



**Sponsors
One™**

SPONSORSONE INC.

Unaudited Condensed Interim Consolidated Financial Statements

For the three months ended March 31, 2017 and 2016

(Stated in Canadian dollars – unless otherwise noted)

Notice of No Auditor Review of Interim Financial Statements

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor.

May 30, 2017

"Myles Bartholomew"
Chief Executive Officer

"Arvin Ramos"
Chief Financial Officer

SPONSORSONE INC.

Condensed Interim Consolidated Statements of Financial Position
(Unaudited)

	Note	March 31, 2017	December 31, 2016
Assets			
Current assets:			
Cash and cash equivalents		\$ 72	\$ 43
Other receivables	4	57,578	71,125
		57,650	71,168
Capital assets	5	118,381	122,050
		\$ 176,031	\$ 193,218
Liabilities and Shareholders' Deficit			
Current liabilities:			
Accounts payable and accrued liabilities	7 & 14	2,013,398	1,870,146
Current portion of long-term debt	8	166,047	166,047
Promissory note	9	17,342	16,788
		2,196,787	2,052,981
Shareholders' deficit			
Share capital	10	5,009,439	5,009,439
Shares to be issued	10	232,616	232,616
Share-based payment reserve	11	756,668	712,825
Warrant reserve	12	1,215,024	1,215,024
Accumulated deficit		(9,234,503)	(9,029,667)
		(2,020,756)	(1,859,763)
		\$ 176,031	\$ 193,218

Nature of Operations and Going Concern – *Note 1*

Subsequent Event – *Note 17*

Approved on behalf of the Board:

"Myles Bartholomew"
Director (Signed)

"Gary Bartholomew"
Director (Signed)

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

SPONSORSONE INC.

Condensed Interim Consolidated Statements of Operations And Comprehensive Loss
For the three months ended March 31,
(Unaudited)

	Note	2017	2016
Operating expenses:			
Marketing, general and administrative	\$	174,417	\$ 218,376
Research and development		26,750	22,500
Depreciation	5 & 6	3,669	15,920
Loss before finance expense		204,836	256,796
Finance expense		-	3,082
Gain on settlement of accounts payable		-	(41,116)
Net loss and comprehensive loss	\$	204,836	\$ 218,762
Weighted average number of common shares		25,434,164	18,597,870
Loss per share - basic and diluted	\$	0.01	\$ 0.01

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

SPONSORSONE INC.

Condensed Interim Consolidated Statements of Changes in (Deficiency) Equity

For the three months ended March 31, 2017 and 2016

(Unaudited)

	Number of common shares	Share capital	Shares to be issued	Warrants	Share-based payment reserve	Deficit	Total
Balance at December 31, 2016	25,434,164	\$ 5,009,439	\$ 232,616	\$ 1,215,024	\$ 712,825	\$ (9,029,667)	\$ (1,859,763)
Share-based payments	-	-	-	-	43,843	-	43,843
Net loss for the year	-	-	-	-	-	(204,836)	(204,836)
Balance at March 31, 2017	25,434,164	\$ 5,009,439	\$ 232,616	\$ 1,215,024	\$ 756,668	\$ (9,234,503)	\$ (2,020,756)

	Number of common shares	Share capital	Shares to be issued	Warrants	Share-based payment reserve	Deficit	Total
Balance at December 31, 2015	18,597,870	\$ 4,333,909	\$ 232,616	\$ 861,924	\$ 593,389	\$ (8,036,075)	\$ (2,014,237)
Share-based payments	-	-	-	-	18,298	-	18,298
Net loss for the period	-	-	-	-	-	(218,762)	(218,762)
Balance at March 31, 2016	18,597,870	\$ 4,333,909	\$ 232,616	\$ 861,924	\$ 611,687	\$ (8,254,837)	\$ (2,214,701)

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

SPONSORSONE INC.

Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31,
(Unaudited)

	Note	2017	2016
Cash flows from operating activities:			
Net loss for the period		\$ (204,836)	\$ (218,762)
Adjustments for:			
Depreciation	5 & 6	3,669	15,920
Share-based compensation	11	43,843	18,298
Change in non-cash operating working capital			
Other receivables		13,547	(20,549)
Accounts payables and accrued liabilities		143,806	194,669
		29	(10,424)
Cash flows from financing activities:			
Proceeds from promissory note	9	-	15,000
Payment of long-term debt	8	-	(2,599)
		-	12,401
Increase (decrease) in cash and cash equivalents		29	1,977
Cash and cash equivalents, beginning of the period		43	110
Cash and cash equivalents, end of the period		\$ 72	\$ 2,087

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

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

1. NATURE OF OPERATIONS AND GOING CONCERN

Nature of Operations

SponsorsOne Inc. (formerly New International Infopet Systems Ltd., or “Infopet”) (the “Company” or “SponsorsOne”) was incorporated under the laws of the Province of Ontario on March 9, 1965. The primary office is located at 400 – 365 Bay Street, Toronto, ON M5H 2V1

MXM Nation Inc. (“MXM”) was incorporated on February 2, 2005 under the Business Corporations Act of Ontario, Canada. On December 19, 2013, MXM completed a reverse takeover transaction of Infopet. For accounting purposes, MXM is considered the acquirer and Infopet the acquiree.

The Company is an early stage technology company developing a cloud based social sponsorship platform. This cloud-based platform called “SponsorsCloud” is designed to connect and facilitate one-to-one engagement between corporations to users within social networks.

These condensed interim consolidated financial statements were authorized by the Board of Directors of the Company on May 30, 2017.

Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has experienced negative cash flows from operations since inception and has net loss for the period of \$204,836. As of March 31, 2017, the Company had a working capital deficit of \$2,139,136.

The Company has relied on financing from its shareholders and officers as well as equity raises to fund operations to date. Implementation of the Company’s business plan will require additional debt or equity financing and there can be no assurance that adequate funding will be available in the future, or available under terms favourable to the Company. In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to, twelve months from the end of the reporting period. These uncertainties cast significant doubt upon the Company’s ability to continue as a going concern. Management believes that it can raise sufficient funds to pay its ongoing administrative expenses and to meet its liabilities for the ensuing twelve months as they fall due.

Accordingly, these financial statements do not reflect adjustments or classifications which might be necessary if the Company was not able to continue as a going concern.

2. BASIS OF PRESENTATION

Basis of presentation

These financial statements have been prepared on a historical cost basis except for certain financial instruments that are measured at fair value, as detailed in the Company’s accounting policies.

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

2. BASIS OF PRESENTATION (continued)

Statement of Compliance

The Company's condensed interim consolidated financial statements have been prepared in accordance with IAS 34, "Interim Financial Reporting". These condensed interim consolidated financial statements do not include all notes of the type normally included within the annual financial report and should be read in conjunction with the audited financial statements of the Company for the year ended December 31, 2015, which has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board.

Functional currency

The Company and its subsidiary's functional currency, as determined by management, are Canadian dollars. These financial statements are presented in Canadian dollars.

Consolidation

The financial statements of the Company include the accounts of the Company and its subsidiary. All intercompany transactions have been eliminated. Subsidiaries are consolidated from the date of acquisition, being the date on which the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent, using consistent accounting policies in all material respects.

Use of estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenue and expenses. 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. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and further periods if the review affects both current and future periods.

3. SIGNIFICANT ACCOUNTING POLICIES

These condensed interim consolidated financial statements have been prepared following the same accounting policies used in the preparation of the audited financial statements of the Company for the year ended December 31, 2016.

4. OTHER RECEIVABLES

<i>As at March 31,</i>	<u>2017</u>	<u>2016</u>
HST recoverable	\$ 56,278	\$ 63,776
Other receivables	1,300	1,300
	<u>\$ 57,578</u>	<u>\$ 65,076</u>

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

5. CAPITAL ASSETS

	Computer equipment		Marketing vehicle		Total
Cost					
At December 31, 2015	\$	5,608	\$	219,596	\$ 225,204
Additions		-		-	-
At December 31, 2016	\$	5,608	\$	219,596	\$ 225,204
Additions for the period		-		-	-
Balance at March 31, 2017	\$	5,608	\$	219,596	\$ 225,204

Accumulated depreciation					
At December 31, 2015	\$	5,159	\$	82,870	\$ 88,029
Expense for the year		449		14,676	15,125
At December 31, 2016	\$	5,608	\$	97,546	\$ 103,154
Expense for the year		-		3,669	3,669
Balance at March 31, 2017		5,608	\$	101,215	\$ 106,823

Net book value					
At March 31, 2017	\$	-	\$	118,381	\$ 118,381
At December 31, 2016	\$	-	\$	122,050	\$ 122,050

6. INTANGIBLE ASSETS

	System architecture and design		Patent applications		Customer lists		Application code, design, branding		Total
Cost									
At December 31, 2015	\$	200,000	\$	150,000	\$	25,000	\$	50,000	\$ 425,000
Additions		-		-		-		-	-
Balance at March 31, 2017 and December 31, 2016	\$	200,000	\$	150,000	\$	25,000	\$	50,000	\$ 425,000

Accumulated depreciation									
At December 31, 2015	\$	194,447	\$	145,833	\$	24,303	\$	48,614	\$ 413,197
Expense for the year		5,553		4,167		697		1,386	\$ 11,803
At December 31, 2015	\$	200,000	\$	150,000	\$	25,000	\$	50,000	\$ 425,000
Expense for the period		-		-		-		-	-
Balance at March 31, 2017	\$	200,000	\$	150,000	\$	25,000	\$	50,000	\$ 425,000

Net book value									
At March 31, 2017	\$	-	\$	-	\$	-	\$	-	\$ -
At December 31, 2016	\$	-	\$	-	\$	-	\$	-	\$ -
At December 31, 2015	\$	5,553	\$	4,167	\$	697	\$	1,386	\$ 11,803

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

<i>As at March 31,</i>	<u>2017</u>	2016
Accounts payable	\$ 1,739,297	\$ 2,004,153
Accrued liabilities	<u>274,101</u>	<u>235,520</u>
	<u>\$ 2,013,398</u>	<u>\$ 2,239,673</u>

8. LOANS PAYABLE

In February 2007, a company controlled by an officer of the Company entered into a loan agreement for the purchase of equipment. As the Company holds an exclusive use agreement over the equipment, which was obtained for the benefit of the Company, and the Company has agreed to pay for all reasonable costs associated with using and financing the equipment, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was \$42,043, maturing February 2023 bearing interest at 6.69%. The loan was refinanced at 7.71% for another five years effective February 2012. The equipment serves as collateral for the loan. As at March 31, 2017, the balance of this loan was \$23,102 (2015 – \$24,898).

In March 2011, an officer of the Company entered into a loan agreement for the purchase of equipment. As the Company holds an exclusive use agreement over the equipment, which was obtained for the benefit of the Company, and the Company has agreed to pay for all reasonable costs associated with using and financing the equipment, the equipment and corresponding loan obligation are recorded on the Company's records. The loan amount was \$176,910, maturing February 2028 bearing interest at 7.64%. The loan was refinanced at 7.10% in August 2013, with the maturity date unchanged. The equipment serves as collateral for the loan. As at March 31, 2017, the balance of this loan was \$142,945 (2015 – \$148,185).

Both loans have now been classified as current as payments are past due and the loans are now in default and the lenders have demanded immediate repayment.

The following table summarizes the payments and interest payable for the next five years:

<i>As at March 31</i>	<u>2017</u>	2016
Payments due within one year	<u>166,047</u>	22,722
Payments due years two to five	-	90,888
Total Interest paid	-	<u>50,512</u>

9. PROMISSORY NOTE

On March 16, 2016, the Company signed a promissory note with a director for \$15,000. The note bears 15% per annum and payable on the date when the Company completes an equity financing of no less than \$150,000 of equity capital. The holder has an option to convert the principal and interest on the same terms as the equity financing and settle with common shares and warrants. As at March 31, 2017, the Company accrued \$555 (2016 – \$92) of interest. The principal and interest payment is past due.

On May 3, 2016, the Company signed a promissory note for \$35,000. The note bears 15% per annum and payable on the date when the Company completes an equity financing of no less than \$150,000 of equity capital. The holder has an option to convert the principal and interest on the same terms as the equity financing and settle with common shares and warrants. On July 5, 2016, this note was settled with the issuance of 237,648 common shares for principal and interest of \$647.

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

10. SHARE CAPITAL

Authorized:

The Company is authorized to issue an unlimited number of common shares with no par value.

Issued:

Authorized:

The Company is authorized to issue an unlimited number of common shares with no par value.

Issued:

- (i) On July 5, 2016, the Company completed a private placement for gross proceeds of \$248,000 through the issuance of 1,653,333 units (the "Units") of the Company at a price of \$0.15 per Unit. Each Unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable for a period of 24 months from the closing of the private placement at an exercise price of \$0.30 per common share.
- (ii) The Company issued 5,137,451 units (the "Units") to settle \$770,618 of debts. Each Unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder to acquire one additional common share exercisable for a period of 24 months from July 5, 2016 at an exercise price of \$0.30 per common share.
- (iii) On June 1, 2016, the Company issued 45,510 common shares to settle \$40,959 of debt. The fair value of the shares was \$10,012. The Company recorded a gain on settlement of \$30,947.
- (iv) During the year-ended December 31, 2015, 231,669 warrants were exercised for gross proceeds of \$148,283.
- (v) During the year-ended December 31, 2015, the Company issued 885,710 common shares to settle \$581,922 of debt. The Company recorded a gain of \$71,430 for these settlements.
- (vi) On August 19, 2015, as part of the acquisition of NFU Inc., the Company issued 904,615 common shares representing 70% of the share consideration to the former owner of NFU Inc. and recorded the amount as consulting expense in accordance with IFRS 2. The shares to be issued is valued at \$232,616 representing 30% of the remaining consideration. The remaining consideration is contingent on reaching certain operational targets.
- (vii) On June 1, 2015, the Company issued 350,000 common shares on the closing of a private placement for gross proceeds of \$297,500. The Company issued 350,000 warrants with a fair market value of \$79,291.

11. SHARE-BASED PAYMENT RESERVE

Share Option Plan

The Board of Directors of the Company adopted a stock option plan (the "Plan") whereby the aggregate number of common shares reserved for issuance under the Plan, including common shares reserved for issuance under any other share compensation arrangement granted or made available by the Company from time to time, may not exceed 15% of the Company's issued and outstanding common shares. The

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

11. SHARE-BASED PAYMENT RESERVE (continued)

Plan is administered by the Board of Directors and grants made pursuant to the Plan must at all times comply with the policies of the Canadian Stock Exchange and the Plan.

The terms of any options granted under the Plan are fixed by the Board of Directors and may not exceed a term of ten years. The exercise price of the options granted under the Plan is set at the last closing price of the Company's common shares before the date of grant.

Each employee share option converts into one common share of the Company on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of their expiry.

The fair value of the Company's stock options issued was estimated using the Black-Scholes model using the following assumptions:

A summary of the change in the Company's stock options is as follows:

	Weighted Average Exercise Price	Number of Options
Balance – December 31, 2016	\$ 0.39	1,885,000
Granted	-	-
Expired	-	-
Balance – March 31, 2017	\$ 0.39	1,885,000

For the period ended March 31, 2017, \$43,843 of stock-based compensation expense was recorded for the fair value of stock options vested (2016 – \$18,298).

The following table summarizes the exercise price of outstanding and exercisable stock options as at March 31, 2017:

Range of exercise prices	Number of options	Weighted average remaining life (years)	Vested and exercisable
\$0.15 - \$0.30	1,010,000	6.26	985,000
\$0.31 - \$0.90	625,000	8.15	100,000
\$0.91 - \$1.00	250,000	7.34	160,000
\$0.05 - \$1.00	1,885,000	7.03	1,245,000

The fair values of the stock options issued in 2016 were estimated using the Black-Scholes option pricing model with the following assumptions:

	July 5, 2016	April 28, 2016
Assumptions		
Volatility - estimate based on comparable companies	100%	100%
Risk-free interest rate	1.04%	1.48%
Expected life (years)	10	10.00
Dividend yield	Nil	Nil
Forfeiture rate	0	0%
Exercise price	\$0.15	\$ 0.15
Share price	\$0.35	\$ 0.18

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

12. WARRANT RESERVE

The following is a summary of warrants:

Expiry date		Balance, December 31, 2016	Granted	Exercised	Expired or retracted	Balance, March 31, 2017	Weighted average exercise price
June 1, 2017	(a)	350,000	-	-	-	350,000	\$1.10
July 5, 2018	(b)	6,790,784	-	-	-	6,790,784	\$0.30
Total		7,140,784	-	-	-	7,140,784	\$0.34

(a) On June 1, 2015, 350,000 warrants were issued as part of the private placement.

(b) On July 5, 2016, 6,790,784 warrants were issued as part of the private placement and debt settlements.

13. LOSS PER SHARE

The calculation of basic and diluted loss per share for the period ended March 3, 2017 was based on the loss attributable to common shareholders of \$204,834 (2016 – \$218,762) and the weighted average number of common shares outstanding of 25,434,164 (2016 – 18,597,870). Diluted loss per share did not include the effect of 1,885,000 stock options (2015 – 1,410,000) and 7,140,784 warrants (2015 – 646,550) as they are anti-dilutive.

14. RELATED PARTY TRANSACTIONS

During the period ended March 31, 2017, key management compensation was \$170,772 (2016 - \$182,320). Management compensation has been included in the following expense accounts:

March 31,	2017		2016	
Consulting fees	\$	120,000	\$	165,000
Accounting fees		9,000		9,000
Share-based compensation		41,772		8,320
	\$	170,772	\$	182,320

As at March 31, 2017 included in accounts payable and accrued liabilities is \$1,109,597 (2016 – \$1,153,085) due to related parties for consulting services.

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

Fair Value

The Company has determined that the carrying values of other receivables, short term investments, accounts payable and accrued liabilities and due to shareholder approximates their fair values due to the current nature of these instruments. The fair value of long-term debt is based on the discounted value of future cash flows under the current financial arrangements at the interest rate the Company expects to currently negotiate for loans with similar terms and conditions and maturity dates. The fair value of long-term debt approximates its carrying value due to the current market rates.

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

15. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (continued)

Credit Risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its payment obligations. The Company is exposed to credit risk with respect to its cash and cash equivalents and other receivables.

The Company's credit risk is primarily attributable to cash and HST recoverable. Management believes that the credit risk with respect to cash is remote as it maintains accounts with highly rated financial institutions and the Government of Canada.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in satisfying its financial obligations. The Company manages its liquidity risk by forecasting its operations and anticipating its operating and investing activities.

As described in note 1, the Company has disclosed certain conditions which may cast doubt about its ability to continue as a going concern.

Market Risk

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

Interest rate risk

Interest rate risk consists of a) the extent that payments made or received on the Company's monetary assets and liabilities are affected by changes in the prevailing market interest rates, and b) to the extent that changes in prevailing market rates differ from the interest rate in the Company's monetary assets and liabilities, the Company is exposed to interest rate price risk.

Due to the short-term nature of the Company's financial instruments, fluctuations in market rates do not have a significant impact on estimated fair values. The Company's long term debt has a fixed rate of interest, which are not up for renewal until 2023 and 2028 respectively.

Foreign currency risk

The Company is not exposed to any significant foreign currency risk.

Other price risk

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

16. CAPITAL MANAGEMENT

The Company's objectives when managing capital, defined as shareholders' equity (currently a deficiency), are to safeguard the Company's ability to continue as a going concern (note 1) in order to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue new debt or acquire or dispose of assets.

SPONSORSONE INC.

Notes to the Condensed Interim Consolidated Financial Statements – Unaudited
For the three month period ended March 31, 2017 and 2016

16. CAPITAL MANAGEMENT (continued)

In order to facilitate the management of its capital requirements, the Company prepares expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The Company's investment policy is to invest its short-term excess cash in highly liquid short-term interest bearing investments with maturities of 365 days or less from the original date of acquisition, selected with regards to the expected timing of expenditures from continuing operations.

There have been no changes to the Company's approach to capital management during the period ended March 31, 2017. The Company is not subject to externally imposed capital requirements.

16. SUBSEQUENT EVENT

On May 8, 2017, the Company announced the closing of a non-brokered private placement for gross proceeds of \$100,000 (the "Offering") through the issuance of 2,000,000 units (the "Units") at a price of \$0.05 per Unit. Each Unit is comprised of one common share (a "Common Share") and one common share purchase warrant (a "Warrant"). Each Warrant entitles the holder thereof to acquire one additional Common Share of the Company exercisable for 36 months from the closing of the Offering at an exercise price of \$0.15 per Common Share. The Company has also issued an aggregate of 350,548 Units in settlement of an aggregate of \$17,527.40 of indebtedness at a price of \$0.05 per Unit on the same terms and conditions as the Offering.