NOTICE OF NO AUDITORS' REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated interim financial statements of Cortex Business Solutions Inc. have been prepared by and are the responsibility of the Company's management. The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditors.

Calgary, Alberta
December 18, 2009

Cortex Business Solutions Inc.

Consolidated Balance Sheets

(unaudited)

	October 31 2009	July 31 2009
Assets		
Current assets		
Cash and cash equivalents	$ 736,856	$ 1,174,170
Accounts receivable	1,180,063	140,645
Prepaids and deposits	78,973	94,080
Investments (note 3)	520,000	1,040,000
	2,515,892	2,448,895
Property and equipment (note 4)	388,489	390,358
	$ 2,904,381	$ 2,839,253
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 5(c))	$ 519,324	$ 500,184
Deferred revenue	268,697	350,575
	788,021	850,759
Deferred revenue	193,915	87,599
	981,936	938,358
Shareholders' Equity		
Share capital and warrants (note 5)	13,180,927	13,180,927
Contributed surplus (note 5(d))	2,324,670	2,231,111
Deficit	(13,583,152)	(13,511,143)
	1,922,445	1,900,895
	$ 2,904,381	$ 2,839,253

Going concern (note 1)
Commitments (note 8)
Contingency (note 9)
Subsequent events (note 13)

Approved by the Board:
(Signed) "Art Smith" , Director

(Signed) "Doug Lailey", Director

See accompanying notes

Cortex Business Solutions Inc.

Consolidated Statements of Loss, Comprehensive Loss and Deficit
(unaudited)

	Three months ended October 31	
	2009	**2008**
Revenue		
Project management	$ 1,026,667	$ -
Access and usage fees	390,660	196,968
Set-up fees	101,641	2,355
Interest income	3,414	29,490
	1,522,382	228,813
Expenses		
General and administrative	125,949	159,014
Internet and hosting costs	12,254	13,001
Professional fees	31,930	26,516
Rent	87,289	65,611
Salaries, employee benefits and subcontract	1,215,766	1,522,121
Stock-based compensation	93,559	190,409
Amortization	27,644	17,963
	1,594,391	1,994,635
Net loss and comprehensive loss	(72,009)	(1,765,822)
Deficit, beginning of period	(13,511,143)	(7,061,394)
Deficit, end of period	$(13,583,152)	$ (8,827,216)
Net loss per share-basic and diluted (note 5(e))	$ (0.001)	$ (0.017)

See accompanying notes

Cortex Business Solutions Inc.

Consolidated Statements of Cash Flows

(unaudited)

	Three months ended October 31 2009	2008
Operating activities		
Net loss	$ (72,009)	$ (1,765,822)
Items not affecting cash		
Stock-based compensation	93,559	190,409
Amortization	27,644	17,963
	49,194	(1,557,450)
Changes in non-cash working capital	(975,112)	155,466
	(925,918)	(1,401,984)
Financing activity		
Changes in non-cash working capital	(5,621)	-
Investing activities		
Redemption of investments	520,000	-
Acquisition of property and equipment	(25,775)	(134,891)
Changes in non-cash working capital	-	(24,421)
	494,225	(159,312)
Cash outflow	(437,314)	(1,561,296)
Cash and cash equivalents, beginning of period	1,174,170	4,770,767
Cash and cash equivalents, end of period	$ 736,856	$ 3,209,471
Cash and cash equivalents consist of		
Cash	$ 736,856	$ 409,471
Guaranteed investment certificate	-	2,800,000
	$ 736,856	$ 3,209,471

See accompanying notes

1. Basis of presentation

The interim consolidated financial statements of Cortex Business Solutions Inc. ("Cortex" or the "Company") have been prepared in accordance with Canadian generally accepted accounting principles and are consistent with the presentation and disclosure in the audited consolidated financial statements and notes thereto for the year ended July 31, 2009. The interim consolidated financial statements contain disclosures which are supplemental to Cortex's annual consolidated financial statements. Certain disclosures, which are normally required to be included in notes to the annual financial statements, have been condensed or omitted. The interim consolidated financial statements should be read in conjunction with Cortex's audited consolidated financial statements and notes thereto for the year ended July 31, 2009.

The consolidated financial statements of the Company have been prepared on a going concern basis. The Company has continued to experience a net loss for the quarter ended October 31, 2009 of $(72,009) and has a cumulative deficit of $(13,583,152) at October 31, 2009. The ability of the Company to continue as a going concern is dependent upon future profitable operations. The Company continues to successfully implement its business plan, which is resulting in strong quarter over quarter revenue growth. In this quarter, recurring access and usage fee revenue was 98% greater than the same period ended October 2008. Set up fee revenue, which leads to even stronger recurring access and usage fee revenue growth, increased to over $100,000. This trend will accelerate in future quarters, resulting in steadily improving financial performance. The signing of a new long term service agreement with its largest customer during the quarter, provides further validation of the Companys strength in the marketplace. In addition, the benefits of the salary reductions and monitoring of general and administrative costs have been realized in the quarter.

The financial statements do not reflect adjustments that would be necessary if the going concern assumption was not appropriate. Should the Company not be able to continue as a going concern, adjustments to the recorded amounts and classifications of assets, liabilities and expenses would be required.

2. Accounting policies

a) Changes in Accounting policies

Goodwill and Intangible Assets

As of August 1, 2009, the Company adopted CICA Section 3064, Goodwill and Intangible Assets which replaces Handbook Section 3062. The new guidance reinforces a principles-based approach to the recognition of costs of assets in accordance with the definition of an asset and the criteria for asset recognition under Handbook Section 1000 Financial Statement Concepts. Section 3064 clarifies the application of the concept of matching revenues and expenses in Section 1000 to eliminate the current practice of recognizing as assets items that do not meet the definition and recognition criteria. Under this new guidance, fewer items meet the criteria for capitalization. This standard did not have an impact on its financial statements.

b) Future accounting pronouncements

International Financial Reporting Standards

In January 2006, the CICA Accounting Standards Board ("AcSB") adopted a strategic plan for the direction of accounting standards in Canada. As part of the plan, accounting standards in Canada for public companies will converge with International Financial Reporting Standards ("IFRS") by the end of 2011. In February 2008, the AcSB confirmed that 2011 is the change over date for publicly-traded companies to use IFRS, replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. The transition date of August 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ended July 31, 2011.

International Financial Reporting Standards (continued)

The Company has not completed development of its IFRS changeover plan, which will include project structure and governance, resourcing and training, analysis of key GAAP differences and a phased plan to assess accounting policies under IFRS as well as potential IFRS 1 exemptions. The Company will complete its project scoping, which will include a timetable for assessing the impact on data systems, internal controls over financial reporting, and business activities.

The International Accounting Standards Board ("IASB") has issued amendments to IFRS 1 in order to make it more useful to Canadian entities adopting IFRS for the first time.

Business Combinations

As of August 1, 2011, the Company will be required to adopt changes in CICA Section 1582, Business Combinations which will replace Section 1581, Business Combinations and harmonizes the Canadian standards related to business combinations with IFRS. This new standard establishes revised standards on the recognition and measurement of identifiable assets acquired, the liabilities assumed and any non-controlling interest in the acquiree, as well as recognition and measurement guidance for goodwill acquired in the business combination or the gain from a bargain purchase option. The new standard also provides guidance on identifying the acquirer and identifying the acquisition date (being the date at which control is acquired), and on the presentation and disclosure to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

Consolidated Financial Statements and Non-Controlling Interests

As of August 1, 2011, the Company will be required to adopt changes to CICA Section 1601, Consolidated Financial Statements and Section 1602, Non-Controlling Interests which, together replace Section 1600, Consolidated Financial Statements. These sections establish revised standards for the preparation of consolidated financial statements and specifically discuss the consolidated accounting following a business combination involving the purchase of an equity interest of one company by another. These sections also provide guidance in situations involving a combination or consolidation other than through purchase of an equity interest or involving unincorporated businesses.

3. Investments

The Company has invested $520,000 (including reinvested interest of $20,000) into a non-redeemable Guaranteed Investment Certificate ("GIC"), accruing interest at 4% per annum with interest to be paid at maturity, January 29, 2010.

4. Property and equipment

	October 31, 2009		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	$ 372,009	$ 130,683	$ 241,326
Computer software	76,012	29,384	46,628
Furniture and office equipment	131,629	32,841	98,788
Leasehold improvements	7,137	5,390	1,747
	$ 586,787	$ 198,298	$ 388,489

5. Share capital and warrants

(a) Authorized

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

(b) Issued

	2009	
	Number	**Stated Value**
Common Shares		
Balance, beginning and end of period	117,680,875	$ 11,974,679
Warrants		
Balance, beginning and end of period	19,673,750	1,206,248
		$ 13,180,927

(c) During the year ended July 31, 2008, the employee earned the remaining 1,000,000 common shares in lieu of a bonus for the signing of a material anchor account at a fair value of $0.20 per share. The $200,000 is included in accounts payable and accrued liabilities at October 31, 2009 and as at October 31, 2008. These shares will be issued upon the execution of a signed contract related to the Memorandum of Understanding which triggered the award of the shares.

(d) Contributed surplus

	2009
Balance, beginning of period	$ 2,231,111
Stock-based compensation expense	93,559
Balance, end of period	$ 2,324,670

(e) Net loss per share

Net loss per share has been calculated using the basic and diluted weighted average number of common shares outstanding during the period of 117,680,875 (2008-104,433,375). For the quarters ended, the potential of exercise of stock options, warrants and units would not be dilutive.

6. Stock options

(a) The Company has a stock option plan under which directors, officers, consultants and employees are eligible to receive stock options. The aggregate number of common shares to be issued upon the exercise of all options granted under the plan shall not exceed 20,886,675. Options granted under the current stock option plan generally have a term of five years but may not exceed five years and vest over an 18 month period. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) upon which the Company's common shares are then listed.

6. Stock options (continued)

A summary of the status of the Company's stock option plan as at October 31, 2009 and changes during the period then ended is as follows:

	2009	
	Number of Options	**Weighted Average Exercise Price**
Outstanding, beginning of period	11,727,124	$ 0.19
Granted	-	-
Exercised	-	-
Forfeited	(278,485)	(0.17)
Expired	-	-
Outstanding, end of period	11,448,639	$ 0.19
Exercisable, end of period	8,505,826	$ 0.19

(b) The following table summarizes information about stock options outstanding and exercisable at October 31, 2009:

Range of Exercise Prices	Number Outstanding at October 31 2009	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number Exercisable at October 31 2009	Weighted Average Exercise Price
$0.08 - $0.12	420,000	$ 0.11	1.53 years	420,000	$ 0.11
$0.13 - $0.16	2,586,833	0.15	2.48	2,586,833	0.15
$0.17 - $0.20	7,634,079	0.20	4.23	4,896,417	0.20
$0.21 - $0.25	557,727	0.23	4.22	352,576	0.24
$0.50	250,000	0.50	3.61	250,000	0.50
	11,448,639	$ 0.19	3.85 years	8,505,826	$ 0.19

7. Warrants

The following table summarizes information about the Company's share purchase warrants. Each share purchase warrant entitles the holder to acquire one common share when exercised.

	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Contractual life
Balance, beginning and end of period	19,673,750	$ 0.35	1.60 years

8. Commitments

(a) The Company has retained, effective April 1, 2009, the services of Brisco Capital Partners Corp, an investor relations firm. The Company committed $6,000 per month plus disbursements for a one year period ending March 31, 2010.

(b) The Company entered into a five year operating lease for office space commencing December 1, 2007 and expiring November 30, 2012, a second eleven month operating sublease for office space commencing September 1, 2008 which was extended effective August 1, 2009 for an additional seven months, a new four year operating lease for office equipment commencing February 11, 2008, and a second four year operating lease for office equipment commencing August 2008.

The following is minimum annual obligations:

	Brisco	Office space	Office equipment	Total
2010	$ 30,000	$ 161,831	$ 4,191	$ 196,022
2011	-	127,727	5,588	133,315
2012	-	127,727	4,448	132,175
2013	-	42,576	238	42,814
	$ 30,000	$ 459,861	$ 14,465	$ 504,326

9. Contingency

A former employee of the Company has filed a Statement of Claim for wrongful dismissal in the amount of $467,200 plus damages and costs. In response, the Company has filed a Statement of Defence. Management and its counsel are of the opinion that any amounts paid will be substantially less than the full amount claimed in the Statement of Claim. Any settlement under the claim will be recorded in the period the loss becomes likely and the amount of the loss can be reasonably estimated.

10. Financial instruments and risk management

The Company has classified its financial instruments as follows:

Financial instrument	Classification
Financial Assets	
Cash and cash equivalents	Held for trading
Accounts receivable and deposits	Loans and receivables
Investments	Held for trading
Financial Liabilities	
Accounts payable and accrued liabilities	Other financial liabilities

The fair values of above financial instruments approximate their carrying values due to the immediate or short-term maturity or because they bear interest at market rates. The Company is exposed in varying degrees to a number of risks arising from its financial instruments. Management's close involvement in the operations allows for the identification of risks and variances from expectations. The Company does not use financial instruments to mitigate these risks and has no designated hedging transactions.

10. Financial instruments and risk management (continued)

The types of risk exposure and how such exposures are managed are as follows:

(a) Credit risk

A large portion of the Company's accounts receivable, which is unsecured, is due from one customer ($1,058,167 or 90% of trade accounts receivable). Management believes that this risk is mitigated by the size and reputation of the company to which they have extended credit. The Company has a diversified customer list for its remaining trade receivables and has established a general allowance policy for doubtful accounts.

The Company monitors its general allowance policy on a regular basis. As at October 31, 2009, the Company had $1,178,713 of trade accounts receivables. Of this amount, $36,316 are over 30 days, which is past due under the Company's normal credit terms. Of this amount, $4,000 has been allowed for under the Company's general allowance policy. All accounts receivable are unsecured. At October 31, 2009, the Company also had accrued interest of $5,350 on its GIC. The Company's maximum exposure to credit risk is the fair value of accounts receivable on the balance sheet shown net of an appropriate allowance for doubtful accounts of $4,000.

Credit risk also exists in cash and cash equivalents and investments as all balances are maintained with one financial institution. The risk is mitigated because the financial institution is a major Canadian bank.

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows to ensure it will have sufficient liquidity to meet its commitments and obligations as they become due.

(c) Market risk

Market risk is the risk that financial instruments fair values will fluctuate due to changes in market prices.

The significant market risks to which the Company is exposed are interest rate and currency rate risk.

(i) Currency risk

There were no foreign currency sales during the three months ended October 31, 2009 or accounts receivable or accounts payable at October 31, 2009, as such the Company is no longer exposed to currency risk.

(ii) Interest rate risk

The Company is exposed to interest rate cash flow risk to the extent of the interest rate fluctuations on its GIC. The Company's policy is to invest any surplus funds in redeemable or non-redeemable secured GIC at fixed or floating rates of interest, in the most advantageous denominations, to maintain a reasonable balance between return on investment and liquidity. At October 31, 2009 interest rates on the Company's remaining GIC was fixed at 4% per annum which exceeds current market interest rates. Fluctuations in interest rates will not impact the value of future interest receivable as it is as a fixed rate. A 1% increase or decrease in interest rates beyond the range would have an annual effect of $5,000 on net loss and comprehensive loss.

11. Capital disclosures

The Company includes as capital, shareholders' equity which is comprised of share capital and warrants, contributed surplus, and accumulated deficit. The Company's objective when managing capital is to maintain its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. As the Company does not currently have positive cash flow from operations, the Company is funding operations from funds previously raised through equity financing. The Company has in place a detailed planning and budgeting process to assist in determining the funds required to ensure appropriate capital to meet its growth objectives. The Company strives to maintain sufficient capital to meet its short-term business requirements taking into account its capital commitments, planned capital expenditures and its holdings of cash and cash equivalents and investments. The Company has set forth in its business plan, expected revenue and expense targets for the fiscal year ended July 31, 2010.

The Company is not subject to externally imposed capital requirements.

12. Significant customers

During the quarter, the Company earned 73% of its total revenue from one customer (2008 - 39% from one customer) and accounts receivable at period end includes 90% (2008 - 57%) from this customer.

13. Subsequent events

Subsequent to October 31, 2009, On November 9, 2009, the Company granted 95,730 stock options to employees at an exercise price of $0.20 per share, vesting 1/3 on each of the 6, 12 and 18 month anniversaries of the option grant. These stock options expire November 9, 2014. The Company also granted 537,807 stock options to management on November 3, 2009 at an exercise price of $0.20 per share vesting 1/3 on each of the 6, 12, and 18 month anniversaries of the option grant. In December 2009, 25,664 stock options outstanding at October 31, 2009 were forfeited.