MANAGEMENT DISCUSSION & ANALYSIS

BCSC British Columbia Securities Commission FORM 51-102F1

ISSUER DETAILS

FOR QUARTER ENDED	**June 30, 2012**
DATE OF REPORT	**August 29, 2012**
NAME OF ISSUER	**ACT360 Solutions Ltd.**
ISSUER ADDRESS	**1116 – 207 W. Hastings St. Vancouver, B.C. V6B 1H7**
ISSUER FAX NUMBER	**(604) 638-1553**
ISSUER TELEPHONE NUMBER	**(604) 638-1553**
CONTACT PERSON	**Vincent Wong**
CONTACT POSITION	**PRESIDENT and CEO**
CONTACT TELEPHONE NUMBER	**(604) 638-1553 ext 116**
CONTACT EMAIL ADDRESS	**vincentw@act360.com**
WEB SITE ADDRESS	**www.act360.com**

FORM 51-102F1

ACT360 Solutions Ltd.
INTERIM MANAGEMENT DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED JUNE 30, 2012

ACT360 Solutions Ltd (the "Company") is incorporated in British Columbia and is a public company listed on the TSX Venture Exchange, symbol "AKM". The Company, through its wholly owned subsidiary ACT360 Media Ltd ("ACT360 Media"), provides Internet-based training, testing, and student recruitment applications and services to higher education customers.

ADVISORY

This discussion and analysis should be read in conjunction with the consolidated financial statements and the auditor's report included in the Annual Report for 2011 and interim unaudited consolidated financial statements as at June 30, 2012.

FORWARD LOOKING INFORMATION

Certain statements in this MD&A constitute forward-looking statements that involve risks and uncertainties. These forward-looking statements are based on the following material assumptions: a continuing or increased need for language training, e-learning software development, and student recruitment services in difficult economic times, 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 distribution partners, continuation of support from existing distribution partners, the demand for its products continuing to increase, stable currency valuations and 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.

UPDATE ON 2012 BUSINESS OBJECTIVES

The Company's 2012 business plan is focused on expanding its international qualification and recruitment services for North American universities and colleges. The Company's core strengths include:

- The extensive library of online test prep content targeting international students;

- The www.testden.com website and its user base in Latin America, Europe, Middle East, Africa, and Asia; and

- The Company's network of international education customers and contacts.

In 2011, the Company launched its international recruitment service and signed marketing services agreements with its first set of higher education clients. In response to client demand in the first quarter of 2012, the Company re-engineered its TestDEN Higher Education software platform in order to accommodate a greater number of universities, programs, and students.

The Company expects to grow organically in 2012 by increasing the volume of student inquiries to existing clients, and by expanding the number of higher education clients using its student recruitment service. With the continuing support of its shareholders, the Company is also exploring various acquisition opportunities with respect to opportunity, strategic fit, and valuation.

OVERALL PERFORMANCE

For the three months ended June 30, 2012, the Company's revenue increased by 74% to $170,839 compared to revenue of $98,158 for the same period in the previous year.

TestDEN Higher Education revenues, derived from the Company's proprietary language training products and international student marketing service, rose by 113% compared to the prior year quarter. Revenue growth was driven by new post-secondary customers purchasing the Company's student recruitment service and higher consumer sales resulting from improvements to the Company's online sales process.

Custom development revenue decreased by 62% compared to the third quarter of 2011 as the Company is no longer pursuing new clients for custom software development. All revenue in this category is from the maintenance of existing client projects.

On a consolidated basis for the three months ended June 30, 2012, the Company had a net profit of $8,113 on sales of $170,839 compared to a loss of $27,145 on sales of $98,158 during the same period in the previous year.

On a consolidated basis, expenses were $162,727 in the third quarter ended June 30, 2012 compared to $125,321 in the third quarter ended June 30, 2011. Consulting expenses were lower during the current quarter as the Company relied on fewer external contractors for delivery of software development services. Promotion and marketing expenses were higher as the Company continued to invest resources in sales and marketing.

The following is a discussion of certain major expense categories for the third quarter ended June 30, 2012:

Consulting
Consulting fees totaled $28,660 in the third quarter (Q3 2011: $35,486). Consulting fees are paid when the Company hires outside personnel to work on custom software development contracts and marketing projects. During the current quarter, the Company relied on fewer external consultants to deliver software development services, reflecting the overall decrease in custom development revenue.

Promotion and marketing
Promotion and travel increased in the third quarter compared to the same period in the previous fiscal year. Expenses in this category increased to $58,160 compared to $16,528 for the same period in 2011. During the third quarter of 2012, the Company increased its online marketing activities for its international student recruiting service.

Wages and employee benefits
Wages and employee benefits in the third quarter totaled $31,178 (Q3 2011: $33,876).

SUMMARY OF QUARTERLY RESULTS

The following table sets out selected unaudited financial information of the Company and is derived from unaudited financial statements prepared by management. The financial data for 2010 are prepared in conformity with Canadian generally accepted accounting principles. The financial data for 2011 are prepared in accordance with International Accounting Standard ("IAS") 34 *Interim Financial Reporting* under International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. All figures are expressed in Canadian dollars.

Fiscal Period	Accounting Principle	Revenues	Net Income (Loss)	Net Income (Loss) per Share
2012 Q2	IFRS	$169,325	$14,913	$0.00
2012 Q1	IFRS	$191,826	$2,907	$0.00
2011 Q4	IFRS	$113,101	($41,613)	($0.00)
2011 Q3	IFRS	$98,158	($27,145)	($0.00)
2011 Q2	IFRS	$132,886	($33,646)	($0.00)
2011 Q1	IFRS	$201,475	$46,909	$0.00
2010 Q4	Canadian GAAP	$74,327	($54,432)	($0.00)
2010 Q3	Canadian GAAP	$94,002	($13,900)	($0.00)

Second Quarter 2012
For the three months ended March 31, 2012, the Company's revenue increased by 27% to $169,325 compared to revenue of $132,886 for the same period in the previous year.

TestDEN Higher Education revenues, derived from the Company's proprietary language training products and international student marketing service, rose by 180% compared to the prior year quarter. Revenue growth was driven by new institutional customers signing on to the Company's student recruitment service, higher consumer sales resulting from improvements to the Company's online sales process, and higher corporate sales in Europe and Japan.

Custom development revenue decreased by 67% compared to the second quarter of 2011 as the Company is no longer pursuing new clients for custom software development. All revenue in this category is from the maintenance of existing client projects.

On a consolidated basis for the three months ended March 31, 2012, the Company had a net profit of $14,913 on sales of $169,325 compared to a loss of $33,646 on sales of $132,886 during the same period in the previous year.

On a consolidated basis, expenses were $154,413 in the second quarter ended March 31, 2012 compared to $166,567 in the second quarter ended March 31, 2011. Consulting expenses were lower during the current quarter as the Company relied on fewer external contractors for delivery of software development services. Promotion and marketing expenses were also higher as the Company continued to invest resources in sales and marketing.

First Quarter 2012

For the three months ended December 31, 2011, the Company's revenue decreased by 5% to $191,826 compared to revenue of $201,475 for the same period in the previous year.

TestDEN Higher Education revenues, derived from the Company's proprietary language training products and international student marketing service, rose by 47% compared to the same quarter in 2011. Revenue growth was driven by new institutional customers signing on to the Company's student recruitment service, as well as higher consumer sales resulting from improvements to the Company's e-commerce process. The sole area of weakness was in corporate training sales where fewer orders were placed by customers in Europe and Japan.

Custom development revenue decreased by 43% as the Company is no longer pursuing new clients for custom software development. All revenue in this category is from the maintenance of existing client projects.

On a consolidated basis for the three months ended December 31, 2011, the Company had a net profit of $2,907 on sales of $191,826 compared to a profit of $46,909 on sales of $201,475 during the same period in the previous year.

On a consolidated basis, expenses were $188,919 in the first quarter ended December 31, 2011 compared to $154,658 in the first quarter ended December 31, 2010. Consulting expenses were higher and wages and benefits lower as the Company had fewer permanent staff. During the current quarter, the Company relied on external contractors for delivery of software development and business development services. Promotion and marketing expenses were also higher as the Company continued to invest resources in sales and marketing.

Fourth Quarter 2011
For the three months ended September 30, 2011, the Company's revenue increased by 52% to $113,101 compared to revenue of $74,327 for the same period in 2010.

TestDEN Higher Education revenues, derived from the Company's proprietary language training products and international student marketing service, rose 44% compared to the same quarter in 2010. Consumer e-commerce sales and international student marketing service revenue both saw strong growth during the quarter.

Application hosting revenue increased by 65% in the quarter compared to the previous year as the Company added customer applications hosted on its network.

Custom development revenue increased by 222% as the Company booked certain project revenues under the percentage of completion method.

Among expense categories, product amortization and employee wages were significantly lower. Promotion expenses were higher as the Company continued to invest in online marketing for its TestDEN.com brand. Consulting expenses were higher compared to the prior year quarter as the Company relied on external contractors for delivery of software development and marketing services.

Third Quarter 2011
For the three months ended June 30, 2011, the Company's revenue increased by 4% to $98,158 compared to revenue of $94,002 for the same period in the previous year.

TestDEN Higher Education revenues, derived from the Company's proprietary language training products and international student marketing service, rose 32% compared to the same quarter in 2010. The Company continued to see strong growth in direct e-commerce sales of its online course products, as well as revenue from its international student marketing service. During the quarter, the Company continued to invest in customer acquisition activities for its international student marketing service.

Application hosting revenue increased by 19% in the quarter compared to the previous year as the Company added customer applications hosted on its network.

Custom development revenue decreased by 51% as the Company completed fewer client projects during the quarter.

Consulting expenses were higher and wages and benefits lower as the Company had fewer permanent staff and relied on external contractors for software development. Promotion and marketing expenses were also higher as the Company invested in customer acquisition activities for its international student marketing service and expanded its online targeting of international students. Finally, legal expenses were higher as the Company evaluated several potential partnership opportunities in the education industry.

Second Quarter 2011
For the three months ended March 31, 2011, the Company's revenue increased by 51% to $132,886 compared to revenue of $88,063 for the same period in the previous year.

TestDEN Higher Education revenues, derived from the Company's proprietary language training products and international student marketing service, rose 42% compared to the same quarter in 2010. Direct sales of TestDEN products to online consumers grew during the quarter as the Company improved its web traffic monetization. The Company launched its international student marketing service and booked its first sales during the quarter.

Custom development revenue increased by 67% as the final phase of a custom e-learning project for an international higher education client was completed in the quarter ended March 31, 2011.

Application hosting revenue declined 8% in the quarter compared to the previous year as the Company hosted fewer customer applications.

Consulting expenses were higher and wages and benefits lower as the Company had fewer permanent staff and relied on external contractors for software development. Promotion and marketing expenses were also higher as the Company invested in customer acquisition activities for its international student marketing service.

First Quarter 2011
For the three months ended December 31, 2010, the Company's revenue increased by 68% to $201,475 compared to revenue of $120,221 for the same period in the previous year.

TestDEN English revenues, derived from the Company's proprietary language training products, rose by 131% compared to the same quarter in 2010. Corporate and institutional sales rebounded in Asia and Europe. Direct sales of TestDEN products to online consumers also grew during the quarter as web traffic to the Company's web properties grew as well.

Custom development revenue increased by 50% as custom e-learning project for an international higher education client was completed in the quarter ended December 31, 2010.

Application hosting revenue declined 8% in the quarter compared to the previous year as the Company hosted fewer customer applications.

Consulting expenses were higher and wages and benefits lower as the Company had fewer permanent staff and relied on external contractors for software development. Promotion and marketing expenses were also higher as the Company continued to invest resources in sales and marketing.

Fourth Quarter 2010
For the three months ended September 30, 2010, the Company's revenue decreased by 2.7% to $74,327 compared to revenue of $76,457 in the prior year quarter.

TestDEN training and testing sales, increased by 68% compared to the same quarter in 2009. The Company's increased investment in online marketing and promotion led to higher sales.

Custom Development revenue declined by 75% as the Company allocated resources away from this business to focus on student recruitment opportunities through its www.testden.com website. Nevertheless, at the end of the quarter, the Company did sign a new significant higher education partner for a custom testing system.

Application Hosting revenue declined 25% in the quarter compared to the previous year. The decline was reported in the first quarter of fiscal 2010 as the Company hosted fewer customer applications.

On a consolidated basis for the three months ended September 30, 2010, the Company had a net loss of $54,432 on sales of $74,327 compared to a net loss of $61,171 on sales of $76,457 for the prior year period.

On a consolidated basis, expenses were $128,759 for the fourth quarter ended September 30, 2010 compared to $136,217 for the prior year period. Among major expense categories, product amortization and employee wages were significantly lower. Promotion expenses were higher as the Company continued to expand its online marketing presence. The Company also recorded a $30,900 stock-based compensation expense relating to the issuance of new stock options to directors and management. These stock options replaced stock options that had previously expired.

Third Quarter 2010
For the three months ended June 30, 2010, the Company's revenue decreased by 36% to $94,002 compared to revenue of $147,359 for the same period in the previous year.

TestDEN English revenues, derived from the Company's proprietary language training products, increased by 54% compared to the same quarter in 2009. The Company's increased investment in online marketing and promotion drove TestDEN English sales higher. For the first nine months of 2010, TestDEN English sales were 16% higher than the comparable period in 2009. The Company is continuing to develop new revenue streams from the TestDEN platform.

Custom development revenue declined by 69% as fewer e-learning projects were completed during the quarter. Several large customer maintenance contracts were not renewed during the quarter. Going forward, the Company will transition away from Custom Development services and focus resources on developing or acquiring new online education services.

Application hosting revenue declined 18% in the quarter compared to the previous year. The decline was reported in the first quarter of fiscal 2010 as the Company hosted fewer customer applications.

On a consolidated basis for the three months ended June 30, 2010, the Company had a net loss of $13,900 on sales of $94,002 compared to a loss of $12,129 on sales of $147,359 during the same period in the previous year.

On a consolidated basis, expenses were $109,472 in the third quarter ended June 30, 2010 compared to $161,734 in the third quarter ended June 30, 2009. With the decline in Custom Development revenue, the Company reduced software engineering staffing levels and consulting expenses. Accounting, amortization, and foreign exchange were other expense categories that were significantly lower in the third quarter of 2010.

LIQUIDITY AND CAPITAL RESOURCES

As at June 30, 2012, the Company had total assets of $102,909, current assets of $100,182 and working capital of negative $7,125 compared to total assets of $86,784, current assets of $80,268 and working capital of negative $36,847 as at September 30, 2011.

The Company's cash provided from operations during the third quarter of 2012 was negative $32,162 compared to positive $6,436 during the third quarter of 2011.

The Company's ability to continue its operations and to realize its assets at their carrying values is dependent upon generating revenues sufficient to cover its operating costs, obtaining additional financing, and the continued support of its shareholders.

The Company believes that existing cash balances and cash generated from operations will be sufficient to meet its anticipated cash needs for working capital and capital expenditures for the balance of fiscal year 2012. However, the Company may be dependent on future equity financings to take advantage of any growth-related opportunities that require cash, should they occur.

Equipment

As at June 30, 2012, the Company's net equipment was $2,727 which includes computer equipment, software and office furniture and equipment. During the quarter, the Company spent $nil on new equipment and software.

Deferred development costs

During the quarter, the Company capitalized product development costs of $nil.

Capital lease obligations

As at June 30, 2012, outstanding capital lease obligations totaled $nil.

Shareholders’ equity
Shareholders’ equity was negative $4,398 on June 30, 2012 compared to negative $30,331 as of September 30, 2011.

Outstanding share data
The Company’s common shares outstanding at August 29, 2012 were 16,089,467 compared to 16,089,467 as at September 30, 2011. No new shares were issued during the quarter.

At August 29, 2012, the Company has outstanding stock options of 925,000. Details are as follows:

Number Outstanding and Exercisable	Exercise Price Per Share	Expiry Date
100,000	$ 0.10	February 28, 2016
825,000	$ 0.10	August 24, 2015
925,000		

Dividend
The payment of dividends to shareholders will depend on a number of factors such as earnings, the Company’s financial requirements and other factors that the Board of Directors considers relevant in the circumstances. The Company currently does not have intention to pay dividends on the common shares. The Board of Directors will review this policy, from time to time, as circumstances change. To date, the Company has not declared or paid any dividends on any of its shares.

OFF-BALANCE SHEET ARRANGEMENTS
The Company does not have any off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES
The remuneration of the Company’s directors and other key management is as follows:

	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011
Management Salaries	$ 19,968	$ 15,300
Share-based compensation	$ -	$ -
Total	$ 19,968	$ 15,300

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The carrying value of cash, accounts receivable and accounts payable approximates their fair values.

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 (2011 - two) largest customer accounts comprise 59% (2011 - 54%) of accounts receivable.

Of the 61 days and over balance outstanding at June 30, 2012, 43% has been subsequently collected as at August 21, 2012. 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 94% of the Company's revenues are denominated in United States dollars

(2011 - 95%), while substantially all of the Company's expenses are denominated in Canadian dollars. At June 30, 2012, a fluctuation of 10% in the currency exchange rate could result in a fluctuation of approximately $ 49,879 on our consolidated results of operations, based on US dollar account balances. The Company does not engage in any hedging activity.

Interest Rate Risk

The Company's cash and cash equivalents are 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. The sale of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company's ability to raise capital to fund development is 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.

SUMMARY OF INVESTOR RELATIONS ACTIVITIES

No investor relations activities were undertaken by or on behalf of the Company during the period.

CHANGES TO ACCOUNTING POLICIES

The Company has adopted IFRS effective October 1, 2011 with a transition date of October 1, 2010. Prior to the adoption of IFRS the Company prepared its financial statements in accordance with Canadian GAAP.

The comparative information presented in these condensed interim consolidated financial statements for the three and six months ended June 30, 2011 and year ended September 30, 2011 have been prepared in accordance with the accounting policies referenced in Note 3 of the Condensed Interim Financial Statements for the period ending June 30, 2012. For disclosures and reconciliations related to the first time adoption of IFRS, refer to the Company's condensed interim consolidated financial statements for the three months ended December 31, 2011.

In preparing the Company's IFRS Transition Date statement of financial position management noted that adjustments related to revenues from custom software development were necessary to be made by the Company previously in its financial statements prepared in accordance with previous Canadian GAAP. Additionally, upon adoption of IFRS, the Company adopted the policy of reclassifying amounts for expired stock options from contributed surplus to retained earnings.

Revenues from Custom Software Development
Under Canadian GAAP, the Company accounted for certain long-term contracts using the completed contract method of accounting. Completed contract method of accounting is generally not permitted under IFRS. If the outcome of a contract is not known, then revenue is recognized only to the extent of the costs incurred that are probable of recovery and is limited to the amount of costs recognized during the period.

As a result of retrospective application of this policy, no changes to revenue or costs have been recognized through retained earnings in the June 30, 2011 statement of financial position.

Recent Accounting Pronouncements
Certain new standards, interpretations and amendments to existing standards have been issued by the IASB or the International Financial Reporting Interpretations Committee ("IFRIC") that are mandatory for accounting periods beginning after October 1, 2010, or later periods. Some updates that are not applicable or are not consequential to the Company may have been excluded from the list below.

New accounting standards effective October 1, 2013
In May 2011, the IASB issued the following standards which have not yet been adopted by the Company:

IFRS 10 *Consolidated Financial Statements* - IFRS 10 requires an entity to consolidate an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Under existing IFRS, consolidation is required when an entity has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. IFRS 10 replaces SIC-12 *Consolidation - Special Purpose Entities* and parts of IAS 27 *Consolidated and Separate Financial Statements.*

IFRS 11 *Joint Arrangements* - IFRS 11 requires a venturer to classify its interest in a joint arrangement as a joint venture or joint operation. Joint ventures will be accounted for using the equity method of accounting whereas for a joint operation the venturer will recognize its share of the assets, liabilities, revenue and expenses of the joint operation. Under existing IFRS, entities have the choice to proportionately consolidate or equity account for interests in joint ventures. IFRS 11 supersedes IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities - Non-monetary Contributions by Venturers*.

IFRS 12 *Disclosure of Interests in Other Entities* - IFRS 12 establishes disclosure requirements for interests in other entities, such as joint arrangements, associates, special purpose vehicles and off balance sheet vehicles. The standard carries forward existing disclosures and also introduces significant additional disclosure requirements that address the nature of, and risks associated with, an entity's interests in other entities.

IFRS 13 *Fair Value Measurement* - IFRS 13 is a comprehensive standard for fair value measurement and disclosure requirements for use across all IFRS standards. The new standard clarifies that fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants, at the measurement date. It also establishes disclosures about fair value measurement. Under existing IFRS, guidance on measuring and disclosing fair value is dispersed among the specific standards requiring fair value measurements and in many cases does not reflect a clear measurement basis or consistent disclosures.

Amendments to other standards - In addition, there have been other amendments to existing standards, including IAS 27 *Separate Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*. IAS 27 addresses accounting for subsidiaries, jointly controlled entities and associates in non-consolidated financial statements. IAS 28 has been amended to include joint ventures in its scope and to address the changes in IFRS 10 to IFRS 13.

The IASB has amended IAS 1 *Presentation of Financial Statements* to require entities to separate items presented in other comprehensive income ("OCI") into two groups, based on whether or not items may be reclassified into profit or loss in the future. Entities that choose to present OCI items before tax will be required to show the amount of tax related to the two groups separately.

Each of the new standards, IFRS 10 to 13 and the amendments to other standards, is effective for annual periods beginning on or after January 1, 2013 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new and amended standards will have on its condensed interim consolidated financial statements or whether to early adopt any of the new requirements.

New accounting standards effective October 1, 2015

IFRS 9 *Financial Instruments* - IFRS 9 was issued in November 2009 and contained requirements for financial assets. This standard addresses classification and measurement of financial assets and replaces the multiple category and measurement models in IAS 39 for debt instruments with a new mixed measurement model having only two categories: Amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at the fair value through profit or loss or at fair value through other comprehensive income. Where such equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, others gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added in October 2010 and they largely carried forward existing requirements in IAS 39, *Financial Instruments – Recognition and Measurement*, except that fair value changes due to credit risk for liabilities designated at fair value through profit and loss would generally be recorded in other comprehensive income.

IFRS 9 is effective for annual periods beginning on or after January 1, 2015 with early adoption permitted. The Company has not yet begun the process of assessing the impact that the new standard will have on its condensed interim consolidated financial statements or whether to early adopt the new requirements.

ADDITIONAL INFORMATION

Additional information relating to ACT360 Solutions Ltd. can be found on SEDAR at www.sedar.com.