

IGEN NETWORKS CORP
Form 10-Q
August 18, 2011

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549 FORM 10-Q

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2011

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File No. 333-141875

IGEN Networks Corp.
(Formerly 'Sync2 Entertainment Corporation')
(Name of Small Business Issuer in its Charter)

Nevada
(State or Other Jurisdiction of
incorporation or organization)

20-5879021
(I.R.S. Employer
Identification No.)

1100 H Street NW, Suite 920, Washington, DC, 20005
(Address of principal executive offices) (Zip Code)

(Registrant's telephone number including area code) 202-507-3391

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Edgar Filing: IGEN NETWORKS CORP - Form 10-Q

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
x

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes No x

The number of shares of common stock, par value \$.001 per share, outstanding as of August 12, 2011 was 11,436,427.

Table of Contents

TABLE OF CONTENTS

	Page
Part I. FINANCIAL INFORMATION	
Item 1. <u>Financial Statements</u>	F1 - F11
Item 2. <u>Management's Discussion and Analysis or Plan of Operation</u>	3
Item 3. <u>Quantitative and Qualitative Disclosures about Market Risk</u>	10
Item 4. <u>Controls and Procedures</u>	10
Part II. OTHER INFORMATION	
Item 1. <u>Legal Proceedings</u>	11
Item 2. <u>Sales of Unregistered Securities</u>	11
Item 3. <u>Defaults Upon Senior Securities</u>	11
Item 4. <u>Submission of Matters to a Vote of Security Holders</u>	11
Item 5. <u>Other Information</u>	11
Item 6. <u>Exhibits</u>	11
<u>SIGNATURES</u>	12

Table of Contents

Item 1. Financial Statements

The Company's interim financial statements for the three and six months ended June 30, 2011 are included herewith.

IGEN NETWORKS CORP.
Financial Statements
For the Three and six Months ended June 30, 2011
(Unaudited)

Table of Contents

IGEN NETWORKS CORP.
(A Development Stage Company)
Balance Sheets
(expressed in U.S. dollars)

	(Unaudited) June 30, 2011	(Audited) December 31, 2010
Assets		
Current		
Cash and cash equivalents	\$ 5,780	\$ 746
	5,780	746
Investment: Technology License (note 3)	1,767,000	1,767,000
Total Assets	\$ 1,772,780	\$ 1,767,746
Liabilities and Shareholder's Equity		
Current liabilities		
Accounts payable	\$ 234,696	\$ 173,378
Accrued liabilities	1,500	10,000
Shareholder's loans	199,770	204,954
Due to related party (note 5)	321,088	287,000
	757,054	675,332
Shareholders' Equity (Deficit)		
Capital Stock (note 4)		
Authorized - 375,000,000 common shares with \$0.001 par value		
Issued and outstanding - 11,436,427	11,436	11,436
Additional paid-in capital	4,480,770	4,480,770
Deficit accumulated during the development stage	(3,476,480)	(3,399,792)
	1,015,726	1,092,414
	\$ 1,772,780	1,767,746

Approved on Behalf of the Board

"Monty Ormsby" Director

"Richard Gilbertson" Director

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

Table of Contents

IGEN NETWORKS CORP.
(A Development Stage Company)
Statements of Operations
(expressed in U.S. dollars)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,		November 14, 2006 (Date of Inception) to June 30, 2011
	2011	2010	2011	2010	
REVENUE	\$0	\$0	\$0	\$0	\$0
EXPENSES					
Advertising	0	0	0	-	20,000
Business development	25,000	770,000	65,500	869,000	1,413,929
Management fees	0	577,500	0	610,500	933,000
Professional fees	2,000	3,532	4,500	29,842	220,241
Stock based compensation	0	0	0	0	716,656
Transfer agent and filing	3,476	13,863	7,488	16,534	27,718
Travel and accommodation	0	16,246	390	16,246	81,559
General and administrative	97	10,635	146	13,395	44,713
Total Expenses	30,573	1,391,776	78,024	1,555,517	3,457,816
Net loss from Operations before Other Items:	(30,573)	(1,391,776)	(78,024)	(1,555,517)	(3,457,816)
Foreign exchange	1,336	0	1,336	0	1,336
Interest on debt	0	0	0	0	(20,000)
Net loss before income tax	(29,237)	(1,391,776)	(76,688)	(1,555,517)	(3,476,480)
Provision for income tax	0	0	0	0	0
Net Loss	\$(29,237)	\$(1,391,776)	\$(76,688)	\$(1,555,517)	\$(3,476,480)
Basic and diluted loss per share	\$(0.00)	\$(0.16)	\$(0.01)	\$(0.22)	
Weighted average number of shares outstanding	11,436,427	8,869,786	11,436,427	7,184,506	

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

Table of Contents

IGEN NETWORKS CORP.
(A Development Stage Company)
Statements of Cash Flows
(expressed in U.S. dollars)
(unaudited)

	Six Months Ended June 30, 2011	Six Months Ended June 30, 2010	Cumulative Totals from Inception November 14, 2006 to June 30, 2011
Cash Flows from Operating Activities			
Net loss	\$(76,688)	\$(1,555,517)	\$(3,476,480)
Adjustments to reconcile net loss to net cash provided by (used in) operations:			
Increase (decrease) in accounts payable and accrued liabilities	52,818	(348,798)	236,196
Increase (decrease) in shareholder's loans	(5,184)	75,737	199,770
Shares issued for services	-	1,479,500	1,859,500
Shares issued for settlement of debt	-	195,000	195,000
Stock-based compensation	-	-	716,656
Net cash used in operating activities	(29,054)	(154,078)	(269,358)
Cash Flows from Investing Activities			
Acquisition of technology license	-	(50,000)	(467,000)
Net cash provided from investing activities	-	(50,000)	(467,000)
Cash Flows from Financing Activities			
Common stock issued for cash	-	210,000	421,050
Proceeds received from loans - related parties	34,088	-	321,188
Payments made on loans - related parties	-	-	(100)
Net cash provided by financing activities	34,088	210,000	742,138
Net Increase (Decrease) in cash	5,034	5,922	5,780
Cash, Beginning of Period	746	33	-
Cash, End of Period	\$5,780	\$5,955	\$5,780
Supplemental Cash Flow Information			
Cash paid for interest	\$-	\$-	\$-
Cash paid for income taxes	\$-	\$-	\$-
Non-cash operating, financing and investing activities			
Shares issued for services	\$-	\$1,479,500	\$1,859,500
Shares issued for technology	\$-	\$1,300,000	\$1,300,000
Shares issued for settlement of debt	\$-	\$195,000	\$195,000

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

F-3

Table of Contents

IGEN NETWORKS CORP.

(A Development Stage Company)

Statement of Stockholder's Equity (Deficit)

(expressed in U.S. dollars)

(unaudited)

	Common Stock		Additional	Deficit Accumulated During the Development Stage	Total Stockholders' Equity (Deficit)
	Shares	Amount	Paid-in-capital		
Balance from inception November 14, 2006	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock issued for cash - November 14, 2006	853,300	853	16,197	-	17,050
Common stock issued for cash - November 20, 2006	2,200	2	43,998	-	44,000
Net loss	-	-	-	(1,288)	(1,288)
Balance December 31, 2006	855,500	855	60,195	(1,288)	59,762
Net loss	-	-	-	(46,112)	(46,112)
Balance December 31, 2007	855,500	855	60,195	(47,400)	13,650
Net loss	-	-	-	(46,414)	(46,414)
Balance December 31, 2008	855,500	855	60,195	(93,814)	(32,764)
Net loss	-	-	-	(322,577)	(322,577)
Balance December 31, 2009	855,500	855	60,195	(416,391)	(355,341)
Common shares issued for services on February 15, 2010 at \$0.06 per share	2,200,000	2,200	129,800	-	132,000
Common shares issued for debt on February 15, 2010 at \$0.06 per share	3,250,000	3,250	191,750	-	195,000
Common shares issued for technology (in-trust) on March	3,000,000	3,000	(3,000)	-	-

Edgar Filing: IGEN NETWORKS CORP - Form 10-Q

30, 2010 at \$nil per share

Common shares issued for technology on April 13, 2010 at \$0.65 per share	2,000,000	2,000	1,298,000	-	1,300,000
Common shares issued for cash on May 10, 2010 at \$0.60 per share	350,000	350	209,650	-	210,000
Cancel and return to treasury, shares held (in-trust) on May 25, 2010 at \$nil per share	(3,000,000)	(3,000)	3,000	-	-
Common shares issued for services on May 27, 2010 at \$0.77 per share	1,750,000	1,750	1,345,750	-	1,347,500
Common shares issued for services on July 5, 2010 at \$0.50 per share	200,000	200	99,800	-	100,000
Common shares issued for services on July 8, 2010 at \$0.50 per share	500,000	500	249,500	-	250,000
Incentive stock options granted on July 15, 2010 at a \$0.70 exercise price	-	-	716,656	-	716,656
Common shares issued for cash on Sep 17, 2010 at \$0.50 per share	300,000	300	149,700	-	150,000
Common shares issued for services on Nov 22, 2010 at \$0.97 per share	30,927	31	29,969	-	30,000
Net loss	-	-	-	(2,983,401)	(2,983,401)
Balance December 31, 2010	11,436,427	\$ 11,436	\$ 4,480,770	\$ (3,399,792)	\$ 1,092,414
Net loss	-	-	-	(76,688)	(76,688)
Balance June 30, 2011	11,436,427	\$ 11,436	\$ 4,480,770	\$ (3,476,480)	\$ 1,015,726

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

Table of Contents

IGEN Networks Corp
(A Development Stage Company)
Notes to Financial Statements
For the Six Months ended June 30, 2011
(expressed in U.S. dollars)

1. Nature and Continuance of Operations

IGEN Networks Corp. (the “Company”) was incorporated in the State of Nevada on November 14, 2006. The Company has been in the development stage since its formation and has not yet realized any revenue from its planned operations. The Company’s principal business is providing high-speed Internet, Phone and Data services to rural communities.

These financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The Company has not generated any revenues since inception, has never paid any dividends and is unlikely to pay dividends or generate earnings in the immediate or foreseeable future. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders and the ability of the Company to obtain necessary equity financing to continue operations and to develop and expand its broadband licensed technology. As at June 30, 2011 the Company has a working capital deficit of \$751,274 (December 2010 - \$674,586) and has accumulated losses of \$3,476,480 (December 2010 - \$3,399,792) since inception. These factors raise substantial doubt regarding the Company’s ability to continue as a going concern. Management has plans to seek additional capital through a private placement of its common stock and possible loans from related parties to fund operation over the next twelve months.

Although there are no assurances that management’s plans will be realized, management believes that the Company will be able to continue operations in the foreseeable future. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. Summary of Significant Accounting Policies

a) Basis of Presentation and Consolidation

The accompanying unaudited financial statements of the Company have been prepared in conformance with accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the disclosures required by generally accepted accounting principles in the United States for complete financial statements. In the opinion of management, all of the normal and recurring adjustments necessary to fairly present the interim financial information set forth herein have been included. These interim financial statements should be read in conjunction with the financial statements and related footnotes included in the Annual Report on Form 10-K of the Company for the year ended December 31, 2010. These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States expressed in US dollars and in management’s opinion have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

b) Use of Estimates

The preparation of these financial statements in conformity with accounting principles generally accepted in the US requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions

related to donated expenses, and deferred income tax asset valuations. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

F-5

Table of Contents

IGEN Networks Corp
(A Development Stage Company)
Notes to Financial Statements
For the Six Months ended June 30, 2011
(expressed in U.S. dollars)

2. Summary of Significant Accounting Policies (continued)

c) Basic and Diluted Net Income (Loss) Per Share

Basic earnings per share are computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted earnings per share give effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted earnings per share, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted earnings per share exclude all dilutive potential shares if their effect is anti-dilutive. Because the effect of conversion of the Company's dilutive securities is anti-dilutive, diluted loss per share is the same as basic loss per share for the periods presented.

d) Financial Instruments

In 2008, the Company adopted FASB ASC 820-10-50, "Fair Value Measurements". This guidance defines fair value, establishes a three-level valuation hierarchy for disclosures of fair value measurement and enhances disclosure requirements for fair value measures. The three levels are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the assets or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to valuation methodology are unobservable and significant to the fair measurement.

The fair values of cash, accounts payable and accrued liabilities and shareholder's loans approximate their carrying values due to the immediate or short-term maturity of these financial instruments. Foreign currency transactions are primarily undertaken in Canadian dollars. The financial risk is the risk to the Company's operations that arise from fluctuations in foreign exchange rates and the degree of volatility to these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk. Financial instrument that potentially subject the Company to concentrations of credit risk consists of cash. The Company places its cash in what it believes to be credit-worthy financial institutions.

e) Foreign Currency Transactions/Balances

The Company's functional currency is the United States dollar and these financial statements are presented in United States dollar unless otherwise stated. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary items are translated at historical exchange rates, except for items carried at market value, which are translated at the rate of exchange in effect at the balance sheet date. Revenues and expenses are translated at average rates of exchange during the year. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income. Foreign currency transactions are primarily undertaken in Canadian dollars. The Company has not, to the date of these financial statements, entered into derivative instruments to offset the impact of foreign

currency fluctuations.

F-6

Table of Contents

IGEN Networks Corp
(A Development Stage Company)
Notes to Financial Statements
For the Six Months ended June 30, 2011
(expressed in U.S. dollars)

2. Summary of Significant Accounting Principles (continued)

f) Income Taxes

The Financial Accounting Standards Board (FASB) has issued FASB ASC 740-10. FASB ASC 740-10 clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements in accordance with prior literature FASB Statement No. 109, Accounting for Income Taxes. This standard requires a company to determine whether it is more likely than not that a tax position will be sustained upon examination based upon the technical merits of the position. If the more likely than not threshold is met, a company must measure the tax position to determine the amount to recognize in the financial statements. As a result of the implementation of this standard, the Company performed a review of its material tax positions in accordance with recognition and measurement standards established by FASB ASC 740-10.

Deferred taxes are provided on a liability method whereby operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable or deductible temporary. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax basis. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

g) Changes in Accounting Policies and Recent Accounting Pronouncements

In June 2009, the FASB issued FASB ASC 105, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162". Under FASB ASC 105 the "FASB Accounting Standards Codification" ("Codification") will become the source of authoritative US GAAP to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission ("SEC") under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. The Codification became effective for financial statements issued for interim and annual periods ending after September 15, 2009. The Codification supersedes all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. The Company changed the Company's references to U.S. GAAP accounting standards but did not impact the Company's results of operations, financial position or cash flows.

In June 2009, the Securities and Exchange Commission's Office of the Chief Accountant and Division of Corporation Finance announced the release of Staff Accounting Bulletin (SAB) No. 112. This staff accounting bulletin amends or rescinds portions of the interpretive guidance included in the Staff Accounting Bulletin Series in order to make the relevant interpretive guidance consistent with current authoritative accounting and auditing guidance and Securities and Exchange Commission rules and regulations. Specifically, the staff is updating the Series in order to bring existing guidance into conformity with recent pronouncements by the Financial Accounting Standards Board, namely, Statement of Financial Accounting Standards No. 141 (revised 2007) (ASC Topic 805), Business Combinations, and Statement of Financial Accounting Standards No. 160 (ASC Topic 810), Non-controlling Interests in Consolidated Financial Statements. The statements in staff accounting bulletins are not rules or interpretations of the Commission, nor are they published as bearing the Commission's official approval. They represent interpretations and practices

followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the Federal securities laws.

F-7

Table of Contents

IGEN Networks Corp
(A Development Stage Company)
Notes to Financial Statements
For the Six Months ended June 30, 2011
(expressed in U.S. dollars)

2. Summary of Significant Accounting Principles (continued)

In April 2009, an update was made to the FASB ASC 820, “Fair Value Measurements and Disclosures”, that provides additional guidance for estimating fair value when the volume and level of activity for the assets or liability have significantly decreased. This update is effective for interim and annual periods ending after June 15, 2009.

The adoption of this guidance did not impact the Company’s results of operations, financial position or cash flows.

In April 2009, an update was made to FASB ASC 825, “Financial Instruments”, which requires a publicly traded company to include disclosures about the fair value of its financial instruments whenever it issues summarized financial information for interim reporting periods. This update is effective for interim reporting periods ending after June 15, 2009. The adoption of this guidance did not impact the Company’s results of operations, financial position or cash flows.

In May 2009, the FASB announced the issuance of FASB ASC 855, “Subsequent Events”, formerly referenced as SFAS No. 165, Subsequent Events. FASB ASC 855 should not result in significant changes in the subsequent events that an entity reports. Rather, FASB ASC 855 introduces the concept of financial statements being available to be issued.

Financial statements are considered available to be issued when they complete in a form and format that complies with generally accepted accounting principles (GAAP) and all approvals necessary for issuance have been obtained. The Company has already adopted this policy and its full disclosure is included in Note 8.

In April 2010, the FASB issued Accounting Standards Update 2010-13, “Compensation – Stock Compensation (ASC 718)”, which addresses the classification of an employee share-based payment award with an exercise price denominated in the currency of a market in which the underlying equity security trades. The Update provides guidance on the classification of a share-based payment award as either equity or a liability. A share-based payment award that contains a condition that is not a market, performance, or service condition is required to be classified as a liability. The amendments in this Update are effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2010. The Company is currently evaluating the impact of this update on the financial statements.

(h) Reclassifications

Certain reclassifications have been made to the prior year’s financial statements to conform to the current period’s presentation.

i) Comprehensive loss

FASB ASC 220, “Comprehensive Income”, establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at June 30, 2011, the Company has no items that represent a comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

j) Stock Based Compensation

The Company accounts for stock-based compensation arrangements in accordance with ASC 718, Stock Compensation. Under the fair value recognition provisions of ASC 718 stock based compensation cost is estimated at the grant date based on the fair value of the awards expected to vest and recognized as expense ratably over the requisite service period of the award. The Company has used the Black-Scholes option pricing model to estimate fair value of its stock based awards which requires various judgmental assumptions including estimating stock price, volatility and expected life.

F-8

Table of Contents

IGEN Networks Corp
(A Development Stage Company)
Notes to Financial Statements
For the Six Months ended June 30, 2011
(expressed in U.S. dollars)

2. Summary of Significant Accounting Principles (continued)

The Company's computation of expected volatility is based on a combination of historical and market-based implied volatility. In addition, the Company considers many factors when estimating expected life, including types of awards and historical experience. If any of the assumptions used in the Black-Scholes valuation model change significantly, stock based compensation expense may differ materially in the future from that recorded in the current period.

k) Impairment of Intangible and Other Long-lived Assets

The Company periodically evaluates the carrying value of intangible and other long-lived assets. Impairment losses are recognized when the estimated undiscounted future cash flows associated with the asset or group of assets is less than their carrying value. If impairment exists, an adjustment is made to write the asset down to its fair value, and a loss is recorded as the difference between the carrying value and fair value. Based on its review, the Company believes there were no impairments of its intangible and other long-lived assets as of June 30, 2011.

3. Technology License

On May 7, 2010, and amended September 28, 2010, the Company obtained an exclusive license from Machlink Inc. ("Machlink"), for rights to its proprietary technology in wireless broadband Internet, pursuant to a memorandum of understanding the parties entered into on April 13, 2010. The License is for a period of ten years, renewable in ten year increments thereafter. Under the amended agreement, IGEN is exclusively licensed to sell, distribute, sub-license and market Machlink's System, Platform and proprietary information in all countries and global markets excluding: Mexico, Belize, Bahamas, Cambodia, Thailand, Vietnam, and the Ectel Countries of the SE Caribbean. Furthermore, IGEN is licensed to market Machlink technology in Canada, Australia, Europe, South America and the United States, on a non-exclusive basis.

In consideration, the Company issued two million common shares on April 13, 2010, pertaining to the memorandum of understanding, and carried this consideration forward in the signing of the May 7, 2010 license agreement and the amended agreement dated September 28, 2010. Two million common shares of the Company were issued at fair value of \$0.65 per share and recorded at \$1,300,000. The Company also paid \$267,000 on October 1, 2010, under the terms of the amended agreement, for a new system from Machlink. This is in addition to the \$200,000 consideration paid to Machlink under the terms of the original May 7, 2010 agreement, composed of \$50,000 on agreement, \$50,000 paid on July 23, 2010 and \$100,000 paid on September 17, 2010. Further, IGEN will pay a platform fee at the rate of 3% of gross revenue for any systems deployed through the efforts of IGEN.

On May 9, 2011, the Company signed into an updated letter of intent to enter into a business combination with Machlink. The letter of intent is subject to the successful completion of a definitive agreement.

4. Stockholders' Equity (Deficit)

a) All references to issued and outstanding shares in these financial statements are shown as post forward and reverse splits as if the splits had been effective at the beginning of the first period presented.

b) Upon incorporation in November 2006, the Company issued 853,300 shares of its common stock for \$17,050 in cash pursuant to a private offering. Also in November 2006, the Company issued 2,200 shares of its common stock for \$44,000 in cash.

F-9

Table of Contents

IGEN Networks Corp
(A Development Stage Company)
Notes to Financial Statements
For the Six Months ended June 30, 2011
(expressed in U.S. dollars)

4. Stockholders' Equity (Deficit) (continued)

c) The Company approved a 5:1 forward split of the Company's common stock October 15, 2008, such that each shareholder of record as of the effective date received five new shares for each one old share.

The Company approved a 1:100 reverse split of the Company's common stock May 18, 2009 such that each shareholder of record as of the effective date received one new share for one hundred old shares.

d) During the six months ended June 30, 2011, the Company did not issue any common shares. At June 30, 2011 the Company had 11,436,427 shares of common stock issued and outstanding.

e) Stock Options: On July 15 2010, the Company granted two million incentive stock options to various directors, officers, advisors and consultants. The stock options are exercisable at a rate of \$0.70 per share over a period of three years. The Company calculated the value of the stock options using the Black & Scholes model and recorded \$716,656 as stock based compensation. Assumptions used in the option pricing model were as follows: average risk-free interest rate – 2.56%; expected life – 3 years; expected volatility – 189.45%; and expected dividends – nil.

At June 30, 2011 the Company had 2,000,000 (June 30, 2010 – Nil) options available for issuance under the plan. Continuity of the options outstanding to purchase shares of common stock is as follows:

	2011		2010	
	Options	Weighted Average Exercise price	Options	Weighted Average Exercise price
Outstanding at beginning of period	2,000,000	\$ 0.70	-	\$ -
Transaction during the year:				
Granted	-	-	-	-
Forfeited/Cancelled	-	-	-	-
Outstanding at end of period	2,000,000	\$ 0.70	-	\$ -

The following summarizes information on the stock options outstanding at June 30, 2011.

Range of Exercise Prices (\$)	No. of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price (\$)
-------------------------------------	----------------------------------	--	---

0.70

2,000,000

2.50

0.70

F-10

Table of Contents

IGEN Networks Corp
(A Development Stage Company)
Notes to Financial Statements
For the Six Months ended June 30, 2011
(expressed in U.S. dollars)

5. Related Party Transactions

The amount due to a related party June 30, 2011 of \$321,088 (December 31, 2010 - \$287,000), includes a \$20,000 interest payment and is owing to a shareholder of the Company. The loan is secured by certain assets of the Company and was due and payable on November 27, 2010, extended to July 1, 2011 and currently under negotiation.

During the six months ended June 30, 2011, the Company incurred \$Nil (June 30, 2010 - \$610,500) in management fees to directors and officers of the Company in the form of share issuances.

The above transactions have been recorded at exchange amounts for the amount of consideration established and agreed to by the related parties.

6. Shareholders' loans

The amounts due to shareholders of the Company as of June 30, 2011 of \$199,770 (December 31, 2010 - \$204,954) are without interest, are unsecured and are due on demand.

7. Contingency

Pursuant to the Machlink technology license purchase outlined in Note 3, the Company is committed to pay a platform fee at the rate of 3% of gross revenue for any systems deployed through its efforts.

8. Subsequent Event

The Company has evaluated subsequent events through the date of these financial statements were issued in accordance with FASB ASC 855 and all material subsequent events have been disclosed as stated above.

Table of Contents

Item 2. Management's Discussion and Analysis or Plan of Operation

Overview

The following discussion and analysis of the operations, results, and financial position of IGEN Networks Corp. ("IGEN", "We" or the "Company"), for the six months ended June 30, 2011 should be read in conjunction with the June 30, 2011 financial statements and the related notes. These documents are available at www.edgar.com and www.sedar.com. The Company is quoted by FINRA on the OTC BB under the symbol IGEN. The effective date of this report is August 12, 2011.

Corporate Organization

The Company was incorporated in the State of Nevada on November 14, 2006 under the name of Nurse Solutions Inc.

On September 19, 2008 the Company changed its name to Sync2 Entertainment Corporation and traded under the symbol SYTO. On May 26, 2009, the Company changed its name to Igen Networks Corp. and in accordance with the name change, the Company's common stock was assigned 45172B 10 2 as its new Cusip number. The Company's trading symbol was changed to IGEN effective June 30, 2009. The Company's fiscal year end is December 31.

IGEN Networks is in the business of providing high-speed Internet, Phone and Data services to rural communities in areas up to a radius of 30 miles from a main broadband connection, at a fraction of the cost of competing technologies. IGEN's licensed technology, developed by Machlink, uses near line-of-sight radio in the UHF band to deliver signals from the Company's radio masts to customer premises. The market for high-speed Internet has been proven as an essential part of education, social interaction, the delivery of goods and services (including government goods and services) and financial matters. It has become an essential part of the fabric of life for most countries. The Company will compete for the sale of its services on the basis of quality of service and technology in these mostly rural areas. The current network design is capable of offering download speeds of up to 12 Mbps (typically 7) and upload speeds of up to 1.5 Mbps. IGEN Networks Corp. aims to offer consumers a choice of 3 High Speed Internet, Voice and Data packages to suit various levels of service, from the very basic internet and voice requirements to heavy-use requirements.

The Company's head office is located at 1100 H Street NW, Suite 920, Washington, DC, 20005, phone (202) 507-3391. The Company is also reviewing other global locations to service the build out of our distribution network.

Directors and Officers

Robert Nealon – Chairman of the Board - Mr. Nealon is the Principal Attorney in Nealon & Associates, P.C., a Washington, D.C. based law and government relations firm. He has been practicing law for twenty-seven years and has achieved an AV rating from Martindale-Hubbell, the leading rating bureau for the legal profession. Mr. Nealon has a B.A. from University of Rochester (1977) and M.B.A. from Rochester Institute of Technology (1978). He received his Juris Doctorate, magna cum laude, from the University of Bridgeport in 1982 and his Masters of Law in Taxation (L.L.M.) degree from Georgetown University in 1984. He is a member of the bar associations of New York State and Virginia, the American Bar Association and the Federal Bar Association. Mr. Nealon served as Adjunct Instructor of Corporate Law, George Washington University from 1985 until 2005. Mr. Nealon has been lead counsel on hundreds of commercial trials, including multi-million dollar derivative action lawsuits, security fraud and government contract fraud. He has been counsel to hundreds of corporations, including insurance affinity marketing, manufacturing and multiple financial institutions. Mr. Nealon has been active over the years in national politics and government relations.

Mr. Nealon was appointed to the Virginia Small Business Advisory Board by former Virginia Governor Warner and was reappointed to this state board by Governor Kaine through 2010 as its Chairman. Mr. Nealon is also a current appointee to the George Mason University Advisory Board for the Institute for Conflict Analysis and Resolution in Arlington, Virginia. He currently sits on the Board of the Virginia Chamber of Commerce Small Business Committee and is a Director of the Alexandria Small Business Development Corporation. He is also an active member of the U.S. Chamber of Commerce and the Democratic National Club.

Table of Contents

Monty Ormsby, Director, President - Mr. Ormsby has had a distinguished 40 year career in all areas of business real estate development, marketing and sales, and is licensed as a California real Estate Broker. Mr. Ormsby graduated from USC with a BA degree and became a well known sports commentator in his early years in the LA region. He has also been extensively involved in many aspects of major construction projects, the film and entertainment industry and the thoroughbred racing industry, and has spent the last few years working on web based social networking for seniors. Mr. Ormsby has recently completed the development of the Senior Network™, an expansive model for web-based delivery of services to seniors. Mr. Ormsby brings his experience in project financing and business growth to assist the Board of Directors in establishing a business model for success.

Richard Gilbertson, Director & CFO - Richard Gilbertson is currently President of Caribbean Call Services, headquartered in La Ceiba, Honduras, Central America. He is also president and co-owner of Offices International, an international business development company, headquartered in Belize City, Belize, Central America. He has been involved for the past 35 years in various senior management and business development positions related to the acquisition, divestiture and valuation of operating businesses and real estate

In recent years, Mr. Gilbertson has concentrated on activities in Latin America with public accounting firms, serving as Regional Manager of the International Division of Arthur Consulting Group, Inc. (formerly a division of Arthur D. Little, Inc.); Principal and Director (1984 to 1989) of Arthur Young & Company (now Ernst & Young). Prior to Arthur Young & Co., he was a valuation consultant for Stone & Webster. From 1974 to 1980 Mr. Gilbertson was vice president in charge of eastern operations with Valuation Research Corporation, a nationwide valuation-consulting firm. Mr. Gilbertson's involvement in Latin American business began in the mid 1980's through USAID sponsored privatization projects in Honduras. He later consulted on various privatization projects in El Salvador, Guatemala, Honduras and Trinidad.

Mr. Gilbertson is a graduate of Northwestern University (Evanston, Illinois) with a BS in Business Administration (Finance) and an MBA in Marketing and Transportation. He is a retired Lt. Commander in the U.S. Navy. He assumed the position of CFO and corporate compliance from Michael Grudman, who will remain as a director of the Company

Chris Shade – Director - Chris brings experience to IGEN as we build out in rural Canada with his knowledge of the First Nations across Canada and the need for sustainable telecommunications. Chris will be responsible for our Canadian rural build out. Chris was Chief of Blood Tribe for eight years also was Grand Chief of Treaty 7 for five years. Chris managed all the health facilities and programs for his reserve and was the financial Comptroller for eight years. Chris's experience allows IGEN the opportunity to create a First Nations all encompassing communications platform that would be joint- ventured with IGEN. Mr Shade's work history follows:

- 1986-1996 Senior Executive Officer Blood Tribe Department of Health Inc.
- 1983 -1992 Consultant Self employed
- 1975 –1983 Financial Comptroller Blood Tribe Administration
- 1973-1975 Accountant Edmonton Power
- Certified Management Accounting (4th Level) 1973-1975, Society of Industrial Accountants
- Business Administration (Accounting) 1973 University of Alberta
- Business Administration 1966 Lethbridge Community College
- Canadian College of Health Service Executives 1995

Table of Contents

Advisory Board

Edward T. Guy, III, Ph.D.

Edward is a recognized innovator, entrepreneur, and consultant with over 25 years of Internet and communications experience. He recently founded CleverSpoke, a mobile services provider. He also founded e*MC Software, a software services firm which enables emerging IP telephony technologies to be commercialized and brought to market. In this role, he was a founding team member and Chief Architect of Truphone, the first mobile VoIP provider, where he is a regular contributor. Ed also was founder and CTO of IPeerx, which was acquired by XConnect in 2006. He was CTO and Chief Scientist at pulver.com where he deployed the Free World Dialup, the largest open VoIP system of the time. His team developed and distributed softphones and provided Internet systems engineering for Bellcore (Telcordia) Technologies as they first entered the VoIP market.

Ed has been awarded a patent in advanced communication techniques and has additional patents pending. He also authored two Internet Engineering Task Force (IETF) Internet RFCs. He started his career at Digital Equipment Corporation and General Electric and earned a Ph.D. in Computer Engineering from Syracuse University.

Christopher Celiberti

Chris is a communications industry leader and entrepreneur shaping strategies, technology, product and standardization of IP communications for wireline, mobile, and cable. Christopher is currently the Co-Founder and CEO of CleverSpoke, Inc., a Mobile Services Application Platform company. Before joining CleverSpoke, Christopher spent the past five years as a Director; Distinguished Member of the Technical Staff for NeuStar, Inc. Prior to NeuStar, he was on the founding team of Tello, Inc. and several other Pulver.com startups as well as an advisor at Open Media Labs and Parlerai. Christopher has also held key technology positions at EDS, Bellcore (Telcordia), Portal Software (Oracle) and other leading technology companies. He is a recognized industry standards participant and speaker.

Christopher has earned a BS in Environmental Studies from Chadwick University, International Degree from University of California Berkeley in Computer Information Systems and completed MIT's Sloan School of Management's Product Design, Development and Management Executive Program.

Philip L. Gardner

Philip will work advising IGEN on the international market for our systems and will be instrumental in assisting the Board in making sound intelligent decisions on expanding our presence globally. Currently he is president, CEO and Director of Advanced Applied Physics Solutions, Inc. UBC (Triumpf) Vancouver, Canada. Mr. Gardner's career in Canada has included providing economic and financial advice to cabinet committees of governments and oil industry leaders. Recently, as senior commercialization executive at TRIUMF, Canada's National laboratory for research into sub-atomic physics, Mr. Gardner oversaw an increase in commercial revenues by twenty times their value, which resulted in the institution receiving several national awards for its commercial achievements. Mr. Gardner has held memberships and executive positions in a number of national and international professional organizations and is currently on the Board of Directors of several companies. He has published over fifty papers, several of which have been selected by international editors to be chapters in their published books.

Table of Contents

Stephan M.M. Fijneman

Stephan, a native of Holland, holds a Master of Security in Information Technology from Eindhoven University of Technology, Eindhoven, Netherlands. He will oversee our Honduran operations and office. Stephan has a firm background in electronic engineering, industrial hardware and software development, advanced test & measurement systems, computer systems and information security. He developed embedded systems for the semi-conductor industry (IBM, Siemens and their suppliers), designed analog/digital systems and developed software. He is also an expert in EMC (Electro Magnetic Compatibility) and conducted and supervised CE (Conformité Européenne) certification for customer equipment and installations. He worked for I.P.D. in Germany, HAS (now Corus) and at Volker Stevin Rail & Traffic in Holland.

Since 1998, Stephan has specialized in office automation. He gained thorough knowledge of Windows, HP-UX and Solaris systems, while working in a variety of positions in security compliance and intrusion testing. Stephan worked for the KIWA Institute, Fortis Bank, Clockwork (Internet), KLM Royal Dutch Airlines, ASZ/PinkRocade (social security) and Swift (Society for Worldwide Interbank Financial Telecommunication). He speaks Dutch, English, German and Spanish.

Carlos Calderon

Carlos Calderon, a native of Bolivia, currently serves as the President/CEO of the Organization of American States (OAS) Staff Federal Credit Union, in Washington, D.C. During his 24 year involvement in credit unions, Mr. Calderon has consulted in credit union development in Bolivia, Costa Rica, Ecuador, Mexico, Nicaragua, Panama and St. Lucia. Mr. Calderon received the World Council of Credit Unions Silver Award for credit union development work. He currently serves as a member of the Board of Directors of the Credit Union Mortgage Association (CUMA), is a member of CUNA's International Legislative and Operational Committee and co-founder and past chairman of the Network of Latino Credit Unions and Professionals.

Mr. Calderon holds an Executive Masters in Leadership degree (E.M.L. 2007) from Georgetown University. He received his Masters in Business Administration (M.B.A. 1988) from Marymount University and his Bachelors of Science in Information Systems (B.S. 1982) from George Mason University.

In today's environment, access to the Internet and telephone is a basic social and economic need for the rural sector to participate in the global economy. Mr. Calderon's experience and understanding of key development issues throughout Latin America and the Caribbean will be instrumental in identifying under-served telecommunications markets and contribute to the successful launching of IGEN solutions throughout the region.

Michael Griffin

Mr. Michael Griffin has been Executive Director of the County Executives of America for the past 26 years. The County Executives of America is a non-partisan organization that includes a membership of over 700 chief elected executives of a county or consolidated city/county government. This esteemed group represents more than 50% of the nation's population and includes the largest metropolitan governments in the country.

Michael Griffin is also President of the Institute for regional Regional Development, a non-profit foundation dedicated to promoting cooperation between local governments and business interests throughout the world. Mr. Griffin has acted as a consultant to Congress, the Senate and four Presidents. Mr. Griffin was previously Executive Secretary of the New York State Pension Advisory Board. He was also President of Polites Communications Company; President and CEO of Creative Resources Group; Principal Legislative Coordinator of the New York Legislature and Executive Director of the American Association of Trustees, Managers and Administrators.

Mr. Griffin was director of legislation for New York Governor Hugh Carey and directed the successful campaigns of Senator Daniel Patrick Moynahan, Senator Bob Graham and Mayor Ed Koch. Michael Griffin received his BA from the University of Miami and his MA from Cornell University.

Table of Contents

Elliot H. Levine

Elliot H. Levine is Managing Member of Levine & Seltzer, LLP, Certified Public Accountants, based in New York City, a firm he co-founded in 1992. Levine & Seltzer provides a wide range of tax and accounting services. Clients include high net worth individuals and businesses in publishing, media, retail, manufacturing, hedge funds and securities trading. The firm also represents professionals who own in excess of \$2 billion in real estate.

Elliot Levine graduated from Queens College in 1975. He became a Licensed Certified Public Accountant in 1978. Mr. Levine began his work experience in 1975 at Arthur Young & Co. In 1980 he was employed as Tax Manager at Margoln Winer & Evans, CPA's. From 1981 to 1992 he was Director of Taxes at Leslie Sufrin & Co. a mid-sized New York accounting firm. Mr. Levine has particular expertise in the media and publishing industries and in the real estate world. He is frequently retained as a consultant in structuring accounting and tax related aspects of acquisitions and dispositions.

Mr. Levine is a director of Gyrodyne, Inc. (GYRO), a publically traded real estate investment trust on the NASDAQ. He is also a member of the Investment, Audit and Nominating Committees of Gyrodyne.

William E. Casselman

William E. Casselman, II is a founding partner of Waldron & Casselman and Counsel to Nealon & Associates, P.C., both law firms located in Alexandria, Virginia. Mr. Casselman represents U.S. and foreign clients on business and government matters, including commercial transactions, government contracts and federal lobbying. He is particularly experienced in international business, trade and finance matters. Much of his practice over the years has been devoted to technology issues, working with a wide variety of companies in the information technology and telecommunications industries.

Prior to entering private practice, Mr. Casselman served for over 10 years in appointed positions within the Executive and Legislative Branches of the U.S. Government, culminating with his appointment by President Ford as Counsel to the President, after serving as Legal Counsel to Vice President Ford. During his government service, starting as Legislative Assistant to a senior Member of Congress on the House Judiciary and Government Operations committees, Mr. Casselman first became involved with emerging computer technologies and advanced telecommunications. As General Counsel of the General Services Administration, where he directed the work of more than 200 lawyers and paralegals, his office was responsible for legal oversight of the Federal Telecommunications System, the principal communications network of the U.S. government, and the award of major computer systems and other IT contracts.

Apart from his law practice, Mr. Casselman has served as a consultant or principal with U.S. and foreign companies in the development of several IT and telecom ventures. Among others, these include overseas fibre optic and wireless voice and data projects; distribution of the world's first mobile, wireless electronic funds transfer/point-of-sale device; commercialization of broadband-over-power-line technologies; marketing of optical data storage devices; and the sale of enterprise software for information management.

Mr. Casselman also has several years of experience in satellite data communications projects relating to the oil and gas industry, in particular, efforts to monitor exploration and production equipment using the ORBCOMM System™ of Low-earth Orbit ("LeO") satellites. In addition, he has worked on projects involving development of active signal processing of seismic data and other oil and gas technologies, as well as participating in leasing and drilling programs.

Mr. Casselman has been active in various public service capacities, having served as a Founding Trustee of the Gerald R. Ford Museum; Board Member, The George Washington Law Association; Board Member, Foundation for International Business Education and Research; Member, Committee on Legal Services, National Trust for Historic

Preservation; and Counsel and Fellow at the Georgetown University National Center for Export-Import Studies, also having served as a Lecturer on international business at the University's School of Business. For two years, he was the host and moderator of the "International Trade Talk" segment of "Small Business Digest," a public cable television program broadcast in the Washington, DC area and other local markets.

Mr. Casselman maintains a continuing interest in national Republican politics, and previously served in the campaigns and/or administrative transition offices of Presidents Richard Nixon, Gerald Ford, Ronald Reagan and George H. W. Bush and Presidential candidates Robert Dole and Lamar Alexander.

Mr. Casselman holds a B.A. in Government from Claremont McKenna College and a J.D. from The George Washington University Law School. He is a recipient of GWU's Distinguished Achievement Award, the University's highest alumni honor. Mr. Casselman also attended the Universidad de Madrid. He is a member of the bars of the District of Columbia and Virginia.

Table of Contents

James Pasco

James Pasco is the Executive Director of the National Fraternal Order of Police (FOP), with over 324,000 members. FOP is the oldest and largest police organization in the United States. In this position, Mr. Pasco is responsible for all operations of the Washington, D.C. office, including all legislative initiatives and oversight of programs/policies that impact police officers across the country.

Mr. Pasco is also Principal Partner of the consulting firm, Jim Pasco & Associates. He has been a legislative and media consultant with over 28 years of experience within the federal government.

Jim Pasco served in the United States Army from 1965 to 1967. He began his federal career with the United States Customs Service in 1968. In 1970 he joined the Bureau of Alcohol, Tobacco and Firearms (ATF). During his tenure with ATF, he ascended to the Senior Executive Service and held a number of key managerial positions, including Chief, Procedures Branch; Chief, Strategic Planning; and Chief, Alcohol Import-Export Branch. Mr. Pasco retired from the ATF in 1995 after serving 11 years as the Assistant Director for Congressional and Media Affairs.

At the request of the President, Mr. Pasco served on the Bush-Cheney Transition Advisory Committee. He has been appointed to numerous boards and committees, including a Presidential appointment to the Federal Salary Council; the United States Marshalls Service Advisory Board on Judicial Security; the National Center for Missing and Exploited Children and the Civilian Police International Board of Advisors.

Intellectual Property

On April 13, 2010, the Company entered into a memorandum of understanding for a distribution license with Machlink Inc. for rights to the existing business of providing high-speed broadband internet, phone and data services to communities through its patented noise-free cable architecture technology. Machlink is a company which distributes, licenses, and supports telecommunications service providers on a global basis Ultra High Frequency (UHF) spectrum domiciled wireless broadband systems.

Under the MOU, the Company proposed to acquire from Machlink the exclusive license to market and distribute the wireless broadband systems, to deliver wideband signals using near line-of-sight radio in the UHF band in all countries and global markets (with the exception of certain areas designated by Machlink), to be further defined in the license agreement.

Under the terms of the MOU, the parties agreed to execute a distribution licensing agreement, and in consideration, IGEN Networks agreed to issue two million restricted common shares to Machlink, to be released in accordance with the terms and conditions of the ensuing license agreement.

On May 7, 2010, the Company signed an exclusive distribution license agreement with Machlink Inc. for rights to its existing patent pending and proprietary technology in wireless broadband Internet technology, pursuant to the MOU as referred to above. Machlink's unique technology, utilizing Ultra High Frequency ("UHF") spectrum, permits deployment of high-speed Internet, Phone and Data services to rural communities.

On September 28, 2010, the Company amended the license agreement with Machlink. Under the amended agreement, IGEN is exclusively licensed to sell, distribute, sub-license and market Machlink's System, Platform and proprietary information in all countries and global markets excluding: Mexico, Belize, Bahamas, Cambodia, Thailand, Vietnam, and the Ectel Countries of the SE Caribbean. Furthermore, IGEN is licensed to market Machlink technology in Canada, Australia, Europe, South America and the United States, on a non-exclusive basis. The License is for a period of ten years, renewable in ten year increments, thereafter. In consideration, as detailed in the amended agreement, the Company issued the two million shares on April 13, 2010, pertaining to the memorandum of understanding, and

carried this consideration forward in the signing of the May 7, 2010 license agreement, and the amended agreement dated September 28, 2010. The shares were issued at fair value of \$0.65 per share and recorded at \$1,300,000. The Company also paid \$267,000 on October 1, 2010, under the terms of the amended agreement, for a new system from Machlink. This is in addition to the \$200,000 consideration already paid to Machlink under the terms of the original May 7, 2010 agreement, including, \$50,000 down, \$50,000 paid on July 23, 2010, and \$100,000 paid on September 17, 2010. Further, IGEN will pay a platform fee at the rate of 3% of gross revenue for any systems deployed through the efforts of IGEN.

Table of Contents

Results of Operations – IGEN Networks Corp.

The Company has not yet generated any revenues and our ability to expand and develop its intellectual properties is dependent, in large part, upon our raising additional equity financing

Three months ended June 30, 2011

During the three months ended June 30, 2011 the Company recorded a net loss of \$29,237 as compared to a net loss of \$1,391,776 for the three months ended June 30, 2010, for a decrease in net losses of \$1,362,539. The decrease in net loss is attributed to the reduction in management fees to \$nil for the period and a substantial reduction in business development expenses.

During the three months ended June 30, 2011 the Company incurred \$30,573 in expenses which consist of: business development \$25,000 (2010 - \$770,000), professional fees of \$2,000 (2010 - \$3,532), travel and accommodation of \$nil (2010 - \$16,246), transfer agent and filing fees of \$3,476 (2010 - \$13,863), and general administrative of \$97 (2010 - \$10,635).

Six months ended June 30, 2011

During the six months ended June 30, 2011 the Company recorded a net loss of \$76,688 as compared to a net loss of \$1,555,517 for the six months ended June 30, 2010, for a decrease in net losses of \$1,478,829, attributed to the reduction in management fees and in business development, and the Company incurred \$78,024 in expenses which consist of: business development of \$65,500 (2010 - \$869,000), management fees of \$nil (2010 - \$610,500), professional fees of \$4,500 (2010 - \$29,842), and general administrative and other of \$8,024 (2010 - \$46,175).

Liquidity and Capital Resources

As of June 30, 2011, IGEN had total liabilities of \$757,054, which are all current liabilities, and is an increase of \$81,722 as compared to \$675,332 liabilities recorded at December 31, 2010. The increase in liabilities is due primarily to an increase in the loan to a related party.

The Company's total assets at June 30, 2011, consisted of \$5,780 in current assets and \$1,767,000 in capital assets. The current assets are comprised of cash, which increased by \$5,034 from \$746 as at December 31, 2010.

The capital assets consist \$1,767,000 in technology license rights which includes \$467,000 in cash payments and \$1,300,000 by issuance of 2,000,000 common shares at \$0.65 per share. The Company had a working capital deficiency of \$751,274 at June 30, 2011 compared to a working capital deficiency of \$674,586 as of December 31, 2010.

Management continually reviews its overall capital and funding needs to ensure that the capital base can support the estimated needs of the business. These reviews take into account current business needs as well as the Company's future capital requirements. Based upon these reviews, to take advantage of strong market conditions and to fully implement our expansion strategy, management believes that the Company will continue to increase our net capital through the proceeds from sales of our securities. In the past, the Company has maintained minimal cash balances which were generally funded by management and shareholder loans to satisfy monthly cash requirements in the interim of continued attempts to raise external funding.

The Company will undertake issuance of private placements of its securities and/or debenture financing to facilitate expansion in its development phase and maintain commitments under its license agreement. There is no assurance that the Company will be able to obtain additional funding through the sales of additional shares or, that such funding, if available, will be obtained on terms favorable to or affordable by the Company. It is the intent of management and

controlling shareholders to generate sufficient working capital necessary to support and preserve the integrity of the corporate entity.

Forward-Looking Statements

From time to time, the Company may publish forward-looking statements relating to such matters as anticipated financial performance, business prospects, technological developments, new products, research and development activities and similar matters. The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward looking statements. In order to comply with the terms of the safe harbor, the Company notes that a variety of factors could cause a deviation or divergence from the anticipated results or expectations contained in the forward looking statements and the Company's actual results. The risks and uncertainties that may affect the operations, performance, development and results of the Company's business include but are not limited to the following: lack of operating capital, revenue and capital resources; reliance upon joint venture members to provide technical and financial expertise to operations; the ability of the Company to access an economically viable energy deposit; the ability of the Company to recover natural resources, if found, and to deliver them to a refiner or distributor in an economically viable manner.

Table of Contents

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and procedures

Evaluation of Disclosure Controls and Procedures:

The management of IGEN Networks Corp. is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act). The Company's internal control system was designed to provide reasonable assurance to the Company's management and Board of Directors regarding the preparation and fair presentation of published financial statements in accordance with accounting principles generally accepted in the U.S. and reliability of financial reporting. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management maintains a comprehensive system of controls intended to ensure that transactions are executed in accordance with management's authorization, assets are safeguarded, and financial records are reliable. Management also takes steps to ensure that information and communication flows are effective, and to monitor performance, including performance of internal control procedures.

The Company's management assessed the effectiveness of its internal control over financial reporting as of June 30, 2011 based on the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in Internal Control-Integrated Framework. Based on this assessment, management believes that, as of June 30, 2011, the Company's internal control over financial reporting is effective.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as of the end of the period covered by this report. Based on this evaluation, our principal executive officer and principal financial officer concluded as of the evaluation date that our disclosure controls and procedures were effective such that the material information required to be included in our Securities and Exchange Commission reports is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms relating to our company, particularly during the period when this report was being prepared.

Changes in Internal Control over Financial Reporting:

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2011 that have materially affected, or are reasonable likely to materially affect, our internal control over financial reporting.

Table of Contents

PART II OTHER INFORMATION

Item 1. Legal Proceedings

The Company is not a party to any legal proceedings

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the six months ended June 30, 2011 the Company did not issue any shares, and the common stock issued and outstanding at the six months ended June 30, 2011 was 11,436,427.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits

Exhibit No.	Identification of Exhibit
10.1	Distribution License Agreement as Amended with Machlink Inc. **
31.1	<u>Rule 13a-14(a) Certification of Monty Ormsby, President and Chief Executive Officer</u>
31.2	<u>Rule 13a-14(a) Certification of Richard Gilbertson, Chief Financial Officer</u>
32.1	<u>Certification Pursuant to 18 U.S.C. Section 1350 of Monty Ormsby.</u>
32.2	<u>Certification Pursuant to 18 U.S.C. Section 1350 of Richard Gilbertson.</u>
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

** filed previously with March 31, 2011 form 10Q

Table of Contents

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

IGEN Networks Corp.
DATE: August 12, 2011

By: /s/ MONTY ORMSBY
Monty Ormsby, President, Director

12

Table of Contents