the Company, calculated on a non-diluted basis, at the time an option is granted are available for the issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options can be granted for a maximum term of 10 years. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares issued and outstanding at the time of grant unless disinterested shareholder approval is obtained. Any options granted to consultants or persons performing Investor Relations under the Amended Stock Option Plan shall vest to the optionee as follows: 25% at date of grant, 25% six months from date of grant, 25% nine months from date of grant and the remaining 25% twelve months from the date of grant. All other options granted under the Amended Stock Option Plan shall have vesting terms set at the discretion of the Board of Directors.

On April 12, 2012, the Company granted a total of 48,000 stock options to an officer and consultants at an exercise price of $0.75 per share for a period of 5 years.

On September 27, 2013, the Company granted a total of 850,000 stock options to officers, directors and consultants at an exercise price of $0.15 per share for a period of 5 years.

For the year ended December 31, 2013, $120,901 (2012 - $23,630) has been recorded as share-based compensation relating to options issued and fully vested during the period. The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: Dividend yield 0% (2012 – 0%), expected annual volatility 172% (2012 – 124%); risk-free interest rate 1.86% (2012 – 1.16%); market share price of $0.15 (2012 - $0.12); forfeiture rate of 0% and expected life of 5 years. The weighted average fair value of options granted was $0.14 (2012 - $0.12) per option. Expected volatility was based on the historical share price volatility over the past 5 years. The expected life of the option was calculated based on the history of option exercises.

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

(c) Stock options (continued)

A summary of the stock option activity is as follows:

	December 31, 2013		December 31, 2012	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	428,000	$0.70	380,000	$0.70
Granted	850,000	0.15	48,000	0.75
Expired/Cancelled	(213,000)	(0.74)	-	-
Balance, end of year	1,065,000	$0.26	428,000	$0.70

As at December 31, 2013 and 2012, the Company has outstanding directors' and employees' incentive stock options enabling the holders to acquire additional common shares as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
75,000	75,000	$ 0.60	March 4, 2016
20,000	20,000	$0.825	April 28, 2016
120,000	120,000	$0.75	October 18, 2016
850,000	850,000	$0.15	September 27, 2018
1,065,000	1,065,000		

(d) Warrants

	December 31, 2013		December 31, 2012	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	1,405,764	$1.05	2,498,144	$1.70
Issued	9,333,331	$0.10	707,620	$1.05
Expired/Cancelled	(762,264)	($1.01)	(1,800,000)	($1.95)
Balance, end of year	9,976,831	$0.16	1,405,764	$1.05

(Expressed in Canadian Dollars)

10. SHARE CAPITAL (continued)

(d) Warrants (continued)

As at December 31, 2013, the Company has outstanding share purchase warrants entitling the holders to acquire additional common shares, as follows:

Number of Warrants	Exercise Price	Expiry Date
477,500	$1.10	February 28, 2014
166,000	$1.10	March 2, 2014
8,000,000	$0.10	October 3, 2015
1,333,331	$0.10	October 24, 2015
9,976,831		

Subsequent to the year end, 643,500 warrants at a price of $1.10 per warrant expired unexercised.

11. INCOME TAXES

Income tax expense varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before taxes as follows:

		2013		2012
Loss for the year before income tax	$	(409,112)	$	(1,278,273)
Statutory Canadian corporate tax rate		25.75%		25.00%
Anticipated tax recovery		(105,346)		(319,568)
Change in tax rates resulting from:				
Effect of tax rate change		(47,100)		-
Effect of jurisdictional tax rate difference		(4,421)		(71,764)
Unrecognized items for tax		32,390		6,945
Tax benefits not realized		124,477		384,387
Income tax expense (recovery)	$	-	$	-

(Expressed in Canadian Dollars)

11. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets are as follows:

	2013	2012
Exploration and evaluation assets	$ 2,775,395	$ 2,750,561
Non-capital loss carry forwards	1,883,008	1,780,744
Capital loss carry forwards	127,249	122,355
Other	12,776	16,790
	4,798,428	4,670,450
Unrecognized deferred tax assets	(4,798,428)	(4,670,450)
Deferred income taxes	$ -	$ -

At December 31, 2013, the Company has available non-capital tax losses for Canadian income tax purposes of $1,876,822 and net operating losses for US income tax purposes of $3,269,618 (US$2,970,077) available for carry-forward to reduce future years' taxable income, if not utilized, expiring as follows:

	Canada	United States
2018	$ -	$ 1,387,021
2027	113,090	152,685
2028	378,101	280,495
2029	259,831	367,360
2030	166,062	442,758
2031	316,115	318,805
2032	373,867	318,778
2033	269,756	1,716
	$ 1,876,822	$ 3,269,618

12. SEGMENTED REPORTING

Losses:

	Canada	United States	Argentina	Total
December 31, 2013	$363,186	$1,716	$44,210	$409,112
December 31, 2012	$566,057	$1,073	$711,143	$1,278,273

(Expressed in Canadian Dollars)

13. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to parties not at arm's length to the Group for the years ending December 31, 2013 and 2012:

December 31,	**2013**	2012
Compensation of key management:		
Management fees	$ 70,000	$140,400
Share-based compensation	92,453	14,769
	$162,453	$155,169

Included in accounts payable and accrued liabilities at December 31, 2013 is $20,000 (2012 - $31,600) due to directors for unpaid management fees. During the year ended December 31, 2013 a director loaned the Company $50,000 (see Note 14); which was repaid with interest of $1,151 during the year.

On May 9, 2013, three Directors of the Company each loaned the Company $750 for a total of $2,250 for general working capital. These were considered short-term loans that were non-interest bearing and were repaid during the fourth quarter.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the years ended December 31, 2013 and 2012.

14. COMMITMENT

On August 6, 2013, the Company obtained an aggregate of $60,000 in loans, for 12 months, bearing interest at a rate of 12% per annum. The loans were repaid during the year $60,000 principal plus interest of $1,381.

The lenders had agreed to loan such funds to the Company in consideration for the Company issuing as a bonus an aggregate of 240,000 common shares of the Company to the lenders. As of December 31, 2013, the bonus shares have not been issued.

15. SUBSEQUENT EVENTS

On February 7, 2014, the Canadian Securities Exchange ("CSE") approved the listing of the Company's common shares on the CSE. At the close of trading on February 11, 2014, the Company's shares were delisted from the TSXV.

Prior to the market open on February 12, 2014, the Company effected its name change to "Brisio Innovations Inc." and a continuance of the Company out of the Province of Alberta and into the Province of British Columbia. The Company began trading on the CSE at market open on February 12, 2014 under the trading symbol BZI.

15. SUBSEQUENT EVENTS (continued)

In February 2014, the Company purchased all the rights and intellectual property and online assets associated with a portfolio of 40 applications.

Also in February 2014, the Company acquired all rights, intellectual property and online assets associated with Boostify, an Android smartphone speed booster and battery saver.

On February 28, 2014, the Company announced that it intends to complete a non-brokered private placement financing (the "Financing") of up to 833,333 units (each, a "Unit") at a price of $0.30 per Unit for gross proceeds of up to $250,000. Each Unit will consist of one common share of the Company (each, a "Share") and one-half of one share purchase warrant (each, a "Warrant"). Each whole Warrant will entitle the holder thereof to purchase one additional Share at a price of $0.45 per Share for a period of one year from the closing of the Financing, subject to an acceleration provision whereby, in the event that the Shares trade above $0.60 per Share for a period of ten consecutive trading days, the Company may accelerate the expiry date of the Warrants, to a date that is thirty days after the completion of such period. The proceeds of the Financing will be used for general working capital, Finders' fee may be payable in connection with the Financing in accordance with the policies of the CSE.

Also on February 28, 2014, the Company granted stock options to certain of its directors, officers and consultant to purchase a total of 300,000 common shares of the Company pursuant to the terms of the Company's stock option plan. All options are exercisable at a price of $0.30 per share for five years.

On February 28, 2014, a total of 477,500 warrants at a price of $1.10 expired.

On March 2, 2014, an additional 166,000 warrants at a price of $1.10 expired.

15. SUBSEQUENT EVENTS (continued)

On March 14, 2014, the Company entered into a non-binding letter of intent (the "LOI") with OakBranch Media Inc. ("OakBranch") to acquire up to 100% of the issued and outstanding securities of OakBranch and its underlying assets (the "Transaction"). Under the terms of the LOI, Brisio will undertake the Transaction on the following terms:

a) in consideration for aggregate cash payments of $130,000, to be paid by Brisio to OakBranch upon the achievement of certain milestones by OakBranch to be determined by Brisio and specified in the definitive agreement to be entered into between Brisio and OakBranch with respect to the Transaction (the "Definitive Agreement"), Brisio will acquire securities of OakBranch, of a class to be determined and specified in the Definitive Agreement, sufficient to give Brisio a 30% voting and equity interest in OakBranch;

b) OakBranch will grant Brisio an option, that will expire one year from the date of closing of the Definitive Agreement (the "Closing"), to acquire additional securities of OakBranch, of a class to be determined and specified in the Definitive Agreement, sufficient to give Brisio an additional 19.9% voting and equity interest in OakBranch, bringing Brisio's total interest in OakBranch to 49.9%, exercisable upon: (i) the issuance by Brisio to OakBranch of 250,000 common shares of Brisio (each, a "Brisio Share"), and (ii) the payment of $75,000 by Brisio to OakBranch; and

c) OakBranch will cause each of the shareholders of OakBranch (collectively, the "OakBranch Shareholders") to grant Brisio a right of first refusal to acquire the remaining 50.1% of the outstanding voting and equity interests of OakBranch from time to time the OakBranch Shareholders on terms to be specified in the Definitive Agreement.

Completion of the Transaction is subject to a number of conditions, which will be further specified in the Definitive Agreement, including satisfactory completion of due diligence by Brisio on OakBranch and receipt of the approval of the CSE for the Transaction.

On March 17, 2014, 100,000 stock options were exercised for total proceeds of $15,000.

On April 2, 2014 the Company announced that it had purchased all rights and intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!", an Android and IOS game app. The Company paid the vendor US$130,000 as consideration for these assets.

Appendix E

NETCO SILVER INC.

Consolidated Financial Statements
(Expressed in Canadian dollars)

December 31, 2012 and 2011

<u>Index</u>

Independent Auditors’ Report

Netco Silver Inc.

Consolidated Statements of Financial Position

(Expressed in Canadian dollars)

	Notes		**As at December 31, 2012**		As at December 31, 2011
ASSETS					
Current assets					
Cash		**$**	**29,557**	$	249,036
Accounts receivable			**44,768**		10,452
Harmonized sales tax recoverable			**1,708**		7,152
Prepaid expenses			**1,379**		3,571
			77,412		270,211
Non-current assets					
Exploration and evaluation assets	7		**-**		227,786
			-		227,786
		$	**77,412**	$	497,997
LIABILITIES AND EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	12	**$**	**116,710**	$	88,405
			116,710		88,405
SHAREHOLDERS' EQUITY					
Share capital	9		**18,834,037**		18,041,108
Contributed surplus	9		**753,834**		717,380
Deficit			**(19,627,169)**		(18,348,896)
			(39,298)		409,592
		$	**77,412**	$	497,997

Nature and continuance of operations (note 1)

Approved on behalf of the Board:

"Paul Andreola" **Director**

"Michael Sweatman" **Director**

The accompanying notes are an integral part of these consolidated financial statements

Netco Silver Inc.

Consolidated Statements of Comprehensive Loss

(Expressed in Canadian dollars)

Year Ended December 31,	Notes		2012		2011
GENERAL AND ADMINISTRATION EXPENSES					
Director and officer fees	12	**$**	**-**	$	15,500
Management fees	12		**140,400**		77,690
Office and general			**127,914**		83,275
Professional fees			**141,732**		135,972
Share-based compensation	9 & 12		**23,630**		206,743
Transfer agent and filing			**21,102**		32,188
Write down of exploration and evaluation assets	7		**758,091**		138,465
			1,212,869		689,833
Loss before other items			**(1,212,869)**		(689,833)
OTHER ITEMS					
Foreign exchange gain (loss)			**(66,629)**		(17,046)
Interest and miscellaneous income			**1,225**		-
			(65,404)		(17,046)
Loss and comprehensive loss for the year		**$**	**(1,278,273)**	$	(706,879)
Basic and diluted loss per share		**$**	**(0.03)**	$	(0.02)
Weighted average number of shares outstanding			**45,933,042**		37,095,275

The accompanying notes are an integral part of these consolidated financial statements

Netco Silver Inc.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance as at January 1, 2012	40,323,275	$ 18,041,108	$ 717,380	$ (18,348,896)	$ 409,592
Share-based compensation	-	-	23,630	-	23,630
Finder's warrants	-	(12,824)	12,824	-	-
Issue of share capital, net	6,685,000	805,753	-	-	805,753
Total comprehensive loss for the year	-	-	-	(1,278,273)	(1,278,273)
Balance as at December 31, 2012	47,008,275	**$ 18,834,037**	**$ 753,834**	**$ (19,627,169)**	**$ (39,298)**

	Number of Shares	Share Capital	Contributed Surplus	Deficit	Total
Balance as at January 1, 2011	33,683,275	$ 17,276,465	$ 495,807	$ (17,642,017)	$ 130,255
Share-based compensation	-	-	206,743	-	206,743
Finder's warrants	-	(14,830)	14,830	-	-
Issue of share capital, net	6,640,000	779,473	-	-	779,473
Total comprehensive loss for the year	-	-	-	(706,879)	(706,879)
Balance as at December 31, 2011	40,323,275	**$ 18,041,108**	**$ 717,380**	**$ (18,348,896)**	**$ 409,592**

The accompanying notes are an integral part of these consolidated financial statements

Netco Silver Inc.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

Year Ended December 31,	2012	2011
CASH FLOWS PROVIDED BY (USED IN):		
Operating activities		
Net loss for the year	**$ (1,278,273)**	$ (706,879)
Adjustment for items not involving cash:		
Foreign exchange loss	**66,629**	17,046
Share-based compensation	**23,630**	206,743
Write down of exploration and evaluation assets	**758,091**	138,465
	(429,923)	(344,625)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	**(34,316)**	(10,452)
Increase (decrease) in accounts payable and accrued liabilities	**28,305**	(14,528)
Decrease (increase) in harmonized sales tax recoverable	**5,444**	(4,728)
Decrease (increase) in prepaid expenses	**2,192**	(3,571)
	(428,298)	(377,904)
Investing activities		
Exploration and evaluation assets	**(487,805)**	(146,068)
	(487,805)	(146,068)
Financing activities		
Decrease (increase) in loans payable	**-**	(7,030)
Issuance of common shares	**763,253**	733,223
	763,253	726,193
Foreign exchange on cash	**(66,629)**	(17,046)
Increase (decrease) in cash	**(219,479)**	185,175
Cash, beginning of year	**249,036**	63,861
Cash, end of year	**$ 29,557**	$ 249,036

Supplemental cash flow information

The Company made no cash payments for interest and income taxes.
The Company received no cash receipts for interest and income taxes.

Non-cash investing and financing activities

During the year ended December 31, 2012, the Company issued 250,000 (2011 - 400,000) common shares with a value of $42,500 (2011 - $46,250) pursuant to mineral exploration property agreements.
During the year ended December 31, 2012, the Company issued 320,600 (2011 - 370,720) finder's warrants valued at $12,824 (2011 - $14,830).

The accompanying notes are an integral part of these consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Netco Silver Inc. (the "Company") is a publicly listed company incorporated in Canada with limited liability under the legislation of the Provinces of British Columbia and Alberta. The Company's shares are listed on the TSX Venture Exchange. The head office and principal address is 580 Hornby Street, Suite 490, Vancouver, British Columbia, Canada, V6C 3B6.

The consolidated financial statements of the Company as at and for the years ended December 31, 2012 and 2011 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the mining and petroleum and natural gas industries.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Group will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The Group currently has no source of revenues, has a working capital deficiency of $39,298 (2011 – working capital of $181,806) and an accumulated deficit of $19,627,169 (2011 - $18,348,896). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Group's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

(a) Statement of compliance:

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These consolidated financial statements were approved by the Board of Directors on April 2, 2013.

(b) Functional and presentation currency:

These consolidated financial statements are presented in Canadian dollars, which is the Group's functional currency.

(c) Basis of measurement:

The consolidated financial statements have been prepared on the historical cost basis except for financial assets classified as fair value through profit or loss which are stated at their fair value.

In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments:

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant accounting estimates:

a. The inputs used in accounting for share- based compensation in profit or loss;
b. The assessment of indications of impairment of each property and related determination of the net realizable value and write-down of those properties where applicable;
c. The tax basis of assets and liabilities and related deferred income tax assets and liabilities;
d. Amounts of provisions, if any, for decommissioning obligations; and
e. Rates of depletion and accretion of petroleum and natural gas interests.

Significant accounting judgments:

a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management; and
b. The analysis of the functional currency for each entity of the Group. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by the Group.

(a) Basis of consolidation

(i) Subsidiaries:

The consolidated financial statements of the Company include its wholly-owned subsidiaries, Green River Petroleum (USA) Inc., incorporated in the State of Wyoming and in the State of Washington, USA and Netco Argentina S.A., incorporated in Argentina.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Jointly controlled operations and jointly controlled assets:

Many of the Group's resource activities and oil and natural gas activities involve jointly controlled assets. The consolidated financial statements include the Group's share of these jointly controlled assets and a proportionate share of the relevant revenue and related costs.

(iii) Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the consolidated financial statements.

(b) Foreign currency

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Any foreign currency gains or losses are recognized in net income (loss) for the period.

(c) Financial instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

Financial Assets (continued)

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date, as opposed to settlement date. The Group has classified its cash and cash equivalents as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Group's accounts receivable are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Group has not classified any financial asset as available-for-sale.

Transactions costs associated with FVTPL and available-for-sale financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Group's accounts payable and accrued liabilities are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit and loss. The Group has not classified any financial liabilities as FVTPL.

The Group is not engaged in any financial derivative contracts.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and cash equivalents with original maturities of three months or less that are readily convertible into cash and which are subject to insignificant risk of changes in value.

(e) Exploration and evaluation assets

Exploration and evaluation ("E&E") costs are those expenditures incurred on properties for which technical feasibility and commercial viability have not been determined. Exploration and evaluation costs, including the costs of acquiring licenses, acquisition of rights to explore, geological and geophysical, drilling, sampling, trenching and survey costs, decommissioning and often directly attributable internal costs, initially are capitalized as exploration and evaluation assets. The costs are accumulated in cost centres by well, field or exploration area and not depreciated pending determination of technical feasibility and commercial viability.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount. For purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units.

The technical feasibility and commercial viability of extracting a mineral resource is considered to be determinable when proven and/or probable reserves are determined to exist. A review of each exploration license or field is carried out, at least annually, to ascertain whether proven and/or probable reserves have been discovered. Upon determination of proven and/or probable reserves, exploration and evaluation assets attributable to those reserves are first tested for impairment and then reclassified from exploration and evaluation assets to property, plant and equipment or expensed to exploration and evaluation impairments.

(f) Property, plant and equipment

Items of property, plant and equipment, which include oil and natural gas development and production assets, are measured at cost less accumulated depletion and depreciation and accumulated impairment losses. Development and production assets are grouped into Cash Generating Units ("CGU's") for impairment testing.

Gains and losses on disposal of an item of property, plant and equipment, including oil and natural gas interests, are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income" or "other expenses" in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Property, plant and equipment (continued)

Costs incurred subsequent to the determination of technical feasibility and commercial viability and the costs of replacing parts of property, plant and equipment are recognized as oil and natural gas interests only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures are recognized in profit or loss as incurred. Such capitalized oil and natural gas interests generally represent costs incurred in developing proved and/or probable reserves and bringing in or enhancing production from such reserves, and are accumulated on a field or geotechnical area basis. The carrying amount of any replaced or sold component is derecognized.

The costs of the day-to-day servicing of property, plant and equipment are recognized in profit or loss as incurred.

Depletion and depreciation:

The net carrying value of development or production assets is depleted using the unit of production method by reference to the ratio of production in the year to the related proven reserves. These estimates are reviewed by independent reserve engineers at least annually.

Proven reserves are estimated using independent reserve engineer reports and represent the estimated quantities of crude oil, natural gas and natural gas liquids which geological, geophysical and engineering data demonstrate with a specified degree of certainty to be recoverable in future years from known reservoirs and which are considered commercially producible. There should be a minimum 90 percent statistical probability that the actual quantity of recoverable reserves will be more than the amount estimated as proven and a maximum 10 percent statistical probability that it will be less. Such reserves may be considered commercially producible if management has the intention of developing and producing them and such intention is based upon:

- a reasonable assessment of the future economics of such production;
- a reasonable expectation that there is a market for all or substantially all the expected oil and natural gas production; and
- evidence that the necessary production, transmission and transportation facilities are available or can be made available.

Reserves may only be considered proven if future economic feasibility is supported by either actual production or conclusive formation test. The area of reservoir considered proven includes (a) that portion delineated by drilling and defined by gas-oil and/or oil-water contacts, if any, or both, and (b) the immediately adjoining portions not yet drilled, but which can be reasonably judged as economically productive on the basis of available geophysical, geological and engineering data. In the absence of information on fluid contacts, the lowest known structural occurrence of oil and natural gas controls the lower proved limit of the reservoir.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment

(i) Financial assets:

A financial asset, other than those designated as FVTPL is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

(ii) Non-financial assets:

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Decommissioning obligations

When the Group's activities give rise to dismantling, decommissioning and site disturbance remediation activities, provision is made for the estimated cost of site restoration and capitalized in the relevant asset category.

Decommissioning obligations are measured at the present value of management's best estimate of expenditure required to settle the present obligation at the statement of financial position date. Subsequent to the initial measurement, the obligation is adjusted at the end of each period to reflect the passage of time and changes in the estimated future cash flows underlying the obligation. The increase in the provision due to the passage of time is recognized as finance costs whereas increases/decreases due to changes in the estimated future cash flows are capitalized. Actual costs incurred upon settlement of the asset retirement obligations are charged against the provision.

(i) Income taxes

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that if the income tax expense related to items recognized directly in equity, the income tax expense would also be recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the statement of financial position liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

(k) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to the statement of comprehensive loss/income over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the statement of comprehensive loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in the statement of comprehensive loss/income, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Share-based payments (continued)

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(l) Earnings (loss) per share

Basic earnings per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed similar to basic earnings (loss) per share except that the weighted average shares outstanding are increased to include additional shares for the assumed exercise of stock options and warrants, if dilutive.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the December 31, 2012 reporting period. These standards and interpretations have not been adopted and are yet to be assessed by the Company except as otherwise noted below:

Amendments to IFRS 7, Financial Instruments: Disclosures, to require information about all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32 Financial Instruments: Presentation. This standard is effective for years beginning on or after January 1, 2013.

IFRS 9 – Financial Instruments

In an effort to reduce the complexity of accounting for financial instruments, the IASB is engaged in a project to replace IAS 39, Financial Instruments: Recognition and Measurement. IFRS 9 introduces new requirements for classifying and measuring financial assets and liabilities, which may affect the Company's accounting for its financial assets. Under this guidance, entities have the option to recognize financial liabilities at fair value through earnings. If this option is elected, entities would be required to reverse the portion of the fair value change due to a company's own credit risk out of earnings and recognized the change in other comprehensive income. The standard is not applicable until January 1, 2015 but is available for early adoption.

IFRS 10 – Consolidation

IFRS 10 was issued on May 12, 2011. This standard requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC12, Consolidation – Special Purpose Entities, and parts of IAS 27, Consolidated and Separate Financial Statements. The standard is not applicable until January 1, 2013 but is available for early adoption.

IFRS 13 – Fair Value Measurement

IFRS 13 was issued on May 12, 2011. This is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures. The standard is not applicable until January 1, 2013 but is available for early adoption.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) New accounting standards and interpretations not yet adopted (continued)

IFRS 11 - 'Joint Arrangements'

This standard replaces IAS 31: 'Interest in Joint Ventures' and applies for annual periods beginning on or after January 1, 2013. This new standard introduces new rules which classify joint arrangements as either a joint operation or joint venture. Under the new standard, proportionate consolidation is not allowed and all joint ventures must be equity accounted. All joint arrangements held by the Company will need to be reassessed to determine whether the joint operation or joint venture classification is appropriate, and the potential impacts of a change on the presentation of the Financial Statements.

IFRS 12 - 'Disclosure of Interests in other Entities'

This new standard is applicable for annual reporting periods beginning on or after January 1, 2013. This standard clarifies the disclosure requirements for all forms of interests in other entities including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.

IFRIC 20 – 'Stripping Costs in the Production Phase of a Surface Mine'

The Interpretation is effective for annual periods beginning on or after January 1, 2013 with earlier application permitted. The Interpretation clarifies when production stripping should lead to the recognition of an asset and how that asset should be measured, both initially and in subsequent periods.

Amendments to IAS 12, Income Taxes, provides a presumption that recovery of the carrying amount of an asset measured using the fair value model in IAS 40 Investment Property will, normally, be through sale. As a result of the amendments, SIC-21 Income Taxes — Recovery of Revalued Non-Depreciable Asset would no longer apply to investment properties carried at fair value. The amendments also incorporate into IAS 12 the remaining guidance previously contained in SIC-21, which is accordingly withdrawn. This standard is effective for years beginning on or after January 1, 2012. The Company adopted the amendments to IAS12 on January 1, 2012. There is no effect on adoption.

Reissued IAS 27, Separate Financial Statements, requires that when an entity prepares separate financial statements, investments in subsidiaries, associates, and jointly controlled entities are accounted for either at cost, or in accordance with IFRS 9 Financial Instruments. This standard is effective for years beginning on or after January 1, 2013.

Reissued IAS 28, Investment in Associates and Joint Ventures, supersedes IAS 28 Investments in Associates and defines 'significant influence' and provides guidance on how the equity method of accounting is to be applied (including exemptions from applying the equity method in some cases). It also prescribes how investments in associates and joint ventures should be tested for impairment. This standard is effective for years beginning on or after January 1, 2013.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) New accounting standards and interpretations not yet adopted (continued)

Amendments to IAS 1, Presentation of Financial Statements, to revise the way other comprehensive income ("OCI") is presented. The amendments require entities to group items presented in OCI based on whether they are potentially reclassifiable to profit or loss subsequently. i.e. those that might be reclassified and those that will not be reclassified. It also requires tax associated with items presented before tax to be shown separately for each of the two groups of OCI items (without changing the option to present items of OCI either before tax or net of tax). This standard is effective for years beginning on or after July 1, 2012.

IAS 32, Financial Instruments: Presentation, this amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

The Group is currently assessing the impact that these revised or new standards will have on the financial statements.

4. DETERMINATION OF FAIR VALUES

Estimates of the fair value of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. At December 31, 2012, the Group's financial instruments include cash, accounts receivable, and accounts payable and accrued liabilities. These items are recognized on the statement of financial position at their carrying value which approximated their fair value due to their short-term nature.

All financial instruments measured at fair value are categorized into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(Expressed in Canadian Dollars)

4. DETERMINATION OF FAIR VALUES (continued)

The following table sets forth the Group's financial assets measured at fair value by level within the fair value hierarchy.

December 31, 2012	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 29,557	$ -	$ -	$ 29,557

December 31, 2011	Level 1	Level 2	Level 3	Total
Assets:				
Cash	$ 249,036	$ -	$ -	$ 249,036

5. FINANCIAL RISK MANGEMENT

(a) Overview

The Group's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as:

- market risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees management's establishment and execution of the Group's risk management framework. Management has implemented and monitors compliance with risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Group's activities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(i) Interest rate risk

The Group's cash is held in bank accounts and due to the short-term nature of these financial instruments fluctuations in market interest rates do not have an impact on the fair value as at December 31, 2012.

(Expressed in Canadian Dollars)

5. FINANCIAL RISK MANGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk (continued)

The Group's sensitivity to interest rates is currently immaterial due to the short term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Currency risk is the risk to the Group's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Group does not use derivative instruments to reduce its exposure to foreign currency risk.

At December 31, 2012, the Group had the following financial assets and liabilities:

	US Dollars	Argentine Pesos
Cash	$ 118	16,121
Accounts receivable	$ -	219,968
Accounts payable	$ 19,725	77,869

At December 31, 2012 US dollar amounts were converted at a rate of $1.00 US dollars to $0.9949 Canadian dollars and Argentine pesos amounts were converted at a rate of 1.00 Argentine pesos to $0.2024 Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk. The Group is not exposed to significant other price risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Group's cash and accounts receivable are exposed to credit risk. The credit risk on cash and cash equivalents is considered small because the funds have been placed with major Canadian and Argentinean financial institutions. Management believes that the credit risk related to its accounts receivable is remote.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet liabilities when due.

(Expressed in Canadian Dollars)

5. FINANCIAL RISK MANGEMENT (continued)

(d) Liquidity risk (continued)

At December 31, 2012, the Group had a cash balance of $29,557, accounts receivable of $44,768 and harmonized sales tax receivable of $1,708. The Group has accounts payable and accrued liabilities of $116,710.

6. CAPITAL MANAGEMENT

The Group considers its capital structure to include working capital and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Group is reasonable.

The Group is not subject to any external capital restrictions and the Group did not change its approach to capital management during the period.

7. EXPLORATION AND EVALUATION ASSETS

Exploration and evaluation (E&E) assets consisted of the Group's exploration projects which were pending the determination of proven and/or probable reserves, commercial viability or to be technically feasible.

	December 31, 2012	December 31, 2011
Argentina, Toruel property		
Mineral resource interest	$ -	$227,786
Net carrying amount	$ -	$227,786

Reconciliation of activity during the years:	
Balance, December 31, 2010	$ 126,118
Additions	240,133
Write down	(138,465)
Balance, December 31, 2011	227,786
Additions	530,305
Write down	(758,091)
Balance, December 31, 2012	$ -

7. EXPLORATION AND EVALUATION ASSETS (continued)

Argentina, Toruel property:

In March 2011, the Company entered into an option agreement (the “Agreement”) with Marifil Mines Ltd. (“Marifil”) whereby Marifil granted the Company an option (the “Option”) to acquire up to a 75% interest in Marifil’s Toruel property located in the Rio Negro Province of the Republic of Argentina (the “Property”). Under the terms of the Agreement, the Company could have earned a 50% interest in the Property during the period of March 3, 2011 to March 3, 2014 by paying Marifil an aggregate of US$200,000 in cash (US$100,000 paid) issuing Marifil 3,150,000 of its common shares (650,000 common shares issued), and expending US$2,800,000 on the Property. The Company could have earned a further 10% interest during the period from March 3, 2014 to March 3, 2015 by providing Marifil with a pre-feasibility study on the Property and paying Marifil US$100,000 on each of the fourth and fifth anniversaries of the Agreement date. The Company could have earned a further 10% interest in the Property during the period from March 3, 2016 to March 3, 2017 by providing Marifil with a feasibility study on the Property. Upon completion of the feasibility study, all further expenditures relating to the Property would have been shared by the Company and Marifil, with 70% covered by the Company and 30% by Marifil. However, at Marifil’s sole option, it could have elected to be carried through to the commencement of commercial production on the Property, in which case the Company would have earned an additional 5% interest, bringing its total interest in the Property to 75%. In the event the Company failed to provide Marifil with a feasibility study by March 3, 2017, the Company’s interest in the Property would have been reduced to 49% at Marifil’s sole option.

The Company and Marifil Mines Ltd. entered into an assignment and purchase agreement dated September 19, 2012, whereby Netco agreed to purchase all of Marifil's 100-per-cent interest in the Toruel copper-silver project, located in the Rio Negro province of Argentina, and all exploration data related thereto.

Netco and Marifil were parties to an option agreement dated March 3, 2011, as amended, pursuant to which Marifil granted Netco an option to acquire up to a 70-per-cent interest in the Toruel property. Under the terms of the purchase agreement, Marifil would have assigned and sold to Netco all of its interest in the Toruel property in consideration for:

1. Netco issuing Marifil an aggregate of 3.5 million share purchase warrants, with each warrant entitling Marifil to acquire one common share of Netco at a price of 10 cents per share until the date that is 12 months from the closing of the transaction and at a price of 15 cents per share from the date that is 12 months from the closing until the date that is 24 months from the closing;
2. Netco issuing to Marifil such number of shares as will cause Marifil to hold an aggregate of 19.9 per cent of the issued and outstanding shares at closing;
3. The grant of a 3-per-cent net smelter return royalty to Marifil.

Netco also agreed to assume Marifil's existing property payment obligations to the underlying owners of the Toruel property upon closing.

7. EXPLORATION AND EVALUATION ASSETS (continued)

Argentina, Toruel property (continued):

The transaction was expected to close on or about November 30, 2012. The closing of the transaction was subject to a number of conditions, including:

1. The approval of the TSX Venture Exchange and of the underlying owners of the Toruel property, if applicable;
2. Netco having funds in the minimum amount of $825,000, of which $375,000 shall be used to complete the purchase of claims from an underlying owner of the Toruel property and $450,000 shall be used for a drill program on the Toruel property;
3. Satisfactory completion of all transactions contemplated in the purchase agreement;
4. Marifil and Netco having executed a termination and release confirming the termination of the option agreement.

In the event that Netco was unable to provide evidence to Marifil of holding the closing funds at the time of the closing, the purchase agreement and the option agreement would be terminated.

On November 26, 2012, the Company announced the assignment and purchase agreement dated September 19, 2012 was terminated. The Toruel property has been returned to Marifil. Consequently, the Company wrote off the full value of the property as at September 30, 2012.

United States - Columbia River Basin (unproven):

In 2007, the Company acquired a 7.5% working interest in undeveloped leases in the Columbia River Basin of south central Washington with the intent of exploring for and developing natural gas reserves. The Company currently retains an interest in approximately 133,600 undeveloped gross mineral acres. As a consequence of negative results from two unsuccessful exploratory gas wells, the Company has written off the value of the Columbia River Basin properties.

Ownership in petroleum and natural gas interests involve certain inherent risks due to the difficulties in determining the validity of certain interests as well as the potential for problems arising from the frequently ambiguous conveyancing history characteristic of many petroleum and natural gas interests. The Company has investigated the ownership of its interests and, to the best of its knowledge, they are in good standing.

8. DECOMMISSIONING OBLIGATIONS

No decommissioning liability has been accrued at December 31, 2012 for the Group's properties as there has been no activity on the properties that would obligate the Group to do so.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

(b) Issued

	Year ended December 31, 2012		Year ended December 31, 2011	
	Number of Shares	Amount	Number of Shares	Amount
Common shares:				
Balance, beginning of year	40,323,275	$ 18,041,108	33,683,275	$ 17,276,465
Transactions during the year:				
Private placement, net of share issue costs	6,435,000	750,429	6,240,000	718,393
Marifil option agreement	250,000	42,500	400,000	46,250
Balance, end of year	**47,008,275**	**$18,834,037**	**40,323,275**	**$ 18,041,108**

On June 22, 2011, the Company closed a non-brokered private placement financing (the "Financing") of units (each, a "Unit"). The Company has issued 6,240,000 Units, at a price of $0.125 per Unit, for aggregate gross proceeds of $780,000. Each Unit consists of one common share and one-half of one share purchase warrant (each, a "Warrant"), with each whole Warrant entitling the holder to acquire one common share at an exercise price of $0.22 for a period of two years from the closing of the Financing.

In connection with the Financing, the Company paid aggregate finder's fee of $46,778 and issued a total of 370,720 finder's warrants. The finder's warrants entitle the holder to acquire one common share at an exercise price of $0.125 for a period of two years. A total fair value cost of $14,830 has been recognized as share issuance costs and has been recorded in contributed surplus in recognition of the fair value of the finder's warrants.

9. SHARE CAPITAL (continued)

(b) Issued (continued)

Also, on June 22, 2011, in connection with the closing of the Transaction (described above in Note 7), the Company issued a total of 150,000 common shares of the Company to Marifil in accordance to the terms of the Option Agreement. On October 18, 2011, the Company issued an additional 250,000 common shares to Marifil as required under the terms of the Option Agreement with Marifil with respect to the Toruel Property. The price per share was based on the closing price on date of issuance, for a total value of $46,250.

On February 20, 2012, the Company issued an additional 250,000 common shares to Marifil as required under the terms of the Option Agreement with Marifil with respect to the Toruel Property. The price per share was based on the closing price on date of issuance, for a total value of $42,500.

On February 29, 2012, the Company closed the first tranche of the non-brokered private placement financing, pursuant to which the Company issued 4,775,000 units at a price of $0.125 per unit for gross proceeds of $596,875. Each unit consisted of one common share of the Company and one half of one common share purchase warrant, and each warrant entitles the holder to purchase an additional common share at $0.22 per share for a period of 24 months from the closing of the financing. The warrants contain a provision providing that if the Company's shares trade at a closing price in excess of $0.30 on the TSX Venture Exchange (or such other exchange on which the Company's shares are then principally traded) for a period of 10 consecutive trading days, the Company may issue a notice accelerating the expiry date to 30 days from the date of such notice. In connection the closing of the first tranche, the Company paid aggregate cash commissions of $35,700 and issued an aggregate of 285,600 finder's warrants, with each finder's warrant exercisable into one common share at a price of $0.125 per share for a period of 18 months.

On March 2, 2012, the Company closed the final tranche of the non-brokered private placement financing, pursuant to which the Company issued 1,660,000 units at a price of $0.125 per unit for gross proceeds of $207,500. Each unit consisted of one common share of the Company and one half of one common share purchase warrant, and each warrant entitles the holder to purchase an additional common share at $0.22 per share for a period of 24 months from the closing of the financing. The warrants contain a provision providing that if the Company's shares trade at a closing price in excess of $0.30 on the TSX Venture Exchange (or such other exchange on which the Company's shares are then principally traded) for a period of 10 consecutive trading days, the Company may issue a notice accelerating the expiry date to 30 days from the date of such notice. In connection with the closing of the final tranche, the Company paid aggregate cash commissions and fees of $5,422 and issued an aggregate of 35,000 finder's warrants, with each finder's warrant exercisable into one common share at a price of $0.125 per share for a period of 18 months.

A total fair value cost of $12,824 has been recognized as share issuance costs and has been recorded in contributed surplus in recognition of the fair value of the finder's

(Expressed in Canadian Dollars)

9. **SHARE CAPITAL** (continued)

(b) Issued (continued)

warrants issued in the first and second tranches of the private placements described above.

(c) Contributed Surplus

		Year ended December 31, 2012		Year ended December 31, 2011
Balance, beginning of year	**$**	**717,380**	$	495,807
Share-based compensation		**23,630**		206,743
Finder's warrants		**12,824**		14,830
Balance, end of year	**$**	**753,834**	$	717,380

(d) Stock Options

The Company has a stock option plan in accordance with the policies on the TSX Venture Exchange whereby, from time to time at the discretion of the board of directors, stock options are granted to directors, officers and certain consultants.

Under the plan up to 6,415,600 common shares are reserved for the issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options can be granted for a maximum term of 10 years. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares issued and outstanding at the time of grant unless disinterested shareholder approval is obtained. Any options granted to Consultants or persons performing Investor Relations under the Amended Stock Option Plan shall vest to the optionee as follows: 25% at date of grant, 25% six months from date of grant, 25% nine months from date of grant and the remaining 25% twelve months from the date of grant. All other options granted under the Amended Stock Option Plan shall have vesting terms set at the discretion of the Board of Directors.

On March 4, 2011, the Company granted a total of 525,000 stock options to officers, directors and consultants of the Company. Each option is exercisable into one common share at a price of $0.12 for a period of five years.

On April 28, 2011, the Company granted 200,000 stock options to a director and a consultant of the Company. Each option is exercisable into one common share of the Company at a price of $0.165 per shares for a period of five years.

On October 18, 2011, the Company granted a total of 1,125,000 stock options to directors and advisors/consultants at an exercise price of $0.15 per share for a period of 5 years.

On December 9, 2011, the Company granted a total of 50,000 stock options to a consultant at an exercise price of $0.15 per share for a period of 5 years.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

(d) Stock Options (continued)

On April 12, 2012, the Company granted a total of 240,000 stock options to an officer and consultants at an exercise price of $0.15 per share for a period of 5 years.

For the year ended December 31, 2012, $23,630 (2011 - $206,743) has been recorded as share-based compensation relating to options issued and fully vested during the period. The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: Dividend yield 0% (2011 – 0%), expected annual volatility 124% (2011 – 146%); risk-free interest rate 1.16% (2011 – 1.99%); market share price of $0.12 (2011 - $0.12); forfeiture rate of 0% and expected life of 5 years. The weighted average fair value of options granted was $0.12 per option. Expected volatility was based on the historical share price volatility over the past 5 years. The expected life of the option was calculated based on the history of option exercises.

A summary of the stock option activity is as follows:

	December 31, 2012		December 31, 2011	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	1,900,000	$0.14	750,000	$0.40
Issued	240,000	$0.15	1,900,000	0.14
Expired/Cancelled	-	-	(750,000)	(0.40)
Balance, end of year	2,140,000	$0.14	1,900,000	$0.14

As at December 31, 2012, the Company has outstanding directors' and employees' incentive stock options enabling the holders to acquire additional common shares as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
525,000	525,000	$ 0.12	March 4, 2016
200,000	200,000	$0.165	April 28, 2016
1,125,000	1,125,000	$0.15	October 18, 2016
50,000	50,000	$0.15	December 9, 2016
240,000	240,000	$0.15	April 12, 2017
2,140,000	2,140,000		

(Expressed in Canadian Dollars)

9. SHARE CAPITAL (continued)

(e) Warrants

	December 31, 2012		December 31, 2011	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of year	12,490,720	$0.34	13,395,000	$0.40
Issued	3,538,100	$0.21	3,490,720	$0.21
Expired/Cancelled	(9,000,000)	($0.39)	(4,395,000)	($0.43)
Balance, end of year	7,028,820	$0.21	12,490,720	$0.34

As at December 31, 2012, the Company has outstanding share purchase warrants entitling the holders to acquire additional common shares, as follows:

Number of Warrants	Exercise Price	Expiry Date
3,120,000	$0.22	June 22, 2013
370,720	$0.125	June 22, 2013
285,600	$0.125	August 29, 2013
35,000	$0.125	September 2, 2013
2,387,500	$0.22	February 28, 2014
830,000	$0.22	March 2, 2014
7,028,820		

10. INCOME TAXES

Income tax expense varies from the amount that would be computed from applying the combined federal and provincial income tax rate to loss before taxes as follows:

	2012	2011
Loss for the year before income tax	$ (1,278,273)	$ (706,879)
Statutory Canadian corporate tax rate	25.00%	26.50%
Anticipated tax recovery	(319,568)	(187,323)
Change in tax rates resulting from:		
Effect of tax rate change	-	4,734
Effect of jurisdictional tax rate difference	(71,764)	(14,618)
Unrecognized items for tax	6,945	54,787
Tax benefits not realized	384,387	142,420
Current income tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

10. INCOME TAXES (continued)

The significant components of the Company's deferred tax assets are as follows:

	2012	2011
Exploration and evaluation assets	$ 2,750,561	$ 2,765,728
Non-capital loss carry forwards	1,780,744	1,373,494
Capital loss carry forwards	122,355	122,355
Other	16,790	1,659
	4,670,450	4,263,236
Unrecognized deferred tax assets	(4,670,450)	(4,263,236)
Deferred income taxes	$ -	$ -

At December 31, 2012, the Company has available non-capital tax losses for Canadian income tax purposes of $1,607,066 and net operating losses for US income tax purposes of $3,267,902 (US$2,969,721) available for carry-forward to reduce future years' taxable income, if not utilized, expiring as follows:

	Canada	United States
2018	$ -	$ 1,387,021
2027	113,090	152,685
2028	378,101	280,495
2029	259,831	367,360
2030	166,062	442,758
2031	316,115	318,805
2032	373,867	318,778
	$ 1,607,066	$ 3,267,902

11. SEGMENTED REPORTING

The Group's activities are in two industry segments comprised of exploration, development and production of petroleum, natural gas reserves and mineral exploration.

Petroleum and natural gas and mineral resource interests (exploration and evaluation assets) by geographical segment are as follows:

December 31, 2012	Argentina	Total
Mineral resource	$ -	$ -

December 31, 2011	Argentina	Total
Mineral resource	$ 227,786	$ 227,786

(Expressed in Canadian Dollars)

11. SEGMENTED REPORTING (continued)

Losses:

	Canada	United States	Argentina	Total
December 31, 2012	$566,057	$1,073	$711,143	$1,278,273
December 31, 2011	$522,359	$140,780	$47,740	$710,879

12. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to parties not at arm's length to the Group for the years ending December 31, 2012 and 2011:

December 31,	**2012**	2011
Compensation of key management:		
Directors fees	$ -	$ 15,500
Management fees	140,400	77,690
Share-based compensation	23,630	206,743

Included in accounts payable and accrued liabilities at December 31, 2012 is $31,600 (2011 - $Nil) due to directors for unpaid management fees.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

13. SUBSEQUENT EVENTS

On February 20, 2013, the Company announced that, subject to regulatory approval, it has arranged a non-brokered private placement financing (the "Financing") of up to 4,000,000 units (each, a "Unit") at a price of $0.05 per Unit for gross proceeds of up to $200,000. Each Unit consists of one common share of the Company (each, a "Share") and one share purchase warrant (each, a "Warrant"). One Warrant entitles the holder thereof to purchase one additional Share of the Company at a price of $0.10 per Share for a period of two years from closing of the Financing, subject to an acceleration provision of the Company whereby, in the event that the Company's common shares trade above $0.15 per share for a period of fifteen consecutive trading days, the Company may accelerate the expiry of the Warrants. The proceeds of the Financing will be used for general working capital.

Appendix F

BRISIO INNOVATIONS INC.

Unaudited Condensed Interim Consolidated Financial Statements
(Expressed in Canadian dollars)

For the Three Months Ended March 31, 2015 and 2014

Index

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3) released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited condensed interim consolidated financial statements as at and for the three months ended March 31, 2015 and 2014.

Brisio Innovations Inc.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

	Notes		**As at March 31, 2015**		As at December 31, 2014
ASSETS					
Current assets					
Cash and cash equivalents		**$**	**85,157**	$	98,927
Accounts receivable			**10,706**		8,070
GST recoverable			**2,638**		1,806
Prepaid expenses			**6,715**		2,327
			105,216		111,130
Non-current assets					
Software applications	7		**146,580**		167,402
Deposit on investments	8,9		**150,000**		150,000
Investment	10		**150,000**		-
			446,580		317,402
		$	**551,796**	$	428,532
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	13	**$**	**134,523**	$	182,161
			134,523		182,161
SHAREHOLDERS' EQUITY					
Share capital	11		**20,065,621**		19,670,082
Share subscriptions received			**-**		155,539
Contributed surplus	11		**961,636**		961,636
Deficit			**(20,609,984)**		(20,540,886)
			417,273		246,371
		$	**551,796**	$	428,532

Nature and continuance of operations (note 1)

Approved on behalf of the Board:

"Paul Andreola" **Director**

"Colin Bowkett" **Director**

The notes are an integral part of these condensed interim consolidated financial statements

Brisio Innovations Inc.

Condensed Interim Consolidated Statements of Comprehensive Loss
For the period ended March 31, 2015, with comparative figures for 2014
(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

	Notes	**For the three months ended March 31, 2015**	For the three months ended March 31, 2014
REVENUE			
Gross revenue from software applications	12	**$ 6,201**	$ 9,174
Cost of sales		**(20,616)**	(10,976)
Gross profit (loss)		**(14,415)**	**(1,802)**
GENERAL AND ADMINISTRATION EXPENSES			
Management fees	13	**22,500**	25,000
Office and general		**18,153**	15,705
Professional fees		**9,045**	19,708
Share-based payment	11, 13	**-**	87,186
Transfer agent and filing		**5,529**	12,374
		55,227	159,973
Loss before other items		**(69,642)**	(161,775)
OTHER ITEMS			
Foreign exchange gain (loss)		**544**	(1,015)
		544	(1,015)
Loss and comprehensive loss for the period		**$ (69,098)**	$ (162,790)
Basic and diluted loss per share		**$ (0.00)**	$ (0.01)
Weighted average number of shares outstanding		**20,854,514**	18,738,814

The notes are an integral part of these condensed interim consolidated financial statements

Brisio Innovations Inc.

Condensed Interim Consolidated Statements of Changes in Shareholders' Equity
For the periods ended March 31, 2015 and 2014
(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

	Number of Shares	Share Capital	Share Subscriptions Received	Contributed Surplus	Deficit	Total
Balance as at January 1, 2015	19,977,309	$ 19,670,082	$ 155,539	$ 961,636	$ (20,540,886)	$ 246,371
Issue of share capital, net	4,473,853	395,539	(155,539)	-	-	240,000
Total comprehensive loss for the period	-	-	-	-	(69,098)	(69,098)
Balance as at March 31, 2015	24,451,162	**$ 20,065,621**	**$ -**	**$ 961,636**	**$ (20,609,984)**	**$ 417,273**

	Number of Shares	Share Capital	Share Subscriptions Received	Contributed Surplus	Deficit	Total
Balance as at January 1, 2014	18,734,978	$ 19,334,037	$ -	$ 874,735	$ (20,036,281)	$ 172,491
Share-based payment	-	-	-	87,186	-	87,186
Issue of share capital, net	100,000	15,000	-	-	-	15,000
Total comprehensive loss for the period	-	-	-	-	(162,790)	(162,790)
Balance as at March 31, 2014	18,834,978	**$ 19,349,037**	**$ -**	**$ 961,921**	**$ (20,199,071)**	**$ 111,887**

The notes are an integral part of these condensed interim consolidated financial statements

Brisio Innovations Inc.

Condensed Interim Consolidated Statements of Cash Flows
For the period ended March 31, 2015, with comparative figures for 2014
(Unaudited - Prepared by Management)

(Expressed in Canadian dollars)

	For the three months ended March 31, 2015	For the three months ended March 31, 2014
CASH FLOWS PROVIDED BY (USED IN):		
Operating activities		
Net loss for the period	**$ (69,098)**	$ (162,790)
Adjustment for items not involving cash:		
Foreign exchange loss	**(544)**	1,015
Amortization	**19,101**	-
Share-based payment	**-**	87,186
	(50,541)	(74,589)
Changes in non-cash working capital:		
Decrease (increase) in accounts receivable	**(2,636)**	(1,223)
Increase (decrease) in accounts payable and accrued liabilities	**(47,638)**	68,276
Decrease (increase) in GST recoverable	**(832)**	(271)
Decrease (increase) in prepaid expenses	**(4,388)**	(4,736)
	(106,035)	(12,543)
Investing activities		
Software applications	**1,721**	(166,975)
Investment in Intema Solutions	**(150,000)**	-
	(148,279)	(166,975)
Financing activities		
Private placement	**235,000**	15,000
Exercise of warrants	**5,000**	-
	240,000	15,000
Foreign exchange on cash	**544**	(1,015)
Increase (decrease) in cash and cash equivalents	**(13,770)**	(165,533)
Cash and cash equivalents, beginning of period	**98,927**	238,302
Cash and cash equivalents, end of period	**$ 85,157**	$ 72,769

The notes are an integral part of these condensed interim consolidated financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

Brisio Innovations Inc. (the "Company") is a publicly listed company incorporated in Canada with limited liability under the legislation of the Province of British Columbia. The Company's shares are listed on the Canadian Securities Exchange ("CSE"). The head office and principal address is 580 Hornby Street, Suite 490, Vancouver, British Columbia, Canada, V6C 3B6.

On February 7, 2014, the CSE approved the listing of the Company's common shares on the CSE. At the close of trading on February 11, 2014, the Company's shares were delisted from the TSX Venture Exchange.

The unaudited condensed interim consolidated financial statements ("interim financial statements") of the Company as at and for the three months ended March 31, 2015 and 2014 comprise the Company and its subsidiaries (together referred to as the "Group"). The Group is primarily involved in the acquisition, development and marketing of software applications for mobile computing devices, such as smart phones, tablets and wearable computers. The Company was previously involved in the mining and petroleum and natural gas industries.

These interim financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Group will be able to continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

For the three months ended March 31, 2015, the Group generated $6,201 (2014 - $9,174) in gross revenue from the sale of mobile software applications, has a working capital deficit of $29,307 (December 31, 2014 – $71,031) and an accumulated deficit of $20,609,984 (December 31, 2014 - $20,540,886). These circumstances lend significant doubt as to the ability of the Company to meet its obligations as they come due, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. The Group's ability to continue as a going concern is dependent upon achieving profitable operations and upon obtaining additional financing. The outcome of these matters cannot be predicted at this time. These interim financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

2. BASIS OF PREPARATION

(a) Statement of compliance:

These interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS").

These interim financial statements have been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. They do not include all the information required for full annual financial statements.

These interim financial statements were approved by the Board of Directors on May 21, 2015.

2. BASIS OF PREPARATION (continued)

(b) Functional and presentation currency:

These interim financial statements are presented in Canadian dollars, which is the Group's functional currency.

(c) Basis of measurement:

The interim financial statements have been prepared on the historical cost basis except for financial assets classified as fair value through profit or loss which are stated at their fair value.

In addition, these interim financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

(d) Use of estimates and judgments:

The preparation of financial statements in compliance with IFRS requires management to make certain judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from these estimates and assumptions.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future years affected.

Significant accounting estimates:

a. The inputs used in accounting for share-based payment in profit or loss;

b. The judgement of indications of impairment of each property and related determination of the net realizable value and write-down of those properties where applicable;

c. The tax basis of assets and liabilities and related deferred income tax assets and liabilities;

d. Amounts of provisions, if any, for decommissioning obligations; and

e. Rates of depreciation of intangible assets.

2. BASIS OF PREPARATION (continued)

(d) Use of estimates and judgments (continued):

Significant accounting judgments:

a. The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management; and

b. The analysis of the functional currency for each entity of the Group. In concluding that the Canadian dollar is the functional currency of the parent and its subsidiary companies, management considered the currency that mainly influences the cost of providing goods and services in each jurisdiction in which the Company operates. As no single currency was clearly dominant, management also considered secondary indicators including the currency in which funds from financing activities are denominated and the currency in which funds are retained.

c. The going concern risk assessment (see note 1).

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these interim financial statements, and have been applied consistently by the Group.

(a) Basis of consolidation

(i) Subsidiaries:

The interim financial statements of the Company include its wholly-owned subsidiaries, Green River Petroleum (USA) Inc., incorporated in the State of Washington, USA and Netco Argentina S.A., incorporated in Argentina. Both subsidiaries were inactive at March 31, 2015.

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that currently are exercisable are taken into account. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases.

(ii) Jointly controlled operations and jointly controlled assets:

Many of the Group’s resource activities and oil and natural gas activities involve jointly controlled assets. The interim financial statements include the Group’s share of these jointly controlled assets and a proportionate share of the relevant revenue and related costs.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Basis of consolidation (continued)

(iii) Transactions eliminated on consolidation:

Intercompany balances and transactions, and any unrealized income and expenses arising from intercompany transactions, are eliminated in preparing the interim financial statements.

(b) Foreign currency

Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on dates of transactions. At each financial position reporting date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Any foreign currency gains or losses are recognized in net income (loss) for the period.

(c) Financial instruments

Financial Assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss (“FVTPL”).

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through profit and loss. Regular way purchases and sales of FVTPL financial assets are accounted for at trade date, as opposed to settlement date. The Group has classified its cash and cash equivalents as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Group’s accounts receivable are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. The Group has not classified financial assets as available-for-sale assets.

Transactions costs associated with FVTPL and available-for-sale financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Financial instruments (continued)

Financial Liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period. The Group's accounts payable and accrued liabilities are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit and loss. The Group has not classified any financial liabilities as FVTPL.

The Group is not engaged in any financial derivative contracts.

(d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, and cash equivalents that are readily convertible into cash and which are subject to insignificant risk of changes in value.

(e) Intangible assets

Intangible assets are recorded at cost upon acquisition and are depreciated over their estimated lives. Depreciation is expensed over the estimated useful life of the assets using the straight-line method. The Company monitors events and changes in circumstances which require an assessment of recoverability. If the carrying amount of the intangible assets is not recoverable, an impairment loss is recognized in profit or loss, determined by comparing the carrying amount of the asset to its fair value.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investments in associates

An associate is an entity over which the Company has significant influence. If the Company holds, directly or indirectly (i.e. through subsidiaries), 20% or more of the voting power of the investee, it is presumed the entity has significant influence, unless it can be clearly demonstrated that this is not the case.

If the Company has significant influence over an investee, it must account for its investment in an associate using the equity method. Under the equity method, on initial recognition, the investment in an associate is recognized at cost and the carrying amount is increased or decreased to recognize the Company's share of the profit or loss of the investee after the date of acquisition. The Company's share of the investee's profit or loss is recognized in the Company's profit or loss.

Distributions received from an investee reduce the carrying amount of the investment. It may also be necessary to adjustment the carrying amount for changes in the Company's proportionate interest in the investee arising from changes in the investee's other comprehensive income. The Company's share of those changes is recognized in the investor's other comprehensive income.

(g) Impairment

(i) Financial assets:

A financial asset, other than those designated as FVTPL is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the original effective interest rate. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Impairment (continued)

(ii) Non-financial assets:

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the CGU). The recoverable amount of an asset or a CGU is the greater of its value in use and its fair value less costs to sell.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Value in use is generally computed by reference to the present value of the future cash flows expected to be derived from production of proven and probable reserves. An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGU's are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depletion and depreciation or amortization, if no impairment loss had been recognized.

(h) Revenue recognition

The Group derives revenues from the sale of software and mobile applications through various platforms. The Group recognizes revenue when all of the following conditions are satisfied: (i) significant risks and rewards have transferred to the buyer; (ii) the Company no longer retains managerial involvement or effective control over the goods sold; (iii) the fee amount of revenue can be measured reliably; (iv) it is probable the economic benefits associated with the transaction will flow to the Company; and (v) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

For revenue earned through certain mobile platforms, revenue is recognized based on the gross amount because the Group is acting as the principal has the contractual right to determine the price to be paid. The related platform and payment processing fees are recorded as cost of sales in the period incurred.

Advertising revenue for advertisements within the applications are recorded net of amounts retained by advertising networks.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Revenue recognition (continued)

For every contract signed, the Group examines its characteristics in order to determine whether it is appropriate to recognize the net or gross revenue from services rendered by agents.

(i) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognized in profit or loss except to the extent that if the income tax expense related to items recognized directly in equity, the income tax expense would also be recognized in equity. Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(j) Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Company's common shares, share warrants and options are classified as equity instruments.

Incremental costs directly attributable to the issue of new shares or options are recognized as a deduction from equity.

Valuation of equity units issued in private placements

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first

3. **SIGNIFICANT ACCOUNTING POLICIES** (continued)

(j) Share capital (continued)

allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component.

The fair value of the common shares issued in the private placements was determined to be the more easily measurable component and were valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, was allocated to the attached warrants. Any fair value attributed to the warrants is recorded in contributed surplus.

(k) Share-based payments

Where equity-settled share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Performance vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each reporting date so that, ultimately, the cumulative amount recognized over the vesting period is based on the number of options that eventually vest. Non-vesting conditions and market vesting conditions are factored into the fair value of the options granted. As long as all other vesting conditions are satisfied, a charge is made irrespective of whether these vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition or where a non-vesting condition is not satisfied.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to non-employees, they are recorded at the fair value of the goods or services received in profit or loss, unless they are related to the issuance of shares. Amounts related to the issuance of shares are recorded as a reduction of share capital.

When the value of goods or services received in exchange for the share-based payment cannot be reliably estimated, the fair value is measured by use of a valuation model. The expected life used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioral considerations.

All equity-settled share-based payments are reflected in contributed surplus, until exercised. Upon exercise, shares are issued from treasury and the amount reflected in contributed surplus is credited to share capital, adjusted for any consideration paid.

Where a grant of options is cancelled or settled during the vesting period, excluding forfeitures when vesting conditions are not satisfied, the Company immediately accounts for the cancellation as an acceleration of vesting and recognizes the amount that otherwise would have been recognized for services received over the remainder of the

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Share-based payments (continued)

vesting period. Any payment made to the employee on the cancellation is accounted for as the repurchase of an equity interest except to the extent the payment exceeds the fair value of the equity instrument granted, measured at the repurchase date. Any such excess is recognized as an expense.

(l) Earnings (loss) per share

Basic earnings (loss) per share is calculated by dividing the profit or loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted earnings (loss) per common share is computed by dividing the net income or loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding, if potentially dilutive instruments were converted.

(m) Changes in accounting policies

The Company has adopted the new standards and interpretations issued by the IASB that were effective on January 1, 2014 as outlined below:

IFRS 10 - Consolidated Financial Statements and IFRS 12, Disclosures of Interests in Other Entities and IAS 27, Separate Financial Statements

IFRS 10 and 12 and IAS 27 have been amended with an effective date for annual periods beginning or after January 1, 2014. The amendment provides for the definition of an investment entity and sets out an exception to consolidating particular subsidiaries of an investment entity. The amendments also deal with the disclosures required and preparation of separate financial statements of an investment entity.

IAS 32 - Financial Instruments: Presentation

This amendment provides clarification on the application of offsetting rules. These amendments are effective for annual periods beginning on or after January 1, 2014.

IAS 36 - Impairment of Assets

This amendment requires disclosure, in certain instances, of the recoverable amount of an asset or cash generating unit, and the basis for the determination of fair value less costs of disposal, when an impairment loss is recognized or when an impairment loss is subsequently reversed. These amendments are effective for annual periods beginning on or after January 1, 2014.

The Company assessed the adoption of these new standards and interpretations and determined there was no impact to the financial statements for the current period or the prior periods presented.

(Expressed in Canadian Dollars)

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) IFRS standards issued but not yet effective:

Effective annual periods beginning on or after July 1, 2014:	
IFRS 2	*Stock Based Compensation*
IAS 24	*Related Party Transactions*
Effective annual periods beginning on or after January 1, 2015:	
IFRS 15	*Revenue from Contracts with Customers*
Effective annual periods beginning on or after January 1, 2016:	
IFRS 10 (Amendment)	*Consolidated Financial Statements*
IFRS 11 (Amendment)	*Joint Arrangements*
IFRS 14	*Regulatory Deferral Accounts*
IAS 16 (Amendment)	*Property, Plant and Equipment*
IAS 27 (Amendment)	*Separate Financial Statements*
IAS 28 (Amendment)	*Investments in Associates and Joint Ventures*
IAS 38 (Amendment)	*Intangible Assets*
Effective annual periods beginning on or after January 1, 2018:	
IFRS 9	*Financial Instruments: Classification and Measurement*

The Group is currently assessing the impact that these standards will have on the financial statements. The Group plans to adopt these standards as soon as they become effective for the Group's reporting period.

4. DETERMINATION OF FAIR VALUES

Estimates of the fair value of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values. At March 31, 2015, the Group's financial instruments include cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities. Cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are recognized on the statement of financial position at their carrying value which approximated their fair value due to their short-term nature.

All financial instruments measured at fair value are categorized into a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy are described below:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2 – inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

4. DETERMINATION OF FAIR VALUES (continued)

The following table sets forth the Group's financial assets measured at fair value by level within the fair value hierarchy.

March 31, 2015	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 85,157	$ -	$ -	$ 85,157

December 31, 2014	Level 1	Level 2	Level 3	Total
Assets:				
Cash and cash equivalents	$ 98,927	$ -	$ -	$ 98,927

5. FINANCIAL RISK MANAGEMENT

(a) Overview

The Group's activities expose it to a variety of financial risks that arise as a result of its exploration, development, production, and financing activities such as:

- market risk
- credit risk
- liquidity risk

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk.

The Board of Directors oversees management's establishment and execution of the Group's risk management framework. Management has implemented and monitors compliance with risk management policies. The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Group's activities.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk.

(Expressed in Canadian Dollars)

5. FINANCIAL RISK MANAGEMENT (continued)

(b) Market risk (continued)

(i) Interest rate risk

The Group's cash is held in bank accounts and due to the short-term nature of these financial instruments fluctuations in market interest rates do not have an impact on the fair value as at March 31, 2015.

The Group's sensitivity to interest rates is currently immaterial due to the short term maturity of its monetary assets and liabilities.

(ii) Foreign currency risk

Currency risk is the risk to the Group's earnings that arises from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Group does not use derivative instruments to reduce its exposure to foreign currency risk.

At March 31, 2015, the Group had the following financial assets and liabilities in foreign currencies:

	US Dollars	Argentine Pesos
Cash	$ 38,011	4,603
Accounts receivable	$ -	-
Accounts payable	$ 19,725	234,377

At March 31, 2015 US dollar amounts were converted at a rate of $1.00 US dollars to $1.2666 Canadian dollars and Argentine pesos amounts were converted at a rate of 1.00 Argentine pesos to $0.1438 Canadian dollars.

(iii) Other price risk

Other price risk is the risk that the fair or future cash flows of a financial instrument will fluctuate because of changes in market prices, other than those arising from interest rate risk. The Group is not exposed to significant other price risk.

(c) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss for the other party by failing to discharge an obligation. The Group's cash and cash equivalents and accounts receivable are exposed to credit risk. The credit risk on cash and cash equivalents is considered small because the majority of funds have been placed with major Canadian and Argentinean financial institutions. Management believes that the credit risk related to its accounts receivable is remote.

5. FINANCIAL RISK MANAGEMENT (continued)

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group's approach to managing liquidity risk is to ensure, as far as possible, that it will have sufficient liquidity to meet liabilities when due.

At March 31, 2015, the Group had a cash balance of $85,157, accounts receivable of $10,706 and GST recoverable of $2,638. The Group has accounts payable and accrued liabilities of $134,523. The Group intends to raise funds adequate to meet its liquidity needs for the next twelve months via private placement or the sale of over-performing investments.

6. CAPITAL MANAGEMENT

The Group considers its capital structure to include working capital and shareholders' equity. Management's objective is to ensure that there is sufficient capital to minimize liquidity risk and to continue as a going concern. Management reviews its capital management approach on an ongoing basis and believes that its approach, given the relative size of the Group is reasonable.

The Group is not subject to any external capital restrictions and the Group did not change its approach to capital management during the year.

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

Depreciation of intangible assets is computed using the straight-line method and is recognized over a three year period. During the three months ended March 31, 2015 $19,101 (2014 - $10,976) of depreciation was recognized.

Software Applications:

Cost		
Balance at December 31, 2013	$	53,975
Acquisitions		183,271
Balance at December 31, 2014		237,246
Acquisitions		(1,721)
Balance at March 31, 2015	$	235,525

Amortization		
Balance at December 31, 2013	$	-
Amortization expense included in cost of sales		69,844
Balance at December 31, 2014		69,844
Amortization expense included in cost of sales		19,101
Balance at March 31, 2015	$	88,945

Carrying amounts		
December 31, 2014	$	167,402
March 31, 2015	$	146,580

In December 2013, the Company purchased all rights, intellectual property and online assets associated with the “On the Fly – Voice Translator” iOS mobile application (the “app”) for US$50,000 (C$53,975).

On February 13, 2014, the Company purchased all rights, intellectual property and online assets associated with a portfolio of 40 applications for US$21,000 (C$23,428). The portfolio focuses on health and wellness and gaming apps. On February 18, 2014, the Company purchased all rights, intellectual property and online assets associated with Boostify for US$4,500 (C$5,062).

7. INTANGIBLE ASSETS (continued)

On March 27, 2014, the Company purchased all rights, intellectual property and online assets associated with "Spermy's Journey, A Race To The Egg!". The Company paid the vendor US$135,137 (C$149,462) as consideration for these assets.

On July 8, 2014, the Company purchased all rights, intellectual property and online assets associated with the Intrusion application for US$5,000 (C$5,319).

8. DEPOSIT ON INVESTMENT – OAKBRANCH MEDIA INC.

On June 9, 2014, the Company executed a Definitive Agreement to acquire up to 100% of the issued and outstanding securities of OakBranch Media Inc. ("OakBranch") and its underlying assets.

The terms of the Definitive Agreement are as follows:

(a) in consideration for aggregate cash payments of $130,000, to be paid by the Company to OakBranch upon the achievement of certain milestones, the Company will acquire securities of OakBranch, sufficient to give the Company a 30% voting and equity interest in OakBranch;

(b) OakBranch will grant the Company an option, that will expire June 8, 2015, to acquire additional securities of OakBranch, sufficient to give the Company an additional 19.9% voting and equity interest in OakBranch, bringing the Company's total interest in OakBranch to 49.9%, exercisable upon: (i) the issuance by the Company to OakBranch 250,000 common shares of the Company and (ii) the payment of $75,000 by the Company to OakBranch; and

(c) OakBranch will cause each of the shareholders of OakBranch to grant the Company a right of first refusal to acquire the remaining 50.1% of the outstanding voting and equity interests of OakBranch.

In addition, the Company will appoint one Director to OakBranch's Board of Directors.

As of March 31, 2015, the Company has made aggregate cash payments of $100,000 to OakBranch. As of March 31, 2015, the shares have not been issued.

(Expressed in Canadian Dollars)

9. DEPOSIT ON INVESTMENT – LITE ACCESS TECHNOLOGIES

Deposit of investment in Lite Access Technologies Inc. consists of common shares issued subsequent to year end:

In December 2014, the Group subscribed for 333,333 units of Lite Access Technologies Inc. ("Lite Access") at a price of $0.15 per unit for a total purchase price of $50,000. Each unit is comprised of one common share of Lite Access, a privately held Canadian corporation, and one-half of one share purchase warrant, with each whole warrant entitling the holder to acquire one additional common share of Lite Access at a price of $0.30 per share for one year from the date of issuance. As of March 31, 2015, the shares have not been issued.

10. INVESTMENTS

On February 11, 2015, the Company completed an investment in Intema Solutions Inc. ("Intema"). The Company subscribed for 2,000,000 units of Intema at a price of $0.075 per unit for a total price of $150,000. Each unit is comprised of one common share of Intema and one share purchase warrant, with each warrant entitling the Company to acquire one additional share at a price of $0.15 per share for two years.

11. SHARE CAPITAL

(a) Authorized

Unlimited number of common shares without par value.
Unlimited number of preferred shares without par value.

(b) Issued

	March 31, 2015		December 31, 2014	
	Number of Shares	Amount	Number of Shares	Amount
Common shares:				
Balance, beginning of period	19,977,309	$19,670,082	18,734,978	$19,334,037
Transactions during the period:				
Private placement	4,423,853	390,539	960,998	279,088
Bonus shares	-	-	48,000	14,400
Options exercised	-	-	100,000	29,224
Warrants exercised	50,000	5,000	133,333	13,333
Balance, end of period	**24,451,162**	**$20,065,621**	**19,977,309**	**$19,670,082**

11. SHARE CAPITAL (continued)

(b) Issued (continued)

In March 2014, 100,000 options were exercised at a price of $0.15. The share price for the options exercised during the year ended December 31, 2014 was $0.15.

On April 10, 2014, the Company completed its non-brokered private placement financing pursuant to which it has issued 960,998 units (each, a “Unit”) at a price of $0.30 per Unit for net proceeds of $279,088. Each Unit consists of one common share of the Company (each, a “Share”) and one-half of one share purchase warrant (each, a “Warrant”). Each whole warrant entitles the holder thereof to purchase one additional Share at a price of $0.45 per Share for a period of one year from closing of the Financing, subject to an acceleration provision whereby, in the event that the Shares trade above $0.60 per Share for a period of ten consecutive trading days, the Company may accelerate the expiry date of the Warrants to a date that is thirty days after the completion of such period.

Per the August 2013 loan agreements, a total of 48,000 bonus shares were issued on April 14, 2014.

On April 28, 2014, 33,333 outstanding warrants were exercised at a price of $0.10 per share.

On November 7, 2014, 100,000 outstanding warrants were exercised at a price of $0.10 per share.

On January 8, 2015, the Company closed its non-brokered private placement pursuant to which it sold an aggregate of 2,073,853 units at a price of $0.075 per unit for gross proceeds of $155,539. Each unit sold was comprised of one common share in the capital of the Company and one-half of one transferable share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.15 per share until January 7, 2016. The warrants are subject to an acceleration clause.

On January 28, 2015, the Company closed its non-brokered private placement pursuant to which it sold an aggregate of 2,350,000 units at a price of $0.10 per unit for gross proceeds of $235,000. Each unit sold was comprised of one common share in the capital of the Company and one-half of one transferable share purchase warrant. Each warrant entitles the holder to acquire one common share at a price of $0.20 per share until January 27, 2016. The warrants are subject to an acceleration clause.

On March 9, 2015, 50,000 outstanding warrants were exercised at a price of $0.10 per share.

11. SHARE CAPITAL (continued)

(c) Stock options

The Company has a stock option plan in accordance with the policies on the Canadian Securities Exchange whereby, from time to time at the discretion of the Board of Directors, stock options are granted to directors, officers and certain consultants.

Under the plan up to 10% of the total number of issued common shares of the Company, calculated on a non-diluted basis, at the time an option is granted are available for the issuance of stock options. The exercise price of each option is based on the market price of the Company's common stock at the date of the grant less an applicable discount. The options can be granted for a maximum term of 10 years. The maximum number of options that may be granted to any one person must not exceed 5% of the common shares issued and outstanding at the time of grant unless disinterested shareholder approval is obtained. Any options granted to consultants or persons performing Investor Relations under the Amended Stock Option Plan shall vest to the optionee as follows: 25% at date of grant, 25% six months from date of grant, 25% nine months from date of grant and the remaining 25% twelve months from the date of grant. All other options granted under the Amended Stock Option Plan shall have vesting terms set at the discretion of the Board of Directors.

On February 28, 2014, the Company granted a total of 300,000 stock options to officers, directors and consultants at an exercise price of $0.30 per share for a period of 5 years.

In March 2014, 100,000 options were exercised at a price of $0.15.

On December 12, 2014, the Company granted a total of 150,000 stock options to an officer at an exercise price of $0.10 per share for a period of 5 years.

For the three months ended March 31, 2015, $nil (2014 - $87,186) has been recorded as share-based payment relating to options issued and fully vested during the period. The fair value of stock options was estimated using the Black-Scholes option-pricing model with the following weighted average assumptions: Dividend yield 0% (2014 – 0%), expected annual volatility 198% (2014 – 198%); risk-free interest rate 1.80% (2014 – 1.80%); market share price of $0.23 (2014 - $0.23); forfeiture rate of 0% and expected life of 5 years. Expected volatility was based on the historical share price volatility over the past 5 years. The expected life of the option was calculated based on the history of option exercises.

(Expressed in Canadian Dollars)

11. SHARE CAPITAL (continued)

(c) Stock options (continued)

A summary of the stock option activity is as follows:

	March 31, 2015		December 31, 2014	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beginning of period	1,325,000	$0.24	1,065,000	$0.26
Granted	-	-	450,000	0.23
Exercised	-	-	(100,000)	0.15
Expired/Cancelled	-	-	(90,000)	(0.62)
Balance, end of period	1,325,000	$0.24	1,325,000	$0.24

As at March 31, 2015, the Company has outstanding directors' and employees' incentive stock options enabling the holders to acquire additional common shares as follows:

Number of options outstanding	Number of options exercisable	Exercise Price	Expiry Date
35,000	35,000	$ 0.60	March 4, 2016
20,000	20,000	$0.825	April 28, 2016
80,000	80,000	$0.75	October 18, 2016
740,000	740,000	$0.15	September 27, 2018
300,000	300,000	$0.30	February 28, 2019
150,000	150,000	$0.10	December 12, 2019
1,325,000	1,325,000		3.75 years remaining

(d) Warrants

	March 31, 2015		December 31, 2014	
	Number	Weighted Average Exercise Price	Number	Weighted Average Exercise Price
Balance, beg of period	9,680,497	$0.12	9,976,831	$0.16
Issued	2,211,927	$0.17	480,499	$0.45
Exercised	(50,000)	($0.10)	(133,333)	($0.10)
Expired/Cancelled	-	-	(643,500)	($1.10)
Balance, end of period	11,842,424	$0.15	9,680,497	$0.12

(Expressed in Canadian Dollars)

12. SHARE CAPITAL (continued)

(d) Warrants (continued)

As at March 31, 2015, the Company has outstanding share purchase warrants entitling the holders to acquire additional common shares, as follows:

Number of Warrants	Exercise Price	Expiry Date
7,950,000	$0.10	October 3, 2015
1,199,998	$0.10	October 24, 2015
480,499	$0.45	April 10, 2015(1)
1,036,927	$0.15	January 7, 2016
1,175,000	$0.20	January 27, 2016
11,842,424		

(1) expired unexercised subsequent to the quarter ended March 31, 2015.

On April 28, 2014, 33,333 outstanding warrants were exercised at a price of $0.10 per share.

On November 7, 2014, 100,000 outstanding warrants were exercised at a price of $0.10 per share.

On March 9, 2015, 50,000 outstanding warrants were exercised at a price of $0.10 per share.

12. SEGMENTED REPORTING

The Company is organized into business units based on unique software applications and has the following reportable operating segment results for the three months ended March 31, 2015.

	Spermy's Journey	On the Fly – Voice Translator	Other software applications	Total
Total assets	$95,489	$31,486	$19,605	$146,580
Total liabilities	$ Nil	$ Nil	$ Nil	$ Nil
Revenues	$2,531	$2,733	$937	$6,201
Amortization	($12,455)	($4,498)	($2,148)	($19,101)
Cost of Sales	($93)	($1,141)	($281)	($1,515)
Net Operating Income	($10,017)	($2,906)	($1,492)	($14,415)

$3,880 of the above revenue was generated from the Apple app store.

(Expressed in Canadian Dollars)

12. SEGMENTED REPORTING (continued)

The reportable operating segment results for the three months ended March 31, 2014 are as follows:

	On the Fly – Voice Translator	Spermy's Journey	Other software applications	Total
Total assets	$49,477	$145,310	$26,163	$220,950
Total liabilities	$ Nil	$ Nil	$ Nil	$ Nil
Revenues	$6,645	$1,311	$1,218	$9,174
Amortization	($4,498)	($4,152)	($2,326)	($10,976)
Net Operating Income	$2,147	($2,841)	($1,108)	($1,802)

$7,556 of the above revenue was generated from the Apple app store.

13. RELATED PARTY TRANSACTIONS

The aggregate amount of expenditures made to parties not at arm's length to the Group for the three months ending March 31, 2015 and 2014:

March 31,	**2015**	2014
Compensation of key management:		
Management fees	$ 22,500	$ 25,000
Share-based payment	-	87,186
	$ 22,500	$ 112,186

Included in accounts payable and accrued liabilities at March 31, 2015 is $7,650 (2014 - $22,875) due to directors for unpaid management fees. During the year ended December 31, 2013 a director loaned the Company $50,000 which was repaid with interest of $1,151 during the year and the director was issued 40,000 bonus shares (valued at $12,000) of the Company in April 2014.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties, unless otherwise noted.

There were no post-employment benefits, termination benefits or other long-term benefits paid to key management personnel for the three months ended March 31, 2015 and 2014.

14. LOANS PAYABLE

On August 6, 2013, the Company obtained an aggregate of $60,000 in loans, for 12 months, bearing interest at a rate of 12% per annum. These loans, in the amount of $60,000 principal plus interest of $1,381, were repaid in November 2013.

The lenders had agreed to loan such funds to the Company in consideration for the Company issuing as a bonus an aggregate of 48,000 common shares of the Company to the lenders. The bonus shares were issued in the second quarter of 2014.