RIWI CORP.

FINANCIAL STATEMENTS

As at December 31, 2015 and 2014 and for the
years ended December 31, 2015 and 2014
(Expressed in Canadian Dollars)

RIWI CORP.

Management's Report

To the Shareholders of RIWI Corp.:

The financial statements have been prepared by management, on behalf of the Board, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates preparing these financial statements. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards.

Management, with the participation of the Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures and has concluded that such disclosure controls and procedures are effective. Management maintains appropriate systems of internal controls. Policies and procedures are designed to give reasonable assurance that transactions are properly authorised, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements. An independent firm of Chartered Professional Accountants are appointed by the Company's shareholders to give an opinion on the financial statements based on their audit outlined in their Auditor's Report.

"Neil Seeman." (Signed)
Neil Seeman
Chief Executive Officer

"Robert Pirooz" (Signed)
Robert Pirooz
Director

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Toronto, Ontario
April 19, 2016

KPMG LLP
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INDEPENDENT AUDITORS' REPORT

To the Shareholders of RIWI Corp.

We have audited the accompanying financial statements of RIWI Corp., which comprise the statement of financial position as at December 31, 2015, the statements of loss and comprehensive loss, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of RIWI Corp. as at December 31, 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards**.**

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 in the financial statements which indicates that RIWI Corp. has incurred significant losses and negative cash flows from operations and has an accumulated deficit. These conditions, along with other matters as set forth in Note 1 in the financial statements, indicate the existence of a material uncertainty that may cast significant doubt about RIWI Corp.'s ability to continue as a going concern.

Comparative Information

The financial statements of RIWI Corp. as at and for the year ended December 31, 2014 were audited by another auditor who expressed an unmodified opinion on those financial statements on May 14, 2015.

KPMG LLP

Chartered Professional Accountants

April 19, 2016
Vancouver, Canada

RIWI CORP.

Statement of Financial Position
December 31

		2015		2014
Assets				
Current				
Cash and cash equivalents	**$**	**210,063**	$	814,347
Accounts receivable (Note 5)		**103,788**		47,612
Prepaid expenses		**26,354**		-
		340,205		861,959
Property, plant and equipment (Note 6)		**-**		4,605
Intangible assets (Note 7)		**23,890**		25,423
	$	**364,095**	$	891,987
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**101,016**	$	50,279
Unearned revenue		**-**		23,202
		101,016		73,481
Shareholders' equity				
Common shares (Note 9)		**2,392,696**		2,390,553
Contributed surplus		**567,673**		274,755
Deficit		**(2,697,290)**		(1,846,802)
		263,079		818,506
	$	**364,095**	$	891,987

Nature and continuance of operations (Note 1)

Commitments (Note 15)

Subsequent events (Note 16)

Approved on behalf of the board of directors

"Neil Seeman"

Neil Seeman

"Robert Pirooz"

Robert Pirooz

The accompanying notes are an integral part of these financial statements

RIWI CORP.

Statement of Loss and Comprehensive Loss
Year ended December 31

		2015		2014
Sales	**$**	**755,765**	$	343,844
Expenses				
Technology costs		**504,440**		338,505
Sales and marketing		**47,259**		60,591
General and administrative		**973,342**		746,654
Total expenses		**1,525,041**		1,145,750
Loss before other expenses and income		**(769,276)**		(801,906)
Public listing application		**(83,141)**		-
Interest income		**1,929**		7,990
Net loss and comprehensive loss for the year	**$**	**(850,488)**	$	(793,916)
Net loss per share				
Basic and fully diluted	**$**	**(0.06)**	$	(0.05)
Weighted average number of common shares outstanding - basic and diluted				
Basic		**14,827,773**		14,827,148
Fully diluted		**14,827,773**		14,827,148

The accompanying notes are an integral part of these financial statements

RIWI CORP.

Statement of Cash Flows

For the year ended December 31

		2015		2014
Operating activities				
Net loss for the year	$	(850,488)	$	(793,916)
Items not involving cash				
Share based payments		19,941		-
Accretion of convertible debenture		9,464		-
Depreciation of property, plant and equipment		4,605		1,973
Amortization of intangible assets		1,534		1,154
Stock based compensation		263,512		99,274
		(551,432)		(691,515)
Changes in non-cash operating working capital				
Accounts receivable		(56,176)		67,755
Accounts payable and accrued liabilities		50,737		212
Prepaid expenses		(26,354)		-
Unearned revenue		(23,202)		23,202
		(606,427)		(600,346)
Investing activity				
Purchase of intangible assets		-		(3,960)
Purchase of property, plant and equipment		-		(3,731)
		-		(7,691)
Financing activities				
Proceeds from exercise of warrants		2,143		-
Proceeds on issuance of convertible debenture		280,000		-
Repayment of convertible debenture		(280,000)		-
		2,143		-
Change in cash during the year		(604,284)		(608,037)
Cash at beginning of the year		814,347		1,422,384
Cash at end of the year	$	210,063	$	814,347

The accompanying notes are an integral part of these financial statements

RIWI CORP.

Statement of Changes in Equity

(Expressed in Canadian Dollars)

	Common shares		Contributed surplus					
	Number (Note 9)	Amount (Note 9)	Stock Based Compensation Reserve	Warrant Reserve	Equity portion of convertible debenture	Total Reserves	Deficit	Total Equity
Balance at December 31, 2013	14,827,148	$ 2,390,553	$ 175,481	$ -	$ -	$ 175,481	$ (1,052,886)	$ 1,513,148
Stock based compensation	-	-	99,274	-	-	99,274	-	99,274
Net loss and comprehensive loss for the year	-	-	-	-	-	-	(793,916)	(793,916)
Balance at December 31, 2014	14,827,148	2,390,553	274,755	-	-	274,755	(1,846,802)	818,506
Stock based compensation	-	-	263,512	-	-	263,512	-	263,512
Fair market value of warrants	-	-	-	19,941	-	19,941	-	19,941
Warrants exercised	2,500	2,143	-	-	-	-	-	2,143
Issuance of convertible debenture	-	-	-	-	35,000	35,000	-	35,000
Redemption of convertible debenture	-	-	-	-	(25,535)	(25,535)	-	(25,535)
Net loss and comprehensive loss for the year	-	-	-	-	-	-	(850,488)	(850,488)
Balance at December 31, 2015	**14,829,648**	**$ 2,392,696**	**$ 538,267**	**$ 19,941**	**$ 9,465**	**$ 567,673**	**$ (2,697,290)**	**$ 263,079**

The accompanying notes are an integral part of these financial statements

1. NATURE AND CONTINUANCE OF OPERATIONS

RIWI Corp. (the "Company" or "RIWI") was incorporated August 17, 2009 and is domiciled in Ontario, Canada with the registered office located at 200 Burrard Street, Unit 1200, Vancouver, British Columbia, V7X 1T2. The Company is listed on the Canadian Securities Exchange ("CSE") under the symbol "RIW".

The Company's principal business and only operating segment is to provide intelligence using a proprietary digital survey platform called Random Domain Intercept Technology ("RDIT™"). The RDIT™ platform is able to generate intelligence that is of importance to customers through the conduct of digital surveys that are targeted at Web users located throughout the world. The information generated from these surveys enables the customers to make better informed business decisions and implement more effective business strategies.

These financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the year ended December 31, 2015, the Company incurred a loss of $850,488 (December 31, 2014 - $793,916), had an accumulated deficit of $2,697,290 (December 31, 2014 - $1,846,802) and has generated negative cash flows from operating activities since inception. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future. These conditions indicate a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. These financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and balance sheet classifications that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. Such adjustments could be material.

2. BASIS OF PRESENTATION

a) Statement of compliance

These financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"). These financial statements were authorized for issuance by the Board of Directors on April 19, 2016.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except for amounts that are measured at fair values as discussed in note 4.

c) Functional and presentation currency

These financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. BASIS OF PRESENTATION (continued)

d) Use of estimates and judgments

The preparation of the financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies regarding certain types of assets, liabilities, revenues and expenses in the preparation of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts are as follows:

- Going Concern

The Company has incurred losses to date and the Company's ability to execute its strategy by funding future working capital requirements requires judgment. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, such as expectations of future events that are believed to be reasonable under the circumstances.

- Assets' carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value of assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual

2. BASIS OF PRESENTATION (continued)

d) Use of estimates and judgments (continued)

- Income taxes and recoverability of potential deferred tax assets (continued)

facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

- Measurement of share-based compensation

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance.

- Convertible debentures

Management estimated the fair value of the debt component of the convertible debentures by determining the estimated timing of future debt and interest payments pursuant to the terms of the debt agreement and a discount rate equal to the estimated rate of return for a similar debt instrument but having no conversion features. The amount allocated to the debt and equity components would vary with changes in the estimated cash flows and the discount rate.

3. SUMMARY OF ACCOUNTING POLICIES

a) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument to another entity. Upon initial recognition all financial instruments, including derivatives, are recognized on the balance sheet at fair value. Subsequent measurement is then based on the financial instruments being classified into one of the following categories: fair value through the Statement of Loss and Comprehensive Loss, held-to-maturity, loans and receivables, available-for-sale and other liabilities. The Company has designated its financial instruments into the following categories applying the indicated measurement methods:

Financial Instruments	Category	Measurement Method
Cash and cash equivalents	Loans and receivables	Amortized cost
Accounts receivable	Loans and receivables	Amortized cost
Accounts payable and accrued liabilities	Other liabilities	Amortized cost
Convertible debenture	Other liabilities	Amortized cost

The Company will assess at each reporting period whether any financial assets are impaired. An impairment loss, if any is recorded on the Statement of Loss and Comprehensive Loss.

b) Cash

Cash consists of cash held on deposit in bank accounts. Cash equivalents are classified as short-term investments that have maturity dates of three months or less from the date of purchase, or they are redeemable prior to maturity. As at December 31, 2015 cash equivalents consisted of Guaranteed Investment Certificates of $nil (December 31, 2014 - $619,397).

c) Property, plant and equipment

Property, plant and equipment is recorded at cost less accumulated depreciation and impairment losses. Depreciation is recorded on a declining balance basis at a rate of 30%.

d) Intangible assets

The costs of acquiring intangible assets, consisting patents, are capitalized. Costs are amortized over the estimated useful life of the intangible asset.

3. SUMMARY OF ACCOUNTING POLICIES (continued)

e) Impairment

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. 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. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the Statement of Loss and Comprehensive Loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that 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 the Statement of Loss and Comprehensive Loss.

f) Revenue

Revenue generated from surveys is recognized when the survey is complete and collection of the revenue is reasonably assured. Customers typically pay an up-front deposit for a portion of the total expected fees which is reported as unearned revenue and is recognized as revenue when the project is complete.

g) Stock-based compensation

The Company grants stock options to directors, officers and employees. The fair value of stock options is measured on the grant date, using the Black-Scholes option pricing model and is recognized over the vesting period of the related options. Consideration paid for the shares on the exercise of stock options is credited to share capital.

h) Foreign currency translation

Transactions in foreign currencies are translated to the Company's functional currency at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated to the Company's functional currency at the period end exchange rate. Non-monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the date of the transaction. Foreign currency differences arising on translation are recognized in the Statement of Loss and Comprehensive Loss.

3. SUMMARY OF ACCOUNTING POLICIES (continued)

i) Income taxes

Income tax expense represents the sum of current tax expense and deferred tax expense. Current tax expense is based on the taxable profits for the year. Income tax is recognized in the Statement of Loss and Comprehensive Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are recognized based on differences in the financial statement carrying amount for assets and liabilities and the associated tax balance.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Temporary differences are not provided for goodwill not deductible for tax purposes, the initial recognition of assets or liabilities that affect neither accounting nor taxable loss and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

Deferred tax assets are generally recognized for all deductible temporary differences, unused tax credits carried forward and unused tax losses to the extent that it is probable that there will be taxable profits against which deductible temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, when they relate to income taxes levied by the same taxation authority and when the Company intends to settle its current tax assets and liabilities on a net basis.

j) Convertible debentures

Convertible debentures with a conversion feature classified as equity are bifurcated into a debt component and an equity component. Management estimates the debt component by determining the estimated timing of future debt and interest payments pursuant to the terms of the debt agreement and a discount rate equal to the estimated rate of return for a similar debt instrument but having no conversion features. The residual amount is allocated to the equity component.

k) Loss per share

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

3. SUMMARY OF ACCOUNTING POLICIES (continued)

l) Recently issued accounting pronouncements

Certain pronouncements were issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods after the date of these financial statements.

(a) IFRS 9, Financial Instruments ("IFRS 9")

IFRS 9 replaces the guidance in IAS 39 Financial Instruments: Recognition and Measurement, on the classification and measurement of financial assets. The Standard eliminates the existing IAS 39 categories of held to maturity, available-for-sale and loans and receivable. Financial assets will be classified into one of two categories on initial recognition, financial assets measured at amortized cost or financial assets measured at fair value. Gains and losses on re-measurement of financial assets measured at fair value will be recognized in the Statement of Loss and Comprehensive Loss, except that for an investment in an equity instrument which is not held-for-trading, IFRS 9 provides, on initial recognition, an irrevocable election to present all fair value changes from the investment in other comprehensive income (OCI). IFRS 9 is effective for periods beginning on or after January 1, 2018. The Company is evaluating the potential impacts of IFRS 9 on the Company's financial statements.

(b) IFRS 15, Revenue from Contracts with Customers ("IFRS 15")

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 is effective for periods beginning on or after January 1, 2018 and is to be applied retrospectively. IFRS 15 clarifies the principles for recognizing revenue from contracts with customers. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (i.e. service revenue and contract modifications) and improve guidance for multiple-element arrangements. The Company intends to adopt IFRS 15 in its financial statements for the annual period beginning January 1, 2018, and may consider earlier adoption. The extent of the impact of adoption of IFRS 15 has not yet been determined.

(c) IFRS 16, Leases ("IFRS 16)

In January 2016, the IASB issued IFRS 16, Leases. This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of a low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The mandatory effective date of IFRS 16 is for annual periods beginning on or after January 1, 2019. The Company is currently evaluating the impact of IFRS 16 on its consolidated financial statements.

4. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

The categories of the fair value hierarchy that reflect the significance of inputs used in making fair value measurements are as follows:

Level 1 – quoted prices in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted market prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 – inputs for the asset or liability that are not based on observable market data.

At December 31, 2015 and December 31, 2014, there were no financial assets and liabilities measured and recognized at fair value on a recurring basis.

The Company's policy for determining when a transfer occurs between levels in the fair value hierarchy is to assess the impact at the date of the event or the change in circumstances that could result in a transfer. There were no transfers between Level 1, Level 2 and Level 3 during the twelve months ended December 31, 2015 (December 31, 2014 - none) .

a) Cash and cash equivalents, trade and other receivables and trade and other payables

The fair value of cash and cash equivalents, trade and other receivables and trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the reporting date. At December 31, 2015 and December 31, 2014, the fair value of these balances approximated their carrying amount due to their short term to maturity.

b) Stock options and warrants

The fair value of stock options and warrants are measured using the Black-Scholes pricing model. Measurement inputs include share price on measurement date, exercise price of the instrument, expected forfeiture rate (based on historic forfeitures), expected volatility (based on the historical volatility of similar sized companies due to a lack of historical data of the Company's stock price), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk-free interest rate (based on government bonds).

(Expressed in Canadian Dollars)

5. ACCOUNTS RECEIVABLE

The Company's receivables are as follows:

		December 31, 2015		December 31, 2014
Input tax credits	$	7,993	$	15,047
Trade receivables		95,795		32,565
	$	103,788	$	47,612

6. PROPERTY, PLANT AND EQUIPMENT

		Office furniture and equipment
Asset cost		
Balance December 31, 2013	$	2,847
Additions		3,731
Balance December 31, 2014		6,578
Additions		-
Balance December 31, 2015	$	6,578

		Office furniture and equipment
Accumulated depreciation		
Balance December 31, 2013	$	-
Depreciation		(1,973)
Balance December 31, 2014		(1,973)
Depreciation		(4,605)
Balance December 31, 2015	$	(6,578)

		Office furniture and equipment
Carrying amounts		
Balance December 31, 2014	$	4,605
Balance December 31, 2015	$	-

(Expressed in Canadian Dollars)

7. INTANGIBLE ASSETS

		Patents
Asset cost		
Balance December 31, 2013	$	22,684
Additions		3,960
Balance December 31, 2014		26,644
Additions		-
Balance December 31, 2015	$	26,644

		Patents
Accumulated amortization		
Balance December 31, 2013	$	(67)
Amortization		(1,154)
Balance December 31, 2014		(1,221)
Amortization		(1,533)
Balance December 31, 2015	$	(2,754)

		Total
Carrying amounts		
Balance December 31, 2014	$	25,423
Balance December 31, 2015	$	23,890

Intangible assets consist of a patent and a patent application.

US Patent #8,069,078 relates to a method of obtaining a representative online polling sample that is intended to substantially eliminate coverage bias from the sample. The patent was filed in 2007 and expires in 2027.

During the year ended December 31, 2014 the Company filed patent application #14/483,639 with the US Patent Office. The patent application relates to systems and methods of inferential demographic analytics on potential survey respondents when using online intercept polls.

8. CONVERTIBLE DEBENTURE

On August 7, 2015 the Company issued a convertible debenture to a Director of the Company in exchange for proceeds of $280,000. The convertible debenture was bearing interest at 3.5% per annum and was convertible into common shares at a conversion price of $0.50 per common share at the option of the Company.

Upon issuance of the convertible debenture, the liability component of the convertible debenture was recognized initially at the fair value of a similar liability that does not have an equity conversion feature. The fair value of the conversion feature was determined at the time of issuance as the difference between the principal value of the convertible debenture and the present value of the note using an interest rate of 15% based on the estimated rate for debt with similar terms but having no conversion features at the issue date.

The difference between the original principal value of the convertible debenture of $280,000 and the fair value of $245,000, calculated using an interest rate of 15%, was recorded as equity. The discount on the convertible debenture of $35,000 is accreted over the term of the convertible debenture such that the liability portion of the convertible debenture at maturity will equal the face value of the convertible debenture.

In November, 2015 the convertible debenture was repaid in full. The Company recorded $9,464 in interest expense from issuance to repayment using an interest rate of 15%. On repayment, the fair value of the note payable approximated its carrying value. The difference between the principal value repaid and the fair value of $254,464 on repayment, was recorded as a reduction to the initial equity portion.

(Expressed in Canadian Dollars)

9. CAPITAL STOCK

a) Authorized: unlimited number of common shares without par value

b) Common shares issued and outstanding: December 31, 2015 - 14,829,648 (December 31, 2014 - 14,827,148).

On February 11, 2015, the Company completed a stock dividend issuing 13 common shares for each common share outstanding. All shares and per share amounts have been retroactively restated to give effect to this issuance.

c) On March 18, 2015, the Company issued 70,000 share purchase warrants (“warrants”) for financial advisory services. Each warrant is exercisable to purchase one common share of the Company until March 15, 2020 at $0.8571 per share. The warrants have a fair value, calculated using the Black-Scholes option pricing model, of $19,941 assuming an expected life of 2.5 years, a risk-free interest rate of 0.58%, an expected dividend rate of 0.0%, and an expected annual volatility of 60%. In October 2015, 2,500 warrants were exercised for proceeds of $2,143.

10. STOCK OPTIONS

The Company has a stock option plan under which it is authorized to grant options to directors, employees and consultants enabling them to acquire in aggregate up to 20% of the issued and outstanding common shares of the Company. Under the plan, the exercise price of each option equals the market price, minimum price, or a discounted price of the Company's shares as calculated on the date of grant. The options can be granted for a maximum term of 10 years and are subject to vesting provisions as determined by the Board of Directors of the Company. Stock option transactions and the number of stock options outstanding are summarized as follows:

	December 31, 2015		December 31, 2014	
	Number	Weighted average price	Number	Weighted average price
Outstanding, beginning of period	1,534,400	$0.296	1,534,400	$0.296
Granted	819,000	$0.857	-	-
Outstanding, end of period	2,353,400	$0.491	1,534,400	$0.296
Exercisable, end of period	1,697,131	$0.467	1,091,776	$0.296
Options reserved for issuance under stock option plan	2,965,930		2,965,430	

The weighted average remaining contractual life of options outstanding at December 31, 2015 is 2.6 years (December 31, 2014 – 2.8 years).

(Expressed in Canadian Dollars)

10. STOCK OPTIONS (continued)

The following assumptions were used for the Black-Scholes valuation of the share options granted during the years ended December 31, 2015 and 2014:

	December 31, 2015	December 31, 2014
Risk free interest rate	0.58%	N/A
Expected life	2.5 – 5 years	N/A
Annualized volatility	60%	N/A
Dividend rate	-	N/A
Forfeiture rate	10%	N/A

For the twelve months ended December 31, 2015, the Company recorded stock based compensation expense, with a corresponding credit to reserves of $263,512 (December 31, 2014 $99,274). The total fair value of the stock options granted during the twelve months ended December 31, 2015 was $235,037 (December 31, 2014 - $Nil).

11. INCOME TAXES

The following table reconciles the expected income tax expense (recovery) at the Canadian statutory income tax rates to the amounts recognized in the Statement of Loss and Comprehensive Loss for the years ended December 31, 2015 and 2014:

	December 31, 2015	December 31, 2014
Loss for the year	$ (850,488)	$ (793,916)
Statutory income tax rate	26.5%	26.5%
Expected tax recovery	(225,379)	(210,388)
Non-deductible items	3,125	588
Change in estimates	691	9,938
Share issuance costs	75,115	26,308
Change in deferred tax asset not recognized	146,448	173,554
Total income tax expense (recovery)	$ -	$ -

(Expressed in Canadian Dollars)

11. INCOME TAXES (continued)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax assets at December 31, 2015 and 2014 are comprised of the following:

	December 31, 2015	December 31, 2014
Non-capital loss carry forwards	$ 498,303	$ 372,511
Intangible assets and property, plant & equipment	5,489	4,487
Donation	-	66
Financing costs	22,250	2,530
	$ 526,042	379,594
Deferred tax asset not recognized	$ 526,042	379,594
Net Deferred tax asset (liability)	$ -	$ -

The Company has non capital loss carryforwards of approximately $1,880,390 (2014: $1,405,702) which may be carried forward to apply against future year income tax for Canadian income tax purposes, subject to the final determination by taxation authorities, expiring in the following years:

2031	$ 311,609
2032	403,883
2033	690,210
2034	316,459
2035	158,229
	$1,880,390

(Expressed in Canadian Dollars)

12. EXPENSES BY NATURE

The Company has chosen to present its Statement of Loss and Comprehensive Loss based on the functions of the entity. The Statement of Loss and Comprehensive Loss include the following costs by nature:

For the year ended		December 31, 2015		December 31, 2014
Short term wages and benefits	$	628,132	$	536,545
Stock based compensation		263,512		99,274
Included in general and administrative expenses	$	891,644	$	635,819

13. RELATED PARTY TRANSACTIONS

a) Related Party Transactions

Included in technology costs are consulting fees to the Company's CTO in the amount of $144,000 (December 31, 2014 - $144,000).

Included in technology costs are consulting fees to a company controlled by a Director of the Company in the amount of $28,100 (December 31, 2014 - $NIL). Included in accounts payable and accrued liabilities at December 31, 2015 is $13,560 (Dec. 31, 2014 - $13,560) due to related parties for consulting fees.

During the year ended December 31, 2015 a company controlled by a Director of the Company loaned $280,000 to the Company in exchange for a convertible debenture bearing interest at 3.5% per annum, maturing August 7, 2016 (Note 8). The convertible debenture was repaid in November, 2015.

b) Management Compensation

The Company's management personnel have authority and responsibility for overseeing, planning, directing and controlling the activities of the Company and consist of the Company's Board of Directors and the Company's Executive Leadership Team. The Executive Leadership Team consists of the CEO, President, CTO, and CFO.

Total compensation expense for management personnel and directors and the composition thereof is:

For the year ended		December 31, 2015		December 31, 2014
Short term wages and benefits	$	333,544	$	288,000
Stock based payment reserve		170,013		99,274
Included in general and administrative expenses	$	503,557	$	387,274

(Expressed in Canadian Dollars)

14. FINANCIAL RISK MANAGEMENT

a) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company's accounts receivable are due from customers and the Government of Canada for input tax credits and are subject to normal credit risk. The following table provides information regarding the aged trade receivables as at December 31, 2015:

	Current	31-60 days	61-90 days	91 days +
December 31, 2015	72%	1%	12%	15%
December 31, 2014	0%	0%	40%	60%

Allowance for Doubtful Accounts

At each period end, the Company reviews the collectability of outstanding receivables. The specific accounts are only written off once all the collection avenues have been explored or when legal bankruptcy has occurred. The following is a reconciliation of the allowance account:

Reconciliation of the allowance for doubtful accounts	December 31, 2015	December 31, 2014
Balance, beginning of the period	$ 8,884	$ 8,884
Change in provision	7,111	-
Balance, end of period	$ 15,995	$ 8,884

The following table identifies the percentage of trade accounts receivable from individual customers comprising 10% or more of the Company's trade receivables:

	December 31, 2015	December 31 2014
Customer A	0%	14%
Customer B	0%	26%
Customer C	0%	29%
Customer D	0%	10%
Customer E	49%	0%

During the year ended December 31, 2015 and 2014, there were two customers that individually accounted for more than 10% of our revenue. In 2015, these two customers accounted for 11% and 31% of our revenue (2014 – 12% and 25%).

14. FINANCIAL RISK MANAGEMENT (continued)

b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they are due. The Company has in place a planning and budgeting process which helps determine the funds required to ensure the Company has the appropriate liquidity to meet its operating and growth objectives.

The Company's financial liabilities consist of accounts payable and accrued liabilities and consist of invoices payable to trade suppliers for internet traffic, general and administrative and other expenses and are paid within one year.

The Company expects to fund these liabilities through the use of existing cash resources and funds raised through equity financings.

c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Company's net earnings or the value of financial instruments. The objective of the Company is to manage and mitigate market risk exposures within acceptable limits, while maximizing returns.

(i) Interest rate risk

The Company has cash balances and no interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates issued by its banking institutions. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banks. As of December 31, 2015 the Company had invested $nil (December 31, 2014 - $619,397) in short-term guaranteed investment certificates.

(ii) Foreign currency risk

The Company's activities are conducted in foreign jurisdictions and a portion of the Company's cash is denominated in US dollars (USD). The Company has not entered into foreign exchange rate contracts to mitigate this risk.

At December 31, 2015, financial instruments were converted at a rate of $1.00 Canadian to US$0.7225. Cash and cash equivalents on hand at December, 2015 in home currency were as follows:

		CAD		USD
Cash and cash equivalents	$	133,297	$	96,307

The estimated impact on net earnings at December 31, 2015 with a +/- 10% change in foreign exchange rates is approximately $15,000 (December 31, 2014 - $20,000).

RIWI CORP.

Notes to the Financial Statements
For the Twelve Months Ended December 31, 2015
(Expressed in Canadian Dollars)

14. FINANCIAL RISK MANAGEMENT (continued)

d) Capital management

The Company's capital is defined to be shareholders' equity. The Company's objective in managing capital is to ensure it has adequate working capital to meet day to day needs and access to sources of capital sufficient to finance its operations and to make planned capital expenditures or capital acquisitions as opportunities present themselves. The Company manages its capital structure and makes changes to it in light of changes in economic conditions, anticipated or planned capital expenditures, opportunities for acquisitions and the risk characteristics of the underlying investments.

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

15. COMMITMENTS

The Company currently has an office space lease commitment of $3,500 per month. The lease expires on August 31, 2016.

16. SUBSEQUENT EVENTS

In January 2016, 60,000 warrants were exercised for gross proceeds of $51,426. In February 2016, 2,000 warrants were exercised for gross proceeds of $1,714.

On March 2, 2016 the Company completed a non-brokered private placement and issued 403,356 common shares at $2.78 per share for gross proceeds of $1,121,329.

On March 3, 2016 the Company granted 150,000 stock options to a consultant and officer of the Company at an exercise price of $2.51 per share expiring on March 3, 2021.