3TL Technologies Corp.

(Formerly KCO Capital Inc.)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the Three Months Ended March 31, 2015

(Unaudited and Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The Company's auditors have not reviewed these unaudited condensed consolidated interim financial statements for the three months ended March 31, 2015.

3TL Technologies Corp. (Formerly KCO Capital Inc.)
Condensed Consolidated Interim Statements of Financial Position
Unaudited
(Expressed in Canadian Dollars)

	March 31, 2015	December 31, 2014
	$	$
ASSETS		
CURRENT		
Cash	1,146,599	1,923,151
Accounts receivable	117,511	6,691
Prepaid and other assets (Note 14)	98,315	104,332
Current assets	1,362,425	2,034,174
NON-CURRENT		
Equipment (Note 7)	16,936	14,885
Total assets	1,379,361	2,049,059
LIABILITIES		
CURRENT		
Trade payables and other liabilities (Note 12)	236,490	165,292
Deferred revenue	118,928	16,183
Current liabilities	355,418	181,475
NON-CURRENT		
Due to related parties (Note 9)	71,229	70,794
Total liabilities	426,647	252,269
EQUITY		
Share capital (Note 8)	7,168,695	7,160,995
Share-based payment reserve (Note 8 and 9)	2,003,929	1,947,356
Deficit	(8,219,910)	(7,311,561)
Total equity	952,714	1,796,790
Total equity and liabilities	1,379,361	2,049,059

Commitments (Note 9 and 14)

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

Approved on behalf of the Board

"Robert Craig"	"David Raffa"
Director	Director

3TL Technologies Corp. (Formerly KCO Capital Inc.)
Condensed Consolidated Interim Statements of Comprehensive Loss
For the Three Months Ended March 31

Unaudited
(Expressed in Canadian Dollars, except number of shares)

	March 31, 2015	March 31, 2014
	$	$
Revenue	84,711	79,000
Cost of sales (Note 13)	40,204	37,970
Gross profit	44,507	41,030
Operating expenses		
General and administrative (Note 13)	546,783	327,249
Sales and marketing (Note 13)	200,745	70,051
Research and development (Note 13)	217,553	69,197
Depreciation (Note 7)	1,610	634
Total operating expenses	966,691	467,131
Operating loss	(922,184)	(426,101)
Other items:		
Interest expenses	-	(10,108)
Foreign exchange gain/(loss)	13,835	(8,876)
	13,835	(18,984)
Net and comprehensive loss	(908,349)	(445,085)
Loss per share		
Loss per share – basic and diluted	$ (0.01)	$ (0.04)
Weighted average number of common shares outstanding - basic and diluted	71,224,516	10,000,000

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

3TL Technologies Corp. (Formerly KCO Capital Inc.)
Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
Unaudited
(Expressed in Canadian Dollars, except number of shares)

	Number of Shares	Share Capital	Share-based Payment Reserve	Deficit	Total
		$	**$**	**$**	**$**
Balance as at December 31, 2013	10,000,000	775,075	1,081,856	(2,121,861)	(264,930)
Reverse takeover ("RTO") recapitalization (Note 2)	(10,000,000)	-	-	-	-
KCO Capital Inc. shares on RTO (Note 2)	13,195,064	-	-	-	-
RTO acquisition of KCO Capital Inc. (Note 2 and 8)	36,000,000	1,382,159	-	-	1,382,159
Shares issued for private placement (Note 8)	11,682,600	2,920,650	-	-	2,920,650
Share issuance costs (Note 8)	-	(471,118)	117,930	-	(353,188)
Shares issued for convertible note (Note 8)	10,150,000	2,537,500	-	-	2,537,500
Warrants exercised (Note 8)	167,296	16,729	-	-	16,729
Share-based compensation (Note 8)	-	-	747,570	-	747,570
Net and comprehensive loss	-	-	-	(5,189,700)	(5,189,700)
Balance as at December 31, 2014	71,194,960	7,160,995	1,947,356	(7,311,561)	1,796,790
Options exercised (Note 8)	77,000	7,700	-	-	7,700
Share-based compensation (Note 8)	-	-	56,573	-	56,573
Net and comprehensive loss	-	-	-	(908,349)	(908,349)
Balance as at March 31, 2015	71,271,960	7,168,695	2,003,929	(8,219,910)	952,714

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

3TL Technologies Corp. (Formerly KCO Capital Inc.)
Condensed Consolidated Interim Statements of Cash Flows
For the Three Months Ended March 31

Unaudited
(Expressed in Canadian Dollars)

	March 31, 2015	March 31, 2014
	$	$
Cash flows from operating activities:		
Loss of the period	(908,349)	(445,085)
Items not affecting cash:		
Depreciation	1,610	634
Share-based compensation	56,572	247,797
Changes in non-cash working capital (Note 11)	69,576	(132,511)
Net cash flow from operating activities	(780,591)	(329,165)
Cash flows from investing activity:		
Acquisition of equipment	(3,661)	-
Net cash flow from investing activity	(3,661)	-
Cash flows from financing activities:		
Options exercised for cash	7,700	-
Related-party loan	-	19,220
Convertible debt	-	1,004,236
Short-term loan	-	25,000
Net cash flow from financing activities	7,700	1,048,456
CHANGE IN CASH	(776,552)	719,291
CASH - BEGINNING OF PERIOD	1,923,151	-
CASH - END OF PERIOD	1,146,599	719,291

Supplemental cash flow information (Note 11)

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

1. CORPORATE INFORMATION

3TL Technologies Corp. (the "Company" or "3TL Technologies") is a technology company operating in the consumer internet advertising sector and is a provider of consumer digital and social media engagement, data mining and loyalty solutions. In 2014, after two years of development, the Company launched Platform³ as a commercial product. Platform³ is a proprietary suite of digital applications that provides brands with a single digital marketing, data mining and reward platform to engage consumers on the web or mobile phone through digital and social channels. Platform³'s features enable brands to engage consumers, facilitate friend-to-friend sharing, collect and analyze data to determine which consumers are most valuable based on their level of engagement with a brand on social media, and incentivize and reward their most valuable consumers. Customers access Platform³ through a cloud-based software as a service subscription model.

The head and registered office of the Company is located at 422 Richards Street, Suite 160, Vancouver, BC, V6B 2Z4. The Company is listed on the TSX Venture Exchange (TSX-V) under the symbol 'TTM'.

3TL Technologies was incorporated under the Business Corporations Act of British Columbia on July 29, 2011 under the name of KCO Capital Inc. On August 1, 2012, the Company completed its initial public offering and became a Capital Pool Company in order to negotiate an acquisition or participation in a business (the "Qualifying Transaction"). On October 30, 2014, 3TL Technologies completed its Qualifying Transaction by acquiring 3 Tier Logic Inc. ("3 Tier Logic") through an acquisition of 100% of the shares of 3 Tier Logic (the "Acquisition").

2. STATEMENT OF COMPLIANCE AND BASIS OF PRESENTATION

a. Acquisition of 3 Tier Logic Inc. – recapitalization (reverse takeover)

On October 30, 2014, the Company acquired a 100% ownership in 3 Tier Logic by issuing 36,000,000 common shares to the shareholders of 3 Tier Logic. For accounting purposes, this acquisition is accounted for as a RTO and a recapitalization of KCO Capital Inc. because the acquisition resulted in the former shareholders of 3 Tier Logic. having control of the combined entity.

Accounting for the acquisition as a reverse takeover result in the following:

(i) The condensed consolidated interim financial statements of the combined entities are issued as the financial statements of the legal parent, KCO Capital Inc., but are considered a continuation of the financial statements of the legal subsidiary, 3 Tier Logic.

(ii) Since 3 Tier Logic. is deemed to be the acquirer for accounting purposes, its assets and liabilities are included in the condensed consolidated interim financial statements at their historical carrying values.

(iii) In connection with the acquisition, the former shareholders of KCO Capital Inc. retained 13,195,064 common shares of the Company, 700,000 stock options exercisable at $0.10 and 445,000 warrants exercisable at $0.10.

(iv) The number of shares issued in the consolidated entity is that of 3TL Technologies plus the shares issued to acquire 3 Tier Logic. The dollar amount of the issued share capital in the consolidated statement of financial position immediately prior to acquisition is the dollar value of 3 Tier Logic's issued capital plus the value of the shares issued by 3TL Technologies to acquire 3 Tier Logic. The deficit of KCO Capital Inc. up to the date of acquisition is eliminated.

(v) Change of fiscal year end from May 31 to December 31 to coincide with the fiscal year end of 3 Tier Logic.

(vi) The stock exchange listing expense of $1,040,913 is comprised of the fair value of shares, options and warrants of the Company retained by the former shareholders of KCO Capital Inc. netted against the net assets of KCO Capital Inc. as at October 30, 2014. The fair value of shares, options and warrants of the Company is determined as follows:

(a) $1,319,506 representing the fair value of the shares of KCO Capital Inc. The common shares was measured at $0.10 per share, based on the fair value of the common shares on October 30, 2014.
(b) $41,750 representing the fair value of the stock options of KCO Capital Inc. The fair value of the stock options was based on an application of the Black-Scholes Option Pricing Model, using the following assumptions: a share price of $0.10 per share, an average volatility of 95%, an average annual risk free interest rate of 1.03%, no dividends and an expected remaining useful life of 3 years.
(c) $20,903 representing the fair value of the warrants of KCO Capital Inc. The fair value of the warrants was based on an application of the Black-Scholes Option Pricing Model, using the following assumptions: a share price of $0.10 per share, an average volatility of 95%, an average annual risk free interest rate of 1.03%, no dividends, and expected remaining useful life of 1.70 years.

The fair value of all the consideration given up and charged to stock exchange listing expense was comprised of:

	$
Outstanding common shares of KCO Capital Inc. (iii)	1,319,506
Outstanding stock options of KCO Capital Inc. (iii)	41,750
Outstanding warrants of KCO Capital Inc. (iii)	20,903
Total	1,382,159

Cash	171,723
Prepaid expenses and other assets	380,795
Trade payables and other liabilities	(211,272)
Net assets of KCO Capital Inc.	341,246
Stock exchange listing expense	1,040,913
Total	1,382,159

b. Statement of compliance

The condensed consolidated interim financial statements of 3TL Technologies for the three months ended March 31, 2015 are prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC") applicable to the preparation of consolidated interim financial statements, including IAS 34 *Interim Financial Reporting*.

These unaudited condensed consolidated interim financial statements do not include all the information and notes required by IFRS for annual financial statements and therefore should be read in conjunction with the Company's audited annual financial statements and notes as at and for the year ended December 31, 2014.

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on May 28, 2015.

c. Basis of consolidation and going concern

The condensed consolidated interim financial statements include the accounts of 3 Tier Logic for the three months ended March 31, 2015 and 2014 and those of 3TL Technologies (formerly KCO Capital Inc.) from the date of the RTO on October 30, 2014. These condensed consolidated interim financial statements have been prepared on a going concern basis, which assumes that the Company will continue operations for the foreseeable future and will be able to realize its assets and discharge its obligations in the normal course of operations. These condensed consolidated interim financial statements do not include any adjustments to the amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue as a going concern. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, and prior operating results. During the three months ended March 31, 2015, the Company incurred a net and comprehensive loss of $908,349 (three months ended March 31, 2014 - $445,085) and has an accumulated deficit at March 31, 2015 of $8,219,910 (December 31, 2014 - $7,311,561). The Company's ability to continue its operations will depend upon, but not be limited to, obtaining additional financing and generating revenues sufficient to cover its operating costs. These uncertainties cast significant doubt about the Company's ability to continue as a going concern.

Management is of the opinion that it will be in a position to raise ongoing financing as needed; however, there is no certainty that these and other strategies will be sufficient to permit the Company to continue as a going concern.

d. Basis of measurement

These condensed consolidated interim financial statements have been prepared on the historical cost basis, except for where IFRS requires recognition at fair value.

Certain figures for the prior year have been reclassified to conform to the current presentation.

e. Functional and presentation currency

These condensed consolidated interim financial statements are presented in Canadian dollars, which is the functional currency of the Company.

f. Significant estimates and assumptions

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. The preparation of the financial statements also requires management to exercise judgment in the process of applying the accounting policies.

On an on-going basis, management evaluates its estimates and assumptions in relation to assets, liabilities and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances, as the basis for its estimates and assumptions. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. Actual outcomes may differ from those estimates under different assumptions and conditions.

Estimates and assumptions where there is significant risk of material adjustments to assets and liabilities in future accounting periods include the impairment and useful lives of equipment, allowance for doubtful accounts, fair value measurements for financial instruments, share-based payments, and the recoverability and measurement of deferred tax assets.

g. Significant judgments

The preparation of financial statements in accordance with IFRS requires the Company to make judgments, apart from those involving estimates, in applying to accounting policies. The most significant judgments in applying the Company's financial statements include:

(i) Going concern – The evaluation of the Company's ability to continue as a going concern, to raise additional financing in order to cover its operating expenses and its obligations for the upcoming year requires significant judgment based on past experience and other assumptions including the probability that future events are considered reasonable according to the circumstances.

(ii) Revenue recognition – The Company derives revenues from several sources. Significant management judgements must be made in connection with and determination of the revenue to be recognized.

(iii) Share-based payments - The Company measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value for share-based payment transactions requires determining the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determining the most appropriate inputs to the valuation model including the expected life of the share option, number of awards that will eventually vest, volatility, dividend yield and forfeiture rate and making assumptions about them. Expected volatility is estimated by considering historic average share price volatility of the Company and comparable companies for periods that exceeds the Company's trading.

3. SIGNIFICANT ACCOUNTING POLICIES

All significant accounting policies have been applied on a basis consistent with those applied in the most recent audited annual consolidated financial statements. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as at the date the Board of Directors approved and authorized to issue these condensed consolidated interim financial statements.

4. ADOPTION OF NEW ACCOUNTING STANDARDS

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for fiscal periods beginning January 1, 2016 or later. The standards are described in the Company's annual consolidated financial statements for the year ended December 31, 2014 and are used in these condensed consolidated interim financial statements.

5. CAPITAL MANAGEMENT

The Company's objective is to maintain a strong capital base so as to maintain customer, supplier, investor, creditor, and market confidence and to sustain future development of the business and increase shareholder value through organic growth and strategic acquisitions. As of March 31, 2015, the Company's capital was $952,714 (December 31, 2014 –$1,796,790) and is defined by the Company as shareholders' equity. The Company's management believes it could issue new shares or raise new debt, increased sales, improve existing products and develop new products to maintain or strengthen its capital structure.

There were no changes in the Company's approach to capital management during the current period.

The Company is not subject to any externally imposed capital requirements.

6. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

a. Financial instruments

The fair value of the Company's financial assets and liabilities approximate their carrying value due to their short-term nature.

The Company's financial assets and liabilities are classified and measured as follows:

Asset/Liability	Category	Measurement
Cash	Fair value through profit or loss	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Trade payables	Other financial liability	Amortized cost
Due to related parties	Other financial liability	Amortized cost

Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:
Level 1 – unadjusted quoted prices in active markets for identical assets or liabilities
Level 2 – inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 – inputs that are not based on observable market data.

As at March 31, 2015, the Company measures its cash at fair value on a reporting period basis using Level 1 indicators. The fair value of cash is determined by reference to non-restricted funds available to the Company.

During the period ended March 31, 2015, there were no transfers between Level 1, Level 2, and Level 3 classified assets and liabilities.

b. Financial instrument risk exposure and management

The Company is exposed in varying degrees to a variety of financial instrument related risks. The Board of Directors approves and monitors the risk management processes, inclusive of documented investment policies, counterparty limits, and controlling and reporting structures. The type of risk exposure and the way in which such exposure is managed is provided as follows:

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 approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. The Company manages its liquidity risk through budgeting, ongoing management and forecasting of operating cash flows, reviews of trade receivables, management of cash, and use of equity financings when appropriate. The Company believes that it will generate sufficient funds from operations and financing activities to cover the expected short and long term cash requirements.

Currency risk

Currency risk is the risk that the fair values of future cash flows of a financial instrument will fluctuate because they are denominated in currencies that differ from the respective functional currency. The Company's functional and reporting currency is the Canadian dollar. The Company's exposure to foreign currency risk is primarily related to fluctuations in the value of the Canadian dollar relative to the United States dollar ("USD") as some of the Company's revenues and expenses are in USD. To limit the impact of fluctuations of the Canadian dollar over the foreign currencies, the Company matches, in general and when possible, the cash receipts in a foreign currency with the cash disbursements in the same foreign currency. The Company does not use derivative financial instruments to cover the variability of cash flows in foreign currencies.

Credit risk

Credit risk is the risk of a loss if a counterparty to a financial instrument fails to meet its contractual obligations. Trade receivables are the most significant financial instrument that is exposed to credit risk. The Company provides credit to its customers in the normal course of operations. To minimize this risk, the Company grants credit to creditworthy customers and requires a portion of payment in advance. The Company believes that its exposure to credit risk is low, at present, due to a small number of customers. The maximum exposure to loss arising from trade receivables is equal to their total carrying amounts.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates, and commodity and equity prices. Management does not believe that the Company is exposed to any material market risk.

7. EQUIPMENT

	Computer Equipment			Furniture and Equipment			
	Cost	Accumulated Depreciation	Net Book Value	Cost	Accumulated Depreciation	Net Book Value	Total
	$	$	$	$	$	$	$
December 31, 2013	29,164	(28,054)	1,110	20,779	(11,144)	9,635	10,745
Additions	11,689	-	11,689	-	-	-	11,689
Depreciation	-	(5,782)	(5,782)	-	(1,767)	(1,767)	(7,549)
December 31, 2014	40,853	(33,836)	7,017	20,779	(12,911)	7,868	14,885
Additions	3,661	-	3,661	-	-	-	3,661
Depreciation	-	(1,216)	(1,216)	-	(394)	(394)	(1,610)
March 31, 2015	44,514	(35,052)	9,462	20,779	(13,305)	7,474	16,936

8. SHARE CAPITAL

a. Authorized share capital:

Unlimited common shares, voting, with no par value.

b. Changes in issued share capital

The issuance of shares on October 30, 2014 as part of the Acquisition is described in Note 2.

Concurrent with the Acquisition described in Note 2, the Company completed a brokered private placement financing of 11,682,600 common shares at $0.25 per share for gross proceeds of $2,920,650. In connection with the private placement, the Company paid finder's fees of $353,188 and issued 934,608 agent's warrants. The agent's warrants were allocated a fair value of $117,930. The fair value of the agent's warrants was calculated using the Black-Scholes Option Pricing Model using the following assumptions: risk free rate of 1.03%, expected life of 2 years, volatility of 95% and no expected dividends. The agent's warrants are exercisable at $0.25 until October 30, 2016.

During the year ended December 31, 2014, the Company issued convertible debentures (the "Debentures") for gross proceeds of $1,015,000. The Debentures were interest bearing at 12% annually for the first year and 15% annually thereafter. In connection with the Debentures, the Company paid share issuance costs of $13,664, which were recorded in general and administrative operating expenses and recorded $32,319 in accretion on the Debentures. The Debentures were convertible into common shares of KCO Capital Inc. at a conversion price of $0.10 per share. Upon closing of the Acquisition on October 30, 2014, the Debentures were converted into 10,150,000 common shares of the Company at a fair value of $0.25 per common share. As a result, a loss of $1,503,845 was recognized upon conversion of the Debentures.

During the year ended December 31, 2014, 167,296 common shares were issued from the exercise of warrants for gross proceeds of $16,729. These warrants were previously issued by KCO Capital Inc. Accordingly, the Company has not reallocated any amounts to share capital, based on the residual method.

During the three months ended March 31, 2015, 77,000 common shares were issued from the exercise of options for gross proceeds of $7,700.

c. Share-based payment reserve

The share-based payment reserve records items recognized as share-based compensation expense and the fair value of warrants issued based on the residual method. At the time that the stock options or warrants are exercised, the corresponding amount is reallocated to share capital.

d. Escrow shares

As at March 31, 2015, the Company has 29,543,000 of its shares held in escrow. Of this amount, the common shares will be released as follows on these dates: 1,988,000 on May 7, 2015, 3,343,000 on November 7, 2015, 3,343,000 on May 7, 2016, 4,698,000 on November 7, 2016, 4,698,000 on May 7, 2017, and 11,473,000 on November 7, 2017.

e. Share option plan

The Company adopted a share option plan (the "option plan") whereby a maximum of 10% of common shares issued and outstanding is reserved for the issuance of non-transferable options to directors, officers, employees and consultants. The option plan provides that the terms and conditions of the options and the exercise price of options will be determined by the directors subject to price restrictions and other

requirements imposed by the TSX-V. The period for exercising the options granted under the option plan cannot exceed a period of 5 years and the exercise price must be fully paid before the issuance of shares. Options may expire before the expiry date in case of death or disability of the holder or in case of termination of employment or mandate of the holder.

f. Stock options

As of October 30, 2014, all former 700,000 stock options of KCO Capital Inc. continued to be stock options of the Company.

Summary of the Company's stock options:

	March 31, 2015		December 31, 2014	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, beginning	6,705,000	0.24	5,180,000	0.20
Cancelled	(1,150,000)	0.25	(5,180,000)	0.20
Exercised	(77,000)	0.10	-	-
KCO Capital Inc. stock options	-	-	700,000	0.10
Granted	-	-	6,005,000	0.26
Balance, ending	5,478,000	0.24	6,705,000	0.24

The following weighted average assumptions were used in calculating the fair value of stock options granted during the year ended December 31, 2014 using the Black-Scholes Option Pricing Model. There were no options granted during the three months ended March 31, 2015.

	December 31, 2014
Risk-free interest rate	1.53%
Expected life	5 years
Expected volatility	103%
Dividend rate	0%
Average share price at date of grant	$0.19

During the year ended December 31, 2014, the Company granted 6,005,000 stock options with a fair value of $747,570, which was recognized as share-based compensation. The fair value of each option is accounted for over the period of the options and the related credit is included in share-based payment reserve. During the three months ended March 31, 2015, $56,573 was recognized as share-based compensation.

The table below summarizes information on stock options:

Outstanding options	Weighted average remaining contractual life (years)	Weighted average exercise price	Exercisable options
		$	
623,000	2.59	0.10	623,000
1,150,000	4.60	0.25	1,150,000
3,705,000	4.60	0.26	2,977,416
5,478,000	4.37	0.24	4,750,416

g. Warrants

As of October 30, 2014, all former 445,000 warrants of KCO Capital Inc. continued to be warrants of the Company.

Summary of the Company's warrants:

	March 31, 2015		December 31, 2014	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		$		$
Balance, beginning	1,212,312	0.22	-	-
KCO Capital Inc. warrants	-	-	445,000	0.10
Exercised	-	-	(167,296)	0.10
Granted	-	-	934,608	0.25
Balance, ending	1,212,312	0.22	1,212,312	0.22

The table below summarizes information on warrants:

Outstanding warrants	Weighted average remaining contractual life (years)	Weighted average exercise price
		$
277,704	1.28	0.10
934,608	1.58	0.25
1,212,312	1.51	0.22

9. RELATED PARTY TRANSACTIONS

During the three months ended March 31, 2015 and 2014, compensation of key management personnel and related parties were as follows:

	March 31, 2015	March 31, 2014
	$	$
Remuneration, fees and short-term benefits	167,500	71,500
Share-based compensation	17,765	-
Total	185,265	71,500

The remuneration, fees and short-term benefits were allocated to cost of sales, general and administrative, and research and development expenses.

As at March 31, 2015, $71,229 (as at December 31, 2014, $70,794) was due to related parties. The amounts are non-interest bearing and unsecured. On August 29, 2014, the Company entered into debt settlement agreements with the related parties, whereby the Company will pay the outstanding amount of $70,794 within a 24-month period. The amounts are non-interest bearing and unsecured.

10. SEGMENTED INFORMATION

The Company operates in one reportable operating segment. The summarized financial information for the revenue derived by geographic segment is as follows:

	March 31, 2015	March 31, 2014
	$	$
Total revenues:		
Canada	18,000	62,250
United States	66,711	16,750
Total	84,711	79,000

During the three months ended March 31, 2015, a total of $18,000 (2014 - $52,500) related to revenue from a single customer (2014 – 3) based in Canada and a total of $65,160 (2014 - $16,750) related to revenue from one (2014 – 1) customer based in the USA. Revenue from each of these customers constituted more than 10% of total revenues.

11. CASH FLOWS

Net changes in working capital items:	March 31, 2015	March 31, 2014
	$	$
Accounts receivable	(110,820)	(22,894)
Prepaid and other assets	6,018	(29,196)
Trade payables and other liabilities	71,199	(66,766)
Deferred revenue	102,744	(13,655)
Due to related parties	435	-
Total	69,576	(132,511)

12. TRADE PAYABLES AND OTHER LIABILITIES

	March 31, 2015	December 31, 2014
	$	$
Trade payables	136,432	116,550
Accrued liabilities	81,500	20,000
Other payable	18,558	28,742
Total	236,490	165,292

13. OPERATING EXPENSES

The following table presents the Company's operating expenses by nature for the year:

	March 31, 2015	March 31, 2014
Cost of sales	$	$
Consulting fees	-	5,075
Wages & salaries	28,423	9,848
Hosting and other overhead	11,781	22,879
Advertising re-sold to customers	-	168
Total	40,204	37,970
General and administrative		
Consulting fees	39,150	40,600
Wages and salaries	129,103	-
Professional fees	109,390	22,958
Office and insurance	212,567	15,130
Penalties and interest	-	603
Share-based compensation	56,573	247,797
Bad debt	-	161
Total	546,783	327,249
Sales and marketing		
Consulting fees	-	46,946
Wages and salaries	170,688	9,776
Travel and entertainment	20,267	10,761
Advertising and licenses	9,790	2,568
Total	200,745	70,051
Research and development		
Salary and consulting	217,553	69,197
SR&ED tax credit	-	-
Total	217,553	69,197

14. COMMITMENT

On November 1, 2014, the Company entered into a consulting agreement (the "Consulting Agreement") for corporate advisory services. The Company paid an initial corporate advisory fee of $60,000 upon signing the Consulting Agreement (paid, of which $35,000 is recorded in prepaid and other assets at March 31, 2015) and are obligated to pay a further $60,000, as $5,000 per month, over a 12-month period. The Company will also pay 5%-10%, or other percentage that is agreed upon by both parties, as a finder's fee (the "finder's fee") for successful financing. The Consulting Agreement may be terminated at any time with 14 days notice. To March 31, 2015, the Company is not obligated to pay a finder's fee.