Cortex Business Solutions Inc.

Condensed Consolidated Interim Statement of Financial Position

(Prepared in Canadian dollars)
(unaudited)

	April 30 2015	July 31 2014
Assets		
Current assets		
Cash	$ 5,294,699	$ 9,547,661
Short-term investments	60,000	60,000
Accounts receivable (note 9(c))	1,049,961	1,046,424
Prepaid expenses	202,192	237,738
	6,606,852	10,891,823
Deposits	39,448	39,029
Property and equipment	441,751	389,666
Intangible assets	2,195,225	3,474,977
	$ 9,283,276	$ 14,795,495
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9(d))	$ 727,635	$ 2,057,348
Deferred revenue	280,488	128,061
Current portion of rebate provision (note 3)	550,660	523,592
	1,558,783	2,709,001
Rebate provision (note 3)	751,289	754,395
	2,310,072	3,463,396
Shareholders' Equity		
Share capital (note 4)	57,640,393	56,778,460
Accumulated other comprehensive income (loss)	306,982	(77,285)
Warrants (note 4)	980,941	980,941
Contributed surplus	7,785,335	7,500,703
Deficit	(59,740,447)	(53,850,720)
	6,973,204	11,332,099
	$ 9,283,276	$ 14,795,495

Going concern (note 1)
Commitments (note 7)
Subsequent events (note 11)

See accompanying notes

Approved by the Board:

(Signed) "Grant Billing", Director

(Signed) "Randy Henderson", Director

Cortex Business Solutions Inc.

Condensed Consolidated Interim Statement of Loss and Comprehensive Loss

For the three and nine months ended April 30, 2015 and 2014

(Prepared in Canadian dollars)
(unaudited)

	Three months ended April 30 2015	Three months ended April 30 2014	Nine months ended April 30 2015	Nine months ended April 30 2014
Revenue				
Access and usage fees	$ 2,452,310	$ 2,070,174	$ 7,388,768	$ 5,555,292
Integration fee and set-up fees	167,025	231,794	459,594	515,752
Project management	21,562	88,684	247,264	94,259
	2,640,897	2,390,652	8,095,626	6,165,303
Cost of Sales	1,381,534	1,232,037	4,626,865	3,588,995
Gross Profit	1,259,363	1,158,615	3,468,761	2,576,308
Expenses				
Sales and marketing	845,865	814,592	2,893,274	2,340,230
Research and development costs	795,750	494,351	2,336,554	974,491
General and administrative	1,070,314	1,469,987	3,654,007	3,526,207
Severance and employee termination costs	216,600	-	480,225	-
	2,928,529	2,778,930	9,364,060	6,840,928
Loss before finance income (expense)	(1,669,166)	(1,620,315)	(5,895,299)	(4,264,620)
Finance income (expense), net (note 6)	(5,054)	6,759	5,572	(2,865)
Net loss	$ (1,674,220)	$ (1,613,556)	$ (5,889,727)	$ (4,267,485)
Other comprehensive earnings				
Items that may be reclassified subsequently to net loss:				
Foreign exchange gain on foreign operations	(169,766)	40,365	384,267	141,745
Comprehensive loss	$ (1,843,986)	$ (1,573,191)	$ (5,505,460)	$ (4,125,740)
Net loss per share-basic and diluted (note 4(b))	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)

Going concern (note 1)
See accompanying notes

Cortex Business Solutions Inc.

Condensed Consolidated Interim Statement of Changes in Shareholders' Equity

(Prepared in Canadian dollars)
(unaudited)

	Number of Common shares	Common shares value	Number of Warrants	Warrants value	Contributed surplus	Accumulated Other Comprehensive Income	Deficit	Total shareholders' equity
Balance - July 31, 2013	259,147,375	$ 47,713,288	22,379,000	$ 980,941	$ 6,492,492	$ -	$ (47,963,620)	$ 7,223,101
Net loss	-	-	-	-	-	-	(4,267,485)	(4,267,485)
Options exercised for cash	65,852	13,480	-	-	-	-	-	13,480
Transferred on exercise of options	-	8,505	-	-	(8,502)	-	-	3
Issued in lieu of salaries and bonus	2,484,200	397,472	-	-	-	-	-	397,472
Issuance costs	-	(888,185)	-	-	-	-	-	(888,185)
Stock-based compensation	-	-	-	-	423,023	-	-	423,023
Foreign exchange translation of foreign operations	-	-	-	-	-	141,745	-	141,745
Prospectus offering for cash	100,000,000	10,000,000	-	-	-	-	-	10,000,000
Compensation units issued in conjunction with prospectus	-	(462,000)	-	-	462,000	-	-	-
Balance - April 30, 2014	361,697,427	56,782,560	22,379,000	980,941	7,369,013	141,745	(52,231,105)	13,043,154
Balance - July 31, 2014	361,697,427	56,778,460	22,379,000	980,941	7,500,703	(77,285)	(53,850,720)	11,332,099
Net loss	-	-	-	-	-	-	(5,889,727)	(5,889,727)
Issued during the period	9,620,000	865,800						865,800
Share issue costs	-	(3,867)	-	-	-	-	-	(3,867)
Foreign exchange translation of foreign operations	-	-	-	-	-	384,267	-	384,267
Stock-based compensation	-	-	-	-	284,632	-	-	284,632
Balance - April 30, 2015	371,317,427	$ 57,640,393	22,379,000	$ 980,941	$ 7,785,335	$ 306,982	$ (59,740,447)	$ 6,973,204

Going concern (note 1)
See accompanying notes

Cortex Business Solutions Inc.

Condensed Consolidated Interim Statement of Cash Flows

For the three and nine months ended April 30, 2015 and 2014

(Prepared in Canadian dollars)
(unaudited)

	For the three months ended April 30		For the nine months ended April 30	
	2015	2014	2015	2014
Cash provided by (used in)				
Operating activities				
Net loss	$(1,674,220)	$ (1,613,556)	$(5,889,727)	$ (4,267,485)
Items not affecting cash				
Stock-based compensation	65,740	122,918	284,633	423,023
Amortization	470,636	305,131	1,394,472	766,163
Salaries paid in shares	-	-	865,800	16,000
Accretion on rebate provision	7,988	11,851	23,962	35,553
	(1,129,856)	(1,173,656)	(3,320,860)	(3,026,746)
Changes in non-cash working capital	(201,239)	313,200	(1,164,772)	(43,263)
Net cash used in operating activities	(1,331,095)	(860,456)	(4,485,632)	(3,070,009)
Financing activities				
Share issuance costs	-	(882,148)	(3,867)	(888,185)
Proceeds from exercise of stock options, net of costs	-	-	-	13,480
Proceeds from issuance of shares	-	10,000,000	-	10,000,000
Net cash (used in) from financing activities	-	9,117,852	(3,867)	9,125,295
Investing activities				
Acquisition of property and equipment	(63,347)	(1,641)	(152,297)	(6,966)
Software and software development costs	(9,102)	(85,215)	(14,508)	(662,947)
Net cash used in investing activities	(72,449)	(86,856)	(166,805)	(669,913)
Effect of exchange rate changes on cash and cash equivalents held in foreign currency	$ (160,769)	$ (27,041)	$ 403,342	$ 104,686
Cash (outflow)	(1,564,313)	8,143,499	(4,252,962)	5,490,059
Cash, beginning of period	6,859,012	2,525,626	9,547,661	5,179,066
Cash, end of period	$ 5,294,699	$10,669,125	$ 5,294,699	$ 10,669,125
Issuance of shares in lieu of salaries and bonuses including prior period amounts accrued	$ -	$ -	$ 865,800	$ 16,000

Going concern (note 1)
See accompanying notes

1. Nature of operations and going concern

Cortex Business Solutions Inc. ("Cortex" or the "Company") is listed on the TSX Venture Exchange and its primary business is the supply of eCommerce products and services that improves efficiencies, reduces costs and streamlines procurement and supply chain processes for its customers in both Canada and the United States of America ("U.S."). The head office and principal address of the Company is 3404 25th Street NE, Calgary, AB T1Y 6C1.

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (note 2(a)) on a going concern basis, which assumes the Company will realize its assets and discharge its liabilities in the normal course of business. The Company has reported net losses for the nine months ended April 30, 2015 and the year ended July 31, 2014 of $5,889,727 and $5,887,100 respectively, and has a cumulative deficit of $59,740,447 as at April 30, 2015. The ability of the Company to continue as a going concern is dependent upon future profitable operations. When the Company can attain profitability and generate positive cash flows is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. The Company's cash position at April 30, 2015 is $5,294,699. The Company will need to closely monitor its cash on a regular basis and will need to take the necessary measures to preserve cash such as reduce operating costs, increase sales and seek additional sources of financing until the Company starts to generate sufficient cash flows from operations. There is no assurance that these initiatives will be successful.

Until the Company can achieve profitable operations, the Company may require additional debt or equity financing and should it not be able to continue as a going concern, adjustments to the recorded amounts and classifications of assets, liabilities, revenues and expenses would be required. Any adjustments that may be required could be material.

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on June 15, 2015.

2. Basis of preparation

(a) Statement of compliance

These condensed consolidated interim financial statements were prepared following the same accounting policies and methods of computation as the audited annual consolidated financial statements for the year ended July 31, 2014 and 2013. They were reported in accordance with International Accounting Standard (IAS) 34, "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB). Accordingly, certain financial information and disclosure normally included in annual consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) has been omitted or condensed. The disclosure provided herein is incremental to the disclosure included in the audited annual consolidated financial statements.

The condensed consolidated interim financial statements should be read in conjunction with Cortex's annual audited consolidated financial statements for the year ended July 31, 2014.

(b) 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. 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.

(b) Recent accounting policies and new pronouncements (continued)

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 IFRS 15 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.

(Prepared in Canadian dollars)

3. Rebate provision

The rebate provision arose as a result of a contract entered into by the Company to provide a customer a 5% rebate based on future gross revenue to a maximum rebate of $2,300,000. The provision has been calculated using a risk free discount rate of 2.5% based on a risk-adjusted future revenue growth.

	April 30 2015	July 31 2014
Opening balance	$ 1,277,987	$ 1,656,915
Payments	-	(426,332)
Accretion	23,962	47,404
Closing balance	1,301,949	1,277,987
Less: current portion	550,660	523,592
	$ 751,289	$ 754,395

4. Share capital and warrants

(a) Authorized

Unlimited number of common voting shares

Unlimited number of preferred shares. The preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares and determine the rights, privileges and other conditions for each series.

(b) Issued

	Nine months ended April 30, 2015 Number	Nine months ended April 30, 2015 Stated Value	Nine months ended April 30, 2014 Number	Nine months ended April 30, 2014 Stated Value
Common Shares				
Balance, beginning of year	361,697,427	$ 56,778,460	259,147,375	$ 47,713,288
Issued for cash	-	-	100,000,000	10,000,000
Issued in lieu of salaries and bonus	9,620,000	865,800	2,484,200	397,472
Exercise of Compensation Options	-	-	-	(462,000)
Exercise of stock options	-	-	65,852	13,480
Transfer of fair value of stock options exercised	-	-	-	8,505
	371,317,427	57,644,260	361,697,427	57,670,745
Less: Share issuance costs	-	3,867	-	888,185
Balance, end of period	371,317,427	$ 57,640,393	361,697,427	$ 56,782,560

	April 30, 2015 Number	April 30, 2015 Stated Value	April 30, 2014 Number	April 30, 2014 Stated Value
Warrants				
Balance, beginning and end of period	22,379,000	$ 980,941	22,379,000	$ 980,941

(Prepared in Canadian dollars)

(c) On December 31, 2014, in conjunction with the Company's Employee Performance Management and Executive Compensation programs, the Company issued 9,620,000 common shares for a fair value of $865,800. Of this amount 1,895,000 were issued to insiders.

(d) Net loss per share

Net loss per share has been calculated using the basic and diluted weighted average number of common shares outstanding during the three month period of 371,317,427 (2014 - 330,236,753) and for the nine months ended April 30, 2015 of 365,941,545 (2014 - 282,788,742). For 2015 and 2014, the potential effect of the exercise of stock options, warrants and Compensation Options would not be dilutive.

5. Stock-based compensation

The Company has a stock option plan under which 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 shares. All options vest over a 18 month period and have a term of five years or less. 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.

No warrants were exercised or expired in the period. There are 22,379,000 warrants outstanding at an exercise price of $0.23125.

A summary of the status of the Company's stock option plan for the nine months ended April 30, 2015 and the April 30, 2014 are as follows:

	April 30, 2015		**April 30, 2014**	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Outstanding, beginning of year	22,596,562	$ 0.26	20,176,933	$ 0.28
Granted	3,103,900	0.09	3,375,100	0.21
Exercised	-	-	(65,852)	0.20
Forfeited	(5,161,451)	0.19	(1,146,125)	0.29
Expired	(5,259,760)	0.41	(822,727)	0.21
Outstanding, end of period	15,279,251	$ 0.19	21,517,329	$ 0.27
Exercisable, end of period	11,309,095	$ 0.22	16,357,725	$ 0.29

6. Finance income (expense)

Finance income (expense) is comprised of:

	Three months ended April 30		**Nine months ended April 30**	
	2015	**2014**	**2015**	**2014**
Interest Income	$ 2,934	$ 18,610	$ 29,534	$ 32,688
Accretion on rebate provision	(7,988)	(11,851)	(23,962)	(35,553)
	$ (5,054)	$ 6,759	$ 5,572	$ (2,865)

(Prepared in Canadian dollars)

7. Commitments

The Company has entered into various operating leases for office space expiring at various dates to January 31, 2018 and office equipment expiring at various dates to August 2015. During the year ended July 31, 2013, the Company consolidated its operating space into a new lease which expires January 31, 2018.

The Company has an obligation to pay a rebate to a certain customer based on future gross revenues that is not included in the table below (note 3).

The following is the minimum annual obligations, excluding the rebate obligation described above:

Fiscal 2015	$ 282,600
Fiscal 2016	281,121
Fiscal 2017	280,644
Fiscal 2018	145,333
	$ 989,698

8. Related party transactions

Key management includes the Board of Directors, the President and Chief Executive Officer, Chief Financial Officer, VP of Operations and VP of Sales.

As of April 30, 2015 the commitment relating to change of control or termination of employment of the key management personnel was $390,000 (July 31, 2014 - $1,029,500).

9. Financial instruments and risk management

Risk management overview

(a) Fair value of financial instruments

The carrying value of cash, short-term investments, accounts receivable, accounts payables and accrued liabilities and rebate provision approximate fair value due to the short term nature of those instruments.

(b) The Company's activities expose it to a variety of financial risks including credit risk, liquidity risk and market risk. This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these condensed consolidated interim financial statements. The Company employs risk management strategies and policies to ensure that any exposure to risks are in compliance with the Company's business objectives and risk tolerance levels. While the Board of Directors has the overall responsibility for the Company's risk management framework, Cortex's management has the responsibility to administer and monitor these risks.

(c) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meets its contractual obligations, and arises principally from the Company's trade receivables.

The Company monitors its general allowance policy on accounts receivable on a regular basis. As at April 30, 2015, the Company had $536,190 of trade accounts receivables. Of this amount, $261,431 are over 60 days, which is past due under the Company's normal credit terms. Of this amount, $20,000 has been allowed

9. Financial instruments and risk management (continued)

for. All accounts receivable are unsecured. The Company's maximum exposure to credit risk is the fair value of accounts receivable on the condensed consolidated interim statement of financial position shown net of the allowance for doubtful accounts of $20,000.

Credit risk also exists in cash as all balances are maintained with two financial institutions. The risk is mitigated because the financial institutions are major Canadian and U.S. banks.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows to ensure it will have sufficient liquidity to meet its commitments and obligations as they become due. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flow as well as future equity financings. The Company expects to pay its outstanding payables within the current year. See going concern (note 1).

The following table outlines the expected undiscounted payments of future financial liabilities:

	Accounts payable and accrued liabilities	Rebate provision	Total
Within one year	$ 727,635	$ 550,660	$ 1,278,295
2 - 5 years	-	782,327	782,327
Total	$ 727,635	$ 1,332,987	$ 2,060,622

(e) Market risk

Market risk is the risk that financial instruments fair values and the Company's net earnings will fluctuate due to changes in exchange rates. The Company is exposed to currency risk.

The Company is exposed to currency price risk on sales in the Company's wholly-owned U.S. subsidiary denominated in U.S. dollars. The Company had $1,025,369 and $2,986,128 in revenue for the three month and nine month period ended April 30, 2015 (2014 - $901,800 and $2,149,990) which was denominated in U.S. dollars. The Company had $264,007 (2014 - $102,887) in U.S. accounts receivable, $180,359 (2014 - $282,548) in accrued receivables and $2,929,044 (2014 - $2,564,601) in a U.S. bank account at April 30, 2015.

Included in accounts payable and accrued liabilities, and deferred revenue are $128,321 (2014 - $251,147) and $87,829 (2014 - $65,084) denominated in U.S. dollars, respectively.

A 1% increase or decrease in foreign exchange rates would have a negligible impact on net loss at April 30, 2015.

(Prepared in Canadian dollars)

9. Financial instruments and risk management (continued)

(f) Capital management

The Company includes as capital, shareholders' equity which is comprised of share capital and warrants, contributed surplus, accumulated other comprehensive income and accumulated deficit. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. As the Company does not currently have net positive cash flow from operations, the Company is also funding operations from funds previously raised through equity financing. The Company has in place a detailed planning and budgeting process to assist in determining the funds required to ensure appropriate capital to meet its growth objectives. The Company strives to maintain sufficient capital to meet its short-term business requirements taking into account its capital commitments, planned capital expenditures and its holdings of cash. The Company may also seek future equity financings. The Company has set forth in its business plan, expected revenue and expense targets for the fiscal year ended July 31, 2015.

The Company is not subject to externally imposed capital requirements. There has been no change to the Company's capital management philosophy during the period ended April 30, 2015. See going concern (note 1).

10. Segmented information

Although the Company supplies services to both Canadian and U.S. customers, the Company only has one operating segment.

Revenue by geographic area is as follows:

	Three Months Ended April 30 2015	**2014**	**Nine months ended April 30 2015**	**2014**
Canada	$ 1,441,676	$ 1,441,407	$ 4,603,199	$ 3,933,116
U.S.	1,199,221	949,245	3,492,426	2,232,187
	$ 2,640,897	$ 2,390,652	$ 8,095,625	$ 6,165,303

Substantially all of the non-current assets of the Company are located in Canada.

11. Subsequent events

On May 4, 2015 the Company announced the appointment of the new President and CEO. As part of this appointment the CEO was granted 6,000,000 stock options, vesting over a three year period, 1/3 each annual anniversary date with a strike price of $0.08 per common share.