

Unaudited Q1 - Q2 & Q3 2015 Consolidated Interim Financial Statements & MD&A to 9 months ending September 30th 2015, and restated 2014 & 2013 Unaudited Financial Statements

January 16th 2016

To Whom It May Concern:

We the undersigned do certify that we have reviewed the attached Q1 - Q2 & Q3 ending September 30th 2015 and restated 2014 & 2013 unaudited financial statements and notations. We certify that the information is complete and presented fairly in all material respects to the best of our knowledge.

Sincerely,

Massimo Barone
CEO of SmartCard Marketing Systems Inc. (SMKG:OTC)
1 844 THE PAYMENT www.smartcardmarketingsystems.com

Consolidated Interim FS to 9 months ending September 30th 2015

SmartCard Marketing Systems Inc. (OTC: SMKG)

2015 Management Discussion & Analysis

About SmartCard Marketing Systems Inc (OTC:SMKG)

SmartCard Marketing Systems Inc (OTC: SMKG) develops payment & incentive solutions for Banks, Telecom & Global Enterprise Acquirers with merchant portfolio's. SmartCard specializes in Web & Mobile solutions for EMV & Ecommerce Processing, Check21 Remote Deposit Capture, E-wallet, Retail Solutions & Event Management solutions. The company's solutions provide an Ecosystem for agnostic SAAS environment which minimizes capex, interoperability between vendors and scalability as business process applications.

Since the beginning of 2015 the company has focused on 2 distinct channels of business; 1) Development and commercialization of its two core platforms for the payment and incentive industry VelocityMwallet.com & Genorocity.com 2) Strategic partnerships to develop an EMV Remote HOST for Bank & Telecom Acquirers of Card Schemes (Credit & Debit) as an acceptance point for emulating transactions, processing & settlement.

In 2015 management continued to develop its payment infrastructure and worked with key clients to commercialize its solutions strengthening its position in the financial services segment. *We are transforming the company from a direct merchant services provider to enabling a channel of portfolio merchants for Banks & Telecoms*. This transition allows SmartCard to position itself as a technology host & support provider capturing large pools of customers.

The 1st significant partnership entered into with Contact Innovation in North America for 2014 and early 2015 technology for the Check21 Act and Remote Deposit Capture (RDC) was commercially deployed in late May of 2015 with the first joint client ICICI Bank of India (its Canadian subsidiary). The platform solution as a cloud based host was branded www.check21saas.com and now the success of our deployment is allowing us to market to customers internationally.

Management also secured partnership agreements with CT-Payments Inc. (Canada) and Anderson Zaks Inc. (UK) to deploy a cloud based EMV HUB solution for Payment Acquirers allowing for EMV POS Wireless Payment & Ecommerce Cart Processing. The solution schematic designed as a host by SmartCard includes a Data-Center hub in the local Country for deployment & enabling a suite of functions including from a remote EMV Switch, HSM & Remote Key Injection services as a SAAS offering removing large CAPEX for transactional revenue share. To further expand our expertise offering management secured exclusivity for North America with Vie Way ltd of China a DCC (dynamic currency conversion) technology for acquirers/ processors allowing to intercept the currency exchange mitigated rate for foreign cards when presented - this offering is a powerful revenue offering for large retail merchants and enterprise that deal in travel & entertainment. We are expanding this solution building a global network of payment processors to offer a unique single point of access for Enterprise with an agnostic solution that requires minimal management.

Also in late June of 2015 the company entered into formal discussions to acquire a supplier CT-Payment Inc Canada's largest independent processor & acquirer of EMV & Ecommerce payment solutions with over $6.5m Cad in revenue, 140m transactions & over $10billion in processing annually.

EMVHUB

Emerging Trends and Opportunities in the Payment Processing Industry

The payment processing industry will continue to adopt new technologies, develop new products and services, evolve new business models and experience new market entrants and changes in the regulatory environment. In the near-term, as merchants and financial institutions seek services that help them enhance their own offerings to consumers, including acceptance and issuance of Europay-MasterCard-Visa (EMV) chip-based cards, other security and fraud management services, information services, and support for Omni-commerce environments, we believe that payment processors may seek to develop additional capabilities and expand across the payment processing value chain to meet these demands and capture additional data and provide additional value per transaction. To facilitate this expansion and deliver more robust service offerings, we believe that payment processors will need to develop greater control over and integration of their technology platforms, to enable them to deliver and differentiate their offerings from other providers.

CT Payment

CT-Payment is Canada's largest debit and credit card processing company that is fully independent of Canadian financial institutions and acquirers.

Common Share Capitalization

As of September 30th 2015 the Company's Outstanding shares was 300,000,000 (Three Hundred Million) a par value of $0.0001 and currently has 208,000,000 (two hundred million and eight thousand) shares authorized as of September 30th 2015. As of today no warrants, options or rights have been issued to any parties. As of September 30th 2015 the founders & management have not yet converted partial or in full their deferred salaries, advances or invested capital for operations. ***note:*** The company's registered transfer agent is Manhattan TransferCo of New York.

Director's & Officers

As of Septemebr 30th 2015 the officers and directors of the company are as described below with the exception of Mr. Donald Baillio who resigned in January of 2014 to pursue new interests in the mobile space. Mr. Tasillo joined the company as Manager of Finance in March of 2014 and was one of the principle founders of Hybrid PayTech World Inc. a Mobile Payment company in Canada.

Massimo Barone	Director	Founder, CEO & Chair
Paolo Continelli	Director	Founder, President Operations Canada
Michele Tasillo	Manager of Finance	Officer
Steve Gaynor	Attorney & Investment Banker	Advisory to the BOD

Funding & Deferred Expenses

Management continues to advance funds to the operations and defers their salaries and are registered on a deferred basis. The directors have resolved to defer salaries until capital funding has been completed.

Competitive Advantage & Risk

SmartCard Marketing Systems Inc. is positioned with its industry partners and clients as a Payment Technology company offering innovative and scalable solutions for Retail merchants. The company management is of the opinion that the platforms VelocityMWallet.com, Check21Saas.com & Genorocity.com continue to be a unique proposition for retail & event management companies.
Also equally important is the company's EMV & Ecommerce payment solutions for Banks & Telecom acquirers which is significantly positioning the company globally as a leader in deployment of Payment Infrastructure solutions.

The ongoing risk of limited capital is a factor getting to market in order to win sufficient market space and partnerships with larger enterprise for deployment can easily reduce the exposure to risk and limit capital required to market the company's products and services.

Development of Software

The company continues to use two outsourcing companies in India & in Asia to develop its modules and perform technical support with its customers. The engagement with customers continues to be very good to date and this method has allowed us to allocate necessary resources in a timely manner and manage projects resourcefully at all times of the day respectfully adhering to client schedules globally in all time-zones.

Financing & Investment.

In late June 2015 the company entered into an acquisition with CT-Payments Inc. The company and its officers engaged JCF Capital Advisors of La Jolla California to lead an initial offering to VC & PE groups for a sum of $10m USD.

Additionally the company entered into an agreement with Capservegroup Inc. of San Diego California to underwrite its 506c Regulation D offering to retail markets for a $5m USD offering. The offering once completed and registered with FINRA will be marketed through Equityround.com

About Rule 506 of Regulation D

Rule 506 of Regulation D is considered a "safe harbor" for the private offering exemption of Section 4(a)(2) of the Securities Act. Companies relying on the Rule 506 exemption can raise an unlimited amount of money. There are actually two distinct exemptions that fall under Rule 506.

Under Rule 506(c), a company can broadly solicit and generally advertise the offering, but still be deemed to be undertaking a private offering within Section 4(a)(2) if:

The investors in the offering are all accredited investors; and The company has taken reasonable steps to verify that its investors are accredited investors, which could include reviewing documentation, such as W-2s, tax returns, bank and brokerage statements, credit reports and the like.

Purchasers of securities offered pursuant to Rule 506 receive "restricted" securities, meaning that the securities cannot be sold for at least a year without registering them.

Companies relying on the Rule 506 exemption do not have to register their offering of securities with the SEC, but they must file what is known as a "Form D" electronically with the SEC after they first sell their securities. Form D is a brief notice that includes the names and addresses of the company's promoters, executive officers and directors, and some details about the offering, but contains little other information about the company. If you are thinking about investing in a Regulation D offering, you should obtain a copy of the company's Form D available from the EDGAR database.

3rd Quarter Financing Activity-Update

The company engaged Capital Serve Group of California led by Thomas Carter and underwriter Todd Pitcher which finalized the offering and due diligence. The company & CT Payment will be implementing a data-room to facilitate accredited investors who register for the offerings from the USA to view and evaluate also following rules & guidelines of FINRA.

The offering of the 506c Reg D was for a capital raise of $5m USD with a minimum transaction base of $3m USD to conclude the transaction with CT Payment Inc. The proceeds are for the use of capital growth in Asia & the USA. The current marketed evaluation of $48m USD is at .045 USD per share.

The company also engaged contractually JCF Capital Advisors of California led by the principle partner Justin Floyd. The offering as a secondary offering for up to $20m USD and 20% of the combined merger of the two entities on an evaluation subject to negotiation by an Merchant Bank or Venture Capital Fund. This was increased as the market drivers and interested parties to the deal wanted a bigger capital investment opportunity for a larger position. Then the company entered into an exclusive agreement with Venture.co of Burlington a broker agency also operating a Fintech - Crowdfunding agency Www.designbook.com

In addition we began marketing the pre offering through several crowdfunding ports including; www.equitynet.com , www.crowdfunder.com , www.prefundia.com, www.dealflow.com & www.investmentangelnetwork.co.uk

About CT Payment Inc.

CT-Payment has been setting the pace in electronic POS transaction since 2002. It is the North American leader in EMV compliant payment services and is Canada's largest debit- and credit-card processing company to be fully independent of Canadian financial institutions and acquirers. As a member of Interac® and a debit acquirer, CT-Payment delivers integrated debit authorization and settlement services on behalf of its customers and business partners. As an experienced multi-acquirer service provider, CT-Payment offers transaction processing for point-of-sale debit and credit terminals, customized web-payment integration solutions, and the management of loyalty programs. CT-Payment further specializes in the development of platforms for emergent technology in the Global payment-processing ecosystem. It fully complies with PCI international security standards. To find out more: www.ct-payment.com

Legal Disclosure & Discussion

The company has 2 operating subsidiaries; The first is its US subsidiary of operations VelocityMWallet Technology LLC having its registered offices at 19c Trolley Square, Wilmington De 19806. The 2nd subsidiary is in Kowloon, Hong Kong which manages operations in Asia by its President Ronald Chua.- a shared office at 19 Austin Rd – nearby the popular shopping district of Nathan Rd and Miramar Mall. All entities have a Dec 31st financial reporting year end and consolidate statements using IFRS reporting rules.

During the course of 2012 SmartCard was sued by a client and partner, UMS Inc. of Ontario. SmartCard and UMS Inc. were part of a 3 way partnership with and including Direct Card Convenience Card Inc of Alberta. The innovation technology brought together via SmartCard and it Directors creating a Bill Payment technology through CCIN institutional service unparalleled to any offerings to date. The unfortunate capacity of the company at the time not being able to pay legal fees in multiple jurisdictions resulted in a judgement in court and amounts owed to UMS Inc of $ 870,000.00 Canadian dollars plus legal fee's. The company has engaged legal and taken legal action against Direct Card Convenience Card Inc of Alberta for equal to the amount of the judgement and damages but may take an estimated 1 to 2 years prior receiving a court date and if the company Direct Card continues to operate or exist. As of today the Lawsuit the amount payable remaining is $250,000.00 Canadian dollars (this amount is currently being settled which will clear the remaining balance). During the course of 2014-15 UMS was paid in a 3 party settlement for $1m Canadian of which $750K Canadian Dollars was paid. The amount payable of the $1m Canadian was settled by a three way party agreement of which Mr. Barone & Mr. Continelli through their holding company paid up sum capital by capital stock of their holdings (note: not SMKG common stock) in favor of a cash settlement to UMS.

Current Status of Business for the 3rd Quarter

At the current time development and proof of concept build with Check21 is going very well for the 12 Bank Branches in Canada of ICICI Bank. We are confident that by the end of the 4th quarter 2015 we will be providing production to their corporate treasury clients as per the terms.

Also significant is the build of Genorocity.com which now has two packaged offerings 1) Retail & Property & 2) Event Management with E-ticketing. The company has secured agreements with several companies to license the platforms and expected deployments are currently underway.

Furthermore management has been working to establish partnership with global prepaid card issuers to offer the ability of establishing a resource to fulfill mobile wallet demands for retail contactless solutions.

Executive Summary

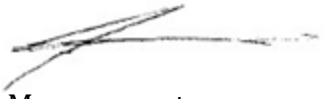
Management is of the opinion that the company has come through a very important cycle in its development and deployment. In the past year and primarily during the 3rd quarter of 2015 we continued to add key partnerships with POS Manufactures and broadened integrations to expand our global clients to increase our sales channel including CT Payment Inc. Our focus is to build a substantial client book with CT Payment in Asia & the USA to strategically position the company as an important disruptor in the EMV payment space with an impressive suite of technology. Our core competency remains on development of transaction based solutions for Banks, Telecom & Global Enterprise to service their portfolio of merchants with alternative payment solutions.

Since the alignment with CT Payment Inc we have been working to complete a unique build on the EMV switch to emulate card present transaction to card not- present switches. This solution is currently in our lab for testing and certification which are to begin "proof of concept" by December 2015 with the participation of important card scheme networks. Throughout the last quarter of 2015 we will continue to work with a select few Banks & Telecom companies in Asia prior the launch to reach production and then full deployment.

Furthermore as we enter the last quarter of 2015 with the acquisition of CT Payment Inc & the introduction of an important capital raise it will be an important threshold to achieve while maintaining sales & operations at full strength. This combined task will determine the monetary value for investment by Investors.

Best Regards,

Signed,



Management

Jan 20th 2016

SMARTCARD MARKETING SYSTEMS INC.
Balance Sheet
As at Sept 30, June 30 , March 31 2015 and December 31, 2014 & 2013

	Sep-30	(Revised) Jun-30	(Revised) Mar-31	(Revised) Dec-31	Dec-31
	2015	2015	2015	2014	2013
ASSETS					
Current Assets					
Cash	$ 5,138	$ -	$ 111	$ 159	$ 87
Security deposit		-	-	-	4,500
Accounts Receivable	40,000	40,000	-	20,536	-
Total current assets	45,138	40,000	111	20,695	4,587
Long Term Assets					
Intangible assets- Software technology	1	1	1	1	1
Property and equipment	1,275	1,476	1,677	1,878	2,683
	1,276	1,477	1,678	1,879	2,684
Total Assets	**46,414**	**41,477**	**1,789**	**22,574**	**7,271**
Liabilities and Shareholders' deficiency					
Current Liabilities					
Accounts payable and accrued liabilities	$ 1,090,281	$ 2,035,993	$ 1,905,436	$ 1,784,640	$ 1,518,339
Loans payable	1,427,220	281,696	$ 254,903	241,960	-
Deposit on Sales		-	-	-	117,875
	2,517,501	2,317,689	2,160,339	2,026,600	1,636,214
Shareholders' Deficiency					
Capital Stock	131,177	131,177	131,177	131,177	131,177
Additional paid up Capital	1,163,185	1,163,185	1,163,185	1,163,185	1,163,185
Deficit	(3,765,449)	(3,570,574)	(3,452,912)	(3,298,388)	(2,923,305)
Total Shareholders' Deficiency	(2,471,087)	(2,276,212)	(2,158,550)	(2,004,026)	(1,628,943)
Total Liabilities & Shareholders' Deficiency	**$ 46,414**	**$ 41,477**	**$ 1,789**	**$ 22,574**	**$ 7,271**

UNAUDITED

Approved on behalf of the board :

Director: _____ *Director:* _____

SMARTCARD MARKETING SYSTEMS INC.
Statement of operations and Comprehensive Loss
For the period ended Sept 30, 2015 and restated years ending December 31, 2014 & 2013

	9 Months Ended Sep-30	(Revised) 6 Months Ended Jun-30	(Revised) 3 Months Ended Mar-31	(Revised) Year ended Dec-31	Year ended Dec-31
	2,015	2015	2015	2014	2013
Revenue					
Revenue	$ 86,895	$ 78,283	$ 4,985	$ 20,536	$ -
Expenses					
Provision for lawsuit		-	-	-	940,200
Commissions		-	-	-	775
Contract Labour	300,000	253,000	128,000	251,752	87,633
Consulting	100,350	-	-	-	-
Bank service fees	1,392	873	394	191	722
Filing fees	11,369	6,400	5,300	4,279	4,164
Computer expenses	16,591	9,433	3,765	3,169	954
Software development	48,225	43,495	7,890	79,833	
Professional expense	3,409	909	909	-	3,500
Travel /Meals/Entertainment	57,493	29,623	10,013	46,647	8,806
Depreciation expense	603	402	201	805	1,150
Rent and Office expenses	14,524	6,334	3,037	8,944	3,247
Total Expenses	553,956	350,469	159,509	395,619	1,051,151
Net loss and comprehensive loss	**(467,061)**	**(272,186)**	**(154,524)**	**(375,083)**	**(1,051,151)**
Loss per share, basic and diluted	**(0.00230)**	**(0.00134)**	**(0.00076)**	**(0.00185)**	**(0.00531)**
Weighted avg # of common shares outstanding	**208,000,000**	**208,000,000**	**208,000,000**	**208,000,000**	**203,000,000**

UNAUDITED

SMARTCARD MARKETING SYSTEMS INC.
Statement of Changes in Shareholders' Deficiency
For period ended Sept 30, 2015 and year ended December 31, 2014 & 2013

	Q3 2015	Q2 2015	Q1 2015	2014	2013
Deficiency , beginning of year	$ (3,298,388)	$ (3,298,388)	$ (3,298,388)	$ (2,923,305)	$ (1,872,154)
Net loss for the period	(467,061)	(272,186)	(154,524)	$ (375,083)	$ (1,051,151)
Deficiency , end of year	$ (3,765,449)	$ (3,570,574)	$ (3,452,912)	$ (3,298,388)	$ (2,923,305)

UNAUDITED

SMARTCARD MARKETING SYSTEMS INC.
Statement of Cashflows
For the period ended Sept 30, 2015 and year ended December 31, 2014 & 2013

	9 Months Ended Sep-30	(Revised) 6 Months Ended Jun-30	(Revised) 3 Months Ended Mar-31	(Revised) Year ended Dec-31	Year ended Dec-31
		2015	2015	2014	2013
Operating activities					
Net Loss for the period	$ (467,061)	$ (272,186)	$ (154,524)	$ (375,083)	$ (1,051,151)
Adjustment for Items not involving cash:					
Amortization	603	402	201	805	1,150
Changes in non-cash working capital items:					
Increase(Decrease) in accounts payable and accrued li	(694,359)	251,353	120,796	266,301	1,025,864
Decrease in deposits on Sales		-	-	(117,875)	(122,100)
(Increase) Decrease in accounts receivable	(19,464)	(19,464)	20,536	(20,536)	-
Increase in Loans receivable	1,185,260	39,736	12,943	241,960	
Decrease in security deposit		-	-	4,500	-
Cash flow from operating activities	4,979	(159)	(48)	72	(146,237)
Net (decrease) increase in cash	4,979	(159)	(48)	72	(146,237)
Cash - beginning of period	159	$ 159	$ 159	$ 87	$ 146,324
Cash - end of period	$ 5,138	$ (0)	$ 111	$ 159	$ 87

UNAUDITED

Smart Card Marketing Systems

20C Trolley Square
Wilmington DE 19806 1-844-THE-Payment
mbarone@smartcardmarketingsystems.com

www.smartcardmarketingsystems.com

January 16th 2016

To Whom It May Concern:

We the undersigned do certify that we have reviewed the attached Q1 - Q2 & Q3 2015 Consolidated Interim Financial Statements to 9 months ending September 30th 2015 & MD&A statements and notations. We also certify that the information is complete and presented fairly in all material respects to the best of our knowledge.

Sincerely,

Massimo Barone
Chairman & CEO

Paul Continelli
President Canadian Operations & Treasurer