Cortex Business Solutions Inc.

2015 Third Quarter

Management's Discussion and Analysis

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June 15, 2015

The following management's discussion and analysis ("MD&A") should be read in conjunction with Cortex Business Solutions Inc. ("Cortex" or the "Company") consolidated financial statements, as at and for the quarter ended April 30, 2015. The accompanying financial statements of Cortex have been prepared by management and approved by the Company's Audit Committee. The financial data presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS").

All amounts are expressed in Canadian dollars, unless otherwise stated. This disclosure is effective as of June 15, 2015.

The MD&A and financial statements for earlier periods should also be considered relevant and are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. Additional information is also available on the Company's website at www.cortex.net.

Forward Looking Statements

Statements in this MD&A relating to matters that are not historical facts are forward-looking statements. Such forward-looking statements may involve known and unknown risks and uncertainties, which may cause the actual results, performances or achievements of the Company, to be materially different from any future results implied by such forward-looking statements. Forward-looking statements are often, but not exclusively identified by words such as "anticipate", "may", "expect", "plan", "future", "continue", "intends", "projects", "believes", "seek", "budget", "estimate" ,"forecast", "will", "predict", "potential" ,"target", "could", "might", and other similar expressions. Some of the risks that may cause actual results to vary are described under the "Business Risks and Uncertainties" section. It is important to note that:

- *Unless otherwise indicated, forward-looking statements describe our expectations, as of the date of management's discussion and analysis;*
- *Readers should be cautioned not to place undue reliance on forward-looking statements, as our actual results may differ materially from our expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. Therefore, we cannot provide any assurance that forward-looking statements will materialize, and;*
- *The Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason unless required by applicable securities laws.*

Non-GAAP Financial Measures

The Company reports its financial results in accordance with Canadian GAAP. However, the MD&A contains references to non-GAAP financial measures such as Baseline revenue (access and usage fees revenue plus integration and set-up fees revenue). A reconciliation of revenue can be performed by subtracting project management fees from total revenue reported on the Company's statement of loss and comprehensive loss. Non- GAAP financial measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other reporting issuers.

These non-GAAP financial measures have been included in this MD&A as they are measures which management uses to assist in evaluating the Company's operating performance against its expectations and against other companies in similar industries. Management believes that non-GAAP financial measures assist in identifying underlying operating trends.

Fiscal Q3 2015 Financial and Operational Highlights

Operational Highlights

Cortex has accelerated development of its new product line and introduced Field Ticket Approval ("FTA") on May 16th, 2015. Field Ticket Approval will provide an efficient, electronic method for Suppliers to obtain signatures and required coding/routing information for both supervised and unsupervised work.

The Company has increased total revenue Q3 F2015 over Q3 F2014 by 10% with an increase in billable transactions for the same period by 2%. The largest revenue growth was in the access and usage fees which grew 18% Q3 F2015 over Q3 F2014. With only a 2% increase in billable transactions, the growth can be attributed to an increase in the number of suppliers transacting from 7,817 to 8,890 (14% increase).

Management continues to monitor the impact on revenue of a prolonged downturn in commodity prices to transactional revenue. This quarter, there was a decline of 14% in billable transactions across the Network compared to Q2 F2015.

The Q3 F2015 financial highlights are:

- Total revenue in Q3 F2015 was $2,640,897, an improvement of 10% over Q3 F2014 of $2,390,652. Access and usage fees grew 18% (Q3 F2015 - $2,452,310; Q3 F2014 - $2,070,174).
- The working capital declined $1,371,967 from $ 6,420,035 at January 31, 2015 to $5,048,068 at April 30, 2015.

The Q3 F2015 operational highlights are:

- During Q3 F2015, the Company sold four new buying organizations to receive invoices on the Cortex Trading Partner Network ("CTPN"). During the quarter three buying organizations stopped receiving invoices on the CTPN; two buying organizations were acquired and one buying organization, who was a user of our basic product, was decommissioned.
- As of April 30, 2015 active buying organizations on the Network increased 22% to 84, compared to 69 active at April 30, 2014.
- The impact of the slowdown in the energy business activity caused a reduction in billable transactions:
    - Increased 2% Q3 F2015 over Q3 F2014 (Q3 F2015 -1,221,999; Q3 F2014 -1,203,283)(year over year);
        - The Company saw a 10% increase in revenue during the same period.
    - Declined 14% Q3 F2015 over Q2 F2015 (Q3 F2015 -1,221,999; Q2 F2015 -1,423,818)(quarter over quarter);
        - There was a 6% decline in revenue during the same period, which is expected with the cyclical nature of some of our customers.
    - As the recurring revenue stream is made up of a flat fee and a transactional fee; the downward trend in the transactions does not have an equivalent impact to revenue.

- Active suppliers on the Cortex Network
    - Increased 14% Q3 F2015 over Q3 F2014
    - Increased 2% Q3 F2015 over Q2 F2015

Description of Business

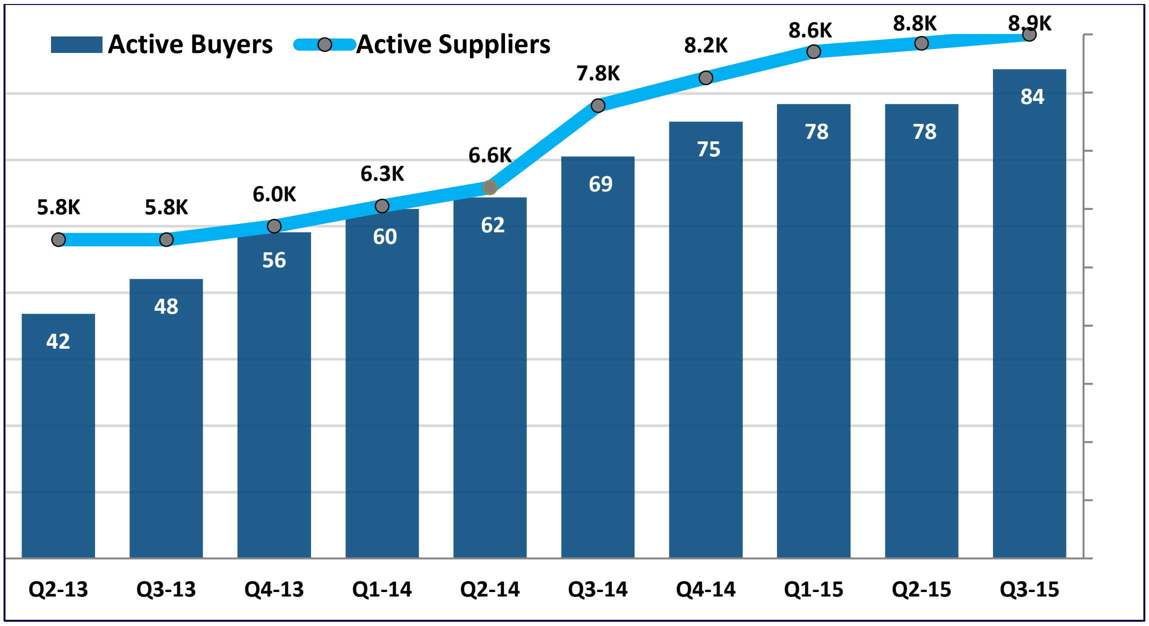
Cortex Business Solutions Inc. is a leading eCommerce service company that improves efficiencies, reduces costs and streamlines procurement and supply chain management for its customers. Accessing the Cortex Network enhances the exchange of business critical documents, such as purchase orders, receipts and invoices, resulting in improved cash flow management and business controls, while reducing day's sales outstanding and administrative costs. Cortex provides a low cost, low risk solution that can be implemented quickly by leveraging its customers' existing business environment(s).

Cortex products and services are non-intrusive and allow our customers the freedom to leverage and optimize their existing processes and information technology assets, where it makes the most impactful business sense for them. This approach improves the productivity, cash flow and profitability of our customers, while avoiding the risk and delays associated with large information technology or business process re-engineering initiatives.

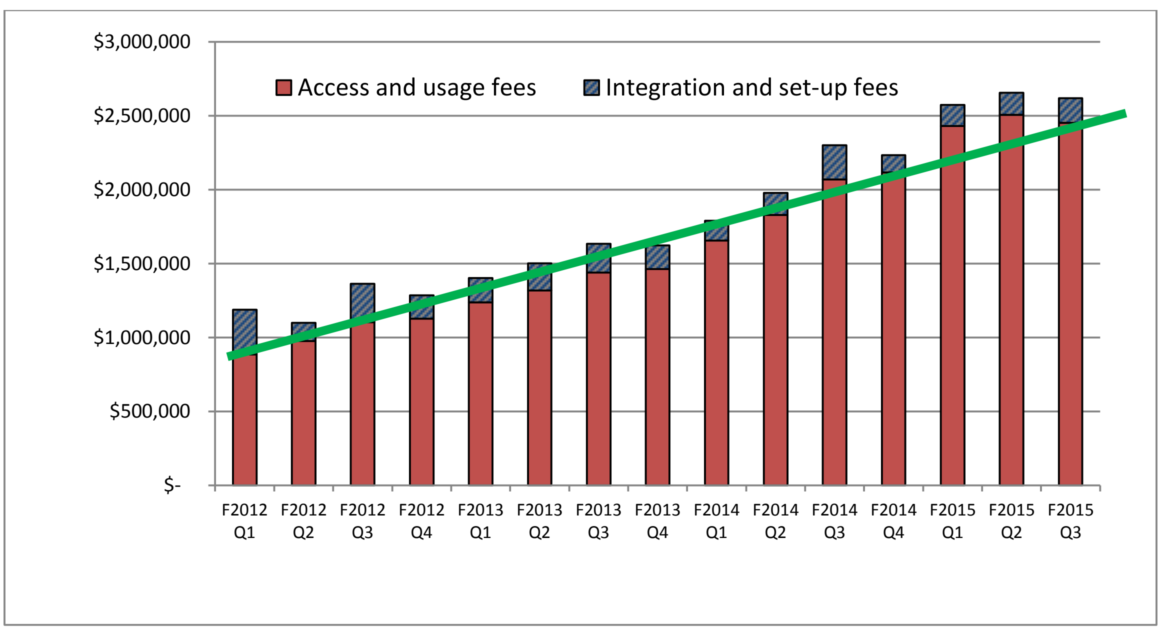
The following table illustrates the growth in some key metrics:

	2015						2014							
Buyer Integrations	**Q3**	**% Change**	**Q2**	**% Change**	**Q1**	**% Change**	**Q4**	**% Change**	**Q3**	**% Change**	**Q2**	**% Change**	**Q1**	**% Change**
Completed	84	8%	78	0%	78	4%	75	9%	69	11%	62	3%	60	7%
In Progress	3		8		5		14		13		19		18	
	87	1%	86	4%	83	(7)%	89	9%	82	1%	81	4%	78	5%
Billable Transactions	1,221,999	(14)%	1,423,818	(3)%	1,474,650	25%	1,182,665	(2)%	1,203,283	11%	1,082,982	1%	1,074,126	10%
Total documents exchanged	3,355,769	(14)%	3,915,442	(3)%	4,021,739	23%	3,279,344	1%	3,231,611	6%	3,039,967	1%	3,000,632	15%

The chart below is intended to help better understand how our Network grows. As more buying organizations accept invoices, (or become active buyers) more suppliers are active on the Network. With more destination points to the supplier, the supplier has the ability to send more invoices electronically to multiple buying organizations.



The active buyer and active supplier chart highlights the correlation between active buyers and suppliers; the baseline revenue chart continues the story highlighting how active buyers and suppliers lead to increased billable transactions on the Network. The Company monitors its access and usage revenue in conjunction with integration and set-up fees as baseline revenue. The baseline revenue stream is a recurring revenue stream, while the project management stream is typically not recurring in nature. The baseline revenue is more recurring in nature and is a better indicator of future revenue. Baseline revenue combined with project management revenue creates the total revenue of the Company.



The Company will allocate its resources toward these areas exhibiting attractive Return on Investment (ROI). Currently, both Canada and the U.S. show strong pipelines for growth opportunity.

The Cortex portal includes client profiles, messaging invites, reports and online help. Additional functionality will be added which will include notifications, geographic profiling and improved Network search.

Outlook

As Cortex moves into other verticals there are exciting opportunities which are complementary to the oil and gas industry. The Company has moved into mining and the media/retail industry recently and is looking forward to assisting these industries with cost savings earned through automation. These new verticals will open up other opportunities through their supply chain and further enhance the Cortex reach outside of oil and gas. This will be instrumental in helping smooth the transactional swings experienced due to Canadian spring break up as well as the impact of commodity prices on Network activity.

Cortex provides both accounts payable and accounts receivable automation services through one product, simplifying the buying organizations systems and learning curves. Cortex continues to prove out both sides of the automation coin and has had positive feedback from organizations utilizing these services. In addition, Cortex continues to work on development to assist the customers with secondary service to further enhance their automation experience.

FINANCIAL PERFORMANCE REVIEW AND ANALYSIS

Quarterly information

	Total Revenue	Access & Usage Fees Revenue	Net Loss	Basic and Diluted Loss Per Share
F2015				
Quarter Three	$2,640,897	$2,452,310	$(1,674,220)	$(0.01)
Quarter Two	$2,823,082	$2,506,230	$(2,281,109)	$(0.01)
Quarter One	$2,631,647	$2,430,228	$(1,934,399)	$(0.01)
F2014				
Quarter Four	$2,812,040	$2,117,717	$(1,619,615)	$(0.01)
Quarter Three	$2,390,652	$2,070,174	$(1,613,556)	$(0.01)
Quarter Two	$1,984,069	$1,829,303	$(1,189,990)	$0.00
Quarter One	$1,790,582	$1,655,815	$(1,463,939)	$(0.01)
F2013				
Quarter Four	$1,623,934	$1,464,519	$(1,533,242)	$(0.01)

The oil and gas industry has seasonal and cyclical trends. Spring break-up results in reduced transaction volumes during this timeframe. This impacts Q3 and Q4 of every year. Cortex has been able, historically, to outgrow the slowdown and increase access and usage fees each quarter regardless. The revenue has been trending upwards in both access and usage fees and total revenue for current and preceding seven quarters. In Q3 F2015, there was a drop in access and usage fees for the first time in the last eight quarters. This is the result of reduced transactions in the oil and gas industry as the impact of commodity prices takes hold.

The net loss was trending downwards from Q3 F2013 through Q2 F2014 as different cost saving initiatives were put into place in conjunction with the revenue increases. The Company then put into place a couple of major initiatives which brought the cost structure back up, increasing net loss from Q3 F2014 through Q1 F2015. For Q2 and Q3 F2015 there were severance costs and interim CEO contract charges which caused expenses and net loss to increase. These expenditures terminated May 2015.

Quarter ended April 30, 2015

Revenue

The Company was able to realize 10% total revenue growth Q3 F2015 over Q3 F2014. The Company maintained an 18% access and usage fee growth rate Q3 F2015 over Q3 F2014 while seeing a 28% decline in integration and set-up fee revenue and a 76% decline in project management fees for the same period.

	Q3 2015	Q3 2014	Change	% Increase (Decrease)
Access and usage fees	$2,452,310	$2,070,174	$382,136	18%
Integration and set-up fees	$167,025	$231,794	$(64,769)	(28)%
Project management fees	$21,562	$88,684	$(67,122)	(76)%
Total Revenue	$2,640,897	$2,390,652	$250,245	10%

Access and Usage Fees

Access and usage fees include a monthly fee for access to the Cortex Trading Partner Network (“Network”), plus transaction fees which are recognized in the month the service is performed.

Access and usage fee revenue continues to show growth at 18% Q3 F2014 to Q3 F2015. The access fee revenue increased 32% while the usage fee increased 7%. The lower usage fee increase was due to the increase of billable transactions Q3 2015 over Q3 2014 of only 2% compared to a 14% increase in the number of billable suppliers. The 14% increase in billable suppliers is not a direct relationship to the 32% increase in the access fee for a few reasons; the increase of 9% in the exchange rate as well as the transition of some of the workbench customers to integration customers; resulting in higher monthly fees.

93% of Q3 F2015 revenue was generated from recurring access and usage fee revenue compared to 87% for Q3 F2014.

Integration and Set-up Fees

Integration fee revenue is recognized on a percentage of completion basis, based on the provision of services provided. Set-up fee revenue is deferred and recognized as revenue over the estimated term of a contract with a customer.

The integration and set-up fee revenue stream continues to fluctuate depending on integrations project timelines, completion, and the number of net new suppliers joining the Network in the quarter paying the initial set-up fee. The deferred revenue for integration projects is recognized during specific milestone phases of the project, and upon completion, all set-up fees are recognized when customer starts transacting utilizing the integrated solution. Integration and set-up fees revenue declined $64,769 or 28% in Q3 F2015 compared to Q3 F2014.

Project Management Fees

Project management fees are recognized as services are performed. These fees are deferred upon receipt and recognized as the project is completed,_in-line with specific contract deliverables. In Q3 F2015 the Company assisted one of its buying organizations with supplier onboarding and dispute resolution resulting in $21,545 in project management fees.

Total Revenue

The total revenue increase was 10% Q3 F2015 over Q3 F2014 (Q3 F2015 - $2,640,897; Q3 F2014 - $2,390,652). The largest contributor to this increase was the access and usage fee revenue of 18% (Q3 F2015 - $2,452,310; Q3 F2014 - $2,070,174). The Company continues to focus on additional opportunities to increase this recurring revenue growth through the sign-up of buying organizations, additional transactions per supplier on the Network, and secondary service offerings.

Expenses

EXPENSES	Q3 F2015	Q3 F2014	% Change
Cost of sales	$1,381,534	$1,232,037	12%
Sales and marketing	845,865	814,592	4%
Research and development costs	795,750	494,351	61%
General and administrative	1,070,314	1,469,987	(27%)
Severance and employment termination costs	216,600	-	100%
Total	**$4,310,063**	**$4,010,967**	**7%**

The total expenses increased 7% or $299,096 Q3 F2015 over Q3 F2014. The details of the individual line items are below:

Cost of Sales & Gross Profit

	Q3 F2015	Q3 F2014	% Change
Total Revenue	$2,640,897	$2,390,652	10%
Cost of Sales, as reported	1,381,534	1,232,037	12%
Gross Profit, as reported	1,259,363	1,158,615	9%
Cost of Sales, as reported	1,381,534	1,232,037	12%
Amortization	432,103	271,252	59%
Cost of Sales, net of amortization	949,431	960,785	(1%)
Gross Profit, net of amortization	1,691,466	1,429,867	18%
Gross profit %	64%	60%	

Total revenue increased $250,245 or 10%, while cost of sales increased $149,497 or 12%. The cost of sales has a variable component, but most of these costs are fixed in nature with a bit of a step increase resulting from growth. Once the impact of amortization is removed, cost of sales decreased $11,354 or 1%.

Included in cost of sales is the amortization of intangibles. Amortization increased $160,851 or 59%. This is the result of amortization of the Canadian portion of the application and infrastructure renewal, as well as the acceleration of the amortization.

Included in cost of sales are variable expenditures which move in alignment with revenue. The material variable items are; AP service fees, credit card discounts and partner commissions. The combined variance in these three items is $141,233 or a 246% increase Q3 F2015 over Q3 F2014.

During Q3 F2015 the decision was made to reduce the bonus accrual for F2015. This resulted in a recovery of bonus accrual expense in this quarter of $128,092 compared to an expense for bonus of $102,305 in Q3 F2014.

Sales and Marketing

	Q3 F2015	Q3 F2014	% Change
Sales and marketing	$845,865	$814,592	4%
As a percentage of revenue	32%	34%	

The sales and marketing line increased $31,273 or 4%.

There were some changes in the sales organization over the last quarter, resulting in more travel than previously. The travel and training increased $35,036 or 156%. There was a 63% or $31,614 increase in commission paid to the sales reps in Q3 F2015 over Q3 F2014.

The sales and marketing organization is clearly an integral part of the organization and there is constant scrutiny in the organization to ensure the expenditures are being appropriately allocated to the areas which will provide future revenue benefits.

During Q3 F2015 the decision was made to reduce the bonus accrual for F2015. This resulted in a recovery of the previously accrued bonus in this quarter of $89,725, compared to an expense for bonus in the amount of $54,779 in Q3 F2014. As a result of this bonus reduction, overall salaries and related benefits for sales and marketing decreased $57,701 or 9%.

Research and Development

	Q3 F2015	Q3 F2014	% Change
Research and development	$795,750	$494,351	61%
Capitalized Software Development costs	Nil	$85,215	(100)%
Total research and development and capitalized software	$795,750	$579,566	37%
As a percentage of revenue	30%	24%	

Research and development costs increased $301,399 Q3 F2015 over Q3 F2014. Part of the increase can be attributed to the reduction in the salaries capitalized to software development, which was $85,215 in Q3 F2014 compared to no amounts capitalized in Q3 F2015.

The Company released the Field Ticket Approver product on May 16, 2015. The total expenditure for the new product development through April 2015 was $637,226.

The majority of the increase in the research and development line, $332,132, is in salaries and related expenses. The increased expenditure was on staff and contractors required to focus on new product development and ensuring appropriate development to support the initiatives the Company wants to focus on developing and bringing to market in a timely manner.

During Q3 F2015 the decision was made to reduce the bonus accrual for F2015. This resulted in a recovery of the bonus accrual in this quarter of $23,162 compared to an expense for bonus estimate of $47,604 in Q3 F2014.

General and Administrative

	Q3 F2015	Q3 F2014	% Change
General and administrative	$1,070,314	$1,469,987	(27%)
As a percentage of revenue	41%	61%	

The general and administrative costs decreased $399,673 Q3 F2015 over Q3 F2014.

The reduction in the senior management salaries in the quarter with the reduction at the executive level of the COO and the VP of US Sales and Operations, was offset by the recruiting and contractor CEO costs in the quarter. The net change in salaries was an overall increase of $140,550 or 17%. The new President and CEO joined Cortex May 4, 2015 and the contractor and recruiting fees will not be seen past May going forward. Reductions in the general and administration costs resulted in overall reduction of $(70,514) or (16%) in general overhead. Included in the general and administrative cost reduction was a significant reduction in the professional fees in Q3 F2015 over Q3 F2014 of $(84,645) or (80%) as there were no more unusual events triggering additional professional fees.

During Q3 F2015 the decision was made to reduce the bonus accrual for F2015. This resulted in a recovery of bonus accrual in this quarter of $167,011 compared to an expense for bonus accrual of $328,476 in Q3 F2014, a reduction of $495,486 in expenses.

Severance and employee termination costs

	Q3 F2015	Q3 F2014	% Change
Severance and employee termination costs	$216,600	Nil	100%
As a percentage of revenue	8%	0%	

During Q3 F2015 the Company continued with its restructuring and recruiting of a permanent CEO and President. During the restructuring the COO left the Company in February of 2015 resulting in a severance payout of $216,600.

Net Loss Q3 F2015

The Company's net loss for the quarter ended April 30, 2015 was 4% higher in Q3 F2015 ($1,674,220) compared to Q3 F2014 - $(1,613,556).

This significant items impacting net loss were:

- The continued restructuring costs to the organization with the COO leaving the Company,
- The interim President and CEO related expenditures,
- The expenditures for the development team for new product development, including recruiting fees and additional staff.
- The reduction of the bonus accrual for F2015.

Nine months ended April 30, 2015

Revenue

The Company was able to realize 31% growth or $1,930,323 during the nine months ended April 30, 2015 over the nine month period ended April 30, 2014. The recurring growth accounted for $1,833,476 a 33% increase during the nine months ended April 30, 2015 over the nine month period ended April 30, 2014.

	Nine months ended			
	April 30 2015	April 30 2014	Change	% Increase (Decrease)
Access and usage fees	$7,388,768	$5,555,292	$1,833,476	33%
Integration and set-up fees	459,594	515,752	(56,158)	(11%)
Project management fees	247,264	94,259	153,005	162%
Total Revenue	$8,095,626	$6,165,303	$1,930,323	31%

Access and Usage Fees

Access and usage fee revenue grew 33% for the nine months ended April 30, 2015, compared to same period April 30, 2014. Access and usage fees grow dependant on transaction volumes through the Network. During the nine month period ended April 30, 2015 the Company signed 13 buying organizations. The addition of these buying organizations resulted in an 8% increase of active suppliers on the Network from the start of the nine month period, July 31, 2014 until the end of the nine month period, being April 30, 2015. The total number of billable transactions for the nine month period increased 23%, and total transactions increased 22%.

Integration and Set up Fees

The integration and set-up fee revenue stream continues to fluctuate, dependant on integration project timelines, completions, and the number of net new suppliers joining the Network. The deferred revenue for integration projects is recognized during specific milestone phases of the project, and upon completion of the project. Integration and set-up fees revenue declined in the nine-month period 11% or $56,158.

Project Management Fees

During the nine months ended April 30, 2015, Cortex provided onboarding services to some of its buying organizations assisting them in setting up their suppliers to further improve their invoice automation rate. The increase in project management fees for this period was $153,005 or 162%.

Total Revenue

The total revenue increase was 31% for the nine months ended April 30, 2015, compared to the same period ended April 30, 2014, (April 30, 2015 - $8,095,626; April 30, 2014 - $6,165,303). The largest contributor to this increase was the access and usage fees revenue of 33% (April 30, 2015 - $7,388,768; April 30, 2014 - $5,555,292). The Company continues to focus on additional opportunities to increase this recurring revenue growth through the additional signing of buying organizations, additional transactions per supplier on the Network, and secondary service offerings.

Expenses

	Nine months ended		
Expenses	**April 30 2015**	**April 30 2014**	**% Increase (Decrease)**
Cost of sales	$4,626,865	$3,588,995	29%
Sales and marketing	2,893,274	2,340,230	24%
Research and development costs	2,336,554	974,491	140%
General and administrative	3,654,007	3,526,207	4%
Restructuring costs	480,225	Nil	
Total	$13,990,925	$10,429,923	34%

The total expenses increased 34% for the nine months ended April 30, 2015, compared to same period ended April 30, 2014. The details of the individual line items are below:

Cost of Sales & Gross Profit

	Nine months ended		
	April 30 2015	**April 30 2014**	**% Change**
Total Revenue	$8,095,626	$6,165,303	31%
Cost of Sales, as reported	4,626,865	3,588,995	29%
Gross Profit, as reported	3,468,761	2,576,308	35%
Cost of Sales, as reported	4,626,865	3,588,995	35%
Amortization	1,294,261	650,043	99%
Cost of Sales, net of amortization	3,332,604	2,938,952	13%
Gross Profit, net of amortization	4,763,022	3,226,351	48%
Gross profit %	59%	52%	

Total revenue increased $1,930,323, or 31%, while cost of sales, as reported, increased $1,037,870, or 29%. The cost of sales has some variable components, although a large amount of these costs are fixed in nature with a bit of a step increase dependent on growth. Once the impact of amortization is removed, cost of sales increased $393,652 or 13%.

The main movements for the nine month period in cost of sales can be attributed to the increase in amortization, partner commission and AP service fees. The increase of $644,218 in amortization was the result of the decision made to accelerate amortization as well as starting to amortize the rest of the project as it reached completion. The AP Service fees increased $123,309 or 811% and the commissions paid to partners increased 257%, or

$239,981. The other material increase was the allocation of overhead to the cost of sales based on headcount. This expense item increased 219% or $229,675. The other increases were not individually material and were related to the increase in revenue and increase in the servicing of the US buying organizations with additional travel and related expenditures.

During Q3 F2015 the decision was made to reduce the bonus accrual through the nine month period ended April 30, 2015. The bonus accrual for the nine months ended April 30, 2015 was $76,471 compared to $362,786 during the nine months ended April 30, 2014, a reduction of 79%.

Sales and Marketing

	Nine months ended		
	April 30 2015	**April 30 2014**	**% Change**
Sales and marketing	$2,893,274	$2,340,230	24%
As a percentage of revenue	36%	38%	

Sales and marketing increased 24% or $553,044.

The main driver behind this increase is the increase in the salaries and related benefits in the sales and marketing department, prior to a bonus accrual recovery in Q3 F2015. During Q3 F2015 the decision was made to reduce the bonus accrual through the nine month period ended April 30, 2015. For the nine month period ended April 30, 2015, the bonus accrual is $18,661 compared to $164,338 during the nine months ended April 30, 2014, a reduction of 89%. There was an increase in base salaries and benefits of $409,286 or 22% with an increase in headcount of 5. The commission increase was 99% or $130,229 for the nine months ended April 30, 2015 over April 30, 2014.

The remaining items are smaller individually and are the result of increased travel, training and external message improvements with the development of our new website an improved marketing materials and external visibility. These combined accounted for the remaining $149,474 increase.

Research and Development

	Nine months ended		
	April 30 2015	**April 30 2014**	**% Change**
Research and development	$2,336,554	$974,491	140%
Capitalized Software Development costs	Nil	662,947	(100)%
Total research and development and capitalized software	2,336,554	1,637,438	43%
As a percentage of revenue	29%	27%	

Research and development increased $1,362,063 during the nine month period ended April 30, 2015 compared to the nine month period ended April 30, 2014. The increase is the result of the inclusion of salaries which were previously capitalized to software development. The amount capitalized during the nine month period ended April 30, 2014 was $662,947 compared to no capitalization of salaries during the current nine month period.

On May 16th, 2015 the development team released field ticket approver as well as the notification framework. The notification framework will allow users to receive email notifications and workbench status updates. The Company continues to listen to its customer requests and add on functionality which assists in their user experience.

During Q3 F2015 the decision was made to reduce the bonus accrual through the nine month period ended April 30, 2015. This resulted in a bonus accrual expense of $66,244 during the nine months ended April 30, 2015 compared to $87,007 during the nine months ended April 30, 2014.

General and Administrative

	Nine months ended		
	April 30 2015	**April 30 2014**	**% Change**
General and administrative	$3,654,007	$3,526,207	4%
As a percentage of revenue	45%	57%	

General and administrative costs increased $127,800 over the nine month period ended April 30, 2015 compared to the nine month period ended April 30, 2014.

The Company had additional costs during the nine month period related to the interim CEO, outsourcing of Human Resource functionality and contractors who were brought in for specific short term projects and roles. The increase was $780,499 for the nine month period related to contract expenditures, including associated recruitment fees. The increase in wages and related expenses was 14% or $264,034. During Q3 F2015, the Company reduced its bonus accrual for the nine months resulting in an expense of $17,008 for the nine months ended April 30, 2015 compared to $99,332 during the nine months ended April 30, 2014.

The general and administrative overhead related costs were down $184,038. This is due to more focused cost savings structures and reductions in place and being executed.

The change in the leadership will continue to focus on reduction of expenditures which do not have an impact to revenue.

Severance and employee termination costs

	Nine months ended		
	April 30 2015	**April 30 2014**	**% Change**
Severance and employee termination costs	$480,225	Nil	100%
As a percentage of revenue	6%	0%	

The nine month period ended April 30, 2015 saw the departure of the Company's CEO and COO resulting in termination related expenditures. During Q3 the Company had some additional expenditures related to the interim President and CEO. Joel Leetzow was brought on board as President and CEO on May 4, 2015 and these additional interim related expenditures will not continue past May 2015.

Net Loss nine months ended April 30, 2015 and 2014

The Company's net loss for the nine months ended April 30, 2015, was 38% higher during the nine month period ended April 30, 2015 ($5,889,727) compared to the same period ended April 30, 2014 ($4,267,485).

This significant items impacting net loss were:

- The transition of the former President and CEO;
- The expenditures for the development team for new product development, including recruiting fees and additional staff.
- The decision to reduce the fiscal bonus for F2015.

Income Taxes

For the nine months and quarter ended April 30, 2015, the Company is not taxable. At April 30, 2015, the Company had approximately $47M of non-capital losses to carry forward to reduce future quarter's taxable income.

Rebate Provision

Cortex Business Solutions has increased its rebate provision in the third quarter of fiscal 2015 by $7,988 and by $23,962 during the nine months ended April 30, 2015. The payment for the rebate is on an annualized basis in July of each year until fully repaid.

Share Capital

Cortex Business Solutions Inc. did not issue any shares during Q3 F2015; however, the Company issued 9,620,000 during the nine month period ended April 30, 2015. During Q3 F2014 the Company issued 100,000,000 common shares and 102,550,052 during the nine month period ended April 30, 2014.

There was no exercise of Compensation Units or warrants during the three or nine months ended April 30, F2015 or during the three or nine months ended April 30, 2014.

The number of common shares issued and outstanding at April 30, 2015 and March 13, 2015 was 371,317,427.

Liquidity and Capital Resources

At April 30, 2015, Cortex Business Solutions Inc. held $5,294,699 in cash and $60,000 in short-term investments, compared to $9,547,661 and $60,000, respectively, at July 31, 2014. The Company had trade accounts receivable of $586,003 at April 30, 2015 compared to trade accounts receivable of $425,752 at July 31, 2014. The Company continues to maintain a diligent collections regime. None of the accounts receivables are under dispute; however the Company has set up $20,000 as an allowance for doubtful accounts at April 30, 2015.

The Company has a current working capital of $5,048,069 compared to $8,182,822 at July 31, 2014. During the nine month period ended April 30, 2015 the Company had additional expenditures as the result of the President and CEO and COO leaving the Company. The additional cash requirement during this period was $480,225. In addition, in the fourth quarter of each year, the Company, under their rebate contract, makes an annual payment, currently estimated to be $550,660.

The below table highlights the Company's current commitments:

	2015	2016/2017	Total on FS
Accounts payable and accrued liabilities	$727,635	$Nil	$727,635
Deferred revenue	$280,488	-	$280,488
Rebate provision	$550,660	$751,289	$1,301,949

The impact of the downturn in the oil and gas industry to the cash flow of the Company is unknown at this time. The Company will continue to monitor the impact of the down turn in the oil and gas industry and may need to revise capital and operating spending plans or consider additional financing when the outlook is clarified. Please refer to the going concern disclosure paragraph below for additional commentary.

Cash used in operating activities was $1,331,095 in Q3 F2015 compared to $860,456 in Q3 F2014. For the nine month period ended April 30, 2015 the cash used in operating activities was $4,485,632 compared to $3,070,009 during the nine months ended April 30, 2014. The increase in the quarter can be attributed to the payout of the COO severance package of $216,600 and for the nine month period the increase in cash outflow is due largely to cash payout of both COO and CEO of $480,225.

During the quarter ended April 30, 2015 the company used $63,347 to invest in property and equipment, specifically computer equipment compared to $1,641 during the quarter ended April 30, 2014. In addition, during the quarter ended April 30, 2015 the Company did not capitalize any software related to the upgrading of the Company's network platform under the Roadmap project which was capitalized as an intangible assets, compared to $85,215 during the quarter ended April 30, 2014. The Company purchased $9,102 in software in Q3 F2015 compared to no purchases in Q3 F2014.

The Company operates a stock option plan, as approved by the shareholders at the 2013 Annual General Meeting on June 10, 2014. Under this plan, directors, officers, consultants and employees are eligible to receive stock options. The aggregate number of common shares to be issued, upon the exercise of all options granted under the plan, shall not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the current stock option plan generally have a term of five years, (and may not exceed five years) and vest over an 18 month period. The stock options granted under a previous stock option plan, had vesting periods ranging from immediate vesting upon grant to 18 months. The exercise price of each option shall be determined by the directors at the time of grant, but shall not be less than the price permitted by the policy or policies of the stock exchange upon which the Company's common shares are then listed.

The number of outstanding stock options at April 30, 2015 was 15,279,251 and at July 31, 2014, 22,596,562 with a weighted average exercise price of $0.19 and $0.26 respectively. The amounts exercisable for the same periods were 11,309,095 and 16,788,300, respectively, with a weighted average exercise price of $0.22 and $0.29 respectively. At June 15, 2015, the Company had 11,309,095 stock options exercisable and 15,279,251 stock options issued and outstanding. At April 30, 2015 and June 15, 2015 there were 22,379,000, warrants outstanding at a weighted average exercise price of $0.23125. At April 30, 2015 and June 15, 2015 there were 9,164,090

Compensation Options/Units outstanding with a weighted average exercise price of $0.13 per Compensation Option/Unit.

The condensed consolidated interim financial statements of the Company have been prepared on a going concern basis. Accordingly, they do not give effect to adjustments that would be necessary, should the Company be unable to realize its assets, at the amounts recorded and discharge its liabilities, in other than the normal course of business. The Company has reported consecutive net losses for the nine months ended April 30, 2015 and year ended July 31, 2014 of $5,889,727 and $5,887,100 respectively with a cumulative deficit of $59,740,447 as at April 30, 2015. Since June 2012, the Company has raised gross proceeds of $23,200,200 through external funding. These funds were utilized to fund general working capital, general and administrative expenses related to the expansion into the US and business development expenses. The ability of the Company to continue as a going concern is dependent upon future profitable operations and may require additional debt or equity financing. The Company's cash position at April 30, 2015 was $5,294,699.

The Company will closely monitor its cash on a regular basis, and will take necessary measures to preserve cash until the Company generates sufficient cash flow from operations or cash from new capital sources. On February 28, 2014, the Company closed its short form prospectus offering of common shares for aggregate gross proceeds of $10,000,000. Under the Offering, a total of 100,000,000 Common Shares were issued at a price of $0.10 per Common Share. In addition, the Underwriters received 6,000,000 compensation options at an exercise price of $0.10 for a period of twenty-four months from the date of issuance.

The Company has a business plan which demonstrates a strategy to increase revenue and control spending to the level necessary to maintain operations and achieve profitability.

The Company does not have committed capital expenditures at this time. There are budgeted discretionary capital expenditures during the 2016 fiscal year in the amount of $354,000 for IT capacity management and $47,000 for laptop purchases and related software.

The condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Should the Company not be able to continue as a going concern, adjustments to the recorded amounts and classifications of assets, liabilities and expenses would be required.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements.

Contractual Obligations

The Company has entered into various operating leases for office space expiring at various dates to April 30, 2018 and office equipment expiring at various dates to August 2014. During the year ended July 31, 2013, the Company consolidated its operating space into a new lease which expires April 30, 2018.

The Company has an obligation to pay a rebate, annually to a certain customer based on future gross revenues up to a maximum of $2.3 million. The Company has $1.3M remaining on this obligation.

The Company's total minimum annual obligations are as follows: 2015 – $282,600; 2016 - $281,121; 2017 - $280,644 and 2018 - $145,333.

Transaction with Related Parties

During the quarter ended April 30, 2015, there was a retiring allowance paid to the Chief Operating Officer who left the Company on December 8, 2014. The gross payment was $216,600. On May 4, 2015 the Company hired their new President and CEO. In conjunction with this hire 6,000,000 stock options were issued with a strike price of $0.08 per common share and vesting over a three year term; one-third vesting each anniversary date for the first three years.

In addition, the Company has a related party sitting on its Board of Directors. The board member has a 15% interest in the Company.

Business Risks and Uncertainties

Material risk factors that could cause our actual results to differ materially from the forward-looking statements contained herein include: dependence on key personnel; risks related to expansion of our business operations – domestically and internationally; the current global economic downturn; exchange rate fluctuations; risks related to future acquisitions; requirements for additional financing for our business and any future acquisitions; credit terms extended to our customers; possible volatility of our share price; product and geographic concentration in conjunction with the limited range of services that we provide; our historical dependence on a small number of large customers; our ability to protect our intellectual property; our potential vulnerability to computer and information systems security breaches; competition from third parties; rapid technological change; risk of third party claims for infringement of intellectual property rights by others; and risks related to technical standards and the certification of our services.

The material business risks and uncertainties are described in greater detail in the Company's' Short-Form Prospectus filed on February 21, 2014 and its Annual Information form as filed on November 28, 2014. These documents can be found on the SEDAR website www.sedar.com.

Use of Estimates and Judgments

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated, and are based on historical experience and other factors, including expectations of future events, that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets, liabilities and equity:

Impairment of assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Impairment for intangible assets not available for use is required to be tested for recoverability on an annual basis. Recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of assets have been recorded for the quarter ended April 30, 2015 or the year ended July 31, 2014.

Useful life of property and equipment and intangible assets

Property and equipment and intangible assets are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the quarter.

During the fiscal year ended July 31, 2014, the Company revisited its estimate of the useful life of the Canadian platform of its software to align with its US platform. As such, the useful life of the Canadian portion of the software has been reduced by nine quarters.

Rebate provision

Rebate provision is calculated using a risk free discount rate on the risk-adjusted future gross revenues the Company expects to earn. Changes in the estimated amounts and timing of future revenues to be earned, could significantly increase or decrease the amount of accretion expense recorded during the period, and the rebate provision recorded on the consolidated statements of financial position.

Valuation of accounts receivable

The valuation of accounts receivable is based on management's best estimate of the provision for doubtful accounts. During this review, historical experience, the age of the receivable balance, the credit worthiness of the customer and the reason for delinquency are considered.

Share-based compensation

Management is required to make certain estimates when determining the fair value of stock options awards and warrants issued, including future volatility of the Company's share price, expected forfeiture rates, expected lives of the underlying securities, expected dividends and other relevant assumptions.

Critical judgments in applying accounting policies

In the preparation of the condensed consolidated financial statements, the Company has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the financial statements.

Capitalized software development costs

Software development costs are capitalized as intangible assets, when costs are attributable to a clearly defined product, technical feasibility has been established, a market has been identified, the Company intends to market the software and has adequate resources expected to be available to complete the project. Management is required to make judgments, on when the criteria for recognition as intangible assets is met. During the nine months ended April 30, 2015, the Company capitalized $Nil (2014 - $660,618) of development costs as intangible assets.

Income tax

Management is required to apply judgment in determining whether it is probable deferred income tax assets will be realized. At April 30, 2015, management had determined that future realization of its deferred income tax assets did not meet the threshold of being probable and, as such, has not recognized any deferred income tax assets in the consolidated statement of financial position.

In addition, the measurement of any potential income taxes payable, and deferred income tax assets and liabilities requires management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final, upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the financial statements.

Rebate provision

Management is required to apply judgement in determining whether it has a financial liability relating to any contracts that the Company enters into, and consequently requires management to determine when the financial liability should be recorded on the consolidated statement of financial position. There may be significant judgement in determining the value of these financial liabilities, as they may relate to timing of the Company's future revenues.

Changes in accounting policies

Recent accounting policies and new pronouncements

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on August 1, 2014. For the purpose of preparing and presenting the consolidated financial statements for the relevant periods, the Company has consistently adopted all of these new standards for the relevant reporting periods.

Amendment to IAS 36, 'Impairments of assets' This amendment removes the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets, but there has been no impairment.

Amendment to IAS 32, 'Financial instruments: Presentation' the amendment clarifies the requirements for offsetting financial assets and liabilities. Specifically, the amendment clarifies that the right to offset must be available on the current date and cannot be contingent on a future event.

Other standards and interpretations issued or amended which are effective for the first time for fiscal year ends beginning on or after August 1, 2014 but which did not have a material impact on the Company's consolidated financial statements or note disclosures as currently presented include:

Amendments to existing standards and interpretations

IAS 39, 'Hedge accounting and novation of derivatives

IFRIC 21, ‘accounting for levies imposed by governments’

IFRS 10, ‘Consolidated financial statements’

IFRS 12, 'Disclosure of interest in other entities'

IAS 27, ‘Consolidated and Separate Financial Statements’

At the date of authorization of these consolidated financial statements, the IASB and the IFRS Interpretations Committee (IFRIC) have issued the following new and revised standards and interpretations which are not yet effective for the relevant reporting periods. The Company has not early adopted these standards, amendments or interpretations, however the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements.

Amendment to IAS 1 “presentation of financial statements.” The amendment clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and disclosure of account policies. This is effective for annual periods beginning on or after January 1, 2016

IFRS 15 Revenue from contracts with customers provides a single, comprehensive revenue recognition model for all contracts with customers. The standard contains principles that the Company will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that Company expects to be entitled to in exchange for those goods or services. Management has not yet determined that potential impact the adoption of IFRS 15 will have on the Company’s financial statements. The standard is effective for the first interim period within years beginning on or after January 1, 2017.

IFRS 9 ‘Financial instruments’ IFRS was issued in July 2014 and includes (i) a third measurement category for financial assets – fair value through other comprehensive income; (ii) a single, forward looking ‘expected loss’ impairment model. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. Management has not yet determined that potential impact the adoption of IFRS 9 will have on the Company’s financial statements. This standard is effective for annual periods beginning on or after January 1, 2018.

“Joel Leetzow” (signed)	“Sandra L. Weiler” (signed)
President and Chief Executive Officer	Chief Financial Officer