FIRST GLOBAL DATA LIMITED

Consolidated Financial Statements

For the Years Ended December 31, 2016 and 2015

(Expressed in US Dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying annual consolidated financial statements of First Global Data Limited ("FGDL" or the "Company") have been prepared by management in accordance with International Financial Reporting Standards and contain estimates based on management's judgment. Management maintains an appropriate system of internal controls to provide assurance that transactions are authorized, assets safeguarded and proper records maintained.

The Audit Committee of the Board of Directors has reviewed with the Company's independent auditors scope and results of the annual audit and the financial statements and related financial reporting matters prior to submitting the financial statements to the Board for approval.

The Company's independent auditors, Fareed Sheik LLP are appointed by the shareholders to conduct an audit in accordance with Canadian auditing standards and their report follows.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR") AND DISCLOSURE CONTROLS AND PROCEDURES ("DCP")

Management is also responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

As the Company is a Venture Issuer (as defined under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and management are not required to include representations relating to the establishment and/or maintenance of DCP and/or ICFR, as defined in NI 52-109.

"Andre Itwaru"
……………………………………
Andre Itwaru
Chief Executive Officer & Chairman

Toronto, Ontario
May 01, 2017

"Nayeem Alli"
……………………………………
Nayeem Alli
Chief Financial Officer

Toronto, Ontario
May 01, 2017

Fareed Sheik LLP
Chartered Professional Accountants
AUDIT • TAX • ACCOUNTING

Fareed Sheik LLP
3034 Palstan Road, Suite 100
Mississauga, ON, L4Y 2Z6
T: 905 896 4449
F: 905 896 4448
www.fareed.ca

INDEPENDENT AUDITORS' REPORT

To the Shareholders of First Global Data Limited

We have audited the accompanying consolidated financial statements of First Global Data Limited and its subsidiaries which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015 and the consolidated statements of comprehensive loss, changes in equity (deficit) and cash flows for the years then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of First Global Data Limited and its subsidiaries as at December 31, 2016 and December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2016 and December 31, 2015 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 2.1 in the financial statements which describe matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about the First Global Data Limited's ability to continue as a going concern.

Chartered Professional Accountants
Licensed Public Accountants
Mississauga, Ontario, Canada
May 01, 2017

First Global Data Limited

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First Global Data Limited
Consolidated Statements of Financial Position
As at December 31, 2016 and 2015
(Expressed in US Dollars, unless otherwise stated)

	Notes	2016	2015
ASSETS			
Current assets			
Cash		**2,143,057**	318,843
Trade and agent receivables	**7**	**2,329,502**	837,097
Prepaid and other assets	**8**	**1,896,082**	1,504,115
		6,368,641	2,660,056
Non-current assets			
Property and equipment, net	**9**	**121,339**	147,093
Intangibles	**10**	**395,533**	590,172
		516,872	737,264
TOTAL ASSETS		**6,885,513**	3,397,320
LIABILITIES AND SHAREHOLDERS' DEFICIT			
Current liabilities			
Bank indebtedness		**-**	34,178
Accounts payable and accrued liabilities	**11**	**3,234,946**	3,263,926
Unearned revenue	**15**	**-**	138,184
Tax payable		**67,339**	67,339
Borrowings - Current	**12**	**7,585,834**	4,847,801
Current obligation under finance lease	**13**	**-**	11,589
		10,888,119	8,363,018
Non-current liabilities			
Borrowings	**12**	**2,105,256**	3,362,129
		12,993,375	11,725,147
Shareholders' Deficit			
Issued share capital	**14**	**29,815,525**	29,545,098
Share warrants, options and conversion options	**14**	**11,579,048**	9,149,885
Accumulated other comprehensive income		**2,189,190**	2,012,060
Non-controlling interest		**-**	1,921
Accumulated deficit		**(49,691,625)**	(49,036,791)
		(6,107,862)	(8,327,827)
TOTAL LIABILITIES AND DEFICIT		**6,885,513**	3,397,320

Going concern (Note 2.1)
The accompanying notes are an integral part of these Consolidated Financial Statements.

These Consolidated Financial Statements are authorized for issue by the Board of Directors on MAY 01, 2017

"Andre Itwaru"	"Nayeem Alli"
Director	Director

First Global Data Limited
Consolidated Statements of Comprehensive Loss
For the Years Ended December 31, 2016 and 2015
(Expressed in US Dollars, unless otherwise stated)

	Notes		2016		2015
Revenue	15		**6,243,614**		895,560
Expenses					
Cost of services	16		**222,970**		504,110
Selling, general and administrative			**1,670,646**		1,967,936
Salaries and related costs	19.3		**3,496,894**		2,443,050
Depreciation of property and equipment	9		**45,473**		57,448
Amortization of intangibles	10		**215,712**		223,976
Total Expenses			**5,651,694**		5,196,521
Income / (loss) from operations			**591,919**		(4,300,961)
Other Income (Expenses)					
Gain / (loss) on debt restructuring	12.2		**-**		1,746,690
Contract break fee			**-**		391,050
Interest expense and other finance cost			**(996,259)**		(1,710,774)
Foreign exchange (gain) loss			**(250,495)**		4,069
Loss on subscription receivable	6		**-**		(2,236,806)
Net Loss			**(654,834)**		(6,106,733)
Other comprehensive loss					
Items which will be reclassified to profit and loss:					
Exchange difference on translation			**177,130**		1,031,904
Total comprehensive income / (loss)			**(477,704)**		(5,074,829)
Loss attributable to:					
Equity holders of the parent			**(652,913)**		(6,106,760)
Non-controlling interests			**(1,921)**		27
			(654,834)		(6,106,733)
Total comprehensive loss attributable to:					
Equity holders of the parent			**(475,783)**		(5,074,856)
Non-controlling interests			**(1,921)**		27
			(477,704)		(5,074,829)
Loss per Share					
Basic	18	**$**	**(0.0043)**	$	(0.0443)
Diluted	18	**$**	**(0.0041)**	$	(0.0443)

Going concern (Note 2.1)
The accompanying notes are an integral part of these Consolidated Financial Statements.

First Global Data Limited
Consolidated Statements of Cash flows
For the Years Ended December 31, 2016 and 2015
(Expressed in US Dollars, unless otherwise stated)

	2016	2015
OPERATING		
Net loss	**(654,834)**	(6,106,733)
Items not affecting cash		
Depreciation of property and equipment	**45,473**	57,448
Unrealised foreign exchange gain / (loss)	**240,349**	8,181
(Gain) / Loss on debt restructuring	**-**	(1,746,690)
Financing costs - interest expense	**996,259**	1,301,459
Loss on subscription receivable	**-**	2,236,806
Bad debt expense	**75,471**	220,483
Share based compensation	**966,861**	54,432
Amortization of intangibles	**215,712**	223,976
	1,885,291	(3,750,637)
Changes in working capital items		
Trade and agents receivables	**(1,567,876)**	(135,898)
Prepaid expenses and deposits	**(391,967)**	(1,157,807)
Accounts payable and accrued liabilities	**(167,164)**	67,440
	(241,716)	(4,976,902)
INVESTING		
Purchase of property, equipment and intangibles	**(40,793)**	(10,724)
	(40,793)	(10,724)
FINANCING		
Proceeds from share capital and warrants issued	**2,062,734**	531,359
Proceeds from borrowings	**93,700**	4,424,819
Payment of finance lease	**(15,533)**	(19,393)
	2,140,901	4,936,785
NET CASH FLOW / (OUTFLOW)	**1,858,392**	(50,841)
CASH, BEGINNING OF YEAR	**284,665**	335,506
CASH, END OF YEAR	**2,143,057**	284,665
Comprising:		
Cash and bank balances	**2,143,057**	318,843
Bank indebtedness	**-**	(34,178)
	2,143,057	284,665

Going concern (Note 2.1)
The accompanying notes are an integral part of these Consolidated Financial Statements.

First Global Data Limited

Consolidated Statements of Changes in Equity (Deficit)
For the Years Ended December 31, 2016 and 2015
(Expressed in US Dollars, unless otherwise stated)

Particulars	**Note**	**Issued share capital**		**Share warrants and conversion options**	**Cumulative foreign currency translation reserve**	**Non-Controlling Interest**	**Accumulated deficit**	**Total equity / (deficiency)**
		No. of shares	**Amount**					
Balance, January 1, 2015		**113,115,700**	**26,643,109**	**4,623,783**	**980,156**	**1,894**	**(42,930,031)**	**(10,681,089)**
Issuance of shares on debt conversion	14.2 (a)	1,065,005	68,122	-	-	-	-	68,122
Issuance of shares on private placement	14.2 (b)	4,411,667	413,991	-	-	-	-	413,991
Issuance of options to investor		-	-	138,259		-	-	138,259
Issuance of warrants - private placement	14.2 (b)	-	(278,994)	278,994	-	-	-	-
Issue of shares	14.2 (d)	26,000,000	2,236,520	-	-	-	-	2,236,520
Issuance of shares on debt conversion	14.2 (c)	4,750,000	446,427	-	-	-	-	446,427
Issuance of warrants on debt conversion	14.2 (c)	-	(101,377)	101,377	-	-	-	-
Issuance of shares on private placement	14.2 (e)	3,000,000	117,300	-	-	-	-	117,300
Share based compensation		-	-	49,984	-	-	-	49,984
Warrants issued – convertible debentures		-	-	73,317	-	-	-	73,317
Issuance of warrants as compensation		-	-	4,448	-	-	-	4,448
Conversion feature on debentures	12.5 , 12.6	-	-	381,455	-	-	-	381,455
Conversion option on settlement of long term debt	12.2	-	-	3,498,268	-	-	-	3,498,268
Other comprehensive loss		-	-	-	1,031,904	-	-	1,031,904
Non- controlling interest		-	-	-	-	27	-	27
Net loss		-	-	-	-	-	(6,106,760)	(6,106,760)
Balance, January 1, 2016		**152,342,372**	**29,545,098**	**9,149,885**	**2,012,060**	**1,921**	**(49,036,791)**	**(8,327,827)**
Issuance of units on private placement	**14.1 (a)**	**30,000,000**	**423,814**	**1,536,342**	**-**	**-**	**-**	**1,960,156**
Issuance of broker warrants on private placement	**14.1 (a)**	**-**	**-**	**101,875**				**101,875**
Share based compensation		**-**	**-**	**46,147**	**-**	**-**	**-**	**46,147**
Cancellation of conversion feature of debt	**14.1 (b)**	**-**	**-**	**(100,286)**				**(100,286)**
Share based compensation		**-**	**-**	**7,690**	**-**	**-**	**-**	**7,690**
Shares and warrants on debt conversion		**166,575**	**11,656**	**3,431**				**15,087**
Share based compensation	**14.1 (c)**	**-**	**-**	**913,024**	**-**	**-**	**-**	**913,024**
Cancellation of units	**14.1 (d)**	**(4,377,505)**	**(165,043)**	**(79,060)**	**-**	**-**	**-**	**(244,103)**
Other comprehensive income / (loss)		**-**	**-**	**-**	**177,130**	**-**	**-**	**177,130**
Non- controlling interest		**-**	**-**	**-**	**-**	**(1,921)**	**-**	**(1,921)**
Net loss							**(654,834)**	**(654,834)**
Balance, December 31, 2016		**178,131,442**	**29,815,525**	**11,579,048**	**2,189,190**	**-**	**(49,691,625)**	**(6,107,862)**

Going concern (Note 2.1) - The accompanying notes are an integral part of these consolidated financial statements.

1. CORPORATE INFORMATION

First Global Data Limited ("the Company" or "FGDL") is a Canadian public corporation incorporated in Canada in 2010 under the legislation of the Province of Ontario. The Consolidated Financial Statements of the Company as at and for the year ended December 31, 2016 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities"). The principal activity of the Group is financial payments including remittance of services (online and mobile) from Canada and the USA under the brand "FirstGlobalMoney", digital payments (online and mobile) under the brand "PayQwik", and the licensing of its software.

The head office, principal address and registered office of the Company is located at 555 Richmond Street West, Suite 604, Toronto, Ontario, M5V 3B1.

2. BASIS OF PREPARATION

2.1 Statement of compliance and going concern

These consolidated financial statements have been 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").

These Consolidated Financial Statements were authorized for issue by the Board of Directors on May 01, 2017.

These Consolidated Financial Statements have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. During the year, the Company incurred a net loss of $ 652,159 (2015: $6,106,760). The Company had a net outflow of cash from operations of $ 241,716 (2015: $4,976,902). The Company has a working capital deficiency of $4,519,478 (2015: $5,702,962) and has incurred significant recurring losses over the years. This raises significant doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent upon raising additional financing through share issuance, borrowing, sales contracts, agent agreements and correspondent agreements. The Company intends to fund its operating deficiency through debt or equity financing and generating revenues from its operations to meet its obligations. The Company will also be negotiating conversion of debt into equity, renegotiating the principal of debt owed and extending the term of the loans. There are no assurances that the Company will be successful in achieving these goals. If the going concern assumption was not appropriate for these consolidated financial statements, then adjustments would be necessary to the carrying values of assets and liabilities, the reported net loss, and the classifications used in the consolidated statement of financial position. The consolidated financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate.

2. BASIS OF PREPARATION (continued)

2.2 Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis, except for financial instruments at fair value.

2.3 Basis of Consolidation

The Consolidated Financial Statements comprise the financial statements of the Company and the entities controlled by the Company (i.e. subsidiaries) as at December 31, 2016. Control exists when the Company is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared on the same reporting period as the parent Company and using consistent accounting policies.

All inter-group balances, transactions, un-realised gains and losses resulting from inter-group transactions and dividends are eliminated in full.

2.4 Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates.

The Consolidated Financial Statements are presented in US Dollars, which is the Group's presentation currency. The Group has presented in US Dollars, since it is the currency that is widely used in the industry, and the currency in which most revenues are earned.

The functional currency of the Company, First Global Data Limited is Canadian Dollar (CAD).

The functional currencies of the main operating companies are:

Consolidated entity	Functional currency
First Global Technologies Inc.	Canadian Dollar (CAD)
First Global Money Inc.	US Dollar (USD)
First Global Money Guyana Inc.	Guyanese Dollar (GYD)
MAG Services USA LLC	US Dollar (USD)
Msewa Software Solution (P) Ltd.	Indian Rupee

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, reported amounts to assets, liabilities and contingent liabilities, revenues and expenses at the date of the Consolidated Financial Statements and during the reporting period.

Estimates and assumptions are continuously evaluated and are based on management's historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates. 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 future periods if the review affects both current and future periods.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the Consolidated Financial Statements includes the following:

- Determination of functional and presentation currency
- Useful life of property and equipment

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year includes the following:

- Property and equipment, depreciation and impairment of assets/fair value
- Recoverability of intangible assets
- Valuation of trade and agent receivables
- Going concern assumption
- Valuation of share based payments
- Valuation of compound financial instruments

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these Consolidated Financial Statements.

The accounting policies have been applied consistently by all the Group entities.

4.1 Business combination

Acquisitions

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of the consideration transferred i.e. assets transferred by the Group, liabilities incurred or assumed by the Group to the former owners of the acquiree and equity instruments issued by the Group, in exchange for control of the acquired entity.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Business combination (continued)

The acquired identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 *Business Combinations* are recognized at their fair values at the acquisition date, except for:

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*;
- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with IAS 12, *Income Taxes* and IAS 19, *Employee Benefits*, respectively; and
- liabilities or equity instruments related to the replacement by the Group of an acquiree‘s share-based payment awards, which are measured in accordance with IFRS 2, *Share based Payment*.

Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized. If, after reassessment, the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss.

The Group elects on a transaction-by-transaction basis whether to measure non-controlling interest at its fair value or at its proportionate share of the recognized amount of the identifiable net assets, at the acquisition date.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted retrospectively during the measurement period, or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognized as of that date. The measurement period is the period from the date of acquisition to the date the Company obtains complete information about facts and circumstances that existed as of the acquisition date up to a maximum of one year.

Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration, which is deemed to be an asset or liability, will be recognized in accordance with IAS 39, *Financial Instruments: Recognition and Measurement* either in earnings or as a change to other comprehensive income. If the contingent consideration is classified as equity, it shall not be re-measured and its final settlement shall be accounted for within equity.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.1 Business combination (continued)

Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The financial statements of subsidiaries are included in the Consolidated Financial Statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. A listing of subsidiaries is disclosed in Note 24.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro rata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss in the consolidated statement of comprehensive loss.
An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Determining whether goodwill is impaired requires an estimation of the higher of fair value less costs of disposal and value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the management to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Depreciation on an asset does not begin until the asset is available for usage. Depreciation is provided using methods outlined below at rates intended to amortize the cost of assets, less their estimated residual values, over their estimated useful lives.

Property and equipment	Depreciation method and rate
Computer and production hardware	20% declining balance method
Furniture and equipment	45% declining balance method

4.3 Intangibles

Intangibles are stated at cost, net of accumulated amortization and/or accumulated impairment losses, if any. Amortization on an intangible asset does not begin until the intangible asset is available for use. Amortization is provided using methods outlined below at rates intended to amortize the cost of intangibles less, their estimated residual values, over their estimated useful lives.

Intangibles	Useful Life	Amortization method
Core software	5 years	Straight line
Computer software	3 years	Straight line
Customer list	Indefinite	Not amortized
Software Remit X	4 years	Straight line
F1 Soft Software	5 years	Straight line

Intangibles include computer software, licenses, agent development costs and goodwill. Intangibles acquired separately are measured on initial acquisition at cost.

Intangibles acquired separately

Intangibles with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangibles with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Intangibles (continued)

Internally-generated intangibles

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangibles arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangibles is the sum of the expenditure incurred from the date when the intangibles first meets the recognition criteria listed above. Where no internally-generated intangibles can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangibles are reported at cost less accumulated depreciation and accumulated impairment losses, on the same basis as intangibles that are acquired separately.

Intangibles acquired in a business combination

Intangibles acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangibles acquired in a business combination are reported at cost less accumulated depreciation and/or accumulated impairment losses, on the same basis as intangibles that are acquired separately.

Derecognition of intangibles

An intangible is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible, measured as the difference between the net disposal proceeds and the carrying amount of the intangible, is recognized in profit or loss when the asset is derecognized.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.4 Impairment of tangible and intangible assets

Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its property and equipment and intangibles to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangibles with indefinite useful lives and intangibles not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

4.5 Income taxes

Current income tax

Income tax expense is recognized in the income statement. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Group operates and generates taxable income.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.5 Income taxes (continued)

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred income tax

Deferred tax is recognized using the liability method on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred taxation liability is settled.

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

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, associates and jointly controlled entities, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to offset current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

4.6 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Group's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Leasing (continued)

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

4.7 Finance costs

Finance costs comprise interest payable on borrowings calculated using the effective interest rate method and foreign exchange gains and losses on foreign currency transactions.

4.8 Financial instruments

All financial instruments are recorded initially at fair value. In subsequent periods, all financial instruments are measured based on the classification adopted for the financial instrument: fair value through profit and loss (“FVTPL”); held to maturity; loans and receivables; and available for sale or other liability.

FVTPL assets are subsequently measured at fair value with the change in the fair value recognized in net income during the period.

Held to maturity assets are subsequently measured at amortized cost using the effective interest rate method.

Loans and receivables are subsequently measured at amortized cost using the effective interest rate method.

Available for sale assets are subsequently measured at fair value with the changes in fair value recorded in other comprehensive income, except for equity instruments without a quoted market price and for which fair value is not reliably estimable which are measured at cost.

Financial liabilities

FVTPL liabilities are subsequently measured at fair value with the change in the fair value recognized in net income during the period.

Other liabilities are subsequently measured at amortized cost using the effective interest rate method. Transaction costs are expensed as incurred.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Financial instruments (continued)

The Company has classified its financial instruments as below:

Financial Instrument	Classification
Trade and agent receivables	Loans and receivables
Accounts payable and other liabilities	Other liabilities
Borrowings	Other liabilities
Finance lease	Other liabilities

The Company's financial instruments measured at fair value on the balance sheet consist of cash, which is measured at level 1 of the fair value hierarchy. There are three levels of the fair value hierarchy as follows:

Level 1: Values based on unadjusted quoted prices in active markets that are accessible at the measurement date for identical assets or liabilities.

Level 2: Values based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Values based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the financial assets have been impacted.

For all financial assets, objective evidence of impairment could include:

- Significant financial difficulty of the issuer or counterparty; or
- Default or delinquency in interest or principal payments; or
- Probability that the borrower will enter bankruptcy or financial re-organization.

For certain categories of financial assets, such as receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. The carrying amount of financial assets is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in net income or loss.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.9 Impairment of financial assets (continued)

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

4.10 Cash

Cash comprises of cash at banks on hand, and bank overdraft.

4.11 Revenue recognition

Service Provider License ("SPL")

SPL revenue is recognized when persuasive evidence of an arrangement exists, the product has been delivered, the fee is fixed or determinable, and collection of the resulting receivable is probable. In cases where collectability is not deemed probable, revenue is recognized upon receipt of cash, assuming all other criteria have been met.

SPL agreements with multiple-elements, such as those including license fees and maintenance fees, are recognized as separate units of accounting and are recognized as each element is earned based on the relative fair value of each element. A delivered element is considered a separate unit of accounting if it has value to the customer on a standalone basis, and delivery of performance of the undelivered elements is considered probable and substantially under the Company's control. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting.

SPL maintenance revenue is recognized on a straight-line basis over the life of the related license period.

Money remittance transaction fees and Mobile Payments

The Group's revenues from consumer money remittance transaction fees are based on the principal amount of the money remitted and the locations from and to which funds are transferred. The Group also offers several global business payments services, including payments from consumers or businesses to other businesses. Remittance transaction fees are set by the Group and recorded at the time the transfer occurs. In certain consumer money transfer and global business payments transactions involving different currencies, the Group generates revenue based on the difference between the exchange rate set by the Group to the customer and the rate at which the Group or its agents are able to acquire currency. This foreign exchange revenue is recorded at the time the related consumer money transfer transaction fee revenue is recognized or at the time a customer initiates a transaction through the Group cross-border, cross-currency international business-to-business payment service operations.

The Group recognises revenue from Mobile Payments when the customer uses the platform to perform a payment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Revenue recognition (continued)

Interest income

Interest income is recognized in the income statement as it accrues, using the effective interest method.

Other income

Other income recognized in the income statements at the time of its actual receipt.

4.12 Foreign Currency Translation

The Group's Consolidated Financial Statements are presented in US dollars. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

All differences are taken to the income statement with the exception of all monetary items that provide an effective hedge for a net investment in a foreign operation. These are recognized in other comprehensive income until the disposal of the net investment, at which time they are recognized in the income statement.

Tax charges and credits attributable to exchange differences on those monetary items are also recorded in other comprehensive income.

Group companies

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into US dollar at the rate of exchange prevailing at the reporting date and their income statements are translated at exchange rates prevailing at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.12 Foreign Currency Translation (continued)

Goodwill and fair value adjustments on identifiable assets and liabilities acquired arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period.

On disposal of a foreign operation i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary, the component of other comprehensive income relating to that particular foreign operation is recognized in profit or loss.

4.13 Earnings (loss) per share

Basic earnings (loss) per share is computed by dividing the net earnings (loss) available to common shareholders by the weighted average number of shares outstanding during the reporting period. Diluted earnings per share is calculated in a similar manner, except that the weighted average number of common shares outstanding is increased to include potentially issuable common shares from the assumed exercise of warrants, if dilutive.

4.14 Share-based payments

The fair value of share-based payment awards granted is recognized as an employee or consultant expense with a corresponding increase in equity. An individual is classified as an employee when the individual is an employee for legal or tax purposes (direct employee) or provides services similar to those performed by a direct employee.

Each tranche in an award is considered a separate award with its own vesting period and grant date fair value. The fair value is measured at grant date and each tranche is recognized on a graded vesting basis over the period during which the share purchase options vest. The fair value of the share-based payment awards granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the awards were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of awards, for which the related service and non-market vesting conditions are expected to be met.

For equity-settled share-based payment transactions with non-employees, the Company measures the goods or services received, and the corresponding increase in equity, directly, at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which cases, the Company measures their value, and the corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources, assessing the performance of the operating segments, and making strategic decisions.

4.16 Joint venture

For joint venture transactions that involve a business a full gain or loss is recognised in the profit and loss account and a partial gain or loss is recognised when a transaction involves assets other than a business.

4.17 Compound financial instruments

Certain financial instruments comprise a liability and an equity component. The various components of these instruments are accounted for in equity and borrowings and other financial liabilities according to their classification. The component classified as borrowings and other financial liabilities is valued at issuance at the present value (taking into account the credit risk) of the future cash flows of an instrument with the same characteristics (maturity, cash flows) but without any option for conversion or redemption in shares. The component classified as equity is defined as the difference between the fair value of the instrument and the fair value of the financial liability component.

5. RECENT ACCOUNTING PRONOUNCEMENTS

Certain pronouncements, issued by the IASB or the IFRIC, were adopted during the year, or are mandatory for the Company's fiscal years beginning on or after December 31, 2016 or are required to be adopted in future periods. Many are not applicable or do not have a significant impact on the Company and have been excluded below. The following pronouncements are relevant to the financial statements:

(i) IFRS 9, "Financial Instruments: Recognition and Measurement" replaces the requirements of IAS39, "Financial Instruments: Recognition and Measurement". This final version of IFRS 9 brings together the classification and measurements as well as impairment and hedge accounting phases of the project to replace IAS 39. In addition to the new requirements for classification and measurement of financial assets, a new general hedge accounting model and other amendments issued in previous versions of IFRS 9, the standard also introduces new impairment requirements that are based on a forward-looking expected credit loss model. These changes are applicable for annual periods beginning on or after January 1, 2018.

(ii) IFRS 15, "Revenue from contracts with customers" replaces the requirements of IAS 11, "Construction Contracts", and IAS 18, "Revenue and related interpretations". This standard specifies the steps and timing for issuers to recognize revenue as well as requiring them to provide more informative, relevant disclosures. These changes are applicable for annual periods beginning on or after January 1, 2017, with earlier application permitted. The standard is effective for the Company's fiscal year beginning January 1, 2017.

5. RECENT ACCOUNTING PRONOUNCEMENTS (continued)

(iii) IFRS 16 "Leases" replaces IAS 17 "Leases" and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed. The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15.

There are no other pending IFRSs or IFRIC interpretations that are expected to be relevant to the Company's financial statements. The Group is currently evaluating the impact on the consolidated financial statements.

6. ACQUISITIONS

In April 2015, the Company signed an agreement to acquire 2297970 Ontario Inc. operating as LTP Financial ("LTP"). As part of the purchase consideration the Company issued 26,000,000 shares on August 31, 2015 to LTP's beneficiaries under a forbearance agreement with GC Global Capital (now Fountain Asset Corp). The acquisition was cancelled based on the vendors not meeting certain closing conditions. The Company is contemplating initiating legal proceedings against the vendors to recover the shares issued and to recover $179,210 of cash advances made to them. The Company has expensed this issuance of 26 million shares which amounted to $2,236,806 and expensed the cash advances of $179,210, given the uncertainty around the recoverability of these items.

7. TRADE AND AGENTS RECEIVABLES

	2016	2015
Trade and agent receivables	**2,409,957**	927,793
Provision for doubtful debts	**(80,455)**	(90,696)
	2,329,502	837,097

The Company recognizes revenue on all fees associated with the transactions that they facilitate. The Company collects from its agents the entire value of the remittance and is responsible for delivering those funds directly to the beneficiary or ensuring that they are paid to the correspondent in the country of the recipient. The year-end balance of agent receivables represents approximately 15 days of transactions.
Trade and agents receivable include $ 1,545,460 (2015: $ 323,337) receivable from sales of Service Provider Licenses.

8. PREPAID AND OTHER ASSETS

	2016	2015
Prepaid expenses	**164,694**	288,338
Other receivables	**1,731,388**	1,215,777
	1,896,082	1,504,115

Other receivables include promissory notes issued in favor of the Company $1,010,662 (2015: $980,402).

9. PROPERTY AND EQUIPMENT

2016	**Computer Hardware**	**Production Hardware**	**Furniture and Equipment**	**Total**
Cost				
Balance as at January 1	**111,936**	**43,518**	**346,338**	**501,792**
Additions during the year	**20,306**	**-**	**466**	**20,772**
Effect of foreign exchange translation	**615**	**1,343**	**(1,774)**	**184**
Balance as at December 31	**132,857**	**44,861**	**345,029**	**522,747**
Accumulated depreciation				
Balance as at January 1	**103,502**	**37,074**	**214,123**	**354,698**
Depreciation expense	**7,817**	**2,900**	**34,756**	**45,473**
Effect of foreign exchange translation	**592**	**1,233**	**(589)**	**1,236**
Balance as at December 31	**111,911**	**41,207**	**248,290**	**401,408**
Net book value:				
Balance as at December 31	**20,946**	**3,654**	**96,738**	**121,339**

2015	Computer Hardware	Production Hardware	Furniture and Equipment	Total
Cost				
Balance as at January 1	115,114	49,183	349,177	513,474
Additions during the year	1,266	2,294	7,164	10,724
Effect of foreign exchange translation	(4,444)	(7,959)	(10,004)	(22,407)
Balance as at December 31	111,936	43,518	346,338	501,792
Accumulated depreciation				
Balance as at January 1	91,054	38,874	186,360	316,288
Depreciation expense	18,438	4,861	34,149	57,448
Effect of foreign exchange translation	(5,989)	(6,661)	(6,387)	(19,037)
Balance as at December 31	103,502	37,074	214,123	354,699
Net book value:				
Balance as at December 31	8,434	6,444	132,215	147,093

10. INTANGIBLES

2016	**Core Software**	**Computer software**	**Customer List ***	**Software RemitX**	**F1 Soft Software**	**Total**
Cost						
Balance as at January 1	**77,733**	**37,236**	**97,615**	**513,451**	**515,515**	**1,241,550**
Additions	**-**	**-**	**-**	**-**	**-**	**-**
Effect of foreign exchange	**-**	**1,149**	**3,013**	**15,847**	**15,910**	**35,919**
Balance as at December 31	**77,733**	**38,385**	**100,628**	**529,298**	**531,425**	**1,277,469**
Accumulated amortization						
Balance as at January 1	**77,733**	**36,458**	**22,498**	**205,381**	**309,309**	**651,378**
Amortization for the year	**-**	**719**	**-**	**107,281**	**107,712**	**215,712**
Effect of foreign exchange	**-**	**1,115**	**694**	**4,918**	**8,120**	**14,847**
Balance as at December 31	**77,733**	**38,292**	**23,192**	**317,580**	**425,141**	**881,937**
Net book value						
Balance as at December 31	**-**	**93**	**77,436**	**211,719**	**106,285**	**395,533**

2015	Core Software	Computer software	Customer List *	Software RemitX	F1 Soft Software	Total
Cost						
Balance as at January 1	77,733	44,426	116,463	612,587	615,049	1,466,258
Additions	-	-	-	-	-	-
Effect of foreign exchange	-	(7,190)	(18,848)	(99,136)	(99,534)	(224,708)
Balance as at December 31	77,733	37,236	97,615	513,451	515,515	1,241,550
Accumulated amortization / impairment						
Balance as at January 1	77,733	42,166	26,842	122,518	246,018	515,277
Amortization for the year	-	1,207	-	111,161	111,608	223,976
Effect of foreign exchange	-	(6,915)	(4,344)	(28,299)	(48,317)	(87,875)
Balance as at December 31	77,733	36,458	22,498	205,381	309,309	651,378
Net book value						
Balance as at December 31	-	778	75,117	308,071	206,206	590,172

*Customer list balance is stated net of accumulated impairment losses.

10. INTANGIBLES (continued)

Impairment testing intangible assets with indefinite lives

The Group performed its annual impairment test during the year. The recoverable amount of indefinite life intangible has been determined using a discounted cash flow approach, based on a value in use calculation using cash flow projections from financial budgets approved by senior management. The recoverable amount of the indefinite life intangible is determined above its carrying amount therefore no impairment is recognized in consolidated financial statements.

11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
Accounts payable	**2,133,825**	2,205,371
Accrued liabilities	**1,032,591**	1,012,455
Due to government agencies	**68,531**	46,100
	3,234,946	3,263,926

12. BORROWINGS

	Notes	**2016**
Current		
Due to Fundeco (Caribank)	12.1	**711,157**
Due to 715 Manitoba	12.2	**1,564,080**
Due to Finsec Services Inc	12.5	**2,280,271**
Other convertible debentures	12.6	**829,415**
Short term payable	12.4	**1,872,936**
Note Payable – Due to Shareholder	12.7	**327,975**
		7,585,834
Non-current		
Series 'G' debentures and other	12.3	**2,105,256**
		9,691,090

	Notes	2015
Current		
Due to Fundeco (Caribank)	12.1	638,864
Due to 715 Manitoba	12.2	1,517,251
Series 'G' debentures and other	12.3	1,748,761
Short term payable	12.4	942,925
		4,847,801
Non-current		
Due to Finsec Services Inc.	12.5	2,123,595
Other convertible debentures	12.6	886,854
Note Payable – Due to Shareholder	12.7	351,680
		3,362,129
		8,209,930

12. BORROWINGS (continued)

12.1 Current

Due to Fundeco (Caribank)

On September 17, 2014 the Company entered into an agreement with Caribank (Subsidiary of Fundeco Inc.) to provide the Company with a credit facility of $ 1,000,000. The Company drew down on this credit facility to the amount of $600,000 in September of 2014. The amount owing as at December 31, 2016 includes interest and principal.

The main terms of the credit facility include interest at the rate of 12% per annum. In addition the Group is to pay CAD $0.55 per every money remittance transaction that the Company makes over a base amount as prescribed in the agreement. The Company did not surpass the base amount of transaction in 2015 and therefore did not incur the additional cost. The Credit Facility is also secured on the common shares of the Jameson Investment Corporation and any direct investment in Class A common shares of Jameson International Foreign Exchange. Also a general security agreement over all present and future property of the Company upon usual commercial terms; specifically the Company's bank account in which the borrowed funds reside, technology including patents, customer base and all trademarks of the Company's products and services. Note that this general security agreement has not been perfected by the lender. The lender also has first charge over any third party physical cash collection from the Company and its respective agent locations up to the amount of the loan. Also the above referred agreement contemplates that the lender is entitled for subscription to additional common shares in the capital of the Company, which shares shall be issued on the basis of lesser of $0.10 cents per share or the last share price utilized. These shares have not been issued and exchange approval will be sought should Fundeco decide to subscribe.

The Company received a default judgment dated December 21, 2015 ("Judgment") against it for monies owing to a non-arm's length lender, Fundeco Inc. ("Fundeco"). The lender is non-arm's length as one of the Company's directors is also a Director of the lender. The current status of the litigation is that counsel for both parties are in the process of negotiating a full and final release on terms that are yet to be finalized. The amount of the Judgment was $650,667.

The litigation alleged that the Company breached a loan agreement dated September 17, 2014 ("Loan Agreement") among the Company and Fundeco, Caribank Investment Bank Inc. The Company did not dispute the allegations.

12.2 Due to 7159618 Manitoba

The Company successfully negotiated the settlement of the Dynamic series A and B debentures and short term loan from GC Global Capital (collectively "Old Loans"). These Old Loans were purchased by 7159618 Manitoba Ltd ("715 Manitoba") and restructured as the New Loan.

The Old Loan has been discharged and the difference between the fair value of the equity of the New Loan plus the financial liability has been taken to the income statement as gain on debt restructuring. The gain was CAD $2.23 million and the reduction in interest expense that was forgiven by 715 Manitoba as part of the New Loan

was CAD $517,000.

12. BORROWINGS (continued)

12.2 Due to 7159618 Manitoba (continued)

The New Loan agreement is for a 3 year term, will accrue interest at a rate of 10% per annum, and interest will be payable only on an event of default. The cash amount payable is CAD $2,100,000 (2016: USD 1,564,080) and may be repaid at any time in the 3 year term.

The pre-existing General Security Agreements ('GSA') dated 7, 2013, July 30, 2013 and May 13, 2015 from the old loans had been purchased by 715 Manitoba, then an arm's length party, as part of the transaction wherein 715 Manitoba purchased the Old Loans on October 2, 2015 and October 15, 2015, and entered into a loan agreement with the Company on November 15, 2015.

The Company shall issue approximately CAD $2.23 million in common shares of the Company for each year the debt is unpaid. The first 44,666,660 common shares, representing the first year debt repayment of CAD $2.23 million, will be issued at a deemed price of CAD $0.05 per share. The Company will issue, pending approval from the Toronto Stock Exchange an additional 44,666,660 common shares, at a deemed price of CAD $0.05 per share, for the payment of approximately CAD $2.23 million, representing the second year debt payment.

In the event that the Company pays the cash amount before the first anniversary date of the settlement agreement, the second year shares are to be returned to the Company for cancelation. Should repayment of the cash amount occur after the first anniversary date of the settlement agreement but before the second anniversary of the settlement agreement, the equivalent amount of second year shares, calculated on a pro rata basis, shall be returned to the Company for cancelation.

On November 21, 2016 the Company entered into an agreement to make a substantial change in the debt conversion agreement with 715 Manitoba. This transaction is pending approval from the TSX Venture Exchange and as such has not been recognised in the consolidated financial statements.

The debt conversion will result in the Company issuing 22,330,000 units at the price of CAD $ 0.10 per unit. Each debt unit consist of one common share and one common share purchase warrant. Each warrant will entitle the holder to acquire one common share of the Company at an exercise price of CAD $0.20 per share for a period of 2 years from the date of issuance.

On August 31, 2015, the Company entered into a forbearance agreement with a lender ("GC-Global Capital Corporation", now "Fountain Asset Corp", or "GCGlobal") for an amount of CAD $812,000.

Conditions of the forbearance included: (i) that the Company pay GCGlobal an amount of CAD $100,000 on August 31, 2016; (ii) that the Company pay GCGlobal interest fees of $105,560; (iii) that GCGlobal receive an authorized and executed warrant to purchase 3,500,000 shares at an exercise price of CAD $0.11 per share with an expiry date of August 31, 2018; (iv) that the company pay interest in the amount of 4% per month; (v) that on September 9, 2015 the Company pay GCGlobal $324,345; (vi) that on September 23, 2015 the Company pay GCGlobal $419,585; (vii) that the Company shall issue an aggregate of 26,000,000 common share certificates in any combination to Paul Van Benthem, Paul Haber and Yoel Altman in connection with the acquisition transaction of LTP Financial; (viii) that the Company obtain Exchange approval with respect to the issuance and effectiveness of the warrants within 5 business days of the date of the forbearance agreement being entered

into, and that the Company notify GCGlobal upon obtaining such approvals.

12. BORROWINGS (continued)

12.2 Due to 7159618 Manitoba (continued)

Prior to this Forbearance, the Company had no intention to release the 26,000,000 common shares until such time as the closing conditions of the LTP Financial acquisition had been met, which never occurred. The Company was however forced to release the 26,000,000 common shares to LTP under this Forbearance on August 31, 2015 per the Exchange Bulletin on April 17, 2015 . The Company ultimately never sought approval from the Exchange for the issuance of the above mentioned warrant, nor did it notify GCGlobal of having obtained such approval. As such, the Company does not consider the warrant as having been issued.

All of the above were completed prior to the purchase of the debt from GCGlobal by 7159618 Manitoba Ltd.

Moreover, all debt, $812,000 in total related to the forbearance agreement was purchased by 7159618 Manitoba Ltd., who at the time were an arm's length party (by agreement among 7159618 Manitoba Ltd and GCGlobal) as previously disclosed on December 1, 2015. As a result, the forbearance agreement was retired. There are no current or future obligation to GCGlobal for the issuance of any securities or forbearance agreement.

In addition, the Company shall pay to the 715 Manitoba party an aggregate amount of CAD $2.1 million within 10 business days from the date the debt units are issued to the 715 Manitoba.

12.3 Series 'G' debentures and Other loans payable

On December 22, 2015 the Company issued Series G, 14% debentures (the "Debentures") in the aggregate principal amount of CAD$ 3,430,349 on a non-brokered private placement basis. The Company was able to secure the funds through the interested investors of the Latin American based entity.
The Company reassigned the debt secured through the debenture offering (CAD $3,430,349), including monies loaned to the Latin American company, to a publicly listed company (the "Pubco") and the Pubco continues to service debt payments on the debentures. The Pubco has agreed to lend FGDL CAD $1,440,486. Terms and conditions of this loan are being negotiated.
Following is the summary of events surrounding the Series 'G' Debentures as follows:

- From August 18, 2015 to December 18, 2015, the Company issued Series 'G', 14% Debentures in the aggregate principal amount of CAD$3,430,349 on a non-brokered private placement basis.
- On August 21, 2015 the Company entered into an agreement with Global Bioenergy SAS ("GBSAS"), an arm's length party based in Columbia, to implement the Company's mobile payment solution in Columbia and in other countries in Latin America.
- This agreement included the understanding that as the Company secured capital through the Series G debenture offering it would loan a portion of the Series G proceeds to GBSAS for the implementation of the Company's services. GBSAS agreed to pledge its assets in Colombia as collateral for the Series G debenture offering. The agreement provided the Company with a 90 day review period during which it would have the ability to terminate the agreement for non-performance with a break fee of CAD$ 500,000. The agreement also provided the Company with the ability to assign the monies loaned to GBSAS, along with the funds raised through the Series G debenture offering to an alternate company.

12. BORROWINGS (continued)

12.3 Series 'G' debentures and Other loans payable

- On December 1, 2015 the Company received written authorization from the President and CEO of Threegold Resources agreeing to accept assignment of the above noted Series G debenture funds for CAD $3,430,348. Pursuant to the terms of the Series G debentures, the debenture holders consented to the Company assigning the debentures to a third party at any time without first obtaining the consent of the debenture holders.
- Up to December 11, 2015 the Company loaned GBSAS a total of CAD $1,989,862 through multiple 3 year promissory notes at an interest rate of 16% per annum.
- On December 22, 2015, the Company entered into a debt assignment agreement with Threegold Resources ("Threegold"). This agreement included (1) the assignment of debt in the amount of CAD $3,430,349, (2) the Company receivable from GBSAS from promissory notes of CAD $1,989,882 loaned to GBSAS, and (3) an understanding that Threegold would loan CAD $1,440,487 to the Company at a rate of 14% interest for a 3 year term.

- From December 21 to December 22, 2015, the Company continued to receive proceeds from the Series G Debentures in the amount of CAD $1,030,956. On December 23, 2015 an amount of CAD $956,969 was provided to GBSAS by way of a 3 year, 16% per annum interest loan from the Company These amounts were not assigned to Threegold.
- On December 29, 2015 the Company formally terminated the agreement with GBSAS. The Company maintains two separate borrowings. The first an amount of CAD $1,030,956 in Series G debentures. The Company and Threegold had agreed that these amounts would be assigned to Threegold thorough a second assignment agreement which is yet to be concluded. The second is an amount of CAD $1,440,487 which is a loan from Threegold. The Company also maintains a receivable in the amount of CAD $956,969 from GBSAS in a promissory note. The assignment of debt to Threegold was contractual between Threegold and the Company and not implied. In addition, pursuant to the terms of the Series G debentures, the debenture holders consented to the Company assigning the debentures to a third party at any time without first obtaining the consent of the debenture holders.

12.4 Short term payable

The Company had also secured non-interest bearing loans for a total amount of CAD $400,000 from Tamarack Builders as follows: March 18, 2015 - CAD$ 100,000, May 6, 2015 - CAD $ 100,000, June 1, 2015 - CAD $ 50,000, August 11, 2015 - CAD $ 50,000, September 7, 2015 - CAD $ 100,000. Additionally, short term payable consist of interest bearing / demand loans from various individuals secured during 2015.

During the year the Company reclassified the CAD $400,000 convertible debenture into short term note, which was a non-brokered private placement basis to an arm's length party. The loan bears interest at 20% per annum, such interest to be accrued until maturity. The loan matures in March 2017.

12. BORROWINGS (continued)

12.5 Due to Finsec Services Inc.

On February 25, 2011, the Company entered into an agreement to borrow $1,000,000 from Finsec Services Inc., a private lender and a related party pursuant to one director in common ("Finsec"). As part of this agreement, the Company issued 600,000 warrants which allow the lender to purchase common shares of the Company at a price of CAD$0.25 expiring five years from the date of issue. The maturity date of the debt was first extended to January 13, 2014 and then to December 31, 2015. The Lender further advanced additional loans of CAD$350,000 and CAD$150,000, both of which bear interest at 12% per annum.

On November 30, 2015, Finsec agreed to capitalise all outstanding interest payable which will bring the new debt to $1,700,000 and CAD $500,000. The debts were extended by two years expiring on August 31, 2017 at interest rate of 12% per annum payable monthly. The Company is negotiating with the lender the possibility of re-classifying the debt to convertible debenture under the terms and conditions mutually acceptable to both parties. The issuance of any convertible debenture is subject to the approval of TSX Venture Exchange.

FINSEC is a non-arm's length party, given that the principal of FINSEC is a director of the Company. The Company has capitalized the outstanding interest and that the new capital amount continues to earn interest for the lender, and all terms related to the conversion of such debt to equity remain un-finalized. To date, no documentation for this loan has been formalized or executed. The Company is in discussions with the lender who is a Director of the Company, to finalize the terms and conditions of the extension of this loan, and the members of the Board of Directors of the Company must review and approve the final form of this agreement. If issuance of additional securities beyond the original loan terms are required then appropriate approval of the Exchange will be obtained.

12.6 Other convertible debentures

(a) On October 21, 2014 the Company issued Series "D" 10% convertible debentures (the "Debentures") in the aggregate principal amount of CAD$500,000 on a non-brokered private placement basis to a related party. The Debentures bear interest at 10% per annum, such interest to be accrued until maturity. The Debenture matures on October 21, 2016 and is convertible, at the option of the holder, at a price of CAD$0.12 per share at any time. A finder's fee of CAD$50,000 was paid to an arm's length party.

The Company received CAD $400,000 from the same party on February 9, 2015. This CAD $400,000 advance (the "Advance") was not formally documented since the investor became undecided as to his preferred structure/form of investment. To date, the Debt Debentures have not been issued and the Advance, and particularly its form and structure, remains subject to final agreement between both parties. This amount is included as part of short term payable. Accrued interest capitalized on these debenture/loan amounts to CAD$163,561.

12. BORROWINGS (continued)

12.6 Other convertible debentures (continued)

The Company remains in negotiation with this related party. Upon finalization, the Company will seek approval of the Exchange as required. Although the loan continues to accrue interest, the investor has provided the Company with a payment holiday during which the Company is not required to make any interest payments. The balance of debentures/ loan includes interest accrued to date. There are no restrictions on the use of funds.

(b) On June 24, 2014 the Company entered into an agreement to borrow CAD$ 500,000 from three investors (CAD$200,000, CAD$75,000 and CAD$225,000) at the rate of 10% interest per annum. The maturity date of these borrowings was December 27, 2014. A finder's fee of CAD$50,000 was paid to an arm's length party. On March 25, 2015 the Company completed the conversion of these promissory notes, which matured on December 27, 2014, in aggregate amount of CAD$500,000 into three Series F convertible debentures (the "Debt Debentures"). The Debt Debentures bear interest at a rate of 10% per annum, such interest to be paid on a quarterly basis. The term of the Debt Debentures is 24 months from the date of issuance and are convertible, at the option of the holder, at a price of CAD$0.12 per share at any time on or before maturity date. The principal and accumulated interest as at December 31, 2016 is CAD $ 613,224 (2015 – CAD $38,630)

12.7 Due to Shareholder

Lender A – The Principal amount of CAD $250,000 plus accrued interest was reclassified into current from non-current as the note was rescheduled and extended for two years from February 2014. The rate of interest remains at 12%. This note is unsecured. The amount of interest due is CAD $73,715.
Lender B – Promissory note signed on October 15, 2008 of CAD $40,000 bearing interest at 10% per annum is unsecured and due on demand. The lender also has a short term loan of CAD $50,000 at 10% interest due on demand. The principal and accrued and unpaid interest results in the amount due of $ 116,638.

12.8 Debt restructuring agreement

On November 21, 2016 the Company signed debt restructuring agreements with the following parties:

- 9175563 Canada LTD (CAD $100,000)
- Conraf Management (CAD $300,000)
- Douglas Smith (CAD $100,000)
- Makdon Investments Ltd (CAD $150,000)
- Ray Wieler (CAD $414,250)
- Tamarack Builders (CAD $400,000)

As per the debt conversion agreements the creditors have agreed to accept units equivalent to their outstanding debts. Each such unit comprises of one common share of capital stock of the Company and one non-transferrable common share purchase warrant of the Company with a strike price of CAD $ 0.10.

These debt restructuring agreements are pending TSX Venture Exchange approval and as such have not been recognised in the consolidated financial statements.

13. OBLIGATIONS UNDER FINANCE LEASE

	2016	2015
Gross finance lease liabilities – minimum lease payments		
No later than 1 year	-	15,533
Later than 1 year and no later than 5 years	-	-
	-	15,533
Future finance charges on finance leases	-	(3,944)
Present value of finance lease liabilities	-	11,589
The present value of finance lease liabilities is as follows:		
No later than 1 year	-	11,589
Later than 1 year and no later than 5 years	-	-

Lease liabilities are effectively secured as the rights to the leased asset revert to the lessor in the event of default.

14. ISSUED SHARE CAPITAL

14.1 Share capital transactions in 2016

(a) On December 5, 2016 the Company completed a private placement of units of stock with investors for CAD$3,000,000 at an issue price of CAD$0.10 per Unit. Under the terms of the placement each Unit comprise one (1) common share and one (1) share purchase warrant. Each whole warrant entitles the holder to acquire one common share in the capital of the Company at an exercise price of CAD$0.20 per share for a period of thirty six (36) months from the date of issuance. The net proceeds of the offering will be used for general working capital and float. Proceeds from the Offering will be used to fund the Company's continued expansion of its mobile payment service in target markets around the world, and for general working capital. In connection with the private placement, the Company paid commission and other expenses of CAD $262,859 to an arm's length third parties. In addition to the commission, the Company issued an aggregate of 2,01,000 broker warrants to the arm's length third party. Each Broker Warrant entitles the holder thereof to acquire one (1) common share in the capital of the Company at an exercise price of $0.25 per share for a period of twenty four (24) months from the date of issuance.

(b) On 19 December 2015, the company agreed to issue a convertible debenture of CAD $992,384 (the debenture) to an arm's length third party. The amount represented the principal amount a previously issued convertible debenture (original debenture), a note payable and unpaid interest owed to the third party. During the year, the company cancelled the conversion of the debenture. The original debenture expired on 21 October 2016. The liability, including unpaid interest, remained outstanding as of the date of these financial statements. Subsequent to the year-end, the company settled part of the liability in cash.

14. ISSUED SHARE CAPITAL (continued)

14.1 Share capital (Continued)

(c) On 7 December 2016, the company approved an aggregate number of 9,000,000 stock options. The stock options were granted to three directors and officers of the company. The options have an exercise price ranging from CDN$0.45 per common share to CDN$0.55 per common share and expire on December 06, 2021. Options aggregating 4,250,000 vested immediately. The remaining options will vest over a period of two years.

(d) The company had agreed to issue 4,377,505 common shares and 1,250,000 common share purchase warrants to various arms length third parties in 2015 against an aggregate amount of CAD $312,113. The shares and warrants remained unissued during 2015. During 2016 the company agreed to issue 150,000 shares and 150,000 share purchase warrants to one of the parties which represented 3,000,000 of the 4,377,505 shares agreed to be issued in 2015 and $150,000 of the aggregate amount of CAD $312,113.

This transaction is pending TSX Venture Exchange approval therefore aggregate amount has been classified as a liability in the consolidated financial statements.

(e) On July 21, 2014 the Company's US subsidiary First Global Money Inc. (FGMI) entered into an agreement ("the Agreement") with Blue Money Inc. The term of the Agreement was for an initial term of three (3) years with the option to renew for an additional two (2) one (1) year extensions. The company agreed that it would issue to Blue Money an aggregate of 5 million compensation warrants (the "Warrants"). Each Warrant will entitle Blue Money to acquire one (1) common share in the capital of First Global at an exercise price of CAD$0.50 per common share for a period of three (3) years from date of issuance. The Warrants will be placed into escrow and shall be released from escrow on a quarterly basis. The number of Warrants to be released from escrow shall be based on one (1) Warrant for every two (2) active clients (as such term is defined in the Agreement) that utilize the services provided by the Company pursuant to the Agreement. There were no active clients and since no business had been conducted under this Agreement both parties mutually agreed to terminate the Agreement on June 20, 2016. There were no warrants ever issued in connection with this Agreement and the Company has not issued, nor is it obligated to issue, any securities or other compensation to Blue Money Inc.

14. ISSUED SHARE CAPITAL (continued)

14.2 Share capital transactions in 2015

(a) On January 30, 2015 The Company negotiated a debt conversion agreement (the "Debt Agreement") with two debt holders (the "Creditors"). The Company agreed to issue an aggregate of 937,500 common shares (the "Debt Shares") to the Creditor in exchange for the cancellation of debt owning to the Creditor. The Debt Shares were issued at a deemed price of $0.08 per common share.

On March 13, 2015 the Company negotiated a debt conversion agreement (the "Debt Agreement") with a director of the Company (the "Creditor"). The Company has agreed to issue an aggregate of 127,505 common shares (the "Debt Shares") to the Creditor in exchange for the cancellation of debt owning to the Creditor. The Debt Shares were to be issued at a deemed price of $0.095 per common share. As explained in note 14.1 (d), the company canceled the conversion of debt in 2016 and the amount of debt was as liability in 2016.

(b) On June 12, 2015 the Company completed a private placement of units of stock with investors for CAD$529,400 at an issue price of CAD$0.12 per Unit. Under the terms of the placement each Unit comprise one (1) common share and one (1) share purchase warrant. Each whole warrant entitles the holder to acquire one common share in the capital of the Company at an exercise price of CAD$0.25 per share for a period of twenty four (24) months from the date of issuance. The net proceeds of the offering will be used for general working capital and float. As explained in note 14.1 (d), the company cancelled units representing gross proceeds of CAD $150,000 in 2016 and classified the as liability.

(c) On April 8, 2015 the Company issued an aggregate of CAD$570,000 of Series "E" 10% Convertible Debenture (the "Debentures"). The Debentures bear interest at 10% per annum, such interest to be payable on a semiannual basis. The Debentures have a maturity date of April 8, 2018. The Debenture is convertible, at the option of the holder, at a price of $0.15 per share after the expiration of the statutory four (4) month hold period. In addition, the Debentures are automatically convertible into common shares of the Company in the event that the common shares of the Company closes at or above $0.40 per share on the TSX Venture Exchange for a period of five (5) consecutive days.

An aggregate of 760,000 warrants (the "Warrants") were issued in conjunction with the issuance of the Debentures. Each Warrant entitles the holder thereof to acquire one (1) common share in the capital of the Company at an exercise price of $0.20 at a time until October 8, 2016. The Company also paid a finder's fee of $45,600 to an arm's length third party. In addition to the finder's fee, the Company issued an aggregate of 304,000 broker warrants (the "Broker Warrants") to the arm's length third party. Each Broker Warrant entitles the holder thereof to acquire one (1) common share in the capital of the Company at an exercise price of $0.15 at any time until April 8, 2018.

14. ISSUED SHARE CAPITAL (continued)

14.2 Share Capital (continued)

The Company had previously disclosed that on July 9, 2015, the holders of the Debentures agreed to cancel the Series “E” 10% Convertible Debentures and the Debenture Warrants in exchange for the issuance of an aggregate of 4,750,000 units (the "Debt Units") of the Company at a deemed price of $0.12 per Debt Unit. Each Debt Unit will consist of one (1) common share and one (1) common share purchase warrant ("Debt Warrant"). Each Debt Warrant entitles the holder to purchase one common share at a price of $0.25 for a period of two (2) years from date of issuance. The debentures were canceled on August 13, 2015. The aggregate number of units issued was 4,916,575 and the issuance of securities was approved by the exchange.

(d) On April 6, 2015 the Company entered into an agreement to purchase 2297970 Ontario Inc., also known as LTP Financial ("LTP"). On April 11, the Company issued 26,000,000 shares at CAD$0.11 per share which was the Fair Market Value (FMV) in escrow to the shareholders for LTP Financial for 100% ownership. The agreement contained closing conditions which were not met. On August 31, 2015 the Company provided the consideration 26,000,000 shares to the beneficiaries under a forbearance agreement with GC Global Capital. The Company is currently involved in legal proceedings with the principals of LTP. The legal proceedings will make a determination as to whether the LTP acquisition has been completed. In view of the Company’s legal counsel the application has not been properly commenced and the proposed claim which applicant seeks leave to deliver does not display a meritorious claim against the Company.

The Company expensed the issuance of these shares using conservative accounting methods in 2015.

(e) On October 30, 2015 the Company agreed to a private placement of stock with an investor for CAD$ 150,000 at an issue price of CAD$0.05 per share. As disclosed in note 14.1d, the shares units remained unissued during the year. In 2016, the company agreed to issue 150,000 shares and 150,000 share purchase warrants to the investor.

14. ISSUED SHARE CAPITAL (continued)

14.3 Warrants

	2016		2015	
Warrants Outstanding:	**Number of Warrants**	**Weighted Average Exercise Price**	Number of Warrants	Weighted Average Exercise Price
Balance, beginning of the year	**36,149,938**	**CAD 0.45**	23,184,271	CAD 0.59
Warrants expired during the year	**(23,184,271)**	**0.50**	-	-
Warrants cancelled during the year	**(1,250,000)**	**0.25**	(760,000)	0.20
Warrants granted during the year	**32,266,575**	**0.20**	13,725,667	0.21
Warrants extended during the year			-	-
Balance, December 31	**43,982,242**	**CAD 0.25**	36,149,938	CAD 0.45

The weighted average remaining contractual life for the warrants outstanding as at December 31, 2016 was 2.29 years (2015: 1.75 years).

14.4 Options

Options Outstanding	**2016**		2015	
	Number of options	**Weighted average exercise price**	Number of options	Weighted average exercise price
Balance, beginning of the year	**12,184,000**	**CAD 0.26**	10,559,000	CAD 0.28
Optinos expired during the year	**(4,859,000)**	**CAD 0.30**	-	CAD -
Options granted during the year	**10,000,000**	**CAD 0.48**	1,625,000	CAD 0.15
Balance, December 31	**17,325,000**	**CAD 0.38**	12,184,000	CAD 0.26

The weighted average remaining contractual life for the options outstanding as at December 31, 2016 was 2.97 years (2015: 2.55 years).

14. ISSUED SHARE CAPITAL (continued)

14.4 Options (continued)

The fair value of the warrants and options issued were estimated at the date of grant using the Black-Scholes model with the following weighted average assumptions:

December 31, 2016	**Warrants**	**Options**
Share price on issue date	**CAD 0.12**	**CAD 0.11 - 0.33**
Risk free interest rate	**0.67%**	**0.67% - 0.82%**
Expected life (years)	**3**	**5**
Expected volatility	**126%**	**92% - 126%**
Dividend yield	**Nil**	**Nil**
Estimated forfeitures	**Nil**	**Nil**
Weighted average fair value	**0.80**	**0.25**

December 31, 2015	Warrants	Options
Share price on issue date	CAD 0.11 - 0.14	CAD 0.14
Risk free interest rate	2.66%	2.66%
Expected life (years)	2.0-3.0	3
Expected volatility	140 - 167%	140%
Dividend yield	NIL	-
Estimated forfeitures	NIL	-
Weighted average fair value	0.085	0.11

Expected volatility was based on historical price data.

In the absence of a reliable measure of the services received, the services have been measured at the value of the warrants and options issued.

15. REVENUE

	2016	2015
Wire transfer fee	**444,870**	459,557
Service Provider License ("SPL")	**5,423,831**	349,025
Mobile payment fee	**328,161**	-
Other revenue	**46,752**	86,978
	6,243,614	895,560

A portion of the SPL revenue was deferred and recorded as unearned revenue in 2015 as it is earned over the term of the SPL agreement.

16. COST OF SERVICES

	2016	2015
Agent's commissions	**116,746**	145,385
Processing and correspondent fees	**106,224**	109,421
Service Provider License commissions	**-**	249,304
	222,970	504,110

16.1 Bad debt

During the year the Company wrote off $ 75,471 in bad debts (2015: $220,483). During 2015 an amount of $179,210 related to LTP cash advances as per note 6 was written off.

17. INCOME TAXES

The provision for income taxes reflects an effective income tax rate, which differs from the Canadian corporate tax rate as follows:

	2016	2015
Combined basic applicable tax rate	**27%**	36%
- Effective income tax recovery on loss from continuing operations before income taxes	**(59,987)**	(2,172,582)
- Increase (decrease) resulting from change in the deferred tax assets not recognized	**(510,399)**	588,840
- Non-deductible expenses	**538,036**	57,137
- Effect of write-down, share issue costs and rates changes	**32,350**	1,526,605
	-	-

The tax effect of temporary differences representing deferred tax assets is as follows:

	2016	2015
Deferred tax assets (liabilities):		
Operating loss carry forwards	**10,387,643**	11,554,300
Property and equipment	**153,027**	85,609
	10,540,670	11,639,909
Deferred tax assets not recognized	**(10,540,670)**	(11,639,909)
Net deferred tax assets (liabilities)	**-**	-

17. INCOME TAXES (continued)

Deferred tax assets and liabilities will be impacted by changes in tax laws and rates. The effects of these changes are not currently determinable. The ultimate realization of deferred tax assets is dependent upon the generation of taxable income during the years in which all temporary differences become deductible. Management considers projected taxable income, uncertainties related to the industry in which the Company operates and tax planning strategies in making this assessment. The Company has not recognized any benefit for these losses.

At December 31, 2016, the Company has non-capital losses available for carry forward for income tax purposes amounting to $25,734,457 These losses expire in the following fiscal years:

2025	87,550
2026	609,237
2027	970,500
2028	1,723,177
2029	1,085,208
2030	1,050,061
2031	2,030,675
2032	5,266,410
2033	5,150,564
2034	4,725,984
2035	1,937,922
2036	1,097,169
	25,734,457

18. BASIC AND DILUTED LOSS PER SHARE

The loss and weighted average number of ordinary shares used in the calculation of basic and diluted earnings per share are:

Basic		**2016**		2015
Loss for the period attributable to owners of the Group	**$**	**(652,913)**	$	(6,106,760)
Earnings used in the calculation of basic earnings per share	**$**	**(652,913)**	$	(6,106,760)
Weighted average number of ordinary shares for the purposes of basic earnings per share		**150,268,429**		137,895,735
Loss per share - Basic	**$**	**(0.0043)**	$	(0.0443)
Diluted				
Earnings used in the calculation of diluted earnings per share	**$**	**(864,500)**	$	(6,106,760)
Weighted average number of ordinary shares for the purposes of diluted earnings per share		**212,652,038**		**137,895,735**
Loss per share - diluted	**$**	**(0.0041)**	$	(0.0443)

19. RELATED PARTY TRANSACTIONS

Due from related party

The Company has the following transactions with related parties:

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

At the year end, amounts outstanding with related parties are:

	Note	2016	2015
Due to companies owned by directors	19.1	**631,281**	452,323
Due to directors		**376,965**	182,150
Due to Finsec	19.2 & 12.5	**2,072,400**	2,762,459
Due to shareholders	12.2 & 12.7	**890,042**	1,868,930
Due from company controlled by directors		**135,925**	131,855

19.1.1 These balances are payable on demand. The accounts payable and accrued liabilities amounts have arisen from services rendered and the due to shareholders are loans provided to the Group by the shareholders of the Group.

19.2 A director of the Company is a shareholder of Finsec and, as a result, Finsec is a related party.

Key management compensation comprised of salaries, for the period was $ 254,939 (2015: $ 223,000). Nil (2015: $ 107,538) is recorded in accounts payable and accrued liabilities.

19.3 Salaries and related costs include and amount of $ 957,560 share based compensation (2015: $ 90,489).

19.4 The company approved an aggregate number of 9,000,000 stock options as discussed in Note 14.1 (c) of this consolidated financial statements.

20. COMMITMENTS

The Group is committed to various payments under lease agreement for the Toronto office premises, office equipment and office software.

These future minimum committed payments are as follows:

Year	**Amount**
2017	**173,191**
2018	**145,670**
2019	**148,551**
2020	**89,180**
2021	**14,863**

21. FINANCIAL INSTRUMENTS

21.1 Fair values

The estimated fair value of cash and cash equivalents, trade and agent receivable, other receivables, borrowings and finance leases approximates their carrying values due to the relatively short-term nature of the instruments. The fair value of accounts payables and accrued liabilities approximates their fair values due to the requirement to extinguish the liabilities on demand.

21.2 Financial risk management objectives and policies

The financial risk arising from the Group's operations are currency risk, credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Group's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below.

Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. The Group's senior management oversees the management of these risks. The Board of Directors reviews and agrees policies for managing each of these risks which are summarized below.

21.3 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries. The Group operates internationally and is exposed to foreign exchange risk as certain expenditures are denominated in non-US dollar currencies. The exposure is predominantly to the US Dollar. Non-US Dollar denominated balances generate foreign exchange gains and losses that are reported on the income statement. A strengthening of $0.01 in the Canadian Dollar against the US Dollars would have decreased the net loss for the period by approximately $137,184 (2015 - $ 90,477) for the year. A $0.01 weakening of the Canadian against the US Dollars would have an equal, but opposite, effect.

21. FINANCIAL INSTRUMENTS (continued)

21.3 Foreign currency risk (continued)

At December 31, 2016 and December 31, 2015, one Canadian Dollar was equal to 0.7448 USD and 0.7225 USD, respectively.

Balances in non-US dollar currencies are as follows:

	2016	2015
Cash and trade and agents receivable	**1,386,930**	469,453
Accounts payable and other liabilities	**(3,135,016)**	(2,443,426)
	(1,748,086)	(1,973,973)

21.4 Credit risk

Credit risk is managed on Group basis, except for credit risk relating to accounts receivable balances. Each local entity is responsible for managing and analyzing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Credit risk arises from cash and cash equivalent and deposits with banks and financial institutions, as well as credit exposures to agents, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If agents are independently rated, these ratings are used. If there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period, and management does not expect any losses from non-performance by these counterparties.

21. FINANCIAL INSTRUMENTS (continued)

21.5 Liquidity risk

The Group manages its liquidity risk by preparing and monitoring forecasts of cash revenues and cash expenditures to ensure that it will have sufficient liquidity to meet liabilities when due. The Group's accounts payable and accrued liabilities generally have maturities of less than 90 days. As at December 31, 2016, the Company had cash of $ 2,143,057 (2015: $ 284,665) to settle current liabilities of $ 9,036,678 678 (2015: $8,363,017). The Company has embarked on raising capital to meet its working capital requirements, these include going to the capital markets for further investments into the Company.

Undiscounted cash flows of financial liabilities based on maturity date are as follows:

	1 year	**2 to 5 years**	**>5 years**	Total
Accounts payable and accrued liabilities	3,234,946	-	-	3,234,946
Borrowings	7,585,834	2,105,256	-	9,691,090
Obligations under finance lease	-	-	-	-
	10,820,780	**2,105,256**	-	12,926,036

21.6 Fair value hierarchy

The following summarizes the methods and assumptions used in estimating the fair value of the Group's financial instruments where measurement is required. The measurements are subjective in nature, involve uncertainties and are a matter of significant judgment. The methods and assumptions used to develop fair value measurements, for those financial instruments where fair value is recognized in the balance sheet, have been prioritized into three levels as per the fair value hierarchy included in IFRS.

- Level one includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level two includes inputs that are observable other than quoted prices included in level one.
- Level three includes inputs that are not based on observable market data.

All of the Group's cash is level one as per the fair value hierarchy included in IFRS.

22. CAPITAL MANAGEMENT

The Group's primary objectives when managing capital are to continue the development of the business and support new growth initiatives. The Board of Directors do not establish quantitative capital criteria for management, but rather rely on the expertise of the Group's management to sustain future development of the business, and continued growth. The parent is committed to providing the necessary liquidity for continued operations, as required. The impact of the Company not meeting its capital contribution may put the money remittance license in the USA in jeopardy.

The Company's US subsidiary, First Global Money Inc. ("FGMI") is required to meet State regulatory minimum capital requirements as applicable to continue operating in the various States. During 2016, FGMI was not in compliance with some of the States' regulatory requirements therefore the Company contributed additional capital in order to satisfy these requirements. Due to inadequate capital, FGMI was unable to satisfy the financial condition to retain its license in the state of California and FGMI voluntarily surrendered the license in January 2016 with the intention of reactivating the license once the conditions of approval have been met

The Group maintains segregated bank accounts for customer funds and operational capital. Various controls are in place to monitor and manage capital. Management reviews its capital management approach on an ongoing basis.

The Group includes equity, comprised of issued capital stock, warrants, options and conversion rights; and deficit, in the definition of capital. The Group is dependent on external financing to fund its activities. In order to carry out planned business activities and pay for administrative costs, the Group will spend its existing working capital and raise additional amounts as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Group, is reasonable.

23. SEGMENTED INFORMATION

Reportable segments

The Company has the following operating segments based on geographical presence:

2016	**Total**	**USA**	**Canada**	**Guyana**	**India**
Revenues	**6,243,614**	**286,812**	**5,598,669**	**29,972**	**328,160**
Assets					
Non-current assets	**516,872**	**3,904**	**415,177**	**87,785**	**10,006**
2015					
Revenues	895,560	394,502	499,460	1,597	-
Assets					
Non-current assets	737,264	2,972	610,970	123,322	-

24. SUBSIDIARIES

Name of subsidiary	Principal activity	Place of Business and operation	Proportion of ownership interest and voting rights held	
			2016	2015
First Global Data Corp.	Technology & Remittance	Canada	100%	100%
First Global Technologies Inc.	Technology Service Provider	Canada	100%	100%
First Global Data Corp.	Holding Company	USA	100%	100%
First Global Data (UK) Limited	Inactive	United Kingdom	100%	100%
First Global Money Inc.	Money Remitter	USA	100%	100%
First Global Money Guyana Inc.	Money Transmitter	Guyana	100%	100%
F1 Soft International PTE. LTD.	Technology Vendor	Singapore	70%	70%
MAG Services USA LLC	Retail Money Remitter	USA	90%	90%
Msewa Software Solution (P) Ltd.	Mobile Wallet	India	100%	100%
Connect First Inc.	Inactive	Guyana	100%	100%

25. CONTINGENCIES

On December 22, 2015 the Company assigned CAD 3,430,348 of Series G debentures to a public company (“Pubco”), and as announced in its press releases of January 21, 2016 and November 1, 2016. The Pubco had the authority to accept the Assignment. The Company is of the position that the Assignment was valid and that the Pubco is responsible for the repayment of the associated debentures. In the event that the Assignment is not serviced by Pubco, there is a possibility that the Company may be required to re-assume the Debentures. If the Company is required to re-assume the Debentures, the Company is of the opinion that the Debentures will not have a material impact on the operations of the Company.

The Company issued a Press Release on March 10, 2017 explaining this matter in further detail.

26. SUBSEQUENT EVENTS

26.1 The Company closed a non-brokered private placement in March 2017. The Company issued an aggregate of 14,290,359 units at a price of CAD 0.70 per unit for aggregate gross proceeds of CAD 10,003,251.

Each Unit is comprised of one (1) common share in the capital of the Company and one Common Share purchase warrant. Each Warrant entitles the holder thereof to purchase one Common Share at an exercise price of CAD 0.90 per share until March 22, 2020 - the Warrant Expiry Date.

The Company issued a Press Release on March 24, 2017 explaining this matter in further detail.

26.2 In April 2017, the Company has proposed to convert Debt held by lenders including Series G debenture holders amounting to CAD 2,315,836 into equity at the closing stock market price of the previous day to conversion date. The terms and conditions for this conversion are yet to be approved by the Board of Directors and subject to regulatory approval from the TSX Venture Exchange.

26.3 On November 21, 2016, the Company has agreed to convert the debt with 715 Manitoba amounting to $ 3,081,331 into equity of the Company by issuance of 22,330,000 units of the Company as discussed in Note 12.2 to this financial statements. In addition, the Company shall pay to the 715 Manitoba party an aggregate amount of CAD $2.1 million within 10 business days from the date the debt units are issued to the 715 Manitoba.

These units will be issued in year 2017 after regulatory approval from the TSX Venture Exchange.

26.4 On November 21, 2016, the Company has agreed to convert debt amounting to CAD $ 1,464,250 with various parties into equity of the into equity as discussed in Note 12.8 to this financial statements.

These shares will be issued in year 2017 after regulatory approval from the TSX Venture Exchange.

26.5 The company retired a debt amounting $ 400,000 which was bearing interest of 20% in 2017. Details of this debt are discussed in Note 12.4 of this financial statement.

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the current financial statements.