IGEN NETWORKS CORP
Form 10-Q
November 19, 2014

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

FORM 10-Q

x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 FOR THE QUARTERLY PERIOD ENDED September 30, 2014.

o 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 (State or Other Jurisdiction of incorporation or organization)	20-5879021 (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 o

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 o

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: o   Accelerated filer: o

Non-accelerated filer: o (Do not check if a smaller reporting company)

Smaller reporting company: x

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

The number of shares of the registrant's common stock issued and outstanding as of November 18, 2014 is 25,322,541.

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Part I
FINANCIAL INFORMATION

Item 1. Financial Statements

The Company’s unaudited condensed interim consolidated financial statements for the nine month period ended September 30, 2014 are included herewith.

IGEN NETWORKS CORP.

Condensed Interim Consolidated Financial Statements
For the nine months ended September 30, 2014

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

	Note	September 30, 2014 $	December 31, 2013 $
Assets			
Current			
Cash		64,827	11,684
Accounts receivable	6	295,440	167,722
GST receivable		14,167	5,271
Due from equity investee	6	13,562	-
Inventories	3(j)	27,279	-
Prepaid expenses		7,804	4,700
		423,079	189,377
Investment in an associate	4	209,991	241,338
Investment	4	150,000	150,000
Equipment	5	45,967	3,632
Goodwill	2	505,508	-
Security deposit		1,450	-
Total Assets		1,335,995	584,347
Liabilities and Shareholders' Equity			
Current			
Accounts payable	6	268,369	144,491
Accrued liabilities		33,588	19,271
Deferred revenue	3(k)	57,949	-
Convertible debentures	8	49,789	-
Derivative liabilities	8	29,376	-
		439,071	163,762
Non-current			
Convertible debentures	8	-	82,356
Derivative liabilities	8	-	98,992
Note payable	9	95,000	-
Total liabilities		534,071	345,110
Shareholders' Equity			
Capital Stock:			
Authorized - 375,000,000 common shares with $0.001 par value			
Issued and outstanding -24,874,922 and 18,771,669 respectively	7	24,874	18,771
Additional paid-in capital	7	6,486,230	5,537,261
Accumulated other comprehensive loss		(4,023)	(2,596)
Deficit accumulated		(5,705,157)	(5,314,199)
Shareholders' Equity		801,924	239,237
Total Liabilities and Shareholders' Equity		1,335,995	584,347

Approved on Behalf of the Board

"Neil Chan"	Director
"Richard Freeman"	Director

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

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

	Note	Three Months Ended September 30, 2014 $	Three Months Ended September 30, 2013 $	Nine Months Ended September, 30, 2014 $	Nine Months Ended September, 30, 2013 $
Revenue					
Management services	6	39	9,005	12,260	47,880
Commission fees	6	12,364	21,118	30,204	47,010
Sales, hardware		240,977	-	407,278	-
Sales, services		15,065	-	36,260	-
Revenue, total		268,445	30,123	486,002	94,890
Cost of goods sold		150,730	-	249,117	-
Gross profit		117,715	30,123	236,885	94,890
Expenses					
Advertising and selling expenses	6	30,684	3,913	43,027	18,173
Consulting and business development fees		9,237	19,809	103,547	111,350
Depreciation		3,061	860	4,992	2,555
General and administrative	6	52,420	46,528	106,738	150,373
Interest expense		3,766	5,046	13,342	7,846
Management fees		11,066	9,645	38,426	42,140
Professional fees		81,464	4,048	97,760	33,508
Salaries		92,841	-	132,456	-
Stock-based compensation	7	20,504	17,376	27,599	143,851
Transfer agent & filing fees		2,952	3,878	11,945	9,840
Travel and accommodation		14,317	1,823	31,581	14,622
Total		322,312	112,926	611,413	534,258
Loss before the others:		(204,597)	(82,803)	(374,528)	(439,368)
Accretion		(9,650)	-	(34,061)	-
Change in derivative liabilities		14,332	-	17,975	-
Change in fair value of convertible debenture	8	-	-	31,003	-
Share of losses from investment in an associate	4	(11,849)	(8,102)	(31,347)	(22,019)
Net loss		(211,764)	(90,905)	(390,958)	(461,387)
Other comprehensive Loss:					

Net loss for the period	(211,764)	(90,905)	(390,958)	(461,387)
Foreign currency translation adjustment	(1,193)	1,460	(1,427)	(5,806)
Total comprehensive loss	(212,957)	(89,445)	(392,385)	(467,193)
Net Loss per share, basic and diluted	(0.01)	(0.01)	(0.02)	(0.03)
Weighted Average Number of Common Shares Outstanding	23,708,920	17,808,656	21,746,564	16,730,327

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

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IGEN NETWORKS CORP.
Condensed Interim Consolidated Statements of Cash Flows
(Expressed in U.S. dollars)
(Unaudited)

	Note	Nine Months Ended September 30, 2014 $	2013 $
Cash Flows from Operating Activities			
Net loss		(390,958)	(461,387)
Items not affecting cash:			
Accretion		34,061	-
Change in derivative liabilities		(17,975)	-
Change in fair value, convertible debenture		(31,003)	-
Depreciation		4,992	2,555
Share of losses from investment in an associate		31,347	22,019
Shares issued for services		66,950	58,500
Stock-based compensation		27,599	143,851
Other, including net changes in other non-cash balances:			
Accounts receivable		(9,991)	(36,537)
Due from an equity investee		(14,055)	-
GST receivable		(8,896)	4,778
Inventory		(5,967)	-
Prepaid		(384)	-
Accounts payable, accrued liabilities and deferred revenue		35,477	43,665
Net cash used in operating activities		(278,803)	(222,556)
Cash Flows from Investing Activities			
Cash used in acquisition of equipment		(2,381)	(452)
Acquisition of cash, business acquisition	2	42,672	-
Net cash provided by (used in) investing activities		40,291	(452)
Cash Flows from Financing Activities			
Proceeds from issuance of convertible debentures		-	150,000
Proceeds received from options/warrants exercise		-	40,000
Proceeds from issuance of units, private placement	7	292,500	-
Net cash provided by financing activities		292,500	190,000
Effect of exchange rate on cash		(845)	(144)
Net increase in cash		53,143	(33,152)
Cash, beginning of period		11,684	35,878
Cash, end of period		64,827	2,726

See Note 12 for supplemental information to these statements of cash flow

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

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

	Note	Common Stock Shares	Amount $	Additional Paid-in Capital $	Accumulated Other Comprehensive Loss $	Deficit Accumulated $	Total Stockholders' Equity $
Balance December 31, 2012		14,982,478	14,982	5,028,707	-	(4,720,297)	323,392
Exercised options on March 25, 2013 at $0.09 per share		444,444	444	39,556	-	-	40,000
Exercised options on October 11 and November 4, 2013 at $0.09 per share		550,000	550	48,950	-	-	49,500
Shares issuance - acquisition of Gogiro shares		1,744,747	1,745	172,730	-	-	174,475
Shares issuance - consulting services on June 4, 2013		650,000	650	57,850	-	-	58,500
Stock based compensation		-	-	149,868	-	-	149,868
Share issuance for cash on December 5 and 10, 2013 at $0.10 per share		400,000	400	39,600	-	-	40,000
Foreign currency translation adjustment		-	-	-	(2,596)	-	(2,596)
Net loss for the year		-	-	-	-	(593,902)	(593,902)
Balance December 31, 2013		18,771,669	18,771	5,537,261	(2,596)	(5,314,199)	239,237
Units issued for cash at $0.08/unit	7	843,750	844	66,656	-	-	67,500
Shares issued for cash at $0.08/unit	7	625,000	625	49,375	-	-	50,000
Shares issued for cash at $0.15/share	7	333,333	333	49,667	-	-	50,000
Units issued for cash at	7	384,616	385	49,615	-	-	50,000

$0.13/share							
Shares issued for acquisition of Nimbo	2	2,500,000	2,500	472,500	-	-	475,000
Shares issued for services		379,722	380	66,570	-	-	66,950
Units issued for cash at $0.17/unit	7	147,059	147	24,853	-	-	25,000
Share issued for cash at $0.18/share		277,778	277	49,723	-	-	50,000
Shares issuance, convertible debenture conversion	7	611,995	612	92,411	-	-	93,023
Stock based compensation		-	-	27,599	-	-	27,599
Foreign currency translation adjustment		-	-	-	(1,427)	-	(1,427)
Net loss for the period		-	-	-	-	(390,958)	(390,958)
		24,874,922	24,874	6,486,230	(4,023)	(5,705,157)	801,924

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

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IGEN NETWORKS CORP.
Notes to Interim Consolidated Financial Statements (Unaudited)
For the Nine Month period ended September 30, 2014
(Expressed in U.S. dollars)

1. Nature and continuance of operations

IGEN Networks Corp, together with its wholly owned subsidiary IGEN Business Solutions Inc., (collectively "IGEN", or the "Company") was incorporated in the State of Nevada on November 14, 2006. The Company has been primarily in a development state since inception pursuing a variety of different technologies and markets. Commencing January 1, 2012, the Company is no longer a Development Stage Company, as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 915, Development Stage Entities, after the Company took on new investment, new management, and a new business model in September of 2011. IGEN's primary business is investing in and managing for growth private high-tech companies that offer products and services in the domains of wireless broadband, Software as a Service, and Machine to Machine solutions. A secondary part of IGEN's business is negotiating distribution agreements with relevant organizations and selling their products and services through the distribution channels of our portfolio companies, or newly developed IGEN sales channels. Commencing May 5, 2014, the Company was also in the business of providing vehicle tracking and recovery solutions to the automotive and power sport industries after the acquisition of Nimbo, LLC (Note 2).

These 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 Company generated revenue for the first time in the fourth quarter of 2011 and continued to grow revenue into 2014. 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 $5,705,157 as at September 30, 2014. 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. Business Acquisition

Effective May 5, 2014 (the "Acquisition Date"), the Company took control of Nimbo, LLC ("Nimbo"), a corporation incorporated in Texas U.S.A., by acquiring 100% of the voting equity interest (the "Acquisition") of Nimbo. Nimbo is in the business of providing vehicle tracking and recovery solutions to the automotive and power sport industries. The Company intends on applying human resources and capital to help growing Nimbo LLC. The Company issued 2,500,000 common shares as consideration of the Acquisition. The fair value of these common shares was $475,000, which was determined on the basis of the closing price of Igen's common share on the Acquisition Date.

In accordance with the FASB ASC 805, the Acquisition has been accounted for as a purchase of a business and the Company is identified as the acquirer. The fair value of the purchase consideration of $475,000 was allocated to the assets acquired and liabilities assumed based on the estimated fair values on the date of acquisition as described below:

Assets acquired

Cash	$	42,672
Accounts receivable (net of $9,258 provision for uncollectable)		117,727
Inventory		21,312
Prepaid		4,170
Equipment		45,035
Goodwill		505,508
Total		736,424
Less liabilities assumed:		
Accounts payable, accrued liabilities, and deferred revenue		261,424
Fair value of assets acquired, net of liabilities assumed	$	475,000

The above purchase price allocation is preliminary and the Company is continuing to evaluate the assets acquired and liabilities assumed, and these may be adjustments to the preliminary estimate of purchase date fair value as the Company completes the valuation process. The Company will finalize the purchase price allocation in the year ending December 31, 2014.

IGEN NETWORKS CORP.
Notes to Interim Consolidated Financial Statements (Unaudited)
For the Nine Month period ended September 30, 2014
(Expressed in U.S. dollars)

2. Business Acquisition (continued)

The following table provides information of the revenue and net income (loss) of Nimbo

	Revenue $	Net income (loss) $
The actual result of Nimbo from May 6 to September 30, 2014 that has been consolidated to the Company's interim consolidated income statements for the nine months ended September 30, 2014	443,538	(45,109)

3. Summary of Significant Accounting Policies

a) Basic of presentation and consolidation

These consolidated financial statements and related notes include the records of IGEN Networks Corp., its wholly owned subsidiary, IGEN Business Solutions Inc. and Nimbo LLC.

As discussed in Note 2, as of the completion of the Acquisition on May 5, 2014, the Company has started to consolidate the results of operation and cash flow of Nimbo to the Company's consolidated financial statement. As a result, the consolidated interim statements of operations and consolidated interim statements of cash flow for the three and nine months interim period (collectively the "2013 Comparative Figures") include only the accounts of Igen.

All intercompany transactions and balances have been eliminated. These 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 as 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.

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For the Nine Month period ended September 30, 2014
(Expressed in U.S. dollars)

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:
- 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 is 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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IGEN NETWORKS CORP.
Notes to Interim Consolidated Financial Statements (Unaudited)
For the Nine Month period ended September 30, 2014
(Expressed in U.S. dollars)

3. 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 December 31, 2013 and September 30, 2014 were solely finished goods that can be resold. There was no provision for inventory recorded during the year ended December 31, 2013 and nine months ended September 30, 2014.

k) Deferred revenue

As at September 30, 2014, and December 31, 2013, the Company had deferred revenues of $57,949 and $Nil 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, 2013. 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 Interim Consolidated Financial Statements (Unaudited)
For the Nine Month period ended September 30, 2014
(Expressed in U.S. dollars)

4. Investment in an associates and Investment

Investment
The Company's investment consists of 43 common shares of Machlink Inc. ("Machlink") which is a private company conducting information technology business. The Company is not considered having significant influence in Machlink's operations. The shares of Machlink do not have quoted market prices in an active market. On December 31, 2013 and September 30, 2014, the Company's investment in Machlink had a carrying value of $150,000 which is the Company's cost in this investment's less impairment.

Investment in an associate
Pursuant to an option agreement, the Company incurred $50,000 and $50,000 (totaling $100,000) to acquire 200,000 and 200,000 (totaling 400,000) common shares of Gogiro Internet Group ("Gogiro"), a private Canadian Company, on November 23, 2011 and October 17, 2012 respectively.

On March 12, 2013, the Company signed an agreement to acquire 2,078,080 shares of Gogiro through the issuance of 1,744,747 restricted common shares of the Company (the "Gogiro Acquisition"). Neil Chan, CEO and Director of both companies, would exchange 2,000,000 Gogiro shares for 1,666,667 restricted common shares of the Company. The proceeds of Gogiro Acquisition was $174,475 which was the fair value of the 1,744,747 restricted shares of the Company.

Upon the completion of the Gogiro Acquisition in March 2013, the Company's interest on Gogiro increased to more than 30%. As a result, the Company has changed its method to account for its investment in Gogiro from "cost less impairment value" method to equity method as the Company's interest on Gogiro has surpassed 20% whereby the Company is considered having significant influence on Gogiro. The Company's weighted average ownership on Gogiro was 31.12 % and 30.37% during the March 12 to December 31, 2013 and Nine Months Ended September 30, 2014 ("2014 Nine Months") respectively. Consequently the Company has included Gogiro's losses in the Company's consolidated financial statements in accordance to the percentage ownership (31.12 % for fiscal 2013; 30.37% for 2014 Nine Months). In addition, gains and losses resulting from 'upstream' and 'downstream' transactions between IGEN and Gogiro are recognised in IGEN's consolidated financial statements only to the extent of unrelated investors' interests 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, 2012	400,000	100,340
The acquisition of 1,744,747 shares of Gogiro	2,078,080	174,475
Share of Gogiro's loss during March 12 to December 31, 2013 (31.12%)	-	(33,477)
Balance, December 31, 2013	2,478,080	241,338
Share of Gogiro's loss during 2014 Nine Months (30.37%)	-	(31,347)
	2,478,080	209,991

The following table summarizes Gogiro's revenue, expenses and net loss on an aggregate basis without adjusting for IGEN's proportionate interest:

	2014 Nine Months $
Revenue	75,530
Expense	(173,652)
Other revenue	31,015
Net loss	(67,107)

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IGEN NETWORKS CORP.
Notes to Interim Consolidated Financial Statements (Unaudited)
For the Nine Month period ended September 30, 2014
(Expressed in U.S. dollars)

5. Equipment

	Cost	Accumulated Amortization	Net Book Value 2014/9/30	Net Book Value 2013/12/31
Office equipment	$ 1,603	$ 760	$ 843	$ 999
Computer	63,900	21,240	42,660	2,633
Software	3,434	970	2,464	-
TOTAL	$ 68,937	$ 22,940	$ 45,967	$ 3,632

6. Related Party Transactions

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

As at September 30, 2014, the Company's amount owing from Gogiro was $13,562 (CAD$ 15,000). This receivable is Unsecure, due on demand, and has an interest of 5% per annum.

During 2014 Nine Months, the Company incurred $75,023 in management fees paid in cash to directors and officers of IGEN (Nine Months ended September 30, 2013 - $86,240).

During 2014 Nine Months, IGEN recorded the following transactions with Gogiro, a company shares a common Officer and Director with IGEN, and a company of which IGEN has significant influence (Note 4):

- Commission fees income from Gogiro of $30,207 (Nine months ended September 30, 2013 - $47,010)
- Management service income from Gogiro of $12,261 (Nine months ended September 30, 2013 - $47,880)
- Advertising expenses charged by Gogiro of $2,626 (Nine months ended September 30, 2013 - $13,632)
- Office rent expenses charged by Gogiro of $4,941 (Nine months ended September 30, 2013 - $5,782)

As at September 30, 2014 the Company had account receivables of $178,204 (December 31, 2013 - $166,726), and accounts payable of $1,139 (December 31, 2013 - $9,667) with Gogiro (Note 4). The Company also had account payable of $38,438 (December 31, 2013 - $54,906) with directors and officers of IGEN and a company owned by a director of IGEN.

7. Stockholders' Equity

a) During the year ended December 31, 2013, the company issued the following shares under the Securities Act of 1933 exemption Rule 144:

On March 25, 2013, the company issued a total of 444,444 restricted common shares for which the company received a total of $40,000 in subscriptions for shares at a price of $0.09 per share as part of the exercising of stock options.

On March 12, 2013, the company issued a total of 1,744,747 restricted common shares for the acquisition of 2,078,080 common shares of Gogiro (Note 3)

On June 4, 2013, the company issued a total of 650,000 restricted common shares (with fair value of $58,500 or $0.09/share) to various consultants for their services provided.

On October 11 and November 4, 2013, two directors exercised 550,000 options of the Company into common shares at $0.09/share for $49,500.

On December 5 and 16, 2013, the Company issued 400,000 common shares at $0.10/share for $40,000 in a non-brokerage private placement.

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IGEN NETWORKS CORP.
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7. Stockholders' Equity (Defecit) – Continued

b) During 2014 Nine Months, the company issued the following shares under the Securities Act of 1933 exemption Rule 144:

On January 28, 2014 the Company issued 843,750 units "Unit A" at $0.08/share for $67,500 pursuant to a non-brokerage private placement. Each Unit A consisted of one common share and one share purchase warrant, each warrant entitling the holder to purchase one share at an exercise price of $0.20 per share for one year.

Pursuant to non-brokerage private placements, the Company issued 625,000 common shares at $0.08/share for $50,000, issued 333,333 common shares at $0.15/share for $50,000, issued 384,616 units ("Unit B") at $0.13/unit for $50,000 during three months ended June 30, 2014. Each Unit B consisted of one common share and one share purchase warrant, each warrant entitling the holder to purchase one share at an exercise price of $0.26 per share for one year.

The Company also issued 379,722 common shares to various consultants for their services rendered. The fair value of these common shares is $66,950 which is determined by the market closing prices of these shares when they were issued.

The Company issued 2,500,000 common shares as consideration for the Acquisition (Note 2). The fair value of these common shares is $475,000 which is determined by the market closing prices of these shares at the Acquisition Date.

During the third quarter of 2014, the Company issued 277,778 common shares in a private placement for cash of $50,000 and issued 147,059 unit ("Unit C") at $0.17/unit. Each Unit C consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.40 for two years. Also the holder of a $100,000 convertible debenture converted this convertible debenture into 611,995 common shares of the Company in accordance with the conversion price set forth in this convertible debenture.

c) Common share purchase warrants:

During 2014 Nine Months, 1,375,425 share purchase warrants were issued at three private placements (Note 7 (b)).

The number of outstanding warrants as at December 31, 2013 and September 30, 2014 was Nil and 1,375,425 respectively. As at September 30, 2014, the weighted average exercise price and weight average remaining life of the warrants was $0.24/share and 1.19 years respectively.

d) Stock Options

On March 25, 2013 via Board of Directors Consent Resolution the Company ratified and adopted a Stock Option Plan, created an option pool of 4,000,000 options. The Company granted 1,475,000 options to three directors of the Company and granted a further 185,000 options to employees and consultants of the Company (totaling 1,660,000 options) during the year ended December 31, 2013. Each stock option entitles the option holder to purchase one common share of the Company on or before March 31, 2018 at an exercise price of $0.09. Among these 1,660,000 options, 1,085,000 were vested immediately on March 25, 2013. The remaining 325,000 options and 250,000 options were vested on September 1 and November 1, 2013 respectively.

On April 17, 2013, the Company granted 75,000 stock options to two consultants at an exercise price of $0.07/share. These 75,000 options were vested immediately on April 17, 2013 and will expire on March 31, 2018.

On July 31, 2013, the Company granted 350,000 stock options to three consultants at an exercise price of $0.09/share. These 350,000 options were vested immediately on July 31, 2013 and will expire on March 31, 2018.

On April 28, 2014, the Company granted 50,000 stock options to a consultant at an exercise price of $0.17/share. These 50,000 options will be vested 50% on October 1, 2014 and the remaining 50% on April 1, 2015 respectively, and will expire on April 1, 2019.

On June 5, 2014, the Company granted three consultants totaling 450,000 stock options at an exercise price of $0.18/share. These 450,000 options will be vested 50% on May 1, 2015 and the remaining 50% on May 1, 2016

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7. Stockholders' Equity (Deficit) – continued

d) Stock Options (Continued)

The fair values of stock options granted are amortized over the vesting period where applicable. During 2014 Nine Months, the Company recorded $27,599 (Nine months ended September 30, 2013 - $143,851) 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:

	Nine months ended 2014/9/30		Six months ended 2013/6/30	
Expected dividend yield	0	%	0	%
Volatility	230	%	191%-197	%
Risk free interest rate	1.52	%	0.76%-0.85	%
Expected option life	5 years		5 years	
Forfeiture rate	0	%	0	%

On March 26, 2013, Neil Chan (CEO and Director) exercised 444,444 options into 444,444 common shares of the company at the strike price of $0.09 per share for $40,000.

In October and November 2013, Neil Chan and Richard Freeman (Director) exercised 325,000 and 225,000 options into common share respectively on one-to-one basis at the strike price of $0.09 per share for $49,500.

The following table summarizes information about stock options outstanding and exercisable at September 30, 2014:

	Number of Options	Weighted average exercise price $
Options outstanding – December 31, 2012	-	-
Granted (March 25, 2013)	1,660,000	0.09
Exercised (March 26, 2013)	(444,444)	0.09
Exercised (October and November, 2013)	(550,000)	0.09
Granted (April 17, 2013)	75,000	0.07
Granted (July 31, 2013)	350,000	0.09
Options outstanding – December 31, 2013	1,090,556	0.09
Option granted (April 28, 2014)	50,000	0.17
Options granted (June 5, 2014)	450,000	0.18
	1,590,556*	0.12

*Number of options exercisable as at December 31, 2013 and September 30, 2014 was 1,090,556 .

8. Convertible debt and derivative liabilities

On May 4, 2013 and May 31, 2013, the Company issued two convertible debentures (“CDs”) in the principal of CAD$100,000 ($94,000) and CAD$50,000 ($ 47,000) respectively (totalling CAD$150,000 or $141,000). The CD with the principal of CAD$100,000 (“CD#1) and the CD with the principal of CAD 50,000 (“CD#2”) were agreed to mature on January 1, 2015 upon issuance. These CDs are non-secured, carry interest of 14% per annum payable monthly or at term. Subject to the approval of the holder of the CDs, IGEN may convert any of all of the principal and/or interest at any time following the 6 month anniversary of the issuance date of the CDs into common shares of IGEN at a price per share equal to a 20% discount to the fair market value of IGEN’s common share.

On March 31, 2014, the maturity of CD#1 was extended to July 1, 2015. As a result, the Company has recorded a gain of $31,003 to account for the change of the fair value of CD#1 during Nine Months Ended September 30, 2014. In July, 2014, the CD#1 was converted into 611,995 common shares of the Company by the holder for consideration of $93,023 at the conversion price set forth in the debenture.

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8. Convertible debt and derivative liabilities (Continued)

As the CDs are denominated in Canadian dollars (a currency different from the functional currency of the Company) and the exercise prices are not fixed (a 20% discount to the fair market value of IGEN's common share), a derivative is recognized as a liability. The derivative liability is recorded at fair value and re-measured each period with the movement being recorded as a gain or loss in consolidated income (loss). The CDs are classified as a liability, less the portion relating to the derivative feature. As a result, the Company recorded derivative liabilities of $101,823 and convertible notes of $39,177 at dates of issuance of the CDs.

The Company records accretion expense over the term of the convertible notes up to their principal when these CDs come due. During 2014 Nine Months, accretion expenses of $46,734 (Nine months ended September 30, 2013 - $Nil) was recorded. Interest expense on the CDs is composed of the interest calculated on the face value of the CDs at 14% per annum which amounted to $13,342 during 2014 Nine Months (Nine months ended September 30, 2013 - $Nil).

During 2014 Nine Months, the Company recorded a gain on the change in fair value of the derivative liability of $30,648 (2013 Nine Months - $Nil). The Continuity of these convertible debentures is as follows:

	Debt	Derivative
At issuance	39,177.00	101,823.00
Accretion	39,405.00	-
Accrued interest	3,774.00	-
Change in fair value	-	(2,831.00)
December 31, 2013	82,356.00	98,992.00
Accretion	34,061.00	-
Change in fair value	(31,003.00)	(17,975.00)
Accrued interest	4,559.00	-
Change in exchange rate	1,198.00	-
Converted into shares	(41,382.00)	(51,641.00)
Sept 30, 2014	49,789.00	29,376.00

The Company uses the Binomial option pricing model to calculate the fair value of the derivative liability. The following table shows the assumptions used in the calculations:

	Expected Volatility		Risk-free Interest Rate		Expected Dividend Yield		Expected Life (in years)
As at May 4 and May 31, 2013 (date of issuance)	203% - 209	%	0.17% - 0.22	%	0	%	1.59 - 1.66
As at December 31, 2013	219	%	0.13	%	0	%	1.00
		%	0.20	%	0	%	

As at September 30, 2014	200% - 219	0.50 - 1.00

9. Note payable

During the third 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 note is non-secured, will expire on December 31, 2016, and carries interest of 5% per annum.

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10. 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, a Canadian company, as at September 30, 2014. 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 September 30, 2014, the Company had a working capital deficiency 15,992 (December 31, 2013 – working capital of $25,615). The Company intends to have more equity financing and/or long term debt financing in order to eliminate the working capital deficiency and to the operations of the Company.

11. Subsequent event

The Company has evaluated subsequent events through the date these financial statements were issued in accordance with FASB ASC 855.

In October 2014, the Company sold 297,619 restricted common shares of the Company for $50,000 as part of a non-brokered private placement.

In October 2014, the Company issued 150,000 restricted common shares to a consultant at a fair value of $25,500 for services rendered.

12. Supplemental information for statements of cash flow

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

	Nine Months Ended September 30, 2014	2013
Cash paid for interest	$ 6,859	$ 4,531
Cash paid for income taxes	-	-
Issuance 611,995 common shares for the conversion of $93,023 (CAD 100,000) convertible debenture	93,023	-
Issuance of promissory note to settle accounts payable	95,000	-
Issuance of 2,500,000 common shares for Acquisition (Note 2)	475,000	
Issuance of 1,731,734 common shares for acquisition of Gogiro (Note 4)	-	173,173

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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 nine month period ended September 30, 2014. This MD&A should be read together with our unaudited condensed consolidated financial statements and the accompanying notes for the nine month period ended September 30, 2014 (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 quarter the Company continued to focus on executing its business plan of growing revenue in the companies we own or in which we are invested, developing new revenue streams, pursuing increased investment and acquisitions in targeted technologies and technology companies, applying for a listing on a Canadian exchange, and raising required capital.

Highlights of this report for the nine months ended September 30, 2014, include:

- Record revenues: revenues for both Q3 and the 9 month period ending September 2014 were the highest in the Company's history. This is the second subsequent quarter the Company is reporting record revenues. Quarter on previous quarter revenues grew by 36%. Quarter on same quarter 2013 revenues grew by 791%. Revenues for the first three quarters of 2014 increased 412% over the similar period in 2013.

- Record gross profits: quarter on previous quarter gross profits were up 20%. Quarter on same quarter 2013 gross profits were up 291%. Gross profit for the first three quarters of 2014 increased by 150% over the similar period in 2013.

- Reduction in year-to-date net losses: net losses over the nine month period ending September 31, 2014 were down 15% over the similar period in 2013.

Financial Condition and Results of Operations

Capital Resources and Liquidity

Current Assets and Liabilities, Working Capital

As of September 30, 2014 the Company's current assets were $423,079, still a significant increase from the $189,377 reported at 2013 year end, but down 8.1% from the end of the second quarter. The reduction was primarily attributable to a reduction of $37,825 in accounts receivable. 70% of the company's consolidated current assets remain accounts receivable (a 3% reduction from last quarter), 59% of which remain iGen Business Service receivables for services and commissions owed by Gogiro Internet Group, and 41% of which were Nimbo receivables consisting of monies owed to Nimbo by customers for products and services sold.

The Company saw a marginal decrease of 3.8% in current liabilities over the quarter, primarily due to the Company being able to reduce its accounts payable by $54,359. This was offset by a $20,641 net increase in accrued liabilities and a $11,449 increase in deferred revenue associated with Nimbo sales. The bulk of the increase in accrued liabilities was $23,538 of sales bonuses, commissions, and payroll associated with second quarter Nimbo sales. Starting Q3 Nimbo has changed to allocating all associated sales incentives to the quarter in which the sales were shipped, and as such this quarter saw higher sales related liabilities due to including both Q3 and some Q2 associated sales costs.

Current liabilities continue to be primarily payables. The bulk of the Company's payables remain Nimbo payables ($121,450) and iGen Business Solutions payables ($93,704). Nimbo payables are primarily monies owed for hardware and the provision of wireless services. Nimbo was able to decrease payables by $95,000 via conversion of this amount to an interest bearing promissory note. iGen Business Solution payables includes $74,500 in management and consulting fees owed to The Company's executive officers. Current liabilities continue to include liability and derivative liability associated with a $47,000 convertible debenture that matures January 1, 2015.

The Company finished the third quarter with a negative working capital of ($15,992), down from $1,038 reported at the end of the last quarter and down from $25,915 reported at 2013 year end.

Total Assets and Liabilities, Net Assets

The third quarter saw a net reduction in total assets of $46,969 (3.4%) from the second quarter, due primarily to the reduction in current assets described above, plus an $11,849 reduction resulting from the Company’s commensurate share of Gogiro’s quarterly losses reducing the value of the Company’s associated investment.

Total liabilities saw a net reduction of $22,539 (4.05%) over the quarter. Conversion of a Company convertible debenture into equity reduced long term liabilities by $100,200, however this was offset by the conversion of $95,000 of Nimbo’s payables into debt as described above.

The above resulted in a 3% decrease in net assets over the quarter ($24,430), however net assets remain up 235% ($562,687) from the $239,237 reported for December 31, 2013.

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The company is continuing in its efforts to increase its asset base and raise funds to improve its working capital position.

As of the date these financial statements were issued the Company believes it has 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 in the both the near and medium term.

Results of Operations

Revenues and Net Income (Loss)

Revenues

The company had third quarter revenues of $268,445, a second subsequent quarter of growth, and a second subsequent quarter in which the Company is reporting its largest quarterly revenue to date. This increase is reflective of the fact that the third quarter is the first quarter in which the Company is able to consolidate all of the revenues associated with Nimbo LLC. Quarterly revenues were up $71,748 (36%) over the previous quarter, driven primarily by a $74,676 increase (45%) in revenue contributed from Nimbo hardware sales. Quarterly revenue was up $238,322 or 791% over the same period in 2013.

Quarterly gross profit was $117,715, the highest in the Company's history, up 20% over the previous quarter and up 291% over the same quarter in 2013.

Revenues and gross profit for the nine month period were $486,002 and $236,885 respectively, both record nine-month achievements for the company. Revenue increased by 412% over the similar period in 2013, and gross profit increased by 150% over the similar period.

Costs of goods sold increased over the previous quarter by 53% to $150,730, and remain primarily hardware costs associated with Nimbo's product revenue. Gross margins for the third quarter were 44%, a reduction of 50% in the previous quarter, but reflective of the increased percentage of hardware sales making up the Company's revenue.

Expenses

Expenses for Q3 2014 totaled $322,312, an increase of $122,519 over the previous quarter. Some of the expense increase was due to Q3 being the first quarter to consolidate all of Nimbo LLC's expenses, including a $53,226 increase in salary costs. There were however significant one-time professional fee costs associated with completion of the acquisition by the Company of Nimbo LLC., and the filing of business acquisition reports, including $64,500 of accounting, auditing and legal costs. In spite of this quarterly expense increase, expenses for the nine months ending September 30, 2013 were up only 14% ($77,155) over the same nine month period in 2013.

Net Income (Loss)

The Company had a Q3 2014 net loss of $211,764, (0.01 per basic and diluted share), which includes shared losses from Gogiro Internet group of $11,849 (down from $13,462 reported in Q2). This is an increase of $115,278 over the net loss of $95,486 reported in Q2, over half of which can be attributed to the one-time costs associated with the Company's acquisition of Nimbo LLC described in Expenses above. However over the nine-month period ending

September 30, 2014, the company still saw a 15% reduction in net loss over the same period in 2013, down from $461,387 to $390,958

Cash Flows

The company saw a net increase of $53,143 in its cash position over the nine months ended September 30, 2014. The company used net cash of $278,803 in its operating activities over the period, which was offset by $42,672 in cash acquired through the acquisition of Nimbo LLC, combined with $292,500 raised over the period via private placements.

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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 September 30, 2014. It was determined that several instances occurred where the need for disclosure was determined, and hence disclosure filed, late. The conclusions of the Company's principal executives was nevertheless that the controls and procedures in place remain adequately effective such that the information required to be disclosed in our SEC reports was a) recorded, processed, summarized and reported within the time periods specified in SEC 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

The Company is 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 nine months covered by this report and ended September 30, 2014 the following securities were sold or issued under the Securities Act of 1933 exemption Rule 144:

On January 28, 2014 the Company issued 843,750 units "Unit A" at $0.08/share for $67,500 pursuant to a non-brokerage private placement. Each Unit A consisted of one common share and one share purchase warrant, each warrant entitling the holder to purchase one share at an exercise price of $0.20 per share for one year.

Pursuant to non-brokerage private placements, the Company issued 625,000 common shares at $0.08/share for $50,000, issued 333,333 common shares at $0.15/share for $50,000, issued 384,616 units ("Unit B") at $0.13/unit for $50,000 during three months ended June 30, 2014. Each Unit B consisted of one common share and one share purchase warrant, each warrant entitling the holder to purchase one share at an exercise price of $0.26 per share for one year.

The Company also issued 379,722 common shares to various consultants for their services rendered. The fair value of these common shares is $66,570 which is determined by the market closing prices of these shares when they were issued.

The Company issued 2,500,000 common shares as consideration for the Acquisition (Note 2). The fair value of these common shares is $475,000 which is determined by the market closing prices of these shares at the Acquisition Date.

During the third quarter of 2014, the Company issued 277,778 common shares in a private placement for cash of $50,000 and issued 147,059 unit ("Unit C") at $0.17/unit. Each Unit C consisted of one common share and one share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.40 for two years. Also the holder of a $100,000 convertible debenture converted this convertible debenture into 611,995 common shares of the Company in accordance with the conversion price set forth in this convertible debenture.

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

3(i)	Articles of Incorporation and amendments
3(ii)	Bylaws
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	
November 19, 2014	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	
November 19, 2014	By:	/s/ Richard Freeman Richard Freeman Director, Chief Operating Officer