IGEN NETWORKS CORP
Form 10-Q
May 23, 2016

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D. C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED March 31, 2016.

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.
(Exact name of registrant as specified in its charter)

Nevada	20-5879021
(State or Other Jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

119 North Henry Street, Alexandria, Virginia, 22314
(Address of principal executive offices) (Zip Code)

1-888-244-3650
(Registrant's telephone number including area code)

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 x No

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 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.

Large accelerated filer:	Accelerated filer:
Non-accelerated filer:	Smaller reporting company:
(Do not check if a smaller reporting company)	

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

The number of shares of the registrant's common stock issued and outstanding as of May 20, 2016 is 29,259,145.

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Part I
FINANCIAL INFORMATION

Item 1. Financial Statements

The Company's unaudited condensed consolidated interim financial statements for the three month period ended March 31, 2016 are included herewith.

IGEN NETWORKS CORP.

Condensed Consolidated Interim Financial Statements
For the three months ended March 31, 2016
(Unaudited – Expressed in U.S. Dollars)

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IGEN NETWORKS CORP.
Condensed Consolidated Interim Balance Sheet
(Unaudited - Expressed in U.S. dollars)

	Note	March 31, 2016 $	December 31, 2015 $
Assets			
Current			
Cash		83,454	33,590
Accounts receivable	5	41,203	45,182
GST receivable		7,157	5,661
Inventories	2(j)	52,374	29,643
Prepaid expenses		46,764	61,468
		230,952	175,544
Equipment	4	15,093	17,643
Goodwill		505,508	505,508
Total Assets		751,553	698,695
Liabilities and Shareholders' Equity			
Current			
Accounts payable	5	531,980	461,008
Accrued liabilities		121,381	78,361
Deferred revenue	2(k)	53,825	56,800
Notes payable	5,7	119,914	116,238
		827,100	712,407
Non-current			
Derivative liabilities		44,531	33,982
Total liabilities		871,631	746,389
Shareholders' Equity			
Capital Stock:			
Authorized - 375,000,000 common shares with $0.001 par value			
Issued and outstanding -29,059,145 and 28,215,349 respectively	6	29,059	28,215
Additional paid-in capital	6	7,715,194	7,586,514
Subscription received		25,000	25,000.0
Accumulated other comprehensive loss		(24,105)	(11,871)
Deficit accumulated		(7,865,226)	(7,675,552)
Shareholders' Equity		(120,078)	(47,694)
Total Liabilities and Shareholders' Equity		751,553	698,695

Approved on Behalf of the Board

"Neil Chan" Director

"Richard Freeman" Director

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

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IGEN NETWORKS CORP.
Condensed Consolidated Interim Statement of Operations
(Unaudited - Expressed in U.S. dollars)

Three months ended March 31,	Note	2016 $	2015 $
Revenue			
Sales, hardware		177,283	152,182
Sales, services		96,724	26,367
Revenue, total		274,007	178,549
Cost of goods sold		133,714	117,549
Gross profit		140,293	61,000
Expenses			
Advertising and selling expenses	5	14,777	9,929
Consulting and business development fees		59,183	19,650
Depreciation		2,583	4,428
General and administrative	5	33,165	38,832
Interest expense		12,814	4,056
Management fees		58,438	14,580
Professional fees		864	22,188
Salaries		100,323	80,972
Stock-based compensation	6	14,990	19,255
Transfer agent & filing fees		3,697	11,613
Travel and accommodation		17,240	16,681
Total		318,074	242,184
Loss before the others:		(177,781)	(181,184)
Accretion		(1,836)	(1,597)
Change in derivative liabilities		(10,549)	-
Other income		492	-
Share of income (losses) from investment in an associate	3	-	4,182
Net loss		(189,674)	(178,599)
Other comprehensive Loss:			
Net loss for the period		(189,674)	(178,599)
Foreign currency translation adjustment		(12,234)	12,347
Total comprehensive loss		(201,908)	(166,252)
Net Loss per share, basic and diluted		(0.01)	(0.01)
Weighted Average Number of Common Shares Outstanding		28,462,252	25,815,273

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

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IGEN NETWORKS CORP.
Condensed Consolidated Interim Statement of Cash Flow
(Unaudited - Expressed in U.S. dollars)

Three months ended March 31,	2016	2015
Cash Flows from Operating Activities	$	$
Net loss	(189,674)	(178,599)
Items not affecting cash:		
Accretion	1,836	1,597
Change in derivative liabilities	10,549	-
Depreciation	2,583	4,428
Share of (income) losses from investment in an associate	-	(4,182)
Share issued for services	37,050	-
Stock-based compensation	14,990	19,255
Other, including net changes in other non-cash balances:		
Accounts receivable	3,979	84,155
GST receivable	(1,496)	(1,369)
Inventory	(22,731)	(15,884)
Prepaid and deposit	-	4,934
Accounts payable, accrued liabilities, accrued interest, and deferred revenue	117,107	(32,698)
Net cash used in operating activities	(25,807)	(118,363)
Cash Flows from Financing Activities		
Proceeds from share subscription received	-	98,796
Proceeds from share issuance – options exercise	5,000	
Proceeds from issuance of units, private placement	72,484	-
	77,484	98,796
Effect of exchange rate on cash	(1,813)	(1,062)
Net increase (decrease) in cash	49,864	(20,629)
Cash, beginning of period	33,590	56,347
Cash, end of period	83,454	35,718

See Note 12 for supplemental information to this statement of cash flow.

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

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IGEN NETWORKS CORP.
Condensed Consolidated Interim Statement of Stockholders' Equity (Deficit)
(Unaudited - Expressed in U.S. dollars)

	Note	Common Stock Shares	Amount $	Additional Paid-in Capital $	Subscription received $	Accumulated Other Comprehensive Loss $	Deficit $	Total Stockholders' Equity $
Balance December 31, 2014		25,815,273	25,815	6,697,680	-	(17,624)	(6,062,422)	643,449
Subscription received		-	-	-	25,000	-	-	25,000
Stock based compensation		-	-	474,463	-	-	-	474,463
Share issuance for cash		1,590,957	1,591	256,572	-	-	-	258,163
Shares issuance for services and prepayment		498,801	499	107,445	-	-	-	107,944
Share issuance for debt settlement		310,318	310	50,354	-	-	-	50,664
Foreign currency translation adjustment		-	-	-	-	5,753	-	5,753
Net loss for the year		-	-	-	-	-	(1,613,130)	(1,613,130)
Balance, December 31, 2015		28,215,349	28,215	7,586,514	25,000	(11,871)	(7,675,552)	(47,694)
Stock based compensation		-	-	14,990	-	-	-	14,990
Share issuance for cash	6	588,240	588	71,896	-	-	-	72,484
Shares issuance for services	6	200,000	200	36,850	-	-	-	37,050
Share issuance for option exercise	6	55,556	56	4,944	-	-	-	5,000
Foreign currency translation adjustment		-	-	-	-	(12,234)	-	(12,234)
Net loss for the period		-	-	-	-	-	(189,674)	(189,674)
Balance, March 31, 2016		29,059,145	29,059	7,715,194	25,000	(24,105)	(7,865,226)	(120,078)

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

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IGEN NETWORKS CORP.
Notes to Condensed Consolidated Interim Financial Statements (Unaudited)
For the three-month period ended March 31, 2016
(Expressed in U.S. dollars)

1. Nature and continuance of operations

IGEN Networks Corp., ("IGEN", or the "Company") was incorporated in the State of Nevada on November 14, 2006. IGEN is in the business of providing vehicle tracking and recovery solutions to the automotive and power sport industries through its operating subsidiary, Nimbo, LLC.

These condensed consolidated interim financial statements have been prepared on a going concern basis, which imply the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, on the ability of the company to grow its revenue base, on its ability to successfully grow the companies in which it is invested, and on the ability of the Company to obtain necessary equity financing to both support the latter objectives and to invest in and grow new companies. The Company has recurring losses since inception and had accumulated losses of $7,865,226 as at March 31, 2016. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. Although there are no assurances that management's plans will be realized, management believes that the Company will be able to continue operations into the future. These consolidated 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) Basic of presentation and consolidation
These condensed consolidated interim financial statements and related notes include the records of IGEN Networks Corp., its wholly owned subsidiary, IGEN Business Solutions Inc (incorporated in Canada) and Nimbo LLC (incorporated in USA).

All intercompany transactions and balances have been eliminated. These condensed consolidated interim financial statements 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 in the following:

b) Use of estimates
The preparation of these financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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.

c) Loss per share

Basic earnings (loss) 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 (loss) 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 (loss) 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

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:

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Notes to the Condensed Consolidated Interim Financial Statements
Three Months ended March 31, 2016
(Unaudited - Expressed in U.S. dollars)

2. Summary of Significant Accounting Policies (Continued)

d) Financial instruments (continued)
- 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 receivable, accounts payable and accrued liabilities 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 fair value of cash is determined based on “Level 1” inputs and the fair value of derivative liability with convertible debt is determined based on “Level 2” inputs. 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) Equipment
Office equipment and computer are recorded at cost. Amortization is provided annually at rates and methods over their estimated useful lives as follows, except in the year of acquisition when one half of the rate is used. Management reviews the estimates of useful lives of the assets every year and adjust them on prospective basis, if needed.

Office equipment	20% declining balance
Computer	55% declining balance
Software	3 years straight line

Property, plant and equipment are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows are less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs. Subsequent expenditure relating to an item of office equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased.

f) Revenue recognition
The Company recognizes revenue when earned, specifically when all the following conditions are met:

- Services are provided or products are delivered to customers.
- There is clear evidence that an arrangement exists.
- Amounts are fixed or can be determined.
- The ability to collect is reasonably assured.
- There is no significant obligation for future performance.
- The amount of future returns can be reasonably estimated.

g) Foreign currency transaction balances

The Company’s reporting currency is the U.S. dollar. The consolidated financial statements of the Company are translated to U.S. dollars in accordance with ASC 830, Foreign Currency Translation Matters, using the exchange rate prevailing at the balance sheet date. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the determination of income.

Assets and liabilities of the Company’s Canadian subsidiary are translated into U.S. dollars at the year-end exchange rates, and revenue and expenses are translated at the average exchange rates during the period. Exchange differences arising on translation are disclosed as a separate component of stockholders’ equity

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2. Summary of Significant Accounting Policies (continued)

h) 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 deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry-forwards and deferred tax liabilities are recognized for taxable temporary differences. 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.

i) Stock-based compensation
The Company records stock-based compensation in accordance with ASC 718, "Compensation – Stock Compensation", using the fair value method. All transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable.

The Company uses the Black-Scholes option pricing model to calculate the fair value of stock-based awards. This model is affected by the Company's stock price as well as assumptions regarding a number of subjective variables. These subjective variables include, but are not limited to the Company's expected stock price volatility over the term of the awards, and actual and projected employee stock option exercise behaviors. The value of the portion of the award that is ultimately expected to vest is recognized as an expense in the consolidated statement of operations over the requisite service period.

j) Inventories
Inventories are stated at the lower of cost or market with cost being determined on a first-in, first-out (FIFO) basis. Inventories as at March 31, 2016 and December 31, 2015 were solely finished goods that can be resold. There was no provision for inventory recorded during the year ended December 31, 2015 and three months ended March 31, 2016.

k) Deferred revenue
As at March 31, 2016, and December 31, 2015, the Company had deferred revenues of $53,825 and $56,800 respectively. Annual service renewal fees are recorded as a component of deferred revenue in the balance sheets at the inception of the contract and are recognized as revenue evenly over the contract period, which is generally one year.

l) Changes in accounting policies and recent accounting pronouncements
The Company has not adopted new accounting policies since it most recent year ended December 31, 2015. The Company does not believe that there are any other new accounting pronouncements that have been issued that might

have a material impact on its financial position or results of operations.

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IGEN NETWORKS CORP.
Notes to the Condensed Consolidated Interim Financial Statements
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(Unaudited - Expressed in U.S. dollars)

3. Investment in an associates and Investment

Investment in an associate
As at March 31, 2016 and December 31, 2014 and 2015, the Company held approximately 30% of all the outstanding shares of Gogiro Internet Group ("Gogiro"), a private Canadian Company. The Company accounts for its investments in Gogiro with equity method. Consequently, the Company has included Gogiro's income (losses) in the Company's condensed consolidated interim financial statements in accordance to the percentage ownership during three months ended March 31, 2015. In addition, gains and losses resulting from 'upstream' and 'downstream' transactions between IGEN and Gogiro are recognized in IGEN's consolidated financial statements only to the extent of unrelated investors' interests in Gogiro.

As at December 31, 2015 and March 31, 2016, the Company reviewed the recoverability of the investment in Gogiro and concluded that the investment was fully impaired. As a result, the Company recorded impairment charges of $227,957 for the year ended December 31, 2015 and fully provided for its investment in Gogiro.

Changes in carrying value of the Company's investment in Gogiro are as follows:

	Number of Gogiro shares owned	Amount ($)
Balance, December 31, 2013	2,478,080	241,338
Share of Gogiro's loss during fiscal 2014 December 31, 2014 (30.44%)	-	(14,263)
Balance, December 31, 2014	2,478,080	227,075
Share of Gogiro's income during nine months ended December 31, 2015 (30.37%)	-	882
Impairment on investment		(227,957)
December 31, 2015 and March 31, 2016	2,478,080	-

4. Equipment

	Cost	Accumulated Amortization	Effect of foreign exchange	Net book Value 3/31/2016	12/31/2015
Office equipment	$1,603	$ 997	$ -	$606	$ 638
Computer	51,375	38,649	(117)	12,609	14,626
Software	6,012	4,134		1,878	2,379
TOTAL	$58,999	$ 43,780	$ (117)	$15,093	$ 17,643

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IGEN NETWORKS CORP.
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Three Months ended March 31, 2016
(Unaudited - Expressed in U.S. dollars)

5. Related Party Transactions

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

During three months ended March 31, 2016, the Company incurred $58,438 in management and consulting fees to two officers and a Company controlled by a director (three months ended March 31, 2015 - $34,230).

Balance with related parties
As at December 31, 2015, the Company has an advance receivable of $30,700 from Gogiro, a company of which IGEN has significant influence (Note 4). This advance receivable is unsecure, due on demand, and has an interest of 5% per annum. As at December 31, 2015, the Company fully provided this advance receivable due to uncertainty of collectability and recorded a bad debt expenditure of $30,700 for the year ended December 31, 2015.

As at December 31, 2015, the Company had a trade receivable of $143,425 with Gogiro. As at December 31, 2015, the Company fully provided these trade receivable due to uncertainty of collectability and recorded a bad debt expenditure of $155,490 for the year ended December 31, 2015.

As at March 31, 2016 the Company also had account payable of $64,584 (December 31, 2015 - $63,665) with directors and officers and a company controlled by a director.

As at March 31, 2016, the Company had a promissory note payable to a director with balance owing of $30,840 (December 31, 2015 - $29,000). This promissory note is unsecured, has an interest of 5% per annum and is due on October 30, 2016. An accrued interest of $762 was included in the Company's accrued liabilities as at March 31, 2016.

6. Stockholders' Equity

a) During fiscal 2015, the Company issued the following common shares:

On April 22, 2015, The Company closed two non-brokered private placements of a total of 596,839 shares for gross proceeds of $98,796.

- The first private placement was for 133,333 units ("Unit X") at a subscription price of $0.15 per unit for total proceeds of $20,000. Each Unit X consists of one common share and a half share purchase warrant, each whole warrant exercisable into one common share at $0.35 for a period of two years from the closing date.
- The second private placement was for 463,506 common shares at a subscription price of $0.17 per share for total proceeds of $78,796.

On May 15, 2015, The Company closed a non-brokered private placements of a total of 600,000 units ("Unit Y") for gross proceeds of $100,367. Each Unit Y consists of one common share and one share purchase warrant. Each warrant is exercisable into one common share at CAD$0.35 ($0.28) for a period of two years from the issuance. These warrants are also subject at the Company's option, to an acceleration of their expiry if the weighted average closing price of the Company's common shares on Canadian Stock Exchange is greater than CAD$0.60 for twenty consecutive trading days.

On December 11, 2015, the Company issued 294,118 units (“Unit Z”) for $50,000. Each Unit Z includes one common share and one share purchase warrant, enabling the holder to purchase one additional common share of the Company at a price of $0.35 for a period expiring 2 years from their date of issuance. These warrants are also subject at the Company’s option, to an acceleration of their expiry if the weighted average closing price of the Company’s common shares on Canadian Stock Exchange is greater than $0.50 for ten consecutive trading days.

On April 22, 2015, The Company issued 100,000 common shares for option exercise and received proceeds of $9,000.

During 2015, the Company issued 498,807 common shares for services of $53,374 and prepaid services yet to be rendered of $54,570 (totaling $107,944).

During 2015, the Company issued 310,318 common shares for the settlement of debt of $50,644. There is no gain or loss in connection with this debt settlement.

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IGEN NETWORKS CORP.
Notes to the Condensed Consolidated Interim Financial Statements
Three Months ended March 31, 2016
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6. Stockholders' Equity (continued)

b) During three months ended March 31, 2016, the Company issued the following common shares:

· 55,556 shares for exercise of options at $0.09/share for total proceeds of $5,000
· 200,000 shares with the fair value of $37,050 in exchange for consulting services rendered by external consultants
· 588,240 units for cash proceed of $72,484 (CAD$ 100,000.80). Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share at CAD$ 0.34 (equivalent to $0.25)/share before March 29, 2018. These warrants are subject at the Company's option, to an acceleration of their expiry if the weighted average closing price of the Company's shares is greater than CAD$0.60 for 20 consecutive trading days.

c) Subscription received

As at December 31, 2015 and March 31, 2016, the Company received subscription of $25,000 for unit issuance at $0.17/unit. Each unit includes one common share and one share purchase warrant, enabling the holder to purchase one additional common share of the Company at a price of $0.35 for a period expiring 2 years from their date of issuance. As of the date of this report, the Company has not issued units for this subscription.

d) Common share purchase warrants:

Continuity of the Company's share purchase warrant is as follows:

December 31, 2015	exercise price	expiry date	Issuance	March 31, 2016
147,059	$ 0.40	30-Sep-16	-	147,059
66,666	$ 0.28	22-Apr-17	-	66,666
600,000	$ 0.28	15-May-17	-	600,000
18,000	$ 0.26	13-Aug-17	-	18,000
294,118	$ 0.35	17-Dec-17	-	294,118
-	$ 0.25	29-Mar-18	588,240	588,240
1,125,843			588,240	1,714,083

The number of outstanding warrants as at March 31, 2016 was 1,714,083. As at March 31, 2016, the weighted average exercise price and weight average remaining life of the warrants was $0.29/share (2015/12/31 -$0.32/share) and 1.47 years (2015/12/31 – 1.45 years).

e) Stock Options

The following table summarizes information about stock options outstanding and exercisable at March 31, 2015:

	Number of Options	Weighted average exercise price $
Options outstanding, December 31, 2014	1,640,556	0.12
Options exercised	100,000	0.09
Options granted	2,540,000	0.19
Options outstanding, December 31, 2015	4,080,556	0.16
Options exercised	55,556	0.09
Options cancelled	250,000	0.18
Options outstanding, March 31, 2016	3,775,000	0.16

Number of options exercisable as March 31, 2016 was 3,580,556. The weighted average remaining life is 3.72 year

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IGEN NETWORKS CORP.
Notes to the Consolidated Financial Statements
For the Year ended December 31, 2015
(Expressed in U.S. dollars)

6. Stockholders' Equity – Continued

e) Stock Options (continued)

The fair values of stock options granted are amortized over the vesting period where applicable. During three months ended March 31, 2016, the Company recorded $14,990 (Three months ended March 31, 2015 - $19,255) stock-based compensation in connection with the vesting of options granted. The Company uses the Black-Scholes option pricing model to establish the fair value of options granted with the following assumptions:

	2016	2015
Expected dividend yield	0 %	0 %
Volatility	200 %	200 %
Risk free interest rate	1.52 %	1.52 %
Expected option life	5 years	5 years
Forfeiture rate	0 %	0 %

7. Derivative liabilities

Derivate liabilities consist of warrants that were originally issued in private placements and stock options granted that have exercise prices denominated in Canadian dollars, which differs from the Company's functional currency (United States dollars). Therefore these warrants and stock options cannot be considered to be indexed to the Company's own stock. Accordingly the fair values of the warrants and stock options must be accounted for as derivative liabilities with changes in fair value recorded in the consolidated statement of operations. The fair value of these warrants and options as at March 31, 2016 was $44,531 (2015/12/31 - $33,982). The fair values of warrants and stock options as at December 31, 2015 were determined using the Binomial option pricing model the following assumptions: risk free interest rate of 0.86%-1.54%, expected life of 1.37-5.00 years, volatility of 103.19%-176.96% and expected dividend of 0%. The fair values of warrants and stock options as at March 31, 2016 were determined using the Binomial option pricing model the following assumptions: risk free interest rate of 0.59% to 0.73%, expected life of 1.37-4.25 years, volatility of 88.19%-111.10% and expected dividend of 0%.

January 1, 2015	$-
Issuance of warrants	28,267
Stock options granted	5,715
December 31, 2015	$3,982
Changes of fair value	10,549
March 31, 2016	$44,531

8. Note payable

During the fourth quarter of 2014, the Company issued a promissory note with principal of $95,000 in exchange for a settlement of accounts payable of the same amount. This promissory is un-secured, will expire on December 31, 2016, and carries interest of 5% per annum.

The note payable was accounted for at amortized cost using the effective interest rate method with the effective interest rate of 14% per annum. The debt discount of $16,163 was credited to Additional paid-in capital at issuance, and the $16,163 debit to note payable is amortized over the term of the note.

The promissory note was accredited up to $89,074 on March 31, 2016 (2015/12/31 -$87,238). Including in the Company’s accrued liabilities, there was an interest payable of $7,122 as at (2015/12/31 - $5,938) in connection with this outstanding promissory note.

As at March 31, 2016, the Company also had a promissory note payable of $30,840 owing to a director of the Company (Note 5).

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IGEN NETWORKS CORP.
Notes to the Consolidated Financial Statements
For the Year ended December 31, 2015
(Expressed in U.S. dollars)

9. Financial instruments

Credit Risk
Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies. As a result, credit risk is considered insignificant.

Currency Risk
The Company's major expenses and payables are in United States dollars and are expected to continue to incur in United States dollars. Fluctuations in the exchange rate between the United States dollar and other currency may have a material effect on the Company's business, financial condition and results of operations. The Company is subject to foreign exchange risk for transactions in its Canadian subsidiary and its investment in Gogiro, which is a Canadian company. The Company does not actively hedge against foreign currency fluctuations.

Interest Rate Risk
The Company has cash balances and no interest bearing debt. The Company's current policy is to invest excess cash in high yield term deposits and bankers' acceptance. The Company regularly monitors its cash management policy. As a result, interest rate risk is considered not significant.

Liquidity Risk
Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As at December 31, 2015, the Company had a working capital deficiency of $596,148 (December 31, 2015 – working capital deficiency of $536,863). The Company intends to have more equity financing, long term debt financing, share for debt settlement in order to eliminate the working capital deficiency and to the operations of the Company.

10. Supplemental information for statements of cash flow

Supplementary information in connection with the Company's cash flow is as follows:

Three months ended March 31,	2016	2015
Cash paid for interest	$-	$ -
Cash paid for income taxes	-	-
Shares issued for services	37,050	-

11. Subsequent events

On May 4 2016, the Company issued 250,000 units for gross proceeds of CAD 30,000. Each unit is comprised of one common share and one share purchase warrant. Each warrant can be exercised into one common share at CAD 0.19/share within two years from issuance.

On May 6, 2016, the Company cancelled 50,000 common shares that were issued to a consultant during three months ended March 31, 2016 for services rendered.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") provides information for the three-month period ended March 31, 2016. This MD&A should be read together with our unaudited condensed consolidated financial statements and the accompanying notes for the three-month period ended March 31, 2016 (the "consolidated financial statements"). The consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States ("U.S. GAAP"). Except where otherwise specifically indicated, all amounts in this MD&A are expressed in United States dollars.

Certain statements in this MD&A constitute forward-looking statements or forward-looking information within the meaning of applicable securities laws. You should carefully read the cautionary note in this MD&A regarding forward-looking statements and should not place undue reliance on any such forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements".

Additional information about the Company, including our most recent consolidated financial statements and our Annual Information Form, is available on our website at www.igen-networks.com, or on SEDAR at www.sedar.com and on EDGAR at www.sec.gov.

Cautionary Note Regarding Forward-looking Statements

Certain statements and information in this MD&A are not based on historical facts and constitute forward- looking statements or forward-looking information within the meaning of the U.S. Private Securities Litigation Reform Act of 1995 and Canadian securities laws ("forward-looking statements"), including our business outlook for the short and longer term and our strategy, plans and future operating performance. Forward-looking statements are provided to help you understand our views of our short and longer term prospects. We caution you that forward-looking statements may not be appropriate for other purposes. We will not update or revise our forward-looking statements unless we are required to do so by securities laws. Forward-looking statements:

• Typically include words and phrases about the future such as "outlook", "may", "estimates", "intends", "believes", "plans", "anticipates" and "expects";

• Are not promises or guarantees of future performance. They represent our current views and may change significantly;

• Are based on a number of assumptions, including those listed below, which could prove to be significantly incorrect:

- Our ability to find viable companies in which to invest
- Our ability successfully manage companies in which we invest
- Our ability to successfully raise capital
- Our ability to successfully expand and leverage the distribution channels of our portfolio companies;
- Our ability to develop new distribution partnerships and channels
- Expected tax rates and foreign exchange rates.

• Are subject to substantial known and unknown material risks and uncertainties. Many factors could cause our actual results, achievements and developments in our business to differ significantly from those expressed or implied by our forward-looking statements. Actual revenues and growth projections of the Company or companies in which we are invested may be lower than we expect for any reason, including, without limitation:

- the continuing uncertain economic conditions
- price and product competition
- changing product mixes,
- the loss of any significant customers,
- competition from new or established companies,
- higher than expected product, service, or operating costs,
- inability to leverage intellectual property rights,
- delayed product or service introductions

Investors are cautioned not to place undue reliance on these forward-looking statements. No forward-looking statement is a guarantee of future results.

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Overview

During the first quarter of 2016 the Company continued to focus on executing its business plan of growing revenue in the companies it owns or in which it is invested, developing new revenue streams, pursuing increased investment and acquisitions in targeted technologies and technology companies, and raising required capital.

Financial Condition and Results of Operations

Capital Resources and Liquidity

Current Assets and Liabilities, Working Capital

As of March 31, 2016 the Company's current assets were $230,952, an increase of $55,408 over the previous quarter, due primarily to increases in cash and inventories. Accounts receivable, consisting primarily of monies owed to Nimbo by its customers for products and services, dropped marginally over the quarter to $41,203, and represent only 18% of the company's consolidated current assets.

Current liabilities increased by $114,693 (16%) over the quarter, primarily due to increases in accounts payables for inventory. Accounts payable remains 64% of the Company's current liabilities, and are primarily monies owed for hardware and the provision of wireless services.

The Company finished the third quarter with a working capital deficiency of ($596,148), an increase of 10% over the quarter. Adequate working capital remains a core requirement necessary for growth and profitability of the Company's current assets, and to permit further acquisitions. The Company continues to try to improve its working capital position through ongoing equity and debt financing.

Total Assets and Liabilities, Net Assets

The 1st quarter saw a net increase in total assets of $52,858, or 8%, over the previous quarter, commensurate with the respective changes in current assets previously discussed; changes in noncurrent assets were not significant.

In similar fashion total liabilities saw increases over the three month period that were primarily the increases in current liabilities previously discussed. Changes in noncurrent liabilities were only $10,549 in derivative liabilities associated with the issuance of warrants in foreign currency.

The above resulted in net assets of ($120,078), a decrease over the quarter of ($72,384).

As of the date these financial statements were issued the Company believes it has access to adequate working capital and projected net revenues to maintain existing operations for approximately three months without requiring additional funding. The Company's business plan is predicated on raising further capital for the purpose of further investment and acquisition of targeted technologies and companies, to fund growth in these technologies and companies, and to expand sales and distribution channels for companies it currently owns or is invested. It is anticipated the Company will continue to raise additional capital through private placements and debt financing in the both the near and medium term.

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Results of Operations

Revenues and Net Income (Loss)

Revenues

The company had first quarter revenues of $274,007, an increase of 35% over the similar period in 2015. Hardware sales increased 14%, but the majority of the growth was in services which increased by 73%.

Costs of goods sold for the first quarter were up 14% over the similar period in 2015.

Gross profit for the third quarter was $140,293, with a gross margin of 51%, reflecting the higher percentage of high margin service service revenues booked during the quarter. This was a 130% increase in gross profits over the similar period in 2015, when reported margins were 34%.

The Company continues to review hardware vendor, inventory, and order fulfillment strategies as well as product and service pricing models to try to maximize overall margins. However it is anticipated that an increased percentage of hardware sales over the next few quarters could have the effect of reducing margin percentages

Expenses

Expenses for Q1 2016 totaled $318,074, an increase of $75,890, over Q1 in 2015. The majority of this was due to increases in consulting, management and salary costs. Consulting fees, which were primarily fees paid for investor relations and marketing programs, increased significantly, however 56% of these fees ($33,050) were non-cash stock based compensation. Total non-cash stock based compensation expenses for the quarter amounted to $50,040.

Net Income (Loss)

The Company had a Q1 2016 net loss of ($189,674), compared with ($178,599) in Q1 2015, an increase of 6%. As previously discussed, this includes accounting for $50,040 in non-cash stock-based compensation.

The Company continues to invest in personnel and programs as necessary to drive revenue growth and increased gross profit, and to enable the Company to to track toward profitability.

Cash Flows

The company saw a net increase of $49,864 in cash over the quarter. The company used net cash of only $25,087 in its operating activities over the period, offset by $77,484 raised via private placements. Cash at the end of the period was $83,454.

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Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company, the Company is not required to provide the information required by this item.

Item 4. Controls and Procedures.

Disclosure Controls and Procedures

The Company carried out an evaluation, with the participation of all the Company’s executives, of the effectiveness of the Company’s disclosure controls and procedures as of March 31, 2016. The conclusions of the Company’s principal executives was that the controls and procedures in place are adequately effective such that the information required to be disclosed in our SEC, BCSC, and OSC reports was a) recorded, processed, summarized and reported within the time periods specified in SEC, BCSC, and OSC rules and forms, and b) accumulated and communicated to our management, including our chief executive offer and chief operating officer, as appropriate to allow timely decisions regarding required disclosure.

Internal Control over Financial Reporting

During the last fiscal quarter there was no change in the Company’s internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, the Company’s internal control over financial reporting.

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Part II
OTHER INFORMATION

Item 1. Legal Proceedings

During the three months covered by this report the Company is was not party to any legal proceedings.

Item 1A. Risk Factors.

As a smaller reporting company, the Company is not required to provide the information required by this item, however for a discussion of risk factors affecting the Company please refer to the Cautionary Note Regarding Forward-looking Statements included in Part I Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations

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

During the three months covered by this report and ended March 31, 2016 the following securities were sold or issued:

- 55,556 shares for exercise of options at $0.09/share for total proceeds of $5,000
- 200,000 shares with the fair value of $37,050 in exchange for consulting services rendered by external consultants
- 588,240 units for cash proceed of $72,484 (CAD$ 100,000.80). Each unit is comprised of one common share and one share purchase warrant. Each warrant is exercisable into one common share at CAD$ 0.34 (equivalent to $0.25)/share before March 29, 2018. These warrants are subject at the Company's option, to an acceleration of their expiry if the weighted average closing price of the Company's shares is greater than CAD$0.60 for 20 consecutive trading days.

Item 3. Defaults Upon Senior Securities.

There has been no material default in the payment of any element of indebtedness of the Company. The Company has no preferred stock for which dividends are paid, hence no related arrearage or delinquencies in payments of dividends.

Item 4. Mine Safety Disclosures.

The Company is not an operator, nor has a subsidiary that is an operator, of a coal or other mine.

Item 5. Other Information.

During the period covered by this report there was no information, required to be disclosed in a report on Form 8-K, that was not reported.

During the period covered by this report there were no material changes to the procedures by which security holders may recommend nominees to the registrant's board of directors.

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Item 6. Exhibits.

Exhibit Index

31.1	Certification – Rule 13(a)-14(a)/15d-14(a) - CEO
31.2	Certification – Rule 13(a)-14(a)/15d-14(a) - COO
32.1	Certification – Section 1350 - CEO
32.2	Certification – Section 1350 – COO
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

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

May 23, 2016 By: /s/ Neil Chan
Neil Chan
Director, Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

IGEN Networks Corp

May 23, 2016 By: /s/ Richard Freeman
Richard Freeman
Director, Chief Operating Officer