No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. The securities offered by this short form prospectus have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and, subject to certain exceptions and in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to exemptions therefrom, may not be offered, sold or delivered, directly or indirectly within the United States or to, or for the account or benefit of, a "U.S. person" (as defined in Regulation S under the U.S. Securities Act) ("U.S. person"). This short form prospectus does not constitute an offer to sell or a solicitation to buy any of the securities offered hereby within the United States or to U.S. persons. See "Plan of Distribution".

A copy of this preliminary short form prospectus has been filed with the securities regulatory authority in Ontario but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form prospectus is obtained from the securities regulatory authority.

Information has been incorporated by reference in this short form prospectus from documents filed with certain of the securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Synchronica plc at Mount Pleasant House, Lonsdale Gardens, Royal Tunbridge Wells, TN1 1NY, United Kingdom (Telephone: +44 1892 5527 20), and are also available electronically under Synchronica's profile at www.sedar.com.*

PRELIMINARY SHORT FORM PROSPECTUS

New Issue — *September 7, 2011*

» synchronica
Next Generation Mobile Messaging

SYNCHRONICA PLC

$7,325,000
29,300,000 Units
(each Unit being comprised of one Ordinary Share and one-half of one Warrant)

This short form prospectus (the "**prospectus**") qualifies the distribution of 29,300,000 Units (the "**Units**") of Synchronica plc (the "**Synchronica**") issuable upon the conversion of 29,300,000 subscription receipts (the "**Subscription Receipts**"), including, for greater clarity, the Ordinary Shares and Warrants comprising the Units, and the Warrant Shares issuable upon exercise of the Warrants (as those terms are defined below). Each Unit is comprised of, and automatically separates upon issuance into, one ordinary share of Synchronica (an "**Ordinary Share**") and one-half of one ordinary share purchase warrant, each whole warrant (a "**Warrant**") entitling the holder to purchase one Ordinary Share (a "**Warrant Share**") at $0.25 per Warrant Share at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months following the Exchange Date (as defined below).

On July 15, 2011 (the "**Closing Date**"), Synchronica closed a private placement of Subscription Receipts at a price of $0.25 per Subscription Receipt for gross proceeds of $7,325,000 (the "**Private Placement**") pursuant to the terms and conditions of an underwriting agreement dated June 28, 2011 (the "**Underwriting Agreement**") between Synchronica and Paradigm Capital Inc., Stonecap Securities Inc. and Cormark Securities Inc. (collectively the "**Underwriters**"). **The Subscription Receipts are not available for purchase pursuant to this prospectus and no additional funds are to be received by Synchronica from the distribution of the Units.**

Pursuant to the Underwriting Agreement, Synchronica agreed to use its best efforts to obtain a receipt from the securities regulatory authorities in all jurisdictions of Canada where Subscription Receipt holders reside, for a final prospectus qualifying the issue of the Ordinary Shares issuable upon the conversion of the Subscription Receipts and the Warrant Shares issuable upon exercise of the Warrants on a date (the "**Receipt Date**") as soon as possible following the Closing Date until November 15, 2011.

Each Subscription Receipt is convertible into Units in accordance with the conditions contained in the Subscription Receipt Indenture (as defined below) governing the Subscription Receipts. Under the terms of the Subscription Receipts, since the pre-conditions to the release of the proceeds from the issuance and sale of the Subscription Receipts were satisfied on or before the "escrow release deadline" of 5:00 p.m. (Toronto time) on August 31, 2011:

1. the Subscription Receipts will automatically convert on the Exchange Date, without payment of additional consideration or further action, into one Unit for each Subscription Receipt held if the Receipt Date is on or prior to 5:00 p.m. (Toronto time) on September 30, 2011 (the "**Penalty Unit Deadline**"), and into 1.05 Units for each Subscription Receipt held if the Receipt Date is after that date and time; or

2. the Subscription Receipts may be voluntarily converted at the option of the holder into Units prior to the Exchange Date, with the holder acquiring one Unit for each Subscription Receipt held if the conversion occurs prior to the Penalty Unit Deadline. If Subscription Receipts are voluntarily converted by the holder into Units, the Ordinary Shares and Warrants comprising the Units issuable upon conversion will be subject to hold periods under applicable securities legislation and will bear such legends as required by securities laws.

The proceeds of the issuance and sale of the Subscription Receipts were released on July 29, 2011 (the "**Escrow Release Date**") under the Subscription Receipt Indenture as directed by Synchronica and the Underwriters.

A book entry-only certificate representing the Subscription Receipts was issued in registered form to CDS Clearing and Depository Services Inc. ("**CDS**") or its nominee and deposited with CDS on the Closing Date, against payment of the aggregate purchase price for the Subscription Receipts. No certificates representing Subscription Receipts will be issued to Subscription Receipt holders, except in limited circumstances, and registration will be made through the depository services of CDS. On the conversion of the Subscription Receipts, it is anticipated that certificates representing the Ordinary Shares and the Warrants comprising the Units will be issued in book-entry only form and registered in the name of CDS or its nominee and deposited with CDS. No certificates representing the Ordinary Shares or Warrants comprising the Units will be issued to beneficial holders of Units, except in limited circumstances, and registration will be made through the depository services of CDS. Beneficial holders of Units will receive only a customer confirmation from the Underwriters or other registered dealer who is a CDS participant and from or through whom a beneficial interest in the Units is acquired.

The issued and outstanding Ordinary Shares of Synchronica are currently listed and posted for trading on the TSX Venture Exchange (the "**TSXV**") under the symbol "SYN" and on the AIM, a market operated by the London Stock Exchange under the symbol "SYNC.L". On September 6, 2011, the last day of trading prior to the date of this prospectus, the closing price of the Ordinary Shares on the TSXV was $0.21. The TSXV has conditionally approved the Private Placement of Subscription Receipts and Synchronica has applied to the TSXV for final approval.

	Price to the Public	**Underwriters' Commission**(1)	**Proceeds to Synchronica**(2)
Per Unit	$0.25	$0.0125	$0.2375
Total	$7,325,000	$366,250	$6,958,750

Notes:

(1) On the Escrow Release Date (being July 29, 2011), Synchronica paid a total cash commission (the "**Underwriters' Commission**") of 5% of the gross proceeds from the Private Placement to the Underwriters in connection with the Private Placement. On the Closing Date, Synchronica granted to the Underwriters a number of options (the "**Compensation Options**") in the amount that is equal to 3% of the number of Subscription Receipts sold pursuant to the Private Placement. Each Compensation Option entitles the holder thereof to acquire one Unit (a "**Compensation Option Unit**") at a price of $0.25 per unit any time prior to 5:00 p.m. (Toronto time) on the date that is two years following the Closing Date. Each Compensation Option Unit shall consist of one Ordinary Share (a "**Compensation Option Share**") and one half of one ordinary share purchase warrant of Synchronica. Each whole ordinary share purchase warrant of Synchronica shall entitle the holder thereof to purchase one ordinary share of Synchronica at a price of $0.25 per share at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months from the Exchange Date. This Prospectus qualifies the distribution of the Compensation Options.

(2) After deducting the Underwriters' Commission but before deducting expenses of the Private Placement, which are estimated to be approximately $275,000.

An investment in Subscription Receipts and the Units issuable upon the conversion thereof involves certain risks that should be considered by a prospective purchaser of such securities. See "*Risk Factors*" and

"Cautionary Note Regarding Forward-Looking Statements".

The head office and registered office of Synchronica is located at Mount Pleasant House, Lonsdale Gardens, Royal Tunbridge Wells, TN1 1NY, United Kingdom.

References to Synchronica in this prospectus also include its subsidiary entities as the context requires.

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Readers should rely only on information contained or incorporated by reference in this prospectus. Synchronica has not authorized anyone to provide the reader with different information. Readers should not assume that the information contained in this prospectus is accurate as of any date other than the date on the front of this prospectus.

DEFINITIONS

In this prospectus, the following terms have the respective meanings set out below.

"**1933 Act**" means the *United States Securities Act of 1933*, as amended.

"**Acquisition**" means the acquisition by Synchronica of certain assets, intellectual property and contracts of Nokia under the Operator Branded Messaging Asset Purchase Agreement dated June 29, 2011 between Synchronica and Nokia and the ancillary documents referred to in that agreement.

"**Acquisition Agreement**" means the asset purchase agreement dated June 29, 2011 between Synchronica and Nokia.

"**ActiveSync**" means a data synchronization technology and proprietary protocol developed by Microsoft. There are two implementations of the technology: one which synchronizes data and information with handheld devices with a specific desktop computer (originally known as Handheld PC Explorer), and another technology, commonly known as Exchange ActiveSync (or EAS), which provides push synchronization of contacts, calendars, tasks, and email between ActiveSync-enabled servers and devices.

"**AIM**" means the AIM market of the London Stock Exchange.

"**Business Day**" means a day, other than a Saturday, a Sunday or a day on which the principal chartered banks located in Toronto, Ontario, or Montreal, Quebec or London, England are not open for business in the ordinary course.

"**CDS**" means CDS Clearing and Depository Services Inc. and its successors in interest.

"**Closing Date**" means July 15, 2011, the closing date of the Private Placement.

"**Compensation Option Share**" means an Ordinary Share, comprising part of each Compensation Unit, issuable upon the exercise of a Compensation Option.

"**Compensation Option Unit**" means a unit consisting of one Compensation Option Share and one half of one Compensation Option Warrant.

"**Compensation Option Warrant**" means a Warrant, comprising part of each Compensation Unit, issuable upon exercise of a Compensation Option and exercisable in its own right for one Ordinary Share.

"**Compensation Options**" means compensation options granted to the Underwriters on the Closing Date, each compensation option entitling the holder thereof to acquire one Compensation Option Unit at a price of $0.25 per unit any time prior to 5:00 p.m. (Toronto time) on July 14, 2013.

"**Email-to-MMS**" means the conversion of an email message into an MMS message and vice-versa. Synchronica Mobile Gateway automatically converts email messages into MMS format using a built-in email-to-MMS engine. This allows feature phones to display pictures in email messages.

"**Email-to-SMS**" means the conversion of an email message into an SMS ‘text’ message and vice-versa, enabling mobile devices which do not support mobile data to still access advanced messaging services. Synchronica Mobile Gateway provides a built-in email-to-SMS gateway.

"**Escrow Release Conditions**" means the conditions contained in the Subscription Receipt Indenture, including all conditions to complete the Acquisition (other than payment of the purchase price therefor), to be satisfied or waived prior to the release of the Escrowed Funds pursuant to the terms of the Subscription Receipt Indenture;

"**Escrow Release Date**" means July 29, 2011, the date the Escrowed Funds were released from escrow pursuant to the Subscription Receipt Indenture.

"**Escrowed Funds**" means the total gross proceeds from the sale of the Subscription Receipts in the amount of $7,325,000.

"**Exchange Date**" means the earlier of the third Business Day following (i) the Receipt Date, or (ii) November 15, 2011; provided that each Subscription Receipt shall then be converted or deemed to be converted to acquire, for no additional consideration, one Unit if the Receipt Date is prior to the Penalty Unit Deadline and 1.05 Units if the Receipt Date is after the Penalty Unit Deadline.

"**IMAP**" means Internet Message Access Protocol. A protocol which enables the remote management of emails and mailboxes stored on a server. It does not require emails to be downloaded and saved onto a local device. Synchronica Mobile Gateway supports all IMAP back-ends and provides an IMAP frontend for devices with a built-in IMAP client.

"**Instant Messaging**" or "**IM**" means real-time direct text-based communication between two or more people using shared clients. The text is conveyed via devices connected over a network such as the Internet and mobile networks. Synchronica Mobile Gateway provides carrier branded IM communities and also supports a gateway to popular IM communities available today.

"**Nokia**" means Nokia Corporation.

"Nokia Assets" means a specified set of assets and contracts relating to Nokia's operator branded messaging business which are the subject of the Acquisition and in the Acquisition Agreement, including but not limited to, the source code of Nokia's messaging infrastructure and device client software for Push email, Instant Messaging and social networking, related patents and patent applications as well as related licensing and support contracts with mobile network operators and other device manufacturers.

"**Offering Price**" means the offering price of $0.25 per Subscription Receipt.

"**OMA**" means the Open Mobile Alliance. An industry standards body which develops open standards to be used in the mobile telecommunications sector.

"**OMA IMPS**" means the OMA Instant Messaging and presence service.

"**Ordinary Share**" means an ordinary share in the capital of Synchronica.

"**Penalty Unit Deadline**" means 5:00 p.m. (Toronto time) on September 30, 2011.

"**Placing Agreement**" means the placing agreement dated June 29, 2011 between Synchronica, the directors of Synchronica and Northland Capital Partners Limited in relation to the UK Private Placement.

"**Private Placement**" means the private placement offering by Synchronica of Subscription Receipts at a price of $0.25 per Subscription Receipt for gross proceeds of $7,325,000 that closed on the Closing Date.

"**prospectus**" means this short form prospectus.

"**Push email**" is used to describe email systems that provide a capability, in which new email is actively transferred (pushed) to the handset as it arrives at the mail delivery agent (MDA) or gateway. Push email is one of the key features of Mobile Gateway.

"**Receipt Date**" means the date on which Synchronica obtains a receipt from the securities regulatory authorities in all jurisdictions of Canada where Subscription Receiptholders reside, for a final prospectus qualifying the issue of the Unit Shares upon the conversion of the Subscription Receipts and the Warrant Shares upon exercise of the Warrants.

"**Subscription Receipt Agent**" means Computershare Trust Company of Canada.

"**Subscription Receipts**" means subscription receipts offered pursuant to the Underwriting Agreement, each subscription receipt entitling the holder acquire, upon conversion or deemed conversion, a pre-determined number of units, each unit being comprised of one Ordinary Share and one half of one Warrant**.**

"**Subscription Receiptholders**" means the holders of Subscription Receipts.

"**Subscription Receipt Indenture**" means the subscription receipt indenture among Synchronica, Paradigm Capital Inc. and the Subscription Receipt Agent dated July 15, 2011.

"**Synchronica**" means Synchronica plc.

"**SyncML**" means Synchronization Markup Language, a device-independent protocol for synchronization and device management. The SyncML initiative was founded in February 2000 as collaboration between Nokia, Ericsson, IBM, Lotus, Matsushita, Motorola, Palm, Psion and Starfish Software. It aims to find a common standard for data synchronization and device management. Mobile Gateway supports the SyncML industry standard enabling compatible devices to synchronize calendar, contact and task data with back-ends such as Microsoft Exchange or Google Mail/Calendar.

"**TSXV**" means the TSX Venture Exchange.

"**UK Private Placement**" means the placing of 29,754,031 Shares and warrants exercisable for 14,877,015 Shares exercisable for a period of three years at a price of £0.16 per warrant, completed with investors in the United Kingdom on July 29, 2011 for aggregate gross proceeds of £4,760,645.

"**Underwriters**" means Paradigm Capital Inc., Stonecap Securities Inc. and Cormark Securities Inc. collectively.

"**Underwriting Agreement**" means the underwriting agreement dated June 28, 2011 between Synchronica and the Underwriters.

"**Underwriters' Commission**" means the cash fee equal to 5% of the gross proceeds of the Private Placement paid to the Underwriters on the Escrow Release Date.

"**Unit**" means a unit comprised of one Ordinary Share and one-half of one Warrant.

"**WAP**" means an open international standard which enables applications that use wireless devices to connect to the Internet. Mobile Gateway 6 provides an email to WAP gateway.

"**Warrant**" means a warrant entitling the holder to purchase one Warrant Share at $0.25 per share at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months following the Exchange Date.

"**Warrant Shares**" means the Ordinary Shares issuable upon exercise of the Warrants.

"**XMPP**" means Extensible Messaging and Presence Protocol. A protocol developed for online IM communities. It is mainly a server side protocol that enables communication between two XMPP communities, and it also enables users within the same community to talk to each other using desktop clients. Mobile Gateway supports the XMPP industry standard.

CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this prospectus constitute forward-looking statements under Canadian securities legislation. These statements relate to future events or Synchronica's future performance, business prospects or opportunities and product development. All such statements other than statements of historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect, "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Synchronica believes that the expectations reflected in those forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements contained or incorporated by reference herein should not be unduly relied upon. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained or incorporated by reference in this prospectus.

These forward-looking statements involve risks and uncertainties relating to, among other things, dependence on key personnel, competition, technology development and technological change, dependence on proprietary technology, future capital requirements, control of production and product quality, economic and political risks, general economic conditions, risk of third party claims for infringement, dependence on licensing arrangements, and industry growth.

Actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, the risk factors described in this prospectus including in the documents incorporated by reference. See "*Risk Factors*". **Investors should not place undue reliance on forward-looking statements as the plans, intentions or expectations upon which they are based might not occur. Synchronica cautions that the foregoing list of important factors is not exhaustive. Investors should carefully consider the risk factors contained and incorporated by reference herein as well as the uncertainties they represent and the risks they entail. The forward-looking statements contained in this prospectus and the documents incorporated by reference herein are expressly qualified by this cautionary statement. Neither Synchronica nor the Underwriters undertake to update or revise any forward-looking statements, except in accordance with applicable securities laws.**

CURRENCY PRESENTATION

Unless otherwise stated, all dollar amounts stated in this prospectus are expressed in Canadian dollars. United Kingdom pound sterling are stated as "£". United States dollars are stated as "US$".

FINANCIAL INFORMATION

The audited consolidated financial statements of Synchronica as at and for the year ended December 31, 2010, and the unaudited interim consolidated financial statements of Synchronica as at and for the six-months ended June 30, 2011, incorporated by reference in this prospectus, are reported in United States dollars, and have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union.

AVAILABLE INFORMATION

Synchronica currently files reports and other information with the securities commissions and similar regulatory authorities in each of the provinces of British Columbia, Alberta, and Québec, and will, following the receipt for this prospectus, be required to file reports and other information in Ontario, the province of Canada in which the Subscription Receipts have been sold, in accordance with securities legislation. These reports and information are available to the public free of charge under Synchronica's profile at www.sedar.com.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this prospectus from documents filed with certain of the securities commissions or similar regulatory authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Synchronica at Mount Pleasant House, Lonsdale Gardens, Royal Tunbridge Wells, TN1 1NY, United Kingdom (Telephone: +44 1892 552 720), and are also available electronically under Synchronica's profile at www.sedar.com.

The following documents, filed by Synchronica with the securities regulatory authorities of the provinces of Alberta, British Columbia and Québec, are specifically incorporated by reference into, and form an integral part of, this prospectus:

(a) the annual information form dated August 30, 2011 for the year ended December 31, 2010;

(b) the audited consolidated financial statements of Synchronica for the year ended December 31, 2010, together with the auditors' report thereon and the notes thereto, and the management's discussion and analysis related thereto;

(c) the interim unaudited consolidated financial statements of Synchronica for the period ended June 30, 2011, together with the notes thereto, and management's discussion and analysis related thereto;

(d) the material change reports dated August 1, 2011, July 18, 2011, July 8, 2011, and February 10, 2011;

(e) the management information circular of Synchronica dated July 2, 2011; and

(f) the management information circular of Synchronica dated May 27, 2011.

A reference herein to this prospectus also means any and all documents incorporated by reference in this prospectus. Any document of the type required by National Instrument 44-101 - *Short Form Prospectus Distributions* required to be incorporated by reference in a prospectus including any material change reports (excluding confidential reports), comparative interim financial statements, comparative annual financial statements and the auditors' report thereon, information circulars, annual information forms, management's discussion and analysis and business acquisition reports filed by Synchronica with the securities commissions or similar authorities in the provinces of Alberta, British Columbia, Ontario and Québec subsequent to the date of this prospectus and prior to the termination of this distribution, shall be deemed to be incorporated by reference in this prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is, or is deemed to be, incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

FOREIGN ISSUER

Synchronica was constituted under the Companies Act 2006 of England and Wales. As such, Synchronica is organized under the laws of a foreign jurisdiction and is resident outside Canada. Although Synchronica has appointed Ormston List Frawley LLP, of 40 University Avenue, Suite 720, Toronto, Ontario, Canada, M5J 1T1, as its agent for service of process in Ontario it may not be possible for investors to enforce judgments obtained in Canada against Synchronica.

THE COMPANY

Name and Incorporation

Synchronica was constituted under the Companies Act 2006 of England and Wales on November 11, 1996, and its articles of association (analogous to Canadian articles of incorporation) were significantly revised by special resolution of the shareholders on June 26, 2008, and came into effect on October 1, 2009. The revisions adopted at that time arose in connection with the implementation on October 1, 2009 of the Companies Act 2006 of England and Wales. The Companies Act 2006 represents an update of the Companies Act 1985, and the main purpose of the revisions in 2006 was to modernize and streamline the corporate governance regime in England and Wales. Since that date, one amendment has been made to Synchronica`s articles of association, whereby a limit on the maximum total number of shares that Synchronica could have in issue was deleted. This limitation was formerly reflected in article 3 of Synchronica`s articles of association. This amendment to Synchronica`s articles of association was approved by special resolution of the shareholders on April 19, 2010. Accordingly, there is no longer any maximum limit to the number of shares that Synchronica may have in issue, and this is analogous to Canadian corporations that are often authorized by their constating documents to issue an unlimited number of shares.

Synchronica's headquarters are located in England at Mount Pleasant House, Lonsdale Gardens, Royal Tunbridge Wells, TN1 1NY, United Kingdom and Synchronica's telephone number is +44 1892 552 720. Synchronica's web site address is www.synchronica.com. The information on Synchronica's web site is not incorporated by reference into this prospectus.

Inter-Corporate Relationships

The significant inter-corporate relationships among Synchronica and its subsidiaries are described in the table below.

Name	Place of Incorporation	% of Securities Owned, Controlled or Directed by Synchronica
Synchronica Software GmbH	Germany	100%
Synchronica America Limited	England and Wales	100%
Synchronica Philippines Inc.	Philippines	100%
Project Robin II Ltd.	England and Wales	100%
Synchronica Inc. (formerly iseemedia Inc.)	Canada	100%

The table above does not include subsidiaries of Synchronica whose total assets do not exceed 10% of the consolidated assets of Synchronica as at the date of this prospectus, and whose revenue does not exceed 10% of the consolidated revenue of Synchronica as at the date of this prospectus.

Summary Description of the Business

Synchronica is a leading global developer of next-generation mobile messaging solutions that work on any phone, from the latest smartphones through to feature phones and the basic handsets still favoured in emerging economies. The product portfolio includes the flagship product Mobile Gateway, providing Push email, synchronization, Instant Messaging, social networking and backup and restore. Synchronica's products are white-labeled for sale under the brand identities of mobile operators and handset manufacturers, allowing them to provide mass-market messaging services, increase data revenues and reduce customer churn.

For developed markets, Synchronica's proposition is ideal for mobile operators looking to avoid becoming a dumb pipe and wanting to retain their position as the principal owner of the subscriber. In today's developed markets, a combination of competitive pricing pressure, network bandwidth challenges and mobile messaging competition from so-called OTT players (e.g. WhatsApp and Facebook Messenger) and OEMs (e.g. Apple, BlackBerry) risks leaving mobile operators with reduced revenues and high subscriber churn. With Synchronica's solution, mobile operators have the chance to fight back and regain ownership of their subscribers with a compelling, operator-branded messaging portfolio.

Synchronica Mobile Gateway provides a unique email and messaging gateway that combines multiple communication protocols, including Push IMAP, SyncML (OMA DS), ActiveSync, Email-to-MMS, Email-to-SMS and email to WAP, in order to deliver Push email and synchronization to any mobile phone currently in the market, without requiring additional client software to be downloaded to the device. For smartphones and some feature phones, Synchronica also offers a number of mobile clients that deliver an enhanced operator-branded messaging experience to subscribers.

Expanding Instant Messaging to mobile devices, Mobile Gateway establishes carrier-branded IM communities, using the industry standard XMPP communication protocol and provides gateways to popular internet IM communities, connecting any handset enabled for the OMA IMPS communication protocol.

Today, Synchronica's mobile messaging solutions have been licensed to more than 90 mobile network operators worldwide. Synchronica considers that it has grown to become the *de facto* market leader for next-generation mobile messaging in emerging economies, and it has now expanded its focus to include developed markets of Western Europe and North America.

THE NOKIA ACQUISITION

On July 31, 2011, Synchronica acquired from Nokia the Nokia Assets for a total consideration of US$25 million (subject to adjustments), with US$4 million in cash paid on completion of the Acquisition and US$21 million as deferred consideration, plus 18,333,333 warrants to acquire Ordinary Shares at an exercise price of £0.16 per Share for a term of three years, but during the first six months following issuance they may only be exercised under certain limited conditions. Pursuant to the Acquisition Agreement, the US$21 million of the purchase price to be paid by Synchronica to Nokia after the closing of the Acquisition will be paid quarterly in arrears at a rate of 22% of the revenue earned by Synchronica from certain of the Nokia Assets, and applicable developments. It is anticipated that the deferred consideration will be paid in full by the end of 2014. Should the revenue from the Nokia Assets not reach the expected level, the remainder of the deferred consideration will be paid no later than by December 31, 2015. Synchronica will pay no interest on the deferred consideration. This deferred consideration of US$21 million will be secured on the assets of Synchronica and its subsidiaries, as required.

The Acquisition provides Synchronica with a successful and complementary mobile messaging business and a strong, established foothold into the strategically important North American operator market.

In order to raise the funds required for the initial cash consideration payable to Nokia in connection with the Acquisition and the additional working capital required after the Acquisition, Synchronica completed concurrent private placements of its securities in the United Kingdom (the UK Private Placement) and in North America (the Private Placement). The UK Private Placement raised gross proceeds of £4,760,645 through the sale of 29,754,031 units, each unit being comprised of one Ordinary Share and one half of one warrant, with each warrant being exercisable for one Ordinary Share at a price of £0.16 per share for a term for three years. In addition, Synchronica raised gross proceeds of $7,325,000 in North America through the sale of Subscription Receipts pursuant to the Private Placement. The net proceeds from the UK Placement were used to pay the cash payment of US$4,000,000 paid on July 31, 2011 to Nokia for Synchronica's acquisition of the Nokia Assets, as well as to provide Synchronica with working capital. A portion of the proceeds from the Private Placement was used to retire certain indebtedness of Synchronica and the remaining funds are being used and will be used by Synchronica for working capital purposes.

CONSOLIDATED CAPITALIZATION

The following table sets out Synchronica's consolidated capitalization as at June 30, 2011, before and after giving effect to the Private Placement.

	As at June 30, 2011 before giving effect to the Private Placement (Unaudited)	As at the date of this prospectus after giving effect to the Private Placement and assuming conversion of Subscription Receipts[(1)] (Unaudited)
Issued and Outstanding Ordinary Shares	97,988,058	157,242,089[(2)]
Issued and Outstanding warrants[(3)]	19,985,804	69,560,438 [(4)]
Issued and Outstanding options[(5)]	3,648,120	3,648,120
Issued and Outstanding Compensation Options	-	879,000

(1) Assumes conversion of the Subscription Receipts into the Ordinary Shares and Warrants comprising the Units and no Warrant exercises.

(2) Includes 29,754,031 Ordinary Shares issued in the UK Private Placement.

(3) Each whole warrant is exercisable for one Ordinary Share at various exercise prices and for various terms.

(4) Includes the 14,877,015 warrants issued in the UK Private Placement, 2,000,000 warrants issued to agents as commission in connection with the UK Private Placement and 18,333,333 warrants issued to Nokia in connection with the Acquisition (see "*The Nokia Acquisition*"), and excludes 285,714 warrants that expired subsequent to June 30, 2011.

(5) Each whole option is exercisable for one Ordinary Share at various exercise prices and for various terms. All options issued are employee share options.

DESCRIPTION OF SECURITIES BEING DISTRIBUTED

The authorized share capital of Synchronica consists of Ordinary Shares without restrictions on transfer. As of the date of this prospectus, 127,942,089 Ordinary Shares were issued and outstanding.

Summary of the Attributes of the Ordinary Shares

The holders of Ordinary Shares:

(1) have equal ratable rights to dividends and other distributions if and when declared, paid or made on the ordinary share capital of Synchronica;

(2) are entitled to share ratably in all of the assets of Synchronica available for distribution to holders of Ordinary Shares upon the liquidation, dissolution or winding up of the affairs of Synchronica;

(3) do not have preemptive rights on transfer, subscription or conversion rights, or redemption or sinking fund provisions;

(4) are entitled to one (non-cumulative) vote per share on all matters on which shareholders may vote;

(5) are generally able, provided that the Ordinary Shares are fully paid and that no lien attaches to the Ordinary Shares, to transfer their Ordinary Shares without restriction (there are no pre-emption rights in relation to share transfers), subject to the provisions of the AIM rules which restrict directors of Synchronica and applicable employees from dealing in Ordinary Shares during certain periods; and

(6) are not required to contribute additional capital to Synchronica.

The rights attaching to the Ordinary Shares are contained in the articles of association of Synchronica combined with the relevant statutory provisions of the Companies Act 2006 of England and Wales, which would normally include preemption rights when Synchronica proposes to issue Ordinary Shares. Synchronica obtained approval of the issuance of securities under the Private Placement, among other things, from its shareholders at a special meeting of its shareholders on July 28, 2011.

Summary of the Attributes of the Warrants

Each Warrant entitles the holder to purchase one Warrant Share at $0.25 per share at any time prior to 5:00 p.m. (Toronto time) on the date that is 36 months following the Exchange Date.

DESCRIPTION OF THE SUBSCRIPTION RECEIPTS

The Subscription Receipts were issued on the Closing Date pursuant to and are governed by and subject to the terms and conditions of the Subscription Receipt Indenture. The Subscription Receipt Indenture provides, among other things, that the Subscription Receiptholders will be entitled to receive, upon conversion of the Subscription Receipts, without payment of any additional consideration, one Unit for each Subscription Receipt held if the Receipt Date is on or prior to the Penalty Unit Deadline, and 1.05 Units for each Subscription Receipt held if the Receipt Date is after the Penalty Unit Deadline. Subscription Receipts will be automatically converted into Ordinary Shares and Warrants comprising the Units on the Exchange Date, and may be voluntarily converted by Subscription Receiptholders at any time prior to the Exchange Date. Subscription Receiptholders may elect to voluntarily convert the Subscription Receipts into Units prior to the Exchange Date, in which case the Ordinary Shares and Warrants comprising the Units issuable upon conversion of the Subscription Receipts will be subject to hold periods under applicable securities legislation and shall bear such legends as required by securities laws.

Synchronica has granted to each holder of a Subscription Receipt a contractual right of rescission of the prospectus-exempt transaction under which the Subscription Receipt was initially acquired. The contractual right of rescission provides that if a holder of a Subscription Receipt who acquires another security of the issuer on exercise of the Subscription Receipt as provided for in the prospectus is, or becomes, entitled under the securities legislation of a jurisdiction to the remedy of rescission because the prospectus or an amendment to the prospectus contains a misrepresentation:

(a) the holder is entitled to rescission of both the holder’s exercise of its Subscription Receipt and the private placement transaction under which the Subscription Receipt was initially acquired,

(b) the holder is entitled in connection with the rescission to a full refund of all consideration paid to the Underwriters or Synchronica, as the case may be, on the acquisition of the Subscription Receipt; and

(c) if the holder is a permitted assignee of the interest of the original Subscription Receipt subscriber, the holder is entitled to exercise the rights of rescission and refund as if the holder were the original subscriber.

The Escrowed Funds were delivered to the Subscription Receipt Agent on the Closing Date and held by the Subscription Receipt Agent pending satisfaction of the Escrow Release Conditions. On the Escrow Release Date (being July 29, 2011), the Escrowed Funds, net of commissions and expenses, were released from escrow in accordance with the Subscription Receipt Indenture. A portion of the Escrowed Funds payable to Synchronica was used to retire certain indebtedness of Synchronica and the remaining funds are being used and will be used by Synchronica for working capital purposes, while the proceeds from the UK Private Placement were used to satisfy the initial cash payment payable in connection with the Acquisition. See "*The Nokia Acquisition*".

The Subscription Receipt Indenture provides for modifications and alterations to the Subscription Receipts issued thereunder by way of an extraordinary resolution. The term "extraordinary resolution" is defined in the Subscription Receipt Indenture to mean, in effect, a resolution proposed at a meeting of Subscription Receiptholders duly convened for that purpose and held in accordance with the Subscription Receipt Indenture at which there are present in person or by proxy Subscription Receiptholders holding not less than 20% of the then outstanding Subscription Receipts and passed by the affirmative votes of holders of not less than 66⅔% of the Subscription Receipts represented at the meeting and voted on the poll upon such resolution. An "extraordinary resolution" may also be passed by an instrument in writing signed in one or more counterparts by holders of not less than 66⅔% of the then outstanding Subscription Receipts.

Synchronica has designated the Subscription Receipt Agent at its offices in Montreal, Quebec, Canada as agent for the Subscription Receipts, where the Subscription Receipts may be surrendered for exercise, exchange or replacement.

Subscription Receiptholders are not shareholders of Synchronica. Subscription Receiptholders are entitled only to receive the Ordinary Shares and the Warrants comprising the Units on the conversion of their Subscription Receipts.

Neither the Subscription Receipts nor the Ordinary Shares and the Warrants comprising the Units have been, or will be, registered under the 1933 Act or under any applicable U.S. state securities laws, and may not be offered, sold or delivered, directly or indirectly, within the United States, except in transactions exempt from the registration requirements of the 1933 Act and applicable state securities laws.

The foregoing summary of certain provisions of the Subscription Receipt Indenture does not purport to be complete and is qualified in its entirety by reference to the provisions of the Subscription Receipt Indenture, which is available for review under Synchronica's SEDAR profile at www.sedar.com.

USE OF PROCEEDS

The net proceeds of the Private Placement, after deducting the Underwriters' Commission and expenses relating to the Private Placement, were released from escrow to Synchronica on the Escrow Release Date (being July 29, 2011). On July 31, 2011, $2,019,068.46 of the funds from the net proceeds of the Private Placement were used to fully repay two loans to Synchronica with principal amounts of US$1,500,000 and US$500,000, respectively, plus accrued interest. The loan of US$1,500,000 was made to Synchronica on February 7, 2011 by GC-Global Capital Corp (together with a syndicate of lenders) and the loan of US$500,000 was made to Synchronica on June 30, 2011 by GC-Global Capital Corp. and GC-Global Capital Lending Partnership. Synchronica used the proceeds from the loans to permit the fulfillment of contract orders and for working capital purposes. The remaining funds from the Private Placement are being used and will be used by Synchronica for working capital purposes.

The net proceeds from the UK Placement were used to pay the cash payment of US$4,000,000 paid on July 29, 2011 to Nokia for Synchronica's acquisition of the Nokia Assets, as well as to provide Synchronica with working capital. See "*The Nokia Acquisition*".

PLAN OF DISTRIBUTION

This prospectus is being filed to qualify the distribution of the Units issuable upon the conversion of an aggregate of 29,300,000 Subscription Receipts (including the Ordinary Shares and Warrants comprising the Units), and the Warrant Shares issuable upon the exercise of the Warrants. No securities are being offered for sale under this prospectus and no additional funds are to be received by Synchronica from the distribution of the Units. For a summary of the material provisions attaching to the Subscription Receipts see "*Description of Subscription Receipts*".

Pursuant to the Underwriting Agreement between Synchronica and the Underwriters, Synchronica issued and sold to subscribers arranged for by the Underwriters, on the Closing Date, 29,300,000 Subscription Receipts at the Offering Price of $0.25 per Subscription Receipt. The Offering Price and the other terms of the Private Placement were determined by negotiation between Synchronica and the Underwriters.

Pursuant to the Underwriting Agreement, Synchronica has agreed to indemnify the Underwriters and their affiliates, and their respective directors, officers, employees and agents against certain liabilities and expenses.

Pursuant to the Underwriting Agreement, Synchronica paid to the Underwriters the Underwriters' Synchronica equal to 5% of the gross proceeds raised under the Private Placement, and granted to the Underwriters a number of Compensation Options in the amount that is equal to 3% of the number of Subscription Receipts sold pursuant to the Private Placement.

Synchronica has issued a book-entry only certificate representing the Subscription Receipts purchased pursuant to the

Private Placement registered in the name of CDS or its nominee and deposited with CDS. No certificates representing Subscription Receipts will be issued to Subscription Receiptholders, except in certain limited circumstances, and registration will be made through the depository services of CDS.

All transfers or exercises of Subscription Receipts represented by the book-entry only certificate shall occur in accordance with CDS' rules and procedures. The rights of a Subscription Receiptholder in respect of its interest in Subscription Receipts shall be exercised only through CDS and the CDS participants and shall be limited to those established by law and agreements between such holders and CDS and the CDS participants upon instructions from the CDS participants. Each of the Subscription Receipt Agent and Synchronica may deal with CDS for all purposes as the authorized representative of the respective Subscription Receiptholders and such dealing with CDS shall constitute satisfaction or performance, as applicable, of their respective obligations under the Subscription Receipt Agreement.

The TSXV has conditionally approved the Private Placement of Subscription Receipts. Synchronica has made an application for final approval from the TSXV.

On exercise of the Subscription Receipts, it is anticipated that certificates representing the Ordinary Shares and Warrants comprising the Units issued to Subscription Receiptholders will be issued in book-entry only form and registered in the name of CDS or its nominee. No certificates evidencing such Ordinary Shares or Warrants will be issued to Subscription Receiptholders, except in limited circumstances, and registration will be made through the depository services of CDS.

Neither the Subscription Receipts nor the Units nor the Ordinary Shares or Warrants comprising the Units have been, or will be, registered under the 1933 Act or any U.S. state securities laws and, subject to certain exceptions, may not be offered, or delivered, directly or indirectly, or sold in the United States except in certain transactions exempt from the registration requirements of the 1933 Act and in compliance with any applicable state securities laws.

Lock-Up Agreements

Two officers of Synchronica (who are not directors of Synchronica) entered into lock-up agreements with the Underwriters and Synchronica under which the officers agreed that, for a period of 120 days from the Closing Date (being July 15, 2011), they would not offer, sell, contract to sell, lend, swap, or enter into any other agreement to transfer the economic consequences of, or otherwise dispose of or deal with, or publicly announce any intention to offer, sell, contract to sell, grant or sell any option to purchase, hypothecate, pledge, transfer, assign, purchase any option or contract to sell, lend, swap or enter into any agreement to transfer the economic consequences of, or otherwise dispose of or deal with, any Ordinary Shares or other securities of Synchronica held by them, directly or indirectly, unless (a) they first obtain the prior consent of Paradigm Capital Inc., on behalf of the Underwriters, or (b) there occurs a take-over bid or similar transaction involving a change of control of Synchronica. Directors of Synchronica (including two officers who are also directors) did not enter into separate lock-up agreements with the Underwriters and Synchronica since Ordinary Shares owned by them were already subject to lock-up under the Placing Agreement in connection with the UK Private Placement. Under the Placing Agreement, directors of Synchronica are restricted from disposing of Ordinary Shares held by them for a period of 12 months from the date the securities sold in the UK Private Placement were admitted to trading on AIM. The UK Private Placement closed on July 29, 2011 and the Ordinary Shares issued in the UK Private Placement were admitted to trading on AIM on that date.

PRIOR SALES

In the 12 month period before the date of prospectus, Synchronica issued the following Ordinary Shares and warrants, and other securities convertible or exercisable for Ordinary Shares or warrants.

Date	Type of Securities	Number of Securities	Price per Security	Consideration Received
July 29, 2011	Warrants exercisable for	18,333,333	N/A Warrants issued in	Nokia Assets

Date	Type of Securities	Number of Securities	Price per Security	Consideration Received
	ordinary shares for 3 years at £0.16 per share		consideration for the Nokia Assets.	
July 29, 2011	Warrants, each exercisable for 1 ordinary share and ½ ordinary share purchase warrant, having a term of 3 years and being exercisable at £0.16 per share	2,000,000	N/A Warrants issued in consideration for private placement-related services.	Services
July 29, 2011	Ordinary Shares	29,754,031	£0.16 per share (including warrant)	£4,760.644 (gross)
	Warrants exercisable for ordinary shares for 3 years at £0.16 per share	14,877,015		
June 30, 2011	Ordinary Shares	200,000	N/A Shares issued in consideration for granting of a loan.	Cash proceeds-nil.
July 15, 2011	Subscription Receipts	29,300,000	$0.25	$7,325,000
July 15, 2011	Compensation Options exercisable at $0.25 per unit, each exercisable for 1 ordinary share and ½ ordinary share purchase warrant, having a term of 3 years and being exercisable at $0.25 per share	879,000	N/A Compensation Options issued in consideration for private placement-related services (commissions).	Services
June 30, 2011	Warrants exercisable for ordinary shares at $0.35 each for three years	285,714(1)	N/A Warrants issued in consideration for granting of a loan.	Cash proceeds-nil.
February 7, 2011	Ordinary Shares	450,000	N/A Shares issued in consideration for granting of a loan	Cash proceeds-nil.
February 7, 2011	Ordinary Shares	377,000	N/A - Payment of professional fees.	Cash proceeds-nil. Debt discharged through issuance of Ordinary Shares.
January 5, 2011	Ordinary Shares issued or reserved	4,046,602	Shares issued in exchange for	Cash proceeds-nil. Share exchange

Date	Type of Securities	Number of Securities	Price per Security	Consideration Received
	for issuance		common shares of iseemedia Inc.	pursuant to amalgamation.
October 12, 2010	Ordinary Shares	292,469	$0.43 (approx.)- Shares issued in exchange for common shares of iseemedia Inc. acquired pursuant to take-over bid commenced July 22, 2010	Cash proceeds-nil. Share exchange completed under take-over bid.
September 28, 2010	Ordinary Shares	712,489	$0.43 (approx.)- Shares issued in exchange for common shares of iseemedia Inc. acquired pursuant to take-over bid commenced July 22, 2010	Cash proceeds-nil. Share exchange completed under take-over bid.
September 22, 2010	Ordinary Shares	14,590,767	$0.43 (approx.)- Shares issued in exchange for common shares of iseemedia Inc. acquired pursuant to take-over bid commenced July 22, 2010	Cash proceeds-nil. Share exchange completed under take-over bid.
September 22, 2010	Ordinary Shares	8,956,660	Shares issued in exchange for shares of iseemedia Inc. acquired pursuant to a take-over bid. Shares of iseemedia Inc. acquired had been issued under a private placement of 33,333,334 subscription receipts that closed on September 22, 2010, at a price of $0.09 per subscription receipt.	Cash proceeds –nil received by Synchronica. Gross proceeds to iseemedia from placement of subscription receipt were approximately $3,000,000.
	Warrants exercisable for ordinary shares for 3 years at a price of £0.2894 per share	8,956,660		
September 22, 2010	Ordinary Shares	7,782,481	Shares issued in a private placement of units at a price of £0.2175 per unit.	Gross proceeds of approximately £1,692,689.
	Warrants exercisable for ordinary shares for 3 years at a price	7,782,481		

Date	Type of Securities	Number of Securities	Price per Security	Consideration Received
	of £0.2894 per share			
September 22, 2010	Ordinary Shares	4,804,804	Deemed price of £0.3375 per ordinary share.	Cash proceeds-nil. Shares issued as final payment for certain assets from Colibria AS of Norway (those assets comprising Colibria's former Instant Messaging and Presence Service (IMPS) business).
September 22, 2010	Warrants exercisable at $0.3349, each exercisable for 1 ordinary share and 1ordinary share purchase warrant, having a term of 3 years and being exercisable at £0.2894 per share	895,666	N/A Warrants issued in consideration for private placement-related services (commissions).	Services
September 22, 2010	Warrants exercisable for ordinary shares until December 11, 2011 at a price of £0.7718 per share	1,981,315	N/A Warrants issued in exchange for warrants of iseemedia Inc. acquired pursuant to take-over bid commenced July 22, 2010	Cash proceeds-nil. Warrant exchange completed under take-over bid.

[1] These warrants were terminated on July 29, 2011 upon repayment in full of the loan pursuant to which the warrants were issued.

TRADING PRICE AND VOLUME

The Ordinary Shares are admitted for trading on the AIM under the trading symbol "SYNC.L", and have been listed for trading on the TSXV under the trading symbol "SYN" since September 22, 2010.

The following table sets out the price range and trading volume of the Shares in each month during which the Shares traded on the TSXV since the listing date, as reported by the TSXV.

Month	High	Low	Total Volume
September 2010(1)	$0.310	$0.235	36,058

Month	High	Low	Total Volume
October 2010	$0.380	$0.240	157,509
November 2010	$0.285	$0.150	1,967,374
December 2010	$0.420	$0.210	2,474,830
January 2010	$0.500	$0.370	1,149,209
February 2011	$0.465	$0.335	3,202,193
March 2011	$0.440	$0.350	2,146,207
April 2011	$0.450	$0.365	1,516,216
May 2011	$0.380	$0.320	1,049,346
June 2011	$0.350	$0.230	417,138
July 2011	$0.300	$0.200	5,698,909
August 2011	$0.260	$0.200	1,919,762
September 2011[(2)]	$0.230	$0.200	58,759

(1) For the period starting September 22, 2010, the date on which the Ordinary Shares commenced trading on the TSXV.

(2) For the period September 1, 2011 to September 7, 2011.

RISK FACTORS

Each purchaser should carefully consider the following risk factors in addition to the other information contained in this prospectus and in Synchronica's most recently filed management's discussion and analysis. Additional risks and uncertainties not presently known to Synchronica or that Synchronica currently considers immaterial may also impair its business operations and cause the price of its Ordinary Shares to decline. If any of the following risks actually occur, Synchronica's business may be harmed and its financial condition and results of operations may suffer significantly. In that event, the trading price of its Ordinary Shares could decline, and a purchaser may lose all or part of his, her or its investment.

Dependence on key personnel

There can be no assurance that Synchronica will be able to manage effectively the expansion of its operations or that Synchronica's current personnel, systems, procedures and controls will be adequate to support Synchronica's enlarged operations. Any failure of management to manage effectively Synchronica's growth and development could have a material adverse effect on Synchronica's business, financial condition and results of operations.

Synchronica's business is dependent on retaining the services of a small number of key personnel of the appropriate calibre as the business develops. The success of Synchronica is, and will continue to be to a significant extent, dependent on the expertise and experience of its Directors and senior management. Whilst Synchronica has entered into contractual arrangements with the aim of securing the services of the existing management team, the retention of their services cannot be guaranteed. Accordingly, the loss of key personnel could have an adverse effect on Synchronica. To mitigate these issues Synchronica provides a share option scheme and remuneration packages designed to retain key individuals.

Need to Enhance Management Systems

Synchronica has experienced a period of significant growth in sales and personnel that has placed a strain upon its management systems and resources. In the future, Synchronica will be required to continue to improve its financial and management controls, reporting systems and procedures on a timely basis, and to expand, train and manage its employee work force. There can be no assurance that Synchronica will be able to effectively manage such growth. Synchronica's failure to do so could have a material adverse effect upon Synchronica's business, operation results, and financial condition.

Competition

There is a competitive market for Synchronica's products; on occasion this places pressure on sales price and sales margin. Synchronica monitors the products offered by competitors, functionality and price and if necessary adjusts price accordingly.

Competition within the Mobile Industry

Synchronica is engaged in a dynamic and evolving industry. Although Synchronica believes that no competitors currently offer products and services with a directly comparable combination of quality and price to those of Synchronica, there are other competitors in Synchronica's markets and Synchronica anticipates that the quality, price and range of their product and service offerings may improve over the near to medium term. Synchronica also expects that additional competition will develop, from both existing businesses in the mobile communications industry and from potential entrants, as demand for mobile access products and services expands and as the market for these products and services becomes more established. Although Synchronica believes that it has a competitive advantage over the near term, there can be no assurance that this competitive advantage will be either sustained or sustainable.

Competition from the Wired Telecommunications Industry

Although the mobile industry and the wired telecommunications industry serve markets that are largely distinct, there is currently a great degree of overlap between their product and service offerings. Based on recent technological, regulatory, and commercial developments, the degree of overlap between those markets is likely to increase, and Synchronica expects that, as a result, competition will increase substantially. In more developed mobile markets and in many developing economies, the wired telecommunication industry comprises network developers and operators with substantial capital investments in infrastructure, continuing commitments to upgrade the quality and capacity of their transmission facilities, significant operational presence and visibility in the telecommunication marketplace generally, large subscriber bases, preferred access to equity and debt market and research and development expertise. In other markets, wired telecommunication carriers and operators do not enjoy the same comparative strength and penetration, but there can be no assurance that the mobile communication industry will grow in those markets to the extent anticipated by Synchronica.

Technology Development and Technological Change

The mobile communication industry is characterized by rapid technological change. Accordingly, Synchronica believes that its future success depends upon its ability to enhance current products and services and develop and introduce new products and services offering enhanced performance and functionality at competitive prices. Synchronica's inability, for technological or other reasons, to enhance, develop and introduce products and services in a timely manner in response to changing market conditions or customer requirements could have a material adverse effect on Synchronica's results of operations. The ability of Synchronica to compete successfully will depend in large measure on its ability to maintain a technically competent research and development staff and to adapt to technological changes and advances in the industry, including providing for the continued compatibility of its products with evolving industry standards and protocols and competitive network operation environments. There can be no assurance that Synchronica will be successful in its efforts in these respects.

Dependence on Proprietary Technology

Synchronica relies on a combination of patent and trademark laws, trade secrets, confidentiality procedures and contractual provisions to protect its proprietary rights. Despite Synchronica's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of Synchronica's products and services, or to obtain and use information that Synchronica regards as proprietary. Policing unauthorized use of Synchronica's proprietary software products, if required, may be difficult, time-consuming, and costly. In addition, the laws of certain countries in which Synchronica's products and services are sold or licensed do not protect its products and related intellectual property rights to the same extent as the laws of Canada or the U.S. There can be no assurance that Synchronica's means of protecting its proprietary rights will be adequate, the effect of which may be materially adverse to Synchronica.

Future capital requirements

Further funds may be required to develop Synchronica's projects, to take advantage of opportunities for acquisitions or other business opportunities and to meet any unanticipated liabilities or expenses which Synchronica may incur. Synchronica may seek to raise further funds through equity or debt financing, joint ventures, or other means. Failure to obtain sufficient financing for Synchronica's activities and future projects may have a severe impact on Synchronica's growth prospects. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to Synchronica and might involve substantial dilution to Shareholders.

Control of Production and Product Quality

Synchronica controls the research and development of its flagship product, Mobile Gateway, and of other software products that it has recently acquired. Although Synchronica believes that it will be able to successfully manage the issues associated with the ongoing development of its own products, there can be no assurance that this will occur. The competitive positioning of Synchronica's products will require continuous investments in the feature sets and device compatibility of such products. The failure by Synchronica to successfully position its products to meet the market reach and service uptake requirements of its customers, would materially adversely affect the financial position, strategic partnerships, and future prospects of Synchronica.

Economic and political risks

It is anticipated that all or the majority of Synchronica's activities will be outside the United Kingdom and accordingly, there are a number of risks over which it has little control.

Whist Synchronica will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that Synchronica's activities are adversely impacted by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences or contracts, expropriation, war, terrorism, insurrection and changes to laws governing mineral exploration and operations. There is also the possibility that the terms of any licence or contracts Synchronica holds (including any favourable tax provisions) may be changed.

Potential Fluctuations in Quarterly Financial Results

Synchronica's quarterly financial results will be impacted significantly by the frequency and timing of a relatively small number of discrete licensing deals. Synchronica's operation expenses are based on anticipated revenue levels in the short term, are relatively fixed, and are incurred throughout the quarter. As a result, if expected revenues are not realized on a timely basis as anticipated, Synchronica's financial results could be materially adversely affected. Quarterly financial results in the future may be influenced by these or other factors and there may be significant variations in Synchronica's quarterly financial results. In recent years, Synchronica's revenue has been heavily weighted toward the second half of its financial year.

Currency risk

Synchronica will report its results in US dollars, whilst it is expected that a majority of its costs and a small portion of its revenues will be denominated in currencies outside its reporting currency. This may result in additions to or reductions in Synchronica's reported costs or reductions in or increases to Synchronica's reported revenues.

Credit Risk

The amounts of trade receivables presented in the financial statements that are included with this AIF are net of allowances for doubtful accounts estimated by management based on prior experience and their assessment of the current economic environment. The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are high credit quality financial institutions.

Interest Rate Risk

Synchronica's financial instruments that are exposed to interest rate risk are interest rate swaps plus cash and cash equivalents. The terms of the interest rate swaps are set out in the notes to Synchronica's financial statements. The interest rate profile of the financial instruments is disclosed in the notes to Synchronica's financial statements. Synchronica does not have any overdrafts or loans.

Price and credit control risk

Synchronica has set prices for its products, which only senior management can adjust. The majority of Synchronica's customers are national mobile phone operators and offer it low credit risk. There is also a risk that governments impose exchange restrictions.

Liquidity and cash flow risk

Synchronica monitors its cash position on a daily basis and maintains a detailed rolling weekly cash flow forecast for three months ahead. Synchronica's annual budgets include a cash flow forecast. All of these documents are regularly reviewed by the Directors. Synchronica's assets were principally funded by equity and cash in bank at the balance sheet date. Any obligations under borrowings are reviewed by the Directors on a monthly basis.

Taxation Risk

Any change in Synchronica's tax status or the tax applicable to holding the Shares or in taxation legislation or its interpretation, could affect the value of the investments held by Synchronica, affect Synchronica's ability to provide returns to Shareholders and/or alter the post-tax returns to Shareholders.

General Risks

The activities of Synchronica are also subject to the usual commercial risks and factors such as competition and economic conditions may generally affect Synchronica's ability to generate income or achieve its objectives.

Trading and Liquidity in the Shares, AIM and the TSXV

An investment in the Shares is highly speculative and subject to a high degree of risk. The price of publicly quoted securities can be volatile and is dependent upon a number of factors, some of which are general market or sector specific and others that are specific to Synchronica. Only those who can bear the risk of the loss of their entire investment should invest.

Notwithstanding the fact that the Shares are traded on AIM and the TSXV, this should not be taken as implying that there will be a "liquid" market in the Shares. An investment in the Shares may therefore be difficult to realise. In addition the price at which the Shares will be traded and the price at which investors may realise their investment will be influenced by a large number of factors, some specific to Synchronica and its operations and some which may affect quoted companies generally.

The market for shares in smaller public companies, such as Synchronica, is less liquid than for larger public companies. Synchronica is aiming to achieve capital growth and, therefore, the Shares may not be suitable as a short-term investment; a prospective investor should not consider such purchase unless he is certain he will not have to liquidate his investment for an indefinite period of time. The share price may be subject to greater fluctuation on small volumes of shares, and thus the Shares may be difficult to sell at a particular price. The value of the Shares may go down as well as up. The market price of the Shares may not reflect the underlying value of Synchronica's net assets. Investors may therefore realise less than their original investment or sustain a total loss of their investment.

Investment risk

The value of an investment in Synchronica could, for a number of reasons go up or down. There is also the possibility that the market value of an investment in Synchronica may not reflect the true underlying value of Synchronica.

There can be no certainty that Synchronica will achieve or sustain profitability or achieve or sustain positive cash flows from its activities.

Force Majeure

Synchronica's operations now or in the future may not be adversely affected by risks outside the control of Synchronica including labour unrest, civil disorder, war, subversive activities or sabotage, fires, floods, explosions or other catastrophes, epidemics or quarantine restrictions.

General Economic Conditions

Market conditions, particularly those affecting technology companies, may affect the ultimate value of Synchronica's share price regardless of operating performance. Synchronica could be affected by unforeseen events outside its control, including, natural disasters, terrorist attacks and political unrest and/or government legislation or policy. Market perception of technology companies may change which could impact on the value of investors' holdings and impact on the ability of Synchronica to raise further funds by an issue of further shares in Synchronica. General economic conditions may affect exchange rates, interest rates and inflation rates. Movements in these rates will have an impact on Synchronica's cost of raising and maintaining debt financing.

Litigation Risk

Legal proceedings may arise from time to time in the course of Synchronica's business. Synchronica cannot preclude the possibility that further litigation may be brought against it or other companies in Synchronica.

Risk of Third Party Claims for Infringement

Synchronica is not aware that any of its products infringes the proprietary rights of any third parties and believes that the risk of such claims is not significant. There can be no assurance, however, that third parties will not claim such infringement by Synchronica or its licensors with respect to current or future products. Any such claims, with or without merit, could be time-consuming, result in costly litigation, cause interruptions in the supply of Synchronica's products and services to reseller networks and mobile operators, or require Synchronica to enter into royalty or licensing agreements. Such royalty or licensing agreements, if required, may not be available on terms acceptable to Synchronica.

Reliance on Third Parties

Synchronica relies in part on its reseller partners and other partners for accessible to end-users, or even to other carriers, and it also relies on other third parties for the supply and distribution of the MessagePhone™ product and certain aspects of its service offering. In addition, Synchronica's business is dependent on the development and deployment by third parties of their mobile communications infrastructure and on their sales of products and services that use Synchronica's products and services. The loss of, or inability to maintain, any of these relationships, or the failure of such third parties to execute or effectively manage their own business plans, could result in delays or reductions in product shipments and supply of technologies which could materially adversely affect Synchronica's business, operating results and financial condition.

Dependence on Licensing Arrangements

Synchronica currently derives its revenue from a limited number of discrete licensing arrangements, the frequency and timing of which is often difficult to predict. If any one or more of such licensing deals are discontinued, reduced in scope or postponed for any reason, the business prospects, operation results and financial condition of Synchronica could be materially adversely affected. Although Synchronica expects that its dependence on specific licensing deals will decrease as its business matures, there can be no assurance that this will occur in the foreseeable future or at all.

Industry Growth

The overall market for mobile communication devices has experienced significant growth in recent years. There can be no assurance that the market for Synchronica's existing products and services will continue to grow, that firms within the industry will adopt Synchronica's products and services for integration with their mobile communications solution, or that Synchronica will be successful in independently establishing markets for its products. If the various markets in which Synchronica's products compete fail to grow, or grow more slowly than Synchronica currently anticipates, or if Synchronica is unable to establish product markets for its new products, Synchronica's business, operating results, and financial condition would be materially adversely affected.

International Sales

Direct Sales represent a substantial portion of Synchronica's total gross revenues. Synchronica believes that its continued growth and profitability will require additional expansion of its sales in emerging and emerged international markets. To the extent that Synchronica is unable to expand international sales in a timely and cost-effective manner, Synchronica's business, operating results, and financial condition could be materially adversely affected. In addition, even if Synchronica is successful in recruiting additional personnel and international resellers, there can be no assurance that Synchronica will be successful in maintaining or increasing international market demand for Synchronica's products and services.

Legal systems

Some of the countries Synchronica may operate in could have legal systems that are less well developed than or different to those in the United Kingdom. This could result in risks such as: (i) potential difficulties in obtaining effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulation, decrees, orders and resolutions; (v) relative inexperience of the judiciary and courts in such matters; and (vi) difficulty in the interpretation and enforcement of licences and other contracts. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain. There can be no assurance that joint ventures, licences, authorities or others and the effectiveness of and enforcement of such arrangement in these jurisdictions cannot be assured.

INTEREST OF EXPERTS

Synchronica's auditor is BDO LLP, located at 2nd Floor, 2 City Place, Beehive Ring Road, Gatwick, West Sussex, United Kingdom, RH6 0PA. This firm is regulated for audit work by, and is a member of, the Institute of Chartered Accountants in England and Wales. BDO LLP, as independent auditors, reported on the consolidated annual financial statements of Synchronica for the financial year ended December 31, 2010.

No partner, employee or consultant of BDO LLP who participated in and who was in a position to directly influence the preparation or outcome of the audit report of the consolidated financial statements of Synchronica for the financial year ended December 31, 2010 holds any securities of Synchronica or any associate or affiliate of Synchronica.

PURCHASER'S STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two Business Days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if this prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the prospectus of Synchronica plc ("**Synchronica**") dated September ___, 2011 relating to the qualification for distribution of units, comprised of ordinary shares and warrants of Synchronica, issuable upon the exercise of outstanding subscription receipts of Synchronica. We have complied with Canadian Standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned preliminary prospectus of our report to the shareholders of Synchronica on the consolidated statements of financial position of Synchronica as at December 31, 2010 and the consolidated statements of comprehensive income, changes in equity, cash flows and related notes for the year ended December 31, 2010. Our report is dated May 10, 2011.

BDO LLP
Chartered Accountants
West Sussex, United Kingdom
September __, 2011

CERTIFICATE OF THE COMPANY

Dated: September 7, 2011

This preliminary prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the province of Ontario.

(SIGNED) Carsten Brinkschulte	*(SIGNED) Angus Dent*
President and Chief Executive Officer	Chief Financial Officer

On behalf of the Board of Directors

(SIGNED) David Mason	*(SIGNED) Anthony DeCristofaro*
Director	Director

CERTIFICATE OF THE UNDERWRITERS

Dated: September 7, 2011

To the best of our knowledge, information and belief, this preliminary prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of the province of Ontario.

PARADIGM CAPITAL INC.

By: *(SIGNED) Sarah Aves*

STONECAP SECURITIES INC.

By: *(SIGNED) Charles A.V. Pennock*

CORMARK SECURITIES INC.

By: *(SIGNED) Jeff Kennedy*