ACT360 Solutions Ltd.

Management Discussion and Analysis
of Financial Position and Results of Operations for the
Year ended September 30, 2014

This report is dated December 19, 2014
(The “Report Date”)

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Introduction

The following information should be read in conjunction with the audited consolidated financial statements of ACT360 Solutions Ltd. ("ACT360" or the "Company") for the years ended September 30, 2014 and 2013. The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). This discussion includes the results of the Company's wholly-owned subsidiaries:

- ACT360 Media Ltd. (a British Columbia corporation)
- ACT360 Solutions USA Inc. (a Delaware corporation active as of Dec 1, 2014)

Note 3 to the consolidated financial statements at September 30, 2014 describes the Company's significant accounting policies, new accounting policies adopted in 2014 fiscal year, as well as new accounting pronouncements not yet effective. During the year ended September 30, 2014, the Company's critical accounting estimates and significant accounting policies have remained substantially unchanged. All amounts presented in this document are stated in Canadian dollars, except where otherwise noted.

Forward Looking Statements

This Management's Discussion and Analysis is intended to supplement and complement the audited consolidated financial statements and notes thereto for the year ended September 30, 2014 (collectively the "Financial Statements"). Readers are encouraged to review these Financial Statements in conjunction with a review of this Management's Discussion and Analysis. Certain notes to the Financial Statements are specifically referred to in this Management's Discussion and Analysis and such notes are incorporated by reference herein. Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by the forward-looking statements. These forward-looking statements are based on, but not limited to, material assumptions including: a continuing or increased need for student recruitment services, language training, and e-learning software development; the attainment of certain sales targets and company performance; the ability of channel partners and distributors to sell licenses of the Company's online testing software; the ability of the Company to successfully execute on its growth and new business strategies, including attracting new higher education clients; continuation of support from existing higher education clients; the demand for its products continuing to increase; stable currency valuations; a sufficiently stable and healthy global economic environment; and other expectations, intentions and plans contained in this MD&A that are not historical fact. When used in this MD&A, the words "plan," "expect," "believe," and similar expressions generally identify forward looking statements. These statements reflect current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and general market conditions. In light of the many risks and uncertainties, readers should understand that the Company cannot offer assurance that the forward-looking statements contained in this analysis will be realized.

Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks as set forth below.

Additional information relating to the Company may be found on SEDAR at www.sedar.com or at the company's website at www.act360.com.

Corporate Overview and Description of Business

The Company is incorporated in British Columbia and is a public company listed on the TSX Venture Exchange under the symbol "AKM". The Company's vision is to become a global provider of Online Customer Acquisition ("OCA") software and services. The Company's business objective is to acquire, manage, and build Online Customer Acquisition businesses that address the client acquisition needs of marketers in various vertical markets.

The Company's wholly owned subsidiary, ACT360 Media Ltd. ("ACT360 Media"), provides online customer acquisition and internet-based testing services for the higher education sector. ACT360 Media helps colleges and universities qualify and recruit international students, assisting students from South America, Europe, Africa, the Middle East, and Asia to achieve their study abroad goals.

During the year, the Company announced a growth strategy, whereby growth is expected to be achieved both organically and via mergers and acquisitions. A mergers and acquisition consulting firm was retained to assist in implementing this strategy. The transactions completed in the fiscal year ended September 30, 2014 represent the first part of the Company's strategy to achieve order of magnitude sales growth while minimizing dilution to shareholders during the Company's revenue realization stage. The Company is actively pursuing business opportunities to expand its portfolio of online customer acquisition businesses into high-growth vertical markets.

Corporate Activities and changes in Management and Directors

India Partnership

On January 3, 2014, the Company announced that it had acquired a license to operate and monetize the websites www.learnhub.com and www.jumbotest.com.

As part of the three-year exclusive license, ACT360 will pay an annual royalty calculated on revenue generated from the website assets of Savvica Inc, a subsidiary of Educomp Solutions Ltd., India's largest education company. ACT360 will use the websites and associated social learning technology to scale its international student recruiting business. Through the two websites, the Company will gain access to:

- 2.5 million registered users;
- Social learning network with integrated college search, test preparation, financial planning, and career planning tools;
- College directory database listing 5,873 institutions in the USA, Canada, UK, and India; and
- Social media marketing and advertising platform that enhances ACT360's service offering to its higher education clients.

Investor Relations Strategy

On June 2, 2014, the Company announced it has appointed Momentum Public Relations Inc. ("Momentum") as a provider of investor relations services. Momentum is based in Montreal, Canada and was founded in 2008 by President and CEO, Maxence Gagné-Godbout. Momentum specializes in launching targeted awareness campaigns for small and medium-sized public companies. Momentum aims to provide value to those who use its services through effective campaigning, careful client selection and timely dissemination of investor information. Momentum has been retained until May 2015 and will assist in the development of presentations and factsheets, and maintain the Company's contact database of individual investors and retail brokers.

Acquisition Growth Strategy Advisors

On June 6, 2014, the Company announced it has engaged Inverness Advisors ("Inverness"), a division of KEMA Partners LLC, to provide buy-side mergers and acquisitions advisory services as part of the Company's growth strategy. Inverness will assist the Company in identifying target entities with strategic synergies, analyzing their business operations, and executing transactions through to closing. Based in San Francisco, California, Inverness acts as an agent in the sale, purchase or merger of technology, media and healthcare companies.

Appointment of Mr. Hakan Lindskog to Corporate Advisory Board

On November 17, 2014, the Company announced the appointment of Mr. Hakan Lindskog to the Company's Corporate Advisory Board. Mr. Lindskog's primary focus will be to assist management in identifying partnership opportunities and evaluating international acquisition candidates as part of the Company's growth-by-acquisition strategy. His extensive experience in growing a diverse portfolio of online customer acquisition businesses will accelerate the Company's efforts to deploy its core competencies beyond education into new vertical markets.

Mr. Hakan Lindskog is a digital marketing, ecommerce and media executive with 25 years of senior management and P&L experience. Most recently, Mr. Lindskog was the Chief Executive Officer of Matomy U.S.A., Inc., the US subsidiary of Matomy Media Group, a global digital marketing company headquartered in Israel. From 2008 to 2012, he was the President and

Chief Executive Officer of Neverblue Media Company, a digital marketing company based in Victoria, British Columbia, that specializes in customer acquisition through online and mobile marketing on a worldwide basis. Neverblue was acquired by GlobalWide Media, Inc. in 2012 for approximately $40 million.

Appointment of Chief Financial Officer

On December 1, 2014, the Company announced the appointment of Mr. Charles Jenkins as the Company's Chief Financial Officer. Mr. Jenkins has broad experience in accounting, banking, securities regulation and corporate finance. He has served as the Chief Financial Officer for a number of issuers, most recently Evolving Gold Corp. and Naturally Splendid Enterprises Ltd., a natural foods and nutraceutical marketing company. Prior to his involvement with public companies he previously worked in corporate finance with brokerage houses in Vancouver and Calgary and as a securities regulator.

iLeads Joint Venture

On December 15, 2014 the Company announced that a newly–formed wholly owned U.S. subsidiary, ACT360 Solutions USA Inc., had signed a Letter of Intent with iLeads.com LLC ("iLeads") to form a joint venture pursuing online customer acquisition business opportunities in the real estate, mortgage, home improvement, and alternative energy vertical markets.

The terms of the Letter of Intent provide that within 60 days from the date of the signing of the LOI, the parties will enter into a joint venture for the monetization of iLeads' consumer-facing NeighborhoodIQ.com platform. iLeads intends to license to the joint venture its NeighborhoodIQ.com customer acquisition platform and proprietary data feed with title, lien, tax, valuation sales history, comparable sales, property characteristics and other data elements covering 145 million properties in the U.S. that is updated daily.

ACT360 will provide the joint venture with media management expertise and working capital to support traffic acquisition, sales, and business development activities. The parties will jointly manage and operate the joint venture, and share the joint venture's operating cash flow. The joint venture is subject to the completion of due diligence and the negotiation of a satisfactory joint venture agreement between the parties.

iLeads.com was founded in 1996 as an internet-only lead generation company. iLeads.com has served over 51,000 clients since inception in the mortgage, insurance, real estate and financial services industries. iLeads.com products include customer acquisition solutions, lead analytics, and custom data services.

Operations

During the year ended September 30, 2014, the Company operated primarily through its subsidiary, ACT360 Media, which generated revenues in four areas:

- The Student Marketing Services segment provides student recruitment services to post-secondary education institutions, derived from the Company's proprietary international student marketing platform which helps colleges and universities qualify and recruit international students, assisting students from South America, Europe, Africa, the Middle East, and Asia to achieve their study abroad goals. To diversify this revenue source, the Company expanded its product mix to include value-added qualification services provided by the Company's call center operations and has also pursued traditional universities and colleges through various channel partners. Thirty-six traditional campus-based universities were signed at the end of the fourth quarter.

- The Internet Applications segment focuses on the sales of educational products, including the sale of English tests and grading services through B2B channel partners in Europe and Asia.

- The Custom Software Development segment focuses on the development of custom test software applications. 2014 revenues in this business unit were comprised of upgrades and enhancements to legacy clients.

- The Other Activities segment includes website and application hosting services in support of the Company's Custom Software Development clients.

2014 technology investments included the licensing of the learnhub.com platform with average monthly traffic of 500,000 visitors, 80% of which were from India. The licensing deal increased the Company's footprint in India, the second largest supplier of international students to the USA.

The Company also completed enhancements to its proprietary TestDEN.com recruiting platform to support global call center activities in multiple time zones.

Commencing in the third quarter, the Company launched its growth-by-acquisition strategy to deploy its core competencies in media management and technology into other vertical markets. As a consolidator of the highly fragmented OCA industry, the Company's corporate development team focused on growth opportunities in home services, alternative energy with an emphasis solar, and B2B lead generation.

Results of Operations

During the year ended September 30, 2014 and 2013 the Company reported sales of $1,066,407 (2013 - $1,153,853), and a net loss of $255,432 (2013 – income of $78,456).

The most significant elements of the Company's operating loss are:

- Sales fell from $1,153,853 in 2013 to $1,066,497 in 2014 due primarily to one online university client reallocating its budget into other channels away from the Company's services;
- Accounting and legal fees were comparable at $79,513 and $72,126 for the respective fiscal years;
- Regulatory and filing fees declined in 2013 to $19,437 from $21,509 in 2013;
- Selling, office and general expenses increased to $974,075 (2013 - $735,762) as the Company invested in its global call center capability, increased expenditures in anticipation of increased business from the India partnership and increased its budget for corporate development activities. The India partnership in particular incurred royalty payments of $90,000 in 2014 (2013: $nil).

  The most significant expenses in this area are:

	2014	**2013**
Consulting	$ 265,399	169,408
Internet and telephone	40,798	28,198
Royalties	90,000	-
Selling expenses	435,881	452,850
Travel and corporate development	68,507	25,923
Office and other	73,490	59,383
	$974,075	$735,762

- Wages and benefits increased nominally in 2014 to $244,257 from $215,101 the previous year;
- Interest income increased from $1,143 in 2013 to $1,725 due to the increase in funds on deposit.

Selected Annual Information

Canadian $ presented under IFRS	Fiscal year ended September 30,		
	2014	2013	2012
Sales	1,066,497	1,153,853	715,575
Expenses	1,323,654	1,076,540	691,881
Income (loss) before other items	(257,157)	77,313	23,694
Net income (loss) for the year	(255,432)	78,456	23,702
Earnings (loss) per share, basic and fully diluted	0.00	0.00	0.00
Total assets	540,831	401,921	275,979
Working capital	353,740	289,266	183,112

Summary of Quarterly Results (Unaudited)

The following is a summary of the results from the eight previously completed financial quarters:

	Fiscal 2013 -2014			
Canadian $ presented under IFRS	Q4 September 30, 2014	Q3 June 30, 2014	Q2 March 31, 2014	Q1 December 31, 2013
Sales	229,299	238,683	300,043	298,472
Expenses	351,489	321,545	327,251	323,369
Income (loss) before other items	(122,190)	(82,862)	(27,208)	(24,897)
Net income (loss) for the quarter	(121,679)	(82,355)	(26,800)	(24,598)
Earnings (loss) per share	0.00	0.00	0.00	0.00
Total assets	540,831	604,825	684,812	448,795
Working capital	353,740	473,145	552,199	262,313

	Fiscal 2012 -2013			
	Q4 September 30, 2013	Q3 June 30, 2013	Q2 March 31, 2013	Q1 December 31, 2012
Sales	354,932	286,891	285,920	226,110
Expenses	319,919	252,623	292,704	211,294
Income (loss) before other items	35,013	34,268	(6,784)	14,816
Net income (loss) for the quarter	35,320	34,576	(6,487)	15,047
Earnings (loss) per share	0.00	0.00	0.00	0.00
Total assets	401,921	363,174	356,375	294,039
Working capital	289,266	256,108	212,460	197,316

Diluted calculations have not been provided due to the anti-dilutive effect of outstanding stock options and warrants.

Fourth Quarter 2014 compared to 2013

For the three months ended September 30, 2014, the Company's revenue decreased by 35% to $229,299 compared to revenue of $354,932 for the same period in the previous year. Student Marketing Service revenue continued its decline during the quarter and had the greatest impact on reduced revenues, ending the year down by 15% compared to the prior year, as a result of the decline in sales to one online university client. Internet Application revenue declined by 10% overall. Custom software development increased during the quarter, resulting in an overall 23% increase during the year. Other revenue increased 17% overall during the year.

On a consolidated basis for the three months ended September 30, 2014, the Company had a net loss of $122,679 on sales of $229,299 compared to a profit of $35,320 on sales of $354,932 during the same period in the previous year.

Expenses were $351,489 in the fourth quarter ended September 30, 2014 compared to $319,919 in the fourth quarter ended September 30, 2013, an increase of 10%. Selling, office, and general expenses continued to be higher as the Company incurred significant consulting and promotion expenses as it continued to invest in its global call center capability and in corporate development to further long-term growth objectives. Website licensing royalties continued to be a significant expenditure.

Third Quarter 2014 compared to 2013

For the three months ended June 30, 2014, the Company's revenue decreased by 17% to $238,683 compared to revenue of $286,891 for the same period in the previous year. Student Marketing Service revenue declined by 38% compared to the prior year quarter. The revenue decline was the result of reduced budget allocation from a single online university client as it shifted resources into other recruiting channels. Ten traditional universities and colleges were signed at the end of the quarter to diversify and expand revenue from this source in future quarters. Internet Application revenue declined by 25% as the Company sold fewer English tests and grading services through B2B channel partners. Other revenue, consisting primarily of legacy test software application licensing and hosting, increased by 114% as the Company completed a one-time upgrade for an English school client.

On a consolidated basis for the three months ended June 30, 2014, the Company had a net loss of $82,355 on sales of $238,683 compared to a profit of $34,576 on sales of $286,891 during the same period in the previous year.

Expenses were $321,545 in the third quarter ended June 30, 2014 compared to $252,623 in the third quarter ended June 30, 2013, an increase of 27%. Selling, office, and general expenses were higher as the Company continued its investment in its global call center capability and increased its budget for corporate development activities to support long-term growth objectives. Website licensing royalties were partially offset by lower online advertising expenditures as the Company was able to source organic international student traffic from the website licenses acquired from Savvica Inc.

During the quarter ended June 30, 2014, the Company announced its growth-by-acquisition strategy and engaged Inverness Advisors, a division of KEMA Partners LLC, to provide buy-side mergers and acquisitions advisory services.

Second Quarter 2014 compared to 2013

For the three months ended March 31, 2014, the Company's revenue increased by 5% to $300,043 compared to revenue of $285,920 for the same period in the previous year. Student Marketing Service revenue rose by 19% compared to the prior year quarter. Revenue growth resulted from two new for-profit university partners recruiting international students on the TestDEN.com platform. During the second quarter, the Company expanded efforts with three existing channel partners to market the Company's international student leads to USA universities.

During the quarter, the Company also signed a partnership agreement with a major education loan provider based in India.

Internet Application revenue declined by 9% as the Company sold fewer English tests and grading services through B2B channel partners.

On a consolidated basis for the three months ended March 31, 2014, the Company had a net loss of $26,800 on sales of $300,043 compared to a loss of $6,487 on sales of $285,920 during the same period in the previous year.

Expenses were $327,251 in the second quarter ended March 31, 2014 compared to $292,704 in the second quarter ended March 31, 2013, an increase of 12%. Selling, office, and general expenses were higher as the Company continued its investment in its global call center capability and increased its budget for corporate development activities to support long-term growth objectives. Website licensing royalties were partially offset by lower online advertising expenditures as the Company was able to source organic international student traffic from the website licenses acquired from Savvica Inc.

First Quarter 2014 compared to 2013

For the three months ended December 31, 2013, the Company's revenue increased by 32% to $298,472 compared to revenue of $226,110 for the same period in the previous year. Student Marketing Service revenue rose by 48% compared to the prior year quarter. Revenue growth resulted from increased marketing budget allocations from higher education clients targeting international students. Internet Application revenue rose by 19% as the Company sold more English tests and grading services through B2B channel partners.

On a consolidated basis for the three months ended December 31, 2013, the Company had a net loss of $24,598 on sales of $298,472 compared to a profit of $15,047 on sales of $226,110 during the same period in the previous year.

Expenses were $323,369 in the first quarter ended December 31, 2013 compared to $211,294 in the first quarter ended December 31, 2012, an increase of 53%. Selling, office, and general expenses were higher as the Company expanded its investment in digital branding, global call center capability, and business development activities to support long-term growth objectives.

Financing Activities

During the year ended September 30, 2014, 3,200,000 common shares were issued pursuant to the exercise of 3,200,000 previously issued warrants exercisable at $0.10 per share, for net proceeds of $316,231.

No financings were completed during the year ended September 30, 2013.

Liquidity and Capital Resources

The Company's aggregate operating, investing and financing activities for the year ended September 30, 2014 resulted in a cash increase of $175,445 (September 30, 2013: $36,207). As at September 30, 2014, the Company's cash and cash equivalents balance was $408,135 (2013: $232,690) and the Company had working capital of $353,740 (2013: $289,266).

During the year ended September 30, 2014, the Company paid $2,697 (2013 - $4,344) to acquire equipment. No other capital expenditures were incurred.

The Company anticipates that additional financing will be required in fiscal 2015, both for working capital purposes and for capital and operating expenditures related to its growth strategies. The Company may be dependent on future equity financings to take advantage of these initiatives.

Transactions with Related Parties

Key management personnel are persons responsible for planning, directing and controlling the activities of an entity, and include executive and non-executive directors. Payments to key management are recorded as management, consulting and directors' fees.

The following related key management compensation transactions were incurred:

		September 30, 2014		September 30, 2013
Directors fees	$	13,333	$	-
Management fees and salaries		97,893		87,300
	$	**111,226**	**$**	**87,300**

At September 30, 2014, the Company owed $ 4,060 (2013 - $7,030) to the CEO of the Company which is included in accounts payable and is non-interest bearing, unsecured and due on demand.

During the year ended September 30, 2014, no stock options or stock based compensation were issued to directors and officers. During fiscal 2013 certain directors and officers received stock-based compensation on the grant of stock options valued at $30,411.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no other off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Critical Accounting Estimates

The Company makes estimates and assumptions about the future that affect the reported amounts of assets and liabilities. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions.

The effect of a change in an accounting estimate is recognized prospectively by including it in comprehensive income in the year of the change, if the change affects that year only, or in the year of the change and future years, if the change affects both.

Information about critical judgments in applying accounting policies that have the most significant risk of causing material adjustment to the carrying amounts of assets and liabilities recognized in the financial statements within the next financial year are discussed below:

Revenue recognition

a) Internet applications

Revenues for internet applications are recorded when a customer or direct user requests activation of a user account for one or more of the Company's products and collection is probable.

b) Custom software development

The Company develops and hosts software products for customers. Revenues from the development of custom software products is recognized by the stage of completion of the arrangement determined using the percentage of completion method or as such services are performed as appropriate in the circumstances. The revenue and profit of contracts is recognized on a percentage of completion basis when the outcome of a contract can be estimated reliably. When the outcome of the contract cannot be estimated reliably, the amount of revenue recognized is limited to the cost incurred in the period. Losses on contracts are recognized as soon as a loss is foreseen by reference to the estimated costs of completion. Hosting revenues are recorded on a monthly basis if collection is probable.

c) Student marketing services

The Company sells marketing information to higher education institutions. Revenues are recorded when the customer accepts the marketing information and collection is probable.

Income Taxes

Significant judgment is required in determining the provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Company recognizes liabilities and contingencies for anticipated tax audit issues based on the Company's current understanding of the tax law. For matters where it is probable that an adjustment will be made, the Company records its best estimate of the tax liability including the related interest and penalties in the current tax provision. Management believes they have adequately provided for the probable outcome of these matters; however, the final outcome may result in a materially different outcome than the amount included in the tax liabilities.

Share Based Payments

The Company records all share-based payments at their fair value. The share-based compensation costs are charged to operations over the stock option vesting period and agents' options and warrants issued in connection with common share placements are recorded at their fair value on the date of issue as share issuance costs. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options expected to vest. On the exercise of stock options and agents' options and warrants, share capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Company uses the Black-Scholes option pricing model to estimate the fair value of share-based compensation.

Changes in Accounting Policies

During the year ended September 30, 2014, the Company applied the accounting policies referred to in Note 3 to the annual audited financial statements as of September 30, 2014 on a consistent basis with the previous year. The Company also adopted new accounting policies as disclosed in Note 3 to the financial statements. The reader is referred to those notes for a detailed discussion of the Company's accounting policies.

Future Accounting Changes – Standards, Amendments and Interpretations Not Yet Effective

Certain pronouncements were issued by the IASB or the IFRS Interpretations Committee that are mandatory for accounting years beginning after October 1, 2014 or later years. The Company is currently evaluating any impact that the above standards may have on the Company's consolidated financial statements and this assessment has not yet been finished:

- **IAS 36 *Impairment of* Assets** - In May 2013, the IASB issued an amendment to address the disclosure of information about the recoverable amount of impaired assets or a CGU for periods in which an impairment loss has been recognized or reversed. The amendments also address disclosure requirements applicable when an asset's or a CGU's recoverable amount is based on fair value less costs of disposal. The standard is effective for the Company's fiscal year beginning on October 1, 2014.

- **IFRIC 21 *Levies*** - In May 2013, the IASB issued IFRIC 21, Levies ("IFRIC 21"), an interpretation of IAS 37, Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The standard is effective for the Company's fiscal year beginning on October 1, 2014.

- **IFRS 15 *Revenue from Contracts with Customers*** - In May 2014, the IASB issued IFRS 15 – Revenue from Contracts with Customers ("IFRS 15") which supersedes IAS 11 – Construction Contracts, IAS 18 – Revenue, IFRIC 13 – Customer Loyalty Programmes, IFRIC 15 – Agreements for the Construction of Real Estate, IFRIC 18 – Transfers of Assets from Customers, and SIC 31 – Revenue – Barter Transactions Involving Advertising Services. IFRS 15 establishes a comprehensive five-step framework for the timing and measurement of revenue recognition. The standard is effective for annual periods beginning on or after January 1, 2017.

- **IFRS 9 *Financial Instruments*** - The IASB intends to replace IAS 39 – Financial Instruments: Recognition and Measurement in its entirety with IFRS 9 – Financial Instruments ("IFRS 9") which is intended to reduce the complexity in the classification and measurement of financial instruments. In February 2014, the IASB tentatively determined that the revised effective date for IFRS 9 would be January 1, 2018.

There are no other IFRS's or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Financial Instruments

Classification

The Company has classified its cash as fair value through profit or loss and its accounts receivable as loans and receivable. Accounts payable are classified as other financial liabilities.

The following table summarizes information regarding the carrying values of the Company's financial instruments:

	2014	**2013**
Fair value through profit or loss (i)	$ 408,135	$ 232,690
Loans and receivables (ii)	74,325	154,524
Other financial liabilities (iii)	80,909	74,041

(i) Cash
(ii) Accounts receivable
(iii) Accounts payable

Fair Value

As at September 30, 2014, the Company's financial instruments consist of cash, accounts receivable and accounts payable. The fair values of these financial instruments approximate their carrying values because of their current nature.

IFRS 7 *Financial Instruments – Disclosures*, establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. IFRS 7 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 – Unadjusted quoted prices in active markets that are accessible at the measurement date for identical unrestricted assets or liabilities.

Level 2 – Inputs that are observable, either directly or indirectly, but do not qualify as Level 1 inputs (i.e. quoted prices for similar assets or liabilities).

Level 3 – Prices or valuation techniques that are not based on observable market data and require inputs that are both significant to the fair value measurement and unobservable.

The fair values of the Company's financial assets and liabilities as of September 30, 2014 were calculated as follows:

	Balance at September 30, 2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	$	$	$	$
Financial Assets:				
Cash	408,135	408,135	–	–

Credit Risk **-** Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and accounts receivable. To minimize its credit risk, the Company maintains substantially all of its cash with high quality financial institutions. Deposits held with these institutions may exceed the amount of insurance provided on such deposits. Credit risk from accounts receivable encompasses the default risk of its customers. The Company manages its exposure to credit risk by only working with reputable companies and by performing on-going credit evaluations of its customers' financial condition, and requires letters of credit or other guarantees whenever deemed appropriate. The maximum exposure to loss arising from accounts receivable is equal to their carrying amounts. The Company's two (2013 - four) largest customer accounts comprise 69% (2013 - 75%) of accounts receivable.

The following table provides information regarding the aging of accounts receivable that are past due but which are not impaired as at September 30, 2014:

	Neither past due nor impaired	31-60 days	61-90 days	91 days +	Carrying value at September 30, 2014
Trade accounts receivable	$ 65,901	$ 2,642	$ 1,301	$ 4,481	$ 74,325

Of the 61 days and over balance outstanding at September 30, 2014, 56% has been subsequently collected as at 15 December 2014. Management believes the remaining balance is fully collectible.

Liquidity Risk - The Company manages liquidity risk through ongoing review of accounts receivable balances and by maintaining adequate cash and cash equivalent balances. The Company continuously monitors and reviews both actual and forecasted cash flows, and also matches the maturity profile of financial assets and liabilities. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand.

Foreign Exchange Risk - As the Company operates on an international basis, currency risk exposures arise from transactions and balances denominated in foreign currencies. The Company's foreign exchange risk arises primarily with respect to the United States dollar. Financial instruments that subject the Company to foreign currency exchange risk include cash and accounts receivable. Approximately 89% of the Company's revenues are denominated in United States dollars (2013 - 93%), while a significant amount of the Company's expenses are denominated in Canadian dollars. At September 30, 2014, a fluctuation of 10% in the currency exchange rate could result in a fluctuation of approximately $ 95,391 (2013: $108,779) on the consolidated results of operations, based on US dollar account balances. The Company does not engage in any hedging activity.

The Company has completed a sensitivity analysis to estimate the impact on net loss for the year which a change in foreign exchange rates during the year ended September 30, 2013 would have had.

This sensitivity analysis includes the following assumptions:

- Changes in individual foreign exchange rates do not cause foreign exchange rates in other countries to alter

The results of the foreign exchange rate sensitivity analysis can be seen in the following table:

	2014	2013
Impact on net loss of a change of +/- 10% in US$ foreign exchange rate	+/- $10,500	+/- $23,000

The above results arise primarily as a result of the Company having US$ denominated trade accounts receivable balances and bank account balances.

The financial position of the Company may vary at the time that a change in the factor above occurs, causing the impact on the Company's results to differ from that shown above.

Interest Rate Risk **-** The Company's cash is subject to interest rate price risk. The Company's interest rate risk management policy is to place any amounts which are considered in excess of day-to-day requirements in interest bearing highly liquid investments with a term to maturity of three months or less on the date of purchase. The Company does not engage in any hedging activity.

Market risk **-** Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices of the Company's products. The sale of these products may be affected by changes in competition, technology, foreign exchange rates, and interest rates. The Company's ability to raise capital to fund development is also subject to risks associated with fluctuations in the market. Management closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

Economic Dependence and Segment Information

During the year ended September 30, 2014, approximately 50% (2013 - 50%) of the Company's sales were made to three (2013 - two) customers. The loss of a material amount of sales to any of these customers could have a material adverse effect on operations.

The Company's operations are divided into four reporting segments. Each segment offers different products and services and is evaluated separately because they require different marketing strategies.

The Student Marketing Services segment provides student recruitment services to post-secondary education institutions. The Internet Applications segment focuses on the sales of educational products. The Custom Software Development segment focuses on the development of custom software products. The Other Activities segment includes website hosting services.

The Company evaluates the performance of each reportable segment based on revenue. The Company does not allocate the Company's assets, liabilities and operating expenses to the operating segments and this information is not reviewed by the CEO when evaluating a segment's performance.

		2014	2013
Student Marketing Services	$	556,797	654,425
Internet Applications		274,092	303,301
Custom Software Development		123,643	100,575
Other Activities		111,965	95,552
Consolidated revenue	$	1,066,497	1,153,853

Outstanding Share Data

As at September 30, 2014 and the Report Date, the following table summarizes the outstanding share capital of the Company:

	September 30, 2014	**Report Date**
Common Shares	23,289,467	23,289,467
Stock Options	1,535,000	1,765,000
Warrants	-	-
Total, Fully Diluted	**24,824,467**	**25,054,467**

Risks and Uncertainties

An investment in the Company' shares should be considered highly speculative due to the nature of the Company's business and the present stage of its development. In evaluating the company and its business, the Reader should carefully consider the following risk factors in addition to the other information contained in this management discussion and analysis. These risk factors are not a definitive list of all risk factors associated with the Company. It is believed that these are the factors that could cause actual results to be different from expected and historical results. Investors should not rely upon forward-looking statements as a prediction of future results.

Business model

The Company operates in an industry and has a business model, which makes it difficult to evaluate the Company's business and prospects. The Company derives nearly all of its revenue from the sale of online testing, marketing and media services, which is an industry that has undergone rapid and dramatic changes in its short history. The industry in which the Company operates is characterized by rapidly-changing Internet media, evolving industry standards, and changing user and client demands. The Company's business model is also evolving and it may not be successful. As a result of these factors, the future revenue and income potential of the Company is uncertain. Any evaluation of the Company's business and its prospects must be considered in light of these factors and the risks and uncertainties often encountered by companies in an industry with an evolving business model such as the Company's.

Some of these risks and uncertainties relate to the Company's ability to maintain and expand client relationships, sustain and increase the number of visitors to the Company's websites, respond effectively to competition and potential negative effects of competition on profit margins, and respond to government regulations relating to the Internet and personal data protection. If the Company is unable to address these risks, its business, results of operations and prospects could suffer.

Government regulation of the Internet

The Company's online products and student recruitment services may be subject to various laws relating to internet access, usage, and privacy. New regulations affecting copyright, content, privacy, and the quality and nature of online products and services may negatively affect the Company's planned expansion of its student recruitment services into countries outside of Canada. Changes in the regulatory environment may decrease future demand for its products and services, and increase the cost of doing business. The extent and applicability of laws with respect to the internet are uncertain and may in the future expose the Company to significant liabilities.

Dependence on Internet search

The Company depends upon Internet search companies to attract a significant portion of the visitors to its websites, and any change in the search companies' search algorithms or perception of the Company could result in its websites being listed less prominently in either paid or algorithmic search result listings, in which case the number of visitors to the Company's websites and our revenue could decline.

The Company depends in significant part on various Internet search companies, such as Google, Microsoft, and Yahoo!, and other search websites to direct a significant number of visitors to its websites so that the Company can provide its online marketing services to its clients. Search websites typically provide two types of search results, algorithmic and paid listings. Algorithmic, or organic, listings are determined and displayed solely by a set of formulas designed by search companies. Paid listings can be purchased and then are displayed if particular words are included in a user's Internet search. Placement in paid listings is generally not determined solely on the bid price, but also takes into account the search engines' assessment of the quality of the website featured in the paid listing and other factors. The Company relies on both algorithmic and paid search results, as well as advertising on other websites, to direct a substantial share of the visitors to its websites.

The Company's ability to maintain the number of visitors to its websites from search websites and other websites is not entirely within its control. For example, Internet search websites frequently revise their algorithms in an attempt to optimize their search result listings or to maintain their internal standards and strategies. Changes in the algorithms could cause the Company's websites to receive less favorable placements, which could reduce the number of users who visit its websites.

In addition, the Company's business model may be deemed similar to those of its competitors and others in the industry that Internet search websites may consider to be unsuitable or unattractive. Internet search websites could deem the Company's content to be unsuitable or below standards or less attractive or worthy than those of other or competing websites. In either such case, the Company's websites may receive less favorable placement in algorithmic or paid listings, or both.

Additionally, the Company may make decisions that are suboptimal regarding the purchase of paid listings which could reduce the number of visitors to its websites or cause the Company to incur additional costs. The Company may also make decisions that are suboptimal regarding the placement of advertisements on other websites and pricing, which could increase its costs to attract such visitors or cause the Company to incur unnecessary costs. A reduction in the number of visitors to the Company's websites could negatively affect the Company's ability to earn revenue. If visits to the Company's websites decrease, the Company may need to resort to more costly sources to replace lost visitors, and such increased expense could adversely affect the Company's business and profitability.

Dependence on data center providers

The Company relies on Internet bandwidth and data center providers and other third parties for key aspects of the process of providing services to its clients, and any failure or interruption in the services and products provided by these third parties could harm the Company's business. Any financial or other difficulties the Company's providers' face may have negative effects on the Company's business, the nature and extent of which the Company cannot predict. The Company exercises little control over these third-party vendors, which increases the Company's vulnerability to problems with the services they provide. The Company licenses technology and related databases from third parties to facilitate analysis and storage of data and delivery of offerings. The Company has experienced interruptions and delays in service and availability for data centers, bandwidth and other technologies in the past. Any errors, failures, interruptions or delays experienced in connection with these third-party technologies and services could adversely affect the Company's business and could expose it to liabilities to third parties.

Technological Change

The Company operates in business segments that are entirely dependent on technology and the internet. As such, technological change will impact the ability of the Company to expand and grow its business, and will also affect the costs and expenses incurred by the Company, including capital requirements. The online software applications market continues to experience rapid technological change. The Company's products and services rely heavily on Microsoft Windows, Linux, and Macromedia Flash platforms. There is a risk that new technologies and standards may render the Company's software applications obsolete. The Company may be required to invest significant capital in new technology and software development to remain competitive. Failure to do so may adversely affect demand for the Company's products and services.

Global Economic Conditions

Global economic conditions could have a negative effect on the Company's business and results of operations. Economic activity throughout much of the world has been volatile. Market disruptions have included extreme volatility in securities prices, as well as severely diminished liquidity and credit availability. The economic crisis may adversely affect the Company in a variety of ways. Access to lines of credit or the capital markets may be severely restricted, which may preclude the Company from raising funds required for operations and to fund continued expansion. It may be more difficult for the Company to complete strategic transaction with third parties. Such developments could decrease the Company's ability to obtain financing and could expose it to risk that one of its customers or banks will be unable to meet their obligations under agreements with them.

Reliance on Key Customers

The Company relies on key customers and B2B relationships. Our ability to maintain our network and attract additional customers will depend on a number of factors, many of which are outside of our control. A significant portion of the Company's revenues have come from three large customers. While the Company is actively seeking to diversify its customer base, the loss of any one of its large customers will result in a material adverse effect on the business and may adversely affect revenues going forward. The Company's clients can generally terminate their contracts at any time, with limited prior notice or penalty. The Company's clients may also reduce their level of business with the Company, leading to lower revenue. The Company expects that a limited number of clients will continue to account for a significant percentage of the Company's revenue, and the loss of, or material reduction in, their marketing spending with the Company could decrease the Company's revenue and adversely affect the Company's business.

Limited Operating History

Although the Company earns revenues, the Company has experienced volatility in profitability to date and there is no assurance that it will remain profitable in the future. The Company's business operations largely dependent upon its ability to market its products, increase sales and develop new products. In order to market its products and increase sales, the Company will require additional capital. There is no assurance that the Company will be able to raise the required funds to continue these activities.

Additional Requirements for Capital

Substantial additional financing may be required if the Company is to be successful at developing its business. No assurances can be given that the Company will be able to raise the additional capital that it may require for its anticipated future development. Any additional equity financing may be dilutive to investors and debt financing, if available, may involve restrictions on financing and operating activities. There is no assurance that additional financing will be available on terms acceptable to the Company, if at all. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

Management of Growth

The Company may be subject to growth-related risks including pressure on its internal systems and controls. The Company's ability to manage its growth effectively will require it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects. While management believes that it will have made the necessary investments in infrastructure to process anticipated volume increases in the short term, the Company may experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for the Company's personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, the Company will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that the Company will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support the Company's operations or that the Company will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Dependence on Management Team

The Company will depend on certain key senior managers to oversee the core marketing, business development, operational and fund raising activities and who have developed key relationships in the industry. Their loss or departure in the short-term would have an adverse effect on the Company's future performance.

Competition

The Company faces competition in the markets in which it operates. Some of the Company's competitors may also be better positioned to develop superior product features and technological innovations and able to better adapt to market trends than the Company. Increased competition may require the Company to reduce prices or increase costs and may have a material adverse effect on its financial condition and results of operations. Any decrease in the quality of the Company's products or level of service to customers may adversely affect the business and results of operations.

Exchange rate

The reporting currency of the Company is the Canadian Dollar. A significant portion of the Company's revenues, however, are remitted in United States Dollars and Great Britain Pounds. Future fluctuations in the value of the Canadian Dollar relative to these currencies will likely have a material impact on the Company's overall financial results. Appreciation of the Canadian dollar will decrease revenues and increase expenses.

Smaller Companies

Market perception of junior companies may change, potentially affecting the value of investors' holdings and the ability of the Company to raise further funds through the issue of further Common Shares or otherwise. The share price of publicly traded smaller companies can be highly volatile. The value of the Common Shares may go down as well as up and, in particular, the share price may be subject to sudden and large falls in value given the restricted marketability of the Common Shares.

Events after the reporting period

The Company has evaluated its activities subsequent to the year end of September 30, 2014 and has determined that there are no material events to be reported, aside from the following:

On December 15, 2014 the Company announced that a newly–formed wholly owned U.S. subsidiary, ACT360 Solutions USA Inc., had signed a Letter of Intent with iLeads.com LLC ("iLeads") to form a joint venture pursuing online customer acquisition business opportunities in the real estate, mortgage, home improvement, and alternative energy vertical markets.

The terms of the Letter of Intent provide that within 60 days from the date of the signing of the LOI, the parties will enter into a joint venture for the monetization of iLeads' consumer-facing NeighborhoodIQ.com platform. iLeads intends to license to the joint venture its NeighborhoodIQ.com customer acquisition platform and proprietary data feed with title, lien, tax, valuation sales history, comparable sales, property characteristics and other data elements covering 145 million properties in the U.S. that are updated daily.

ACT360 will provide the joint venture with media management expertise and working capital to support traffic acquisition, sales, and business development activities. The parties will jointly manage and operate the joint venture, and share the joint venture's operating cash flow. The joint venture is subject to the completion of due diligence and the negotiation of a satisfactory joint venture agreement between the parties.