

ACT360 SOLUTIONS LTD.

**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)**

NINE MONTHS ENDED JUNE 30, 2012

Notice of No Auditor Review of Condensed Interim Consolidated Financial Statements

The accompanying unaudited condensed interim consolidated financial statements have been prepared by management and approved by the Audit Committee and the Board of Directors. The Company's independent auditors have not performed a review of these condensed interim consolidated financial statements in accordance with the standards established for a review of interim financial statements by an entity's auditors.

ACT360 SOLUTIONS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	As At June 30 2012 \$	As At September 30 2011 \$
ASSETS		
Current		
Cash and cash equivalents	16,692	26,925
Accounts receivable	74,373	47,711
Prepaid expenses and other assets	9,117	5,632
	<hr/> 100,182	<hr/> 80,268
EQUIPMENT (Note 4)	2,727	6,516
	<hr/> 102,909	<hr/> 86,784
LIABILITIES		
Current		
Accounts payable and accrued liabilities	94,729	85,889
Unearned revenue	12,578	31,226
	<hr/> 107,307	<hr/> 117,115
SHAREHOLDERS' (DEFICIENCY) EQUITY		
Share capital (Note 5)	1,109,021	1,109,021
Contributed surplus	35,567	35,567
Deficit	(1,148,986)	(1,174,919)
	<hr/> (4,398)	<hr/> (30,331)
	<hr/> 102,909	<hr/> 86,784

Nature of operations and continuance of business (Note 1)

Commitments (Note 8)

APPROVED ON BEHALF OF THE BOARD ON AUGUST 29, 2012

/s/ "Ronald Erdman"

Ronald Erdman, Director

/s/ "Vincent Wong"

Vincent Wong, Director

The Accompanying Notes are an Integral Part of the Condensed Interim Consolidated Financial Statements

ACT360 SOLUTIONS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)****FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	FOR THE THREE MONTHS ENDED		FOR THE NINE MONTHS ENDED	
	June 30, 2012	June 30, 2011	June 30, 2012	June 30, 2011
	\$	\$	\$	\$
SALES	170,839	98,158	531,990	432,520
EXPENSES				
Accounting and legal	19,161	17,106	47,500	45,807
Depreciation	1,263	2,164	3,789	6,110
Regulatory and filing fees	2,823	2,543	8,905	8,536
Selling, office and general	139,480	103,508	445,867	386,094
	162,727	125,321	506,061	446,547
INCOME (LOSS) BEFORE OTHER ITEMS	8,112	(27,163)	25,929	(14,027)
OTHER ITEMS				
Interest income	1	18	4	145
NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	8,113	(27,145)	25,933	(13,882)
WEIGHTED AVERAGE EARNINGS PER SHARE BASIC AND DILUTED	0.00	0.00	0.00	0.00
WEIGHTED AVERAGE NUMBER OF SHARES	16,089,467	16,089,467	16,089,467	16,089,467

The Accompanying Notes are an Integral Part of the Condensed Interim Consolidated Financial Statements

ACT360 SOLUTIONS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS****FOR THE THREE AND NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	FOR THE THREE MONTHS ENDED		FOR THE NINE MONTHS ENDED	
	June 30, 2012 \$	June 30, 2011 \$	June 30, 2012 \$	June 30, 2011 \$
OPERATING ACTIVITIES				
Net income	8,113	(27,145)	25,933	(13,882)
Items not affecting cash:				
Rent inducement	-	-	-	(520)
Depreciation	1,263	2,164	3,789	6,110
Share-based compensation	-	-	-	4,667
	9,376	(24,981)	29,722	(3,625)
Changes in non-cash working capital items:				
Accounts receivable	(38,767)	19,943	(26,662)	(21,514)
Prepaid expenses and other assets	243	2,308	(3,485)	1,652
Accounts payable and accrued liabilities	(12,816)	9,166	8,840	24,973
Deferred revenue	9,802	-	(18,648)	(58,591)
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(32,162)	6,436	(10,233)	(57,105)
FINANCING ACTIVITIES				
Finance lease obligations	-	(831)	-	(2,713)
CASH USED IN FINANCING ACTIVITIES	-	(831)	-	(2,713)
INVESTING ACTIVITIES				
Acquisition of equipment	-	75	-	(6,256)
CASH USED IN INVESTING ACTIVITIES	-	75	-	(6,256)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(32,162)	5,680	(10,233)	(66,074)
CASH AND CASH EQUIVALENTS – BEGINNING OF THE PERIOD	48,854	18,721	26,925	90,475
CASH AND CASH EQUIVALENTS – ENDING OF THE PERIOD	16,692	24,401	16,692	24,401
SUPPLEMENTAL INFORMATION				
Interest paid	393	1,037	2,442	2,097
Income tax paid	-	-	-	-

The Accompanying Notes are an Integral Part of the Condensed Interim Consolidated Financial Statements

ACT360 SOLUTIONS LTD.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN (DEFICIENCY) EQUITY
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

	Number of Common Shares	Amount		Contributed Surplus	Deficit	Total
As at October 1, 2010	16,089,467	\$ 1,109,021	\$	35,173	\$ (1,123,697)	\$ 20,497
Share-based compensation	–	–		4,667	–	4,667
Stock options expired and reclassified to deficit	–	–		(4,273)	4,273	–
Net income for the period	–	–		–	(13,882)	(13,882)
As at June 30, 2011	16,089,467	\$ 1,109,021	\$	35,567	\$ (1,133,306)	\$ 11,282
As at October 1, 2011	16,089,467	\$ 1,109,021	\$	35,567	\$ (1,174,919)	\$ (30,331)
Common shares issued	–	–		–	–	–
Net income for the period	–	–		–	25,933	25,933
As at June 30, 2012	16,089,467	\$ 1,109,021	\$	35,567	\$ (1,148,986)	\$ (4,398)

The Accompanying Notes are an Integral Part of the Condensed Interim Consolidated Financial Statements

ACT360 SOLUTIONS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

1. CORPORATE INFORMATION AND NATURE OF OPERATIONS

ACT360 Solutions Ltd. (the “Company”) is incorporated under the provisions of the Company Act of British Columbia and is listed on the TSX Venture Exchange (“TSX-V”). The Company’s principal business activity consists of providing internet-based training applications and services. The address of the Company’s corporate office and its principal place of business is 1116-207 West Hastings Street, Vancouver, BC, V6B 1H7.

These condensed interim consolidated financial statements have been prepared on a going concern basis, assuming that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. The Company has had a history of significant losses, sizeable accumulated deficits and limited working capital. The Company’s ability to continue as a going concern may therefore be dependent on completing equity financing, obtaining support from related parties or generating consistent profitable operations in the future.

2. BASIS OF PREPARATION**a) Statement of compliance**

These condensed interim consolidated financial statements 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. Subject to certain IFRS transition adjustments disclosed in Note 12, the Company has consistently applied the same accounting policies in its condensed interim consolidated financial statements and throughout all periods presented, as if the policies have always been in effect. These condensed interim consolidated financial statements do not contain all of the information required for full annual financial statements. The disclosures concerning the transition from Canadian Generally Accepted Accounting Principles (“GAAP”) to IFRS and certain transition elections are described in the condensed interim consolidated financial statements for the three months ended December 31, 2011 and these condensed interim consolidated financial statements should be read in conjunction with the interim December 31, 2011 financial statements and the annual September 30, 2011 financial statements. IFRS reconciliation disclosures for June 30, 2011 balances presented for comparative purposes are described in Note 12.

b) Going concern

These interim financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for a reasonable period of time. The Company has incurred losses since its inception and had an accumulated deficit of \$1,148,986 at June 30, 2012. The Company’s ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, and generating profitable operations in the future.

c) Consolidation

The consolidated financial statements include the accounts of the Company and its 100% wholly owned subsidiary, ACT360 Media Ltd. ACT360 Media Ltd. was incorporated in Canada and as at June 30, 2012 is 100% owned by ACT360 Solutions Ltd. Inter-company balances and transactions, including unrealized income and expenses arising from inter-company transactions, are eliminated on consolidation.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Measurement basis - These condensed interim consolidated financial statements are prepared on the historical cost basis except for certain financial instruments, which are measured at fair value as explained in the accounting policies set out in Note 3. All amounts are expressed in Canadian dollars unless otherwise stated.

Use of estimates - The preparation of these condensed interim financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses for the periods reported. Significant areas requiring the use of management estimates relate to amortization, deferred income tax assets and share-based payments. Actual results could differ from these estimates.

Foreign currency translation - The Company's consolidated financial statements are expressed in Canadian dollars. Monetary assets and liabilities in foreign currencies are translated at the prevailing rates of exchange at the balance sheet date. Revenues and expenses are translated at the rates of exchange in effect on the dates of the related transactions. Non-monetary assets and liabilities are translated at the historical rates in effect when the assets were acquired or liabilities incurred. Exchange gains and losses arising on translation are included in determining current earnings.

Cash and cash equivalents - The Company considers deposits with banks or highly liquid short-term interest bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less when acquired to be cash equivalents.

Equipment - Equipment is recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives as follows:

Furniture and fixtures	20%
Computer equipment	33%
Computer software	50%

Leases - Leases are classified as either finance or operating leases. Leases that transfer substantially all of the benefits and risks incidental to the ownership of equipment are classified as finance leases. At the inception of a finance lease, the equipment and respective obligation are recorded at their fair value. Equipment under finance leases are amortized on a straight-line basis over the term of the lease, which approximates the equipment's estimated useful life. All other leases are classified as operating leases.

Long-lived assets and impairment - The Company evaluates, on an ongoing basis, the carrying value of equipment and other assets, for indications of impairment at each statement of financial position date. If indication of impairment exists, the asset's recoverable amount is estimated.

An impairment loss is recognized when the carrying amount of an asset, or its cash-generating unit, exceeds its recoverable amount. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Impairment losses are recognized in profit and loss for the period. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to cash-generating units and then to reduce the carrying amount of the other assets in the unit on a pro-rata basis.

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-lived assets and impairment (continued) - The recoverable amount is the greater of the asset's fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is reversed if there is an indication that there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized. An impairment loss with respect to goodwill is never reversed.

Share issuance costs - Professional, consulting, regulatory and other costs directly attributable to financing transactions are recorded as deferred share issuance costs until the financing transactions are completed, if the completion of the transaction is considered likely; otherwise they are expensed as incurred. Share issue costs are charged to share capital when the related shares are issued. Deferred share issuance costs related to financing transactions that are not completed are charged to expenses.

Income taxes - The Company provides for income taxes using the liability method of tax allocation. Under this method deferred income tax assets and liabilities are determined based on temporary differences between the accounting and tax bases of existing assets and liabilities, and are measured using enacted or substantially enacted tax rates expected to apply when these differences reverse. Deferred income tax assets are recognized to the extent that it is probable the asset will be realized.

Revenue recognition

a) Internet applications

Revenues for internet applications are recorded when a reseller/partner 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 is satisfied with the marketing information and collection is probable.

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Earnings (Loss) per share - The Company uses the treasury stock method in computing earnings (loss) per share. Under this method, basic earnings (loss) per share is computed by dividing earnings (loss) available to common shareholders by the weighted average number of common shares outstanding during the year. Diluted earnings (loss) per share is calculated by adjusting the weighted average number of common shares outstanding using the treasury stock method, to reflect the potential dilution of securities that could result from the exercise of in-the-money stock options and warrants. For the years presented, the existence of stock options affects the calculation of loss per share on a fully diluted basis.

Development costs – Development costs are expensed as incurred, except in cases where development costs meet certain identifiable criteria for deferral. The Company has not capitalized any product development costs during the period.

Financial instruments - All financial assets are initially recorded at fair value and classified into one of four categories: held to maturity, available for sale, loans and receivable or at fair value through profit or loss ("FVTPL"). All financial liabilities are initially recorded at fair value and classified as either FVTPL or other financial liabilities. Financial instruments comprise cash, accounts receivable, accounts payable and finance lease obligations. At initial recognition management has classified financial assets and liabilities as follows:

a) Financial assets

The Company has recognized its cash at FVTPL and classifies its accounts receivable as loans and receivable. A financial instrument is classified at FVTPL if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at FVTPL if the Company manages such investments and makes purchase and sale decisions based on their fair value in accordance with the Company's documented risk management or investment strategy. Financial instruments at FVTPL are measured at fair value and changes therein are recognized in income. The Company's loans and receivable are measured at amortized cost using the effective interest method.

b) Financial liabilities

The Company has recognized its accounts payable as other financial liabilities. Accounts payable are recognized at the amount required to be paid, less, when material, a discount to reduce the payable to fair value. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New accounting standards issued but not yet effective - 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.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

ACT360 SOLUTIONS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

4. EQUIPMENT

Cost	Computer Equipment	Computer Software	Furniture and Fixtures	Total
As at October 1, 2010	\$ 127,375	\$ 50,540	\$ 14,930	\$192,845
Additions	899	4,605	752	6,256
As at September 30, 2011	\$ 128,274	\$ 55,145	\$ 15,682	\$ 199,101
Additions	–	–	–	–
As at June 30, 2012	\$ 128,274	\$ 55,145	\$ 15,682	\$ 199,101
Accumulated Depreciation				
As at October 1, 2010	\$ 120,257	\$ 49,461	\$ 14,593	\$ 184,311
Depreciation	4,864	2,962	448	8,274
As at September 30, 2011	\$ 125,121	\$ 52,423	\$ 15,041	\$ 192,585
Depreciation	1,736	1,908	145	3,789
As at June 30, 2012	\$ 126,857	\$ 54,331	\$ 15,186	\$ 196,374
Carrying Amounts				
Balance, October 1, 2010	\$ 7,118	\$ 1,079	\$ 337	\$ 8,534
Balance, September 30, 2011	\$ 3,153	\$ 2,722	\$ 641	\$ 6,516
Balance, June 30, 2012	\$ 1,417	\$ 814	\$ 496	\$ 2,727

5. SHARE CAPITAL

The Company has authorized share capital of 100,000,000 common shares without par value and 100,000,000 preferred shares without par value. The issued share capital consists only of common shares. Disclosures on any common shares issued are provided in the Statements of Changes in Equity.

6. STOCK OPTIONS

The Company has a stock option plan for directors, employees, and consultants. The aggregate number of shares issuable pursuant to options granted under the plan is limited to 10% of the Company's issued and outstanding shares at the time the options are granted. The exercise price of each option is determined by the Board, subject to the pricing policies of the TSX Venture Exchange.

Stock options transactions are summarized as follows:

	Number of shares	Weighted Average Exercise Price \$
Outstanding, September 30, 2010	900,000	0.10
Granted	100,000	0.10
Cancelled or expired	(75,000)	0.10
Outstanding, September 30, 2011	925,000	0.10
Granted	–	–
Outstanding, June 30, 2012	925,000	0.10

ACT360 SOLUTIONS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

6. STOCK OPTIONS (Continued)

The following table summarizes the information about stock options outstanding and exercisable at June 30, 2012:

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		

7. RELATED PARTY TRANSACTIONS

The Company has identified its directors and certain senior officers as its key management personnel and the compensation costs for key management personnel and companies related to them were recorded at their exchange amounts as agreed upon by transacting parties and on terms and conditions similar to non-related parties.

	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

8. COMMITMENTS

The Company is committed to contractual phone and internet connectivity services during the current fiscal year totalling \$11,070.

The Company is committed to the following minimum lease payments during the current and next fiscal years including estimated operating costs under operating leases for its premises:

2012	\$ 4,973
2013	1,660

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FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

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9. CAPITAL MANAGEMENT

The Company's capital currently consists of common shares and stock options. The Company's objective when managing capital is to safeguard the entity's ability to continue as a going concern which is dependent on its raising additional financing, developing and bringing its technology to market, obtaining the necessary regulatory approvals and achieving and maintaining profitable operations to provide returns for shareholders and benefits for other stakeholders.

10. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

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.

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FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

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11. ECONOMIC DEPENDENCE

During the nine months ended June 30, 2012, approximately 42% (2011 - 64%) of the Company's sales are made to two (2011 - two) customers. The loss of a material amount of sales to any of these customers could have a material adverse effect on operations.

12. ADOPTION OF IFRS

a) Transition to IFRS

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 nine months ended June 30, 2011 and year ended September 30, 2011 have been prepared in accordance with the accounting policies referenced in Note 3. 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.

b) Reconciliation between Canadian GAAP and IFRS

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.

ACT360 SOLUTIONS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

12. ADOPTION OF IFRS (Continued)

The June 30, 2011 Canadian GAAP statement of financial position has been reconciled to IFRS as follows:

Statement of Financial Position	June 30, 2011 Canadian GAAP	Effect of IFRS Transition	June 30, 2011 IFRS
Total Assets	\$ 94,312	\$ -	\$ 94,312
Total Liabilities	\$ 83,030	\$ -	\$ 83,030
Shareholders' Equity			
Share capital	1,109,021	-	1,109,021
Contributed surplus	123,246	(87,679)	35,567
Deficit	(1,220,985)	87,679	(1,133,306)
Total Shareholders' Equity	11,282	-	11,282
Total Liabilities and Shareholders' Equity	\$ 94,312	\$ -	\$ 94,312

IFRS 1 also requires reconciliation disclosures that explain how the transition from Canadian GAAP to IFRS has affected the Company's previously reported comprehensive income (loss) for the year ended September 30, 2011, three months ended June 30, 2011, and nine months ended June 30, 2011.

As a result of retrospective application of the revenue recognition policy noted above, \$nil revenue and costs have been recognized during the three months ended June 30, 2011 and \$11,743 of revenue and costs have been recognized during the nine months ended June 30, 2011.

Statement of Operations and Comprehensive Loss	3 months ended June 30, 2011 Canadian GAAP	Effect of IFRS Transition	3 months ended June 30, 2011 IFRS
Revenue	\$ 98,158	\$ -	\$ 98,158
Total expenses	\$ (125,321)	\$ -	\$ (125,321)
Total other items	18	-	18
Net income and comprehensive income	\$ (27,145)	\$ -	\$ (27,145)

ACT360 SOLUTIONS LTD.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED JUNE 30, 2012 AND 2011**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

12. ADOPTION OF IFRS (Continued)

Statement of Operations and Comprehensive Loss	9 months ended June 30, 2011 Canadian GAAP	Effect of IFRS Transition	9 months ended June, 2011 IFRS
Revenue	\$ 444,263	\$ (11,743)	\$ 432,520
Total expenses	\$ (458,290)	\$ 11,743	\$ (446,547)
Total other items	145	–	145
Net income and comprehensive income	\$ (13,882)	\$ –	\$ (13,882)

There are no material differences between the condensed interim consolidated statement of cash flows presented under IFRS and the condensed interim consolidated statement of cash flows presented under previous Canadian GAAP.