CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
For

ACKROO INC.
(THE "COMPANY" OR ACKROO")

As at and for the three-month and six-month periods ended JUNE 30, 2015 (unaudited)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Management of ACKROO is responsible for the preparation of the accompanying unaudited condensed consolidated interim financial statements. The unaudited condensed interim financial statements have been prepared using accounting policies in compliance with International Financial Reporting Standards for the preparation of condensed interim financial statements and are in accordance with IAS 34 – Interim Financial Reporting.

The Company's auditor has not performed a review of these condensed consolidated interim financial statements in accordance with the standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

ACKROO INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
(UNAUDITED – PREPARED BY MANAGEMENT)
(Expressed in Canadian Dollars except for number of shares)

	June 30, 2015	December 31, 2014 (Audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 229,817	$ 336,158
Accounts receivable (note 5)	157,186	173,099
Inventory	31,227	29,892
Prepaid expenses and other assets	29,367	79,983
	447,597	619,132
NON-CURRENT ASSETS		
Intangible assets (notes 7 and 8)	1,161,550	-
Goodwill (note 8)	664,043	-
Property and equipment (note 9)	32,172	31,904
	1,857,765	31,904
	$ 2,305,362	$ 651,036
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	315,587	363,618
Advances from subscriptions	-	590,460
Current portion of finance lease obligations	-	4,254
Current portion of deferred revenue	55,304	95,487
Current portion of long-term debt (note 6 and 10)	923,585	76,000
	1,294,476	1,129,819
DEFERRED REVENUE	3,750	10,500
DEFERRED TAX LIABILITY (note 6)	107,000	-
LONG-TERM DEBT (note 6 and 10)	326,061	29,000
	1,731,287	1,169,319
SHAREHOLDERS' EQUITY		
Capital stock (note 11)	9,251,137	8,346,721
Agent options (note 11)	97,600	97,600
Warrants (note 11)	2,787,284	1,600,600
Contributed surplus (note 11)	1,632,137	1,554,371
Deficit	(13,194,083)	(12,117,575)
	574,075	(518,283)
	$ 2,305,362	$ 651,036

Approved by the Board:

. . . . .. *SAM COLE*. . . . . Director

………..*JOHN CHAPMAN* …………… … Director

(See accompanying notes)

ACKROO INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED – PREPARED BY MANAGEMENT)
(Expressed in Canadian Dollars except for number of shares)

	Common shares Number	Common shares Amount	Agent Options	Warrants	Contributed Surplus	Accumulated deficit	Total
Balance at December 31, 2013	5,714,412 [1]	$ 7,716,483	$ 97,600	$ 1,315,900	$ 1,288,801	$ (9,307,283)	$ 1,111,501
Shares subscribed for cash	1,177,367	$ 630,238		$ 284,700			$ 914,938
Share-based compensation	-	-	-	-	$ 265,570	-	$ 265,570
Share consolidation adjustment	(119)						
Comprehensive loss	-	-	-	-	-	$ (2,810,292)	$ (2,810,292)
Balance at December 31, 2014	6,891,660	$ 8,346,721	$ 97,600	$ 1,600,600	$ 1,554,371	$ (12,117,575)	$ (518,283)
Shares subscribed for cash	8,364,165			$ 1,246,285			$ 1,246,285
Shares subscribed from business combination	703,297	$ 337,583					$ 337,583
Shares subscribed from warrants	400,000	$ 159,601		$ (59,601)			$ 100,000
Shares subscribed from options	475,000	$ 407,232			$ (307,482)		$ 99,750
Share-based compensation		-	-	-	$ 385,248	-	$ 385,248
Comprehensive loss	-	-	-	-	-	$ (1,076,508)	$ (1,076,508)
Balance at June 30, 2015	16,834,122	$ 9,251,137	$ 97,600	$ 2,787,284	$ 1,632,137	$ (13,194,083)	$ 574,075

[1] Adjusted to give effect to the 1 for 10 share exchange

(See accompanying notes)

ACKROO INC.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS
(UNAUDITED – PREPARED BY MANAGEMENT)
(Expressed in Canadian Dollars)

	Six months ended June 30, 2015	Six months ended June 30, 2014	Three months ended June 30, 2015	Three months ended June 30, 2014
Sales				
Subscription and service	$ 486,922	$ 505,499	$ 272,715	$ 239,144
Product	213,778	150,435	42,846	46,529
	700,700	655,934	315,562	285,673
Cost of sales				
Subscription and service	98,849	125,925	59,690	65,149
Product	129,319	53,250	31,338	24,450
	228,169	179,175	91,028	89,599
Gross profit	472,530	476,758	224,534	196,073
Expenses				
Administration	689,300	652,280	371,303	273,104
Research and development costs	268,079	416,718	137,579	199,481
Sales and marketing	11,469	472,578	4,826	212,070
Share-based compensation expense (Note 11d)	385,248	245,463	182,600	106,894
Amortization of intangible assets	48,152	140,617	40,877	70,309
Amortization of property and equipment	6,217	26,087	3,194	13,044
Foreign exchange loss (gain)	(6,812)	(5,183)	1,071	(3,875)
Investment tax credits and non-refundable grants	-	(125,083)	-	(115,782)
	1,401,652	1,823,477	741,451	755,245
Loss before the following items	(929,121)	(1,346,719)	(516,917)	(559,172)
Dispute Settlement (note 12d)	(125,082)	-	(125,082)	-
Interest income	910	843	592	348
Interest Expense	(23,215)	(6,158)	(20,898)	(2,599)
	(147,387)	(5,315)	(145,388)	(2,251)
Comprehensive loss	$ (1,076,508)	$ (1,352,033)	$ (662,305)	$ (561,422)
Basic and diluted loss per share	$ (0.07)	$ (0.22)	$ (0.04)	$ (0.09)
Weighted average number of common shares outstanding	14,522,277	6,024,359	15,575,794	6,089,280

(See accompanying notes)

ACKROO INC.

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(UNAUDITED – PREPARED BY MANAGEMENT)
(Expressed in Canadian Dollars)

	Six months ended June 30, 2015	Six months ended June 30, 2014
CASH FLOWS PROVIDED BY /(USED IN) OPERATING ACTIVITIES		
Comprehensive loss	$ (1,076,508)	$ (1,352,033)
Items not affecting cash:		
Interest Expense	19,155	-
Amortization of property and equipment	6,217	26,087
Amortization of intangible assets	48,152	140,617
Amortization of leasehold inducement	-	(11,173)
Share-based compensation	385,248	245,463
	(617,738)	(951,039)
Changes in non-cash working capital items:		
Accounts receivable	15,913	163,479
Investment tax credit receivable	-	(107,107)
Prepaid expenses	50,616	(58,343)
Inventory	5,965	-
Accounts payable and accrued liabilities	(48,028)	112,575
Deferred revenue	(46,933)	26,793
	(640,206)	(813,643)
CASH FLOWS PROVIDED BY /(USED IN) INVESTING ACTIVITIES		
Addition to property and equipment	(4,510)	(10,840)
Addition to intangible asset	(107,500)	-
	(112,010)	
CASH FLOWS PROVIDED BY /(USED IN) FINANCING ACTIVITIES		
Repayment of bank indebtedness	-	95,000
Net advances (repayment) of loans payable	-	(3,572)
Repayments of long-term debt - net	(55,446)	-
Repayments of capital lease obligations	(4,254)	(4,254)
Issuance of capital stock	1,296,035	527,167
Advances from subscriptions	(590,460)	-
	645,875	614,169
INCREASE IN CASH AND CASH EQUIVALENTS	(106,341)	(210,313)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	336,158	250,363
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 229,817	$ 40,050

(See accompanying notes)

1. NATURE OF OPERATIONS

Ackroo Inc. (“Ackroo” or the “Company”) is a public company and its shares are listed on the TSX Venture Exchange (TSX-V:AKR). The Company is incorporated under the Canada Business Corporations Act. The Company’s head office is located at 62 Steacie Drive, Suite 201, Ottawa, Ontario, Canada. The Company develops and sells an online loyalty and rewards platform that enables businesses to design and execute customer transaction, engagement and retention strategies.

2. GOING CONCERN

These condensed consolidated financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS"). The going concern basis of presentation assumes that the Company will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business. To date the Company has incurred an accumulated loss of $13,194,083 and negative cash flow from operations as the Company invests in the commercialization of its loyalty rewards product and service offering. This raises doubt about the ability of the Company to continue as a going concern. The Company has raised equity to fund the commercialization activities and product enhancements. The Company expects that the investment it has made in 2013 and 2014 in its sales and marketing programs will result in a significant increase in revenue. The ability of the Company to continue as a going concern and to realize the carrying value of its assets and discharge its liabilities and commitments when due is dependent on the Company generating revenue sufficient to fund its cash flow needs. There is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

The condensed consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. If the going concern basis were not appropriate for these condensed consolidated financial statements, then adjustments would be necessary in the carrying value of the assets and liabilities, the reported revenue and expenses and the classifications used in the statement of Financial position. Such differences in amounts could be material.

3. BASIS OF PREPARATION

The condensed consolidated interim financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34 – Interim Financial Reporting, using accounting policies that the Company adopted in its consolidated financial statements as at and for the year ended December 31, 2014.

The condensed consolidated interim financial statements do not include all of the information required for the full annual financial statements and should be read in conjunction with the audited annual financial statements of the Company for the year ended December 31, 2014, which are available on www.sedar.com .

The condensed consolidated interim financial statements include the accounts of the Company and its wholly-owned subsidiary Ackroo Canada Inc.. All significant intercompany transactions have been eliminated.

The condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on July 30, 2015.

The consolidated financial statements are presented using the Canadian dollar, which is the company's functional currency.

4. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared on the historical cost basis, except that derivative financial instruments are stated at their fair value.

The accounting policies applied in these condensed consolidated interim financial statements are the same as those applied in the Company's most recent audited financial statements as at and for the year ended December 31, 2014 which is available at www.sedar.com, and reflect all adjustments necessary for fair presentation in accordance with IAS 34.

The condensed consolidated interim financial statements should be read in conjunction with the December 31, 2014 audited consolidated financial statements.

5. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, finance lease obligations and long-term debt. Unless otherwise noted, the carrying values of these financial instruments as presented in the condensed consolidated interim statement of financial position reasonably approximate their fair values, due to their short-term nature or their terms and conditions approximate market rates.

The Company's financial instruments have been classified as follows:

Cash and cash equivalents	fair value through profit or loss
Accounts receivable	loans and receivables
Accounts payable and accrued liabilities	Other financial liabilities
Finance lease obligations and long-term debt	

Risk Management

The Company's activities expose it to a variety of financial risks including market risk (i.e. currency risk, interest rate risk), credit and liquidity risks.

(a) Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument held by the Company will fluctuate because of changes in the market value.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's capital leases and long term debt bear interest at fixed rate. Bank indebtedness is based on market rates plus a fixed percentage and represents some risk. As a whole, the Company's exposure to interest rate risk is minimal.

Currency risk

The Company transacts primarily in Canadian dollars and is not exposed to significant currency risk.

(b) Credit risk

The Company is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Company's maximum exposure to credit risk represents the sum of the carrying value of its cash and cash equivalents and accounts receivable. The Company's cash and cash equivalents are deposited with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote. Management believes that the credit risk on its accounts receivable is limited as the amounts are expected to be collected in the Company's next operating cycle.

The balances at June 30, 2015 are as follows:

	Amounts due	Collected within 25 days of period end	Remaining overdue balance
1 - 30 days due	$ 143,126	$ 127,222	$ 15,904
31 - 60 days due	2,335	2,335	-
61 - 90 days due	1,535	1,502	33
Greater than 90 days past due	10,190	10,190	-
	$ 157,186	$ 141,249	$ 15,937

The balances at December 31, 2014 are as follows:

	Amounts due	Collected within 30 days of period end	Remaining overdue balance
1 - 30 days due	$ 111,497	$ 98,290	$ 13,207
31 - 60 days due	34,116	34,116	-
61 - 90 days due	537	-	537
Greater than 90 days past due	26,949	7,154	19,795
	$ 173,099	$ 139,560	$ 33,539

The Company provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, credit checks on its clients, a review of outstanding amounts and maintains provisions for estimated uncollectible accounts. During the three month period ended June 30, 2015, there were no one customer that accounted for 10% or greater of the total company sales.

(c) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's management believes its existing working capital coupled with the cash that will be generated from its operations will enable the Company to meet its financial obligations and additional financing will be required. Note 2 Going Concern discloses liquidity risk and management's plans.

6. BUSINESS COMBINATION

Effective January 20, 2015, the Company acquired certain assets of Gift2Gift Corp., a company incorporated under the federal laws of Canada, for a purchase price of $150,000. The purchase price was net settled by the Company issuing 1,000,000 common shares and 1,000,000 warrants in accordance with the private placement completed on January 20, 2015. The acquisition was accounted for as a business combination.

Fair value of assets acquired were:

Computer Equipment	$	1,975
Customer Contracts		43,827
Intellectual property		79,611
Goodwill arising on acquisition		24,587
		150,000

Effective May 29, 2015, the Company acquired certain assets of Dealer Rewards of Canada 2014 Inc., a company incorporated under the federal laws of Canada, and a division of Dealer Rewards Inc. and their affiliate Evolve Automotive Group Inc., for a purchase price of $1,500,000 in cash and 769,231 common shares of Ackroo with a fair value of $369,231. The acquisition was accounted for as a business combination.

Cash consideration of $100,000 was paid at closing, with the remaining $1,400,000 payable over the next 18 month with $600,000 due by December 31st 2015, $400,000 due by June 30th 2016, and a final contingent amount of $400,000 due by December 31st 2016 which is subject to performance provisions. All equity consideration was issued at closing, except for 65,934 common shares to be issued on May 29, 2016. The cash consideration was recorded at fair value of $1,249,289 and is being amortized over the life of the assets using effective interest rate method.

Fair value of net assets acquired were:

Inventory	$	7,300
Customer Contracts		1,078,764
Goodwill arising on acquisition		639,456
		1,725,520
Deferred tax liability		107,000
Net Asset Acquired		1,618,520

Partial goodwill arose as a result of the recognition of the deferred tax liability with the deferred tax liability representing the tax effect of the difference between the tax value and fair value of the customer contracts and goodwill.

7. INTANGIBLE ASSETS

The Company's amortized intangible assets consist of the following:

	June 30, 2015		December 31, 2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Intellectual property	$ 87,111	$ 12,099	$ 1,175,334	$ 1,175,334
Customer contracts	1,122,591	36,053	138,500	138,500
	1,209,702	$ 48,152	1,313,834	$ 1,313,834
Accumulated amortization	48,152		1,313,834	
	$ 1,161,550		$ -	

The intangible assets were recorded as a result of the business combination disclosed in note 6.

As of June 30, 2015, the remaining amortization period for the intellectual property is 31 months, and Gift2Gift and Dealer Rewards customer contracts is 31 months and 35 months, respectively.

During the six month period ended June 30, 2015, amortization expense for intellectual property amounted to $12,099 and amortization of customer contracts amounted to $36,053.

8. IMPAIRMENT TESTING OF GOODWILL AND INTANGIBLES

The goodwill and intangible assets were recorded as a result of business combinations disclosed in note 6 and are related to two cash-generating units, Gift2Gift and Dealer Rewards. The recoverable amount of the recorded goodwill and intangibles assets was based on the value in use calculation using cash flow projections from financial budgets approved by senior management for 2015 and 2016 and estimates for the period through the remaining useful life to the beginning of 2018. The pre-tax discount rate applied to the cash flows was 20% with growth rates for 2016 and 2017 in excess of 10%. Both the discount and growth rates are the key assumptions used in the value in use calculation. Reductions in the growth rate budgeted for 2015 through to 2017 could cause the carrying value to exceed the recoverable amount.

9. PROPERTY AND EQUIPMENT

Cost	Computer equipment under capital lease	Computer equipment	Leasehold improvements	Furniture	Total
As at December 31, 2013	26,548	14,904	235,880	16,888	294,220
Additions	-	11,976	-	-	11,976
Write-off	-	-	(235,880)	-	(235,880)
As at December 31, 2014	26,548	26,880	-	16,888	70,316
Additions	3,040	3,445	-	-	6,485
Disposals	-	-	-	-	-
As at June 30, 2015	29,588	30,325	-	16,888	76,801

Accumulated Amortization	Computer equipment under capital lease	Computer equipment	Leasehold improvements	Furniture	Total
As at December 31, 2013	16,446	5,979	21,823	1,689	45,937
Amortization	4,546	6,712	30,889	3,040	45,187
Disposals	-	-	(52,712)	-	(52,712)
As at December 31, 2014	$ 20,992	$ 12,691	$ -	$ 4,729	$ 38,412
Amortization	1,421	3,580	-	1,216	6,217
Disposals	-	-	-	-	-
As at June 30, 2015	$ 22,413	$ 16,271	$ -	$ 5,945	$ 44,629

Net book value	Computer equipment under capital lease	Computer equipment	Leasehold improvements	Furniture	Total
As at December 31, 2013	$ 10,102	$ 8,925	$ 214,057	$ 15,199	$ 248,283
As at December 31, 2014	$ 5,556	$ 14,189	$ -	$ 12,159	$ 31,904
As at June 30, 2015	$ 7,175	$ 14,054	$ -	$ 10,943	$ 32,172

10. LONG-TERM DEBT

During 2014, the Company renegotiated the terms of their office lease with the prior debt amount exchanged for a new loan. The new loan is unsecured, bears interest at approximately 8% per annum, payable monthly in blended principal and interest of $3,000.

Principal repayments over the next two years are estimated to be as follows:

2015	$	20,554
2016		29,000

11. CAPITAL STOCK

(a) Issued and outstanding

As at June 30, 2015 the Company had 16,834,122 common shares issued and outstanding (December 31, 2014 – 6,891,660).

On January 20, 2015, the Company closed a private placement for net proceeds of $1,246,285. The offering was oversubscribed. The Company issued 8,364,165 units to subscribers at a price of $0.15 per unit, each unit consisting of one common share and one share purchase warrant, each whole warrant entitling the holder to acquire one additional common share of the Company at a price of $0.25 per share for a period of 12 months. No finder's fees or commissions were paid in connection with the closing of the private placement.

For the three month period ended June 30, 2015, 400,000 warrants and 475,000 options had been exercised by various shareholders and executives of the Company.

(b) Escrow Shares

On October 1, 2012 the Company completed the acquisition of MoneyBar and issued 4,585,679 common shares of which 3,048,538 were placed in escrow.

As at June 30, 2015, 1,092,439 common shares remained in escrow. (June 30, 2014 – 1,974,614 shares)

(c) Outstanding Warrants

In connection with the January 20, 2015 private placement, the Company issued 8,364,165 subscription warrants. Each subscription warrant entitles the holder to acquire one common share at an exercise price of $0.25 per share until January 20, 2016. The Company determined the fair value of the subscription warrant and allocate the residual value to the common shares.

During the year ended December 31, 2014, in connection with private placements, the Company issued 588,683 subscription warrants to acquire one common share at exercise price between $1.00 and $2.20 per share expiring between January 31, 2015 and July 15, 2015. Ackroo issued 67,073 warrants to agents and finders who provided assistance in connection with the private placement completed by the Company. Each agent warrant entitles the holder to acquire one common share at exercise price between $1.00 and $2.20 per share expiring between January 31, 2015 and July 15, 2015. The Company determined the fair value of the warrants and allocated the residual value to the common shares.

In connection with a private placement immediately before the completion of the acquisition of MoneyBar in 2012, the Company issued 784,148 subscription warrants. Each subscription warrant entitles the holder to acquire one common share at an exercise price of $7.00 per share until October 1, 2015. The Company determined the fair value of the subscription warrant and allocated the residual value to the common shares.

A summary of the Company's warrant activity is as follows:

	Number of warrants
Balance at December 31, 2013	**845,270**
Warrants expired	(61,123)
Warrants exercised	-
Agent warrants issued	-
Subscriptions warrants issued	655,757
Balance at December 31, 2014	**1,439,904**
Warrants expired	(209,507)
Warrants exercised	(400,000)
Agent warrants issued	-
Subscriptions warrants issued	8,364,165
Balance at June 30, 2015	**9,194,562**

The fair value of the subscription warrants issued in January 2015 totaled $1,246,285. The fair value was calculated using the Black-Scholes model using 0.87% risk-free interest rate, 217% volatility, 12 month expected life and 0% dividend yield.

In June 2015, 400,000 warrants were exercised by various shareholders of the Company.

(d) Stock options

Under the terms of the Company's Stock Option Plan, the Board of Directors of Ackroo may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of Ackroo options to purchase Ackroo shares, provided that the number of Ackroo shares reserved for issuance, together with those to be issued pursuant to options previously granted, does not exceed 10% of the issued and outstanding Ackroo shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis, or 2% if the optionee is engaged in investor relations activities or is a consultant.

Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis. There are currently 16,834,122 Ackroo shares outstanding, which means that up to 1,683,412 Ackroo shares could be reserved for issuance upon the exercise of stock options.

Options are exercisable over periods of up to ten years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Ackroo shares prevailing on the day that the option is granted less a discount of up to 25%, with the amount of the discount varying with market price in accordance with the policies of the Exchange. Options held by an officer, director or service provider (not conducting investor relations) expire 90 days after the option holder has left office or the service provider ceases providing services, and for options held by service providers conducting investor relations, 30 days after Ackroo terminates that relationship. In the case of the death of an employee, officer, director or other service provider, the option may be exercised by a personal representative or heir until the earlier of the option's expiry or one year after the option holder died.

Pursuant to the Stock Option Plan, the Board of Directors may from time to time authorize the grant of options to directors, officers, employees and consultants of Ackroo or employees of companies providing management or consulting services to Ackroo. Other than options granted to consultants performing investor relation's activities, which must vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period, the Stock Option Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2012	**567,441**	**$4.20**
Expired/Cancelled	(481,648)	$4.20
Granted	479,110	$2.00
Balance, December 31, 2013	**564,903**	**$2.50**
Expired/Cancelled	(562,457)	2.78
Granted	353,416	0.87
Balance, December 31, 2014	**355,862**	**$1.18**
Expired/Cancelled	(289,292)	0.92
Exercised	(475,000)	0.21
Granted	935,000	0.21
Granted	525,000	0.37
Balance, June 30, 2015	**1,051,570**	**$0.42**

Effective January 19, 2015, the Company cancelled 256,903 existing stock options. The 256,903 cancelled options were replaced by issuance of 935,000 new options with an exercise price of $0.21 per share, which expire in three years and vest immediately.

Effective June 15, 2015, the Company issued 525,000 options with an exercise price of $0.37 per share, which expire in three years and vest immediately.

At June 30, 2015, a summary of stock options outstanding and exercisable are as follows:

Grant Date	Number of Options outstanding	Number of Options Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
October 1, 2012	21,571	21,571	$1.00	October 1, 2017	2.26
October 4, 2012	25,000	23,485	$4.50	October 4, 2022	7.27
July 15, 2014	19,999	6,111	$1.00	July 15, 2024	9.05
January 19, 2015	460,000	460,000	$0.21	January 19, 2018	2.56
June 15, 2015	525,000	525,000	$0.37	June 15, 2018	2.96
June 30, 2015	1,051,570	1,036,167	$0.42		2.99

The fair value of options granted during 2015 was estimated using the Black-Scholes option pricing model with the following assumptions:

Grant Date	Granted	Stock Price	Exercise Price	Expected Life	Volatility	Dividend Rate	Risk Free Rate	Fair Value
January 19, 2015	935,000	0.21	0.21	3	258%	0.0%	0.87%	$ 202,648
June 15, 2015	525,000	0.37	0.21	2-3	290%	0.0%	0.62%	$ 182,600

12. OTHER INFORMATION

a. Commitments

The Company rents premises under operating leases which expire between 2015 and 2018. In addition, the Company leases equipment under operating leases which expire between 2015 and 2016. Annual minimum lease payments to maturity will be approximately as follows:

2015	20,650
2016	41,300
2017	41,300
2018	6,883

Lease payments recognized as an expense during the six-month periods ended June 30, 2015 and June 30, 2014 were $54,399 and $90,301 respectively.

b. Compensation of key management personnel

The remuneration of key management personnel of the Company during the six-month period ended June 30, 2015 and June 30, 2014 was as follows:

	June 30, 2015	June 30, 2014
Salaries, incentives and other short-term benefits	$ 271,271	$ 200,145
Share based compensation	$ 306,757	$ 135,523

c. Related party transactions

An officer and director of the Company had an on-going agreement to provide consulting services. Total expense recorded in the six-month period ended June 30, 2015 amounted to $NIL and in the six-month period ended June 30, 2014 amounted to $57,050. There were no unpaid amounts as at June 30, 2014 and June 30, 2015.

An officer of the Company had an on-going consulting agreement to provide marketing consulting services. Total expense recorded in the six-month period ended June 30, 2015 amounted to $NIL and in the six-month period ended June 30, 2014 amounted to $32,500. There were no unpaid amounts as at June 30, 2015 and June 30, 2014.

On December 30, 2011, the company entered into a service agreement and a license agreement with MoneyBar Transactions Canada Inc. ("MTC") whereby the company will provide services and deliverables as reasonably requested by MTC to assist MTC in performing its obligations under the joint venture agreement between MTC and Kennerly Edwards Consulting Inc. In return for the provision of the services and the development of deliverables, MTC shall pay to the company all net revenues received by MTC and/or its affiliates from its and/or their participation in the joint venture. For the six-month period ended June 30, 2015, the company recognized $12,450 of revenue for the services and deliverables, of which $4,680 is unpaid and included in accounts receivable as of June 30, 2015. For the six-month period ended June 30, 2014, the company recognized $43,966 of revenue for the services and deliverables, of which $13,702 was being unpaid and included in accounts receivable as of June 30, 2014. A shareholder of the Company is the principal shareholder and sole director of MTC.

The Company has an agreement with a company that has an officer who is a consultant of the Company and an associate who is a director of the Company to provide legal services. Total expense recorded in the six-month period ended June 30, 2015 amounted to $27,000. There were $8,371 unpaid at June 30, 2015. Total expense recorded in the six-month period ended June 30, 2014 amounted to $19,017 and $5,260 remained unpaid at June 30, 2014.

d. Dispute Settlement

On June 12, 2015, the Company has entered into a legal dispute settlement with AIP Asset Management Inc. for $13,682 in cash and 300,000 warrants with 3-year expiry at a strike price equal to $0.37. The Company has been fully released from all obligations and liabilities.

e. Segmented information

The Company has not established discrete operating or geographic segments as of the date of filing. Financial information is only available at the total company level and is not segmented. Management makes decision at a total company level. Less than 10% of reported revenue is derived outside of Canada and at the time of filing geographic areas outside of Canada are not managed separately.