

Interim Consolidated Financial Statements of:

STOCKHOUSE INC.

For the Three and Six Months Ended June 30, 2009

(Unaudited)

CONSOLIDATED BLANCE SHEETS
(Expressed in Thousands of U.S. Dollars, except Number of Shares Information)
(Unaudited)
Basis of Presentation and Continuing Operations (Note 1)

	June 30 2009	As at December 31 2008
ASSETS		
Current assets		
Cash and cash equivalents (Note 1)	\$ 353	\$ 728
Restricted cash	-	131
Accounts receivable (net of allowance of \$638)	804	1,327
Prepaid expenses and other current assets	281	253
TOTAL CURRENT ASSETS	\$ 1,438	\$ 2,439
Property and equipment, net (Note 3)	404	555
Intangible assets, net	142	208
TOTAL ASSETS	\$ 1,984	\$ 3,202
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable (Note 3)	\$ 2,144	\$ 1,561
Accrued liabilities (Note 3)	2,031	2,085
Deferred revenues	396	711
Debentures	557	545
Capital lease obligations	27	78
TOTAL CURRENT LIABILITIES	\$ 5,155	\$ 4,980
Long-term capital lease obligations	-	4
Long-term deferred revenues	28	103
TOTAL LIABILITIES	\$ 5,183	\$ 5,087
 SHAREHOLDERS' DEFICIENCY (Note 4)		
Preferred stock	\$ 2,969	\$ 2,969
Series A convertible, \$1,000 per share authorized 5,000,000 shares issued and outstanding 3,000 shares		
Common Stock authorized 75,000,000 shares, no par value: issued and outstanding 41,295,922	\$ 18,910	\$ 18,910
Additional paid-in capital	3,860	3,820
Accumulated deficit	(28,938)	(27,584)
TOTAL SHAREHOLDERS' DEFICIENCY	\$ (3,199)	\$ (1,885)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	\$ 1,984	\$ 3,202

Commitments and Contingencies (Note 6)
Accounting for Disclosure of Guarantees (Note 8)

See accompanying notes to the Unaudited Interim Consolidated Financial Statements

STOCKHOUSE INC.
(formerly Stockgroup Information Systems Inc.)

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CONSOLIDATED STATEMENTS OF OPERATIONS
(Expressed in Thousands of U.S. Dollars, except Number of Shares and Per Share Information)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2009	2008	2009	2008
REVENUES				
Licensing and subscriptions	\$ 1,766	\$ 2,567	\$ 3,438	\$ 5,191
Advertising services	422	699	900	1,574
TOTAL REVENUES	\$ 2,188	\$ 3,266	\$ 4,338	\$ 6,765
OPERATING COSTS AND EXPENSES				
Cost of revenues (exclusive of amortization)	1,100	1,441	2,087	2,911
Sales and marketing	549	1,275	1,098	2,656
Research and development	97	370	232	752
General and administrative	1,107	1,964	2,215	3,878
Amortization of intangible assets	33	144	66	288
Impairment of goodwill	-	99	-	99
Impairment of intangible assets	-	736	-	736
TOTAL OPERATING EXPENSES	\$ 2,886	\$ 6,029	\$ 5,698	\$ 11,320
Loss from operations	(698)	(2,763)	(1,360)	(4,555)
Interest and other expense (income), net (Note 6)	(29)	(11)	(6)	(357)
Net loss before income taxes	\$ (669)	\$ (2,752)	\$ (1,354)	\$ (4,198)
Provision for income taxes	-	(1)	-	(1)
Net loss and comprehensive loss	\$ (669)	\$ (2,753)	\$ (1,354)	\$ (4,199)
Net loss per common share:				
Basic and diluted	\$ (0.02)	\$ (0.07)	\$ (0.03)	\$ (0.10)
Common shares used in computing basic and diluted net loss				
per share (thousands)	41,296	41,507	41,296	41,307

See accompanying notes to the Unaudited Interim Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' (DEFICIENCY) EQUITY
(Expressed in Thousands of U.S. Dollars)
(Unaudited)

	Preferred Shares No. of Shares	Preferred Shares \$	Common Stock No. of Share	Common Stock \$	Additional Paid-in Capital \$	Accumulated Deficit \$	Total Shareholders , (Deficiency) Equity \$
Balance at June 30, 2008	3	2,969	41,297	18,910	3,803	(25,237)	445
Issuance of common stock pursuant to exercise of employee stock options	-	-	(1)	-	-	-	-
Stock-based compensation	-	-	-	-	17	-	17
Net loss and comprehensive loss	-	-	-	-	-	(2,347)	(2,347)
Balance at December 31, 2008	3	2,969	41,296	18,910	3,820	(27,584)	(1,885)
Issuance of common stock pursuant to exercise of employee stock options							
Stock-based compensation					33		33
Net loss and comprehensive loss						(685)	(685)
Balance at March 31, 2009	3	2,969	41,296	18,910	3,853	(28,269)	(2,537)
Issuance of common stock pursuant to exercise of employee stock options							
Stock-based compensation					7		7
Net loss and comprehensive loss						(669)	(669)
Balance at June 30, 2009	3	2,969	41,296	18,910	3,860	(28,938)	(3,199)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Expressed in Thousands of U.S. Dollars)
(Unaudited)

	Three months ended June 30		Six months ended June 30	
	2009	2008	2009	2008
Operating Activities				
Net loss	\$ (669)	\$ (2,753)	\$ (1,354)	\$ (4,199)
Adjustments to reconcile net loss to net cash (used in) / provided by operating activities:				
Amortization of property and equipment	86	95	173	179
Amortization of intangible assets	33	144	66	\$ 288
Impairment of goodwill		99		99
Impairment of intangible assets		736		736
Stock-based compensation	7	100	40	\$ 160
Unrealized foreign exchange loss	7	-	13	\$ -
Changes in operating assets and liabilities:				
Accounts receivable	273	553	523	\$ 440
Prepaid and other current assets	14	53	(28)	\$ (79)
Accounts payable	85	473	583	\$ 654
Accrued liabilities	339	(628)	(54)	\$ (495)
Deferred revenues	(326)	(10)	(390)	(67)
CASH USED IN OPERATING ACTIVITIES	\$ (151)	\$ (1,138)	\$ (428)	\$ (2,284)
Investing Activities				
Purchases of property and equipment	\$ 9	\$ (5)	\$ (22)	\$ (18)
Acquisition of Mobile Finance Division		18		
Acquisition of Semotus assets	-	(34)	-	(34)
Restricted cash	-	-	131	-
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	\$ 9	\$ (21)	\$ 109	\$ (52)
Financing Activities				
Proceeds on exercise of stock options	\$ -	\$ 51	\$ (1)	\$ 167
Proceeds on issuance of preferred shares, net of costs	-	2,969	-	2,969
Repayment of capital lease obligations	(23)	(57)	(55)	(127)
CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	\$ (23)	\$ 2,963	\$ (56)	\$ 3,009
Net decrease in cash and cash equivalents	\$ (165)	\$ 1,804	\$ (375)	\$ 673
Cash and cash equivalents, beginning of period	518	-	728	2,821
Cash and cash equivalents, end of period	<u>\$ 353</u>	<u>\$ 1,804</u>	<u>\$ 353</u>	<u>\$ 3,494</u>
Supplemental Cash Flow Information:				
Cash	\$ 352	\$ (661)	\$ 352	\$ 1,028
Cash equivalents	\$ 1	\$ 2,465	\$ 1	\$ 2,466
Interest paid	\$ 26	\$ 1	\$ 52	\$ 3
Taxes paid	\$ -	\$ -	\$ -	\$ 1
Assets acquired through capital lease transactions	\$ -	\$ -	\$ -	\$ 63
Shares returned to settle acquisition liabilities	\$ -	\$ 168	\$ -	\$ 168

See accompanying notes to the Unaudited Interim Consolidated Financial Statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009
(Unaudited)

1. BASIS OF PRESENTATION AND CONTINUING OPERATIONS

Basis of Presentation

The accompanying unaudited interim consolidated financial statements of Stockhouse Inc. and subsidiaries (the "Company") have been prepared by the Company in accordance with United States ("U.S.") generally accepted accounting principles ("GAAP") for interim financial information and in accordance with the instructions to Form 10-Q and Article 8-03 of Regulation S-X. Accordingly, certain information and footnote disclosures normally included in consolidated financial statements prepared in accordance with U.S. GAAP have been omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC"). These unaudited interim consolidated financial statements should be read in conjunction with the annual audited consolidated financial statements and related footnotes thereto of the Company in its Annual Report on Form 10-K for the year ended December 31, 2008 as filed with the SEC on April 1, 2009 and amended Form 10-K/A filed as filed with the SEC on April 6, 2009. In the opinion of management, the adjustments considered necessary for fair presentation, all of which are of a normal and recurring nature have been included in these unaudited interim consolidated financial statements.

The business experiences seasonal variations. Historically, fourth quarter sales have been the strongest; however, due to current volatile economic and financial market conditions, the Company does not expect that this will be the case for fiscal 2009. The results of operations for the six months ended June 30, 2009 are not necessarily indicative of the results that may be expected for the year ending December 31, 2009 or for other future operating periods. All amounts are stated in U.S. dollars unless otherwise indicated.

The accompanying unaudited interim consolidated financial statements have been prepared assuming that the Company will continue as a going concern which contemplates the realization of assets and discharge of liabilities in the normal course of operations for the foreseeable future. The Company has incurred significant recurring operating losses over the past three years, and has not generated positive cash flow from operations since the first quarter of 2007. For the six months ended June 30, 2009 we had net losses of \$1,354,769. At June 30, 2009, the Company had cash and cash equivalents of \$353,098 and had a net working capital deficit of \$3,321,073, which is defined as current assets minus current liabilities excluding current deferred revenues. Changes in the demand for our products and services are expected to continue to impact our operating cash flow. These conditions raise doubt about the Company's ability to continue as a going concern. Note 1 of the Company's consolidated financial statements included in the Company's Form 10-K/A for the year ended December 31, 2008 and on the Company's unaudited consolidated financial statements included in the Company's Form 10-Q for the quarters ended March 31, 2009 and June 30, 2009 include disclosure with regards the Company's ability to continue as a going concern.

Management has been able, thus far, to finance the losses, as well as the growth of the business through a series of equity and debt private placements. In November 2008, the Company entered into debenture purchase agreements with multiple subscribers under which the Company issued to the subscribers a total of \$557,000 (C\$672,000) of secured unregistered 18% debentures.

General economic conditions deteriorated during 2008 and the Company's revenue, operating results and cash flows were significantly impacted by the economic slowdown. The duration and depth of this economic slowdown in markets in which the Company operates will continue to impact the Company's future advertising and subscription revenue. Management acted to reduce the Company's

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

(Unaudited)

operating costs starting in the third quarter of 2008. These reductions included downsizing the number of staff and executives, renegotiating contracts with significant vendors to reduce costs, and closing unprofitable locations in Europe. Management plans to renegotiate with the holders of the Company's \$557 thousand in debentures to extend the October 31, 2009 due date. Management approached all of the Company's significant vendors with proposals to settle the Company's outstanding liabilities to the vendors for significantly reduced amounts. Management believes that success in settling its liabilities with its vendors for significantly lower amounts will significantly reduce the Company's working capital deficit which will allow the Company to successfully renegotiate an extension to the debenture due dates. The Company will also finance any further cash requirements, if necessary, through further debt or equity financings. There is no assurance however, that additional financing can be obtained, or if obtained, on terms that are acceptable to management. Management feels that should it be successful in its negotiations with vendors and with the debenture holders, then, the Company will have sufficient resources for the next twelve months to meet its obligations as they fall due in the ordinary course of business.

The accompanying financial statements do not include any adjustments to reflect the possible future effects on recoverability and classification of assets or liabilities should the Company not be able to continue as a going concern.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

There have been no new policies adopted or changes in the Company's accounting policies during the six months ended June 30, 2009 from those previously disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2008, except as follows:

In December 2007, the FASB issued FAS No. 141 (revised 2007), "*Business Combinations*" ("FAS 141(R)") establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. FAS 141(R) also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. FAS 141(R) is effective for fiscal years beginning after January 1, 2009. The adoption of FAS 141(R) did not impact the Company's interim consolidated financial statements.

In March 2008, the FASB issued FAS No. 161, "*Disclosures about Derivative Instruments and Hedging Activities*", ("FAS 161") which is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. FAS 161 is effective January 1, 2009. The adoption of FAS 161 did not impact the Company's interim consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2009
(Unaudited)

3. BALANCE SHEET COMPONENTS

(In thousands of Dollars)	30-Jun 2009	31-Dec 2008
	<hr/>	<hr/>
PROPERTY AND EQUIPMENT		
Computer equipment	\$ 1,784	\$ 1,784
Computer equipment under capital lease	394	394
Computer software	172	168
Office furniture and equipment	107	107
Leasehold improvements	184	166
Total cost	\$ 2,641	\$ 2,619
Less: accumulated amortization	(2,237)	(2,064)
Property and equipment, net	<u>\$ 404</u>	<u>\$ 555</u>
ACCOUNTS PAYABLE		
Trade accounts payable	\$ 1,993	\$ 1,421
Current portion of amount due to asset acquisition vendor (Note 4)	-	-
Sales taxes payable	151	140
Total Accounts payable	<u>\$ 2,144</u>	<u>\$ 1,561</u>
ACCRUED LIABILITIES		
Accrued liabilities	\$ 436	\$ 692
Accrued data costs	1,239	1,124
Customer deposits	356	269
Total Accrued liabilities	<u>\$ 2,031</u>	<u>\$ 2,085</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2009

(Unaudited)

In the six months ended June 30, 2009, amortization expense related to property and equipment totaled \$173,000 including \$67,000 amortization for capital assets under lease. In the six months ended June 30, 2008 amortization expense was \$179,000, including \$95,000 of amortization for capital assets under lease.

Substantially all of the Company's property and equipment is located in Canada.

4. SHAREHOLDERS' DEFICIENCY

The Company is authorized to issue up to 75,000,000 shares of common stock and 5,000,000 shares of preferred stock. The Company did not issue any shares during the three months ending June 30, 2009. During 2008, the Company issued shares on the exercise of stock options and issued preferred shares in an equity financing transaction.

Stock-Based Compensation Plans and Stock-Based Award Activity

During the six months ended June 30, 2009, the Company granted stock options to employees, management, consultants and non-employee directors under the 2007 Stock Option Plan (the "2007 Plan") which was approved in June 2007. Stock options granted under the 2007 Plan have a five year life and generally vest annually on the anniversary of the grant date over 3 years at a rate of 34% for the first year and 33% for the remaining two years. All options are denominated in U.S. dollars.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited)

The following table provides information on the Company's outstanding options and options available for grant at June 30, 2009 and activity since June 30, 2008:

Options Outstanding						
	Number of Options Available For Grant	Number of Options	Price Per Share \$	Weighted Average Exercise Price \$	Weighted- Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2008	2,262,775	3,735,625	\$0.08 - \$0.59	\$ 0.33	\$ 3.04	\$ -
Options granted	(854,000)	854,000	\$0.08 - \$0.08			
Options exercised	-	-				
Options expired						
Options forfeited	1,443,500	(1,443,500)	\$0.08 - \$1.12			
Balance at June 30, 2009	2,852,275	3,146,125	\$0.08 - \$1.21	\$ 0.26	\$ 3.77	\$ -
Vested and exercisable at June 30, 2009		1,236,625		\$ 0.54	\$ 1.13	\$ -

The aggregate intrinsic value is equal to the difference between the quoted closing market price of the Company's common shares at June 30, 2009 and the exercise price of the underlying awards, where the stock options are in-the-money. No stock options were in-the-money at June 30, 2009.

The following table summarizes the Company's unvested stock options as of June 30, 2009 and changes since June 30, 2008:

Unvested Shares	Number of Awards	Weighted-Average Grant Date Fair Value
Unvested at December 31, 2008	2,043,000	\$ 0.21
Granted	854,000	\$ 0.08
Vested	456,000	\$ 0.27
Forfeited	(1,443,500)	\$ 0.21
Unvested at June 30, 2009	1,909,500	\$ 0.14

As of June 30, 2009, total unrecognized compensation expense related to unvested awards granted under the Company's stock option plans was \$109,742. Forfeiture rates used to determine unrecognized compensation expense were based on forfeiture rates experienced for the twelve months ended December 31, 2007 as the forfeiture rates experienced for the twelve months ended June 30, 2009 were abnormally high owing to the termination of employees in the third and fourth quarters of 2008.

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(Unaudited)

Stock-Based Compensation Expense

During the three and six months ended June 30, 2009 and 2008, respectively, net loss included the following stock-based compensation expense:

	Three Months Ended		Six Months Ended	
	30-Jun		30-Jun	
	2009	2008	2009	2008
Sales and marketing	\$ 7	\$ 22	\$ 20	\$ 15
Research and development	\$ (4)	\$ 7	\$ (11)	\$ 4
General and administrative	\$ 4	\$ 72	\$ 30	\$ 141
Total stock-based compensation expense	<u>\$ 7</u>	<u>\$ 101</u>	<u>\$ 39</u>	<u>\$ 160</u>

Stock-based compensation for research and development for the three and six months ended June 30, 2009 was \$4,000 and \$11,000 respectively. This amount was offset by the reversal of \$10,000 for stock-based compensation granted to research and development employees which did not ultimately vest as a result of the termination of their employment.

Valuation Assumptions Used in Fair-Value Based Calculation Model

The fair-value of the Company's stock-based awards granted to employees, non-employee directors and consultants for the three and six months ending June 30, 2009 and 2008 was estimated using the Black-Scholes option-pricing model using the following weighted average assumptions:

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2009	2008	2009	2008
Expected life (in years)	5	5	5	5
Risk-free interest rate	2%	3%	3%	4%
Expected volatility	201%	92%	184%	94%
Dividend yield	0%	0%	0%	0%
Fair value per stock option	<u>\$0.08</u>	<u>\$0.28</u>	<u>\$0.08</u>	<u>\$0.31</u>

The expected life of stock options is equal to the contractual life of the stock options. The exercise price of a stock option is equal to the market value of the Company's common stock on the grant date. The Company uses the zero coupon interest yield rate comparable to the expected life of the option. Expected volatility is based on historical computations of the Company's volatility. The estimated fair value of the stock-based awards is amortized over the vesting period of the underlying awards on a graduated basis.

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(Unaudited)

5. SEGMENTED INFORMATION

The Company operates in one reportable segment. The Company defines a reportable segment as a component of the Company for which separate financial information is available and which is evaluated regularly by the Chief Executive Officer in deciding how to allocate resources and in assessing performance.

The following information is presented by the customer's geographic area:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
<u>Licensing and Subscription</u>				
North America	\$ 1,590	\$ 1,984	\$ 3,100	\$ 3,904
United Kingdom	149	303	311	667
Other	27	280	27	620
Total Licensing and subscription	\$ 1,766	\$ 2,567	\$ 3,438	\$ 5,191
<u>Advertising Services</u>				
North America	\$ 422	\$ 699	\$ 900	\$ 1,574
United Kingdom		-		-
Other		-		-
Total Advertising services	\$ 422	\$ 699	\$ 900	\$ 1,574
Total Revenues	\$ 2,188	\$ 3,266	\$ 4,338	\$ 6,765

There were no revenues from individual customers greater than 10% of total revenues during the six months ended June 30, 2009 and 2008, respectively. No customer accounted for more than 10% of outstanding trade receivables at June 30, 2009.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Unaudited)

6. COMMITMENTS AND CONTINGENCIES

Commitments

The following table summarizes the Company's contractual obligations at June 30, 2009:

(In thousands of Dollars)	Payments Due by Period				
	Total	Within 1 Year	2 – 3 Years	4 – 5 Years	More Than 5 Years
Operating leases	1,610	\$ 404	\$ 830	\$ 376	\$ -
Capital leases	27	27	-	-	-
Debt (principal)	557	557	-	-	-
Debt (interest)	33	33	-	-	-
Data provider commitment	169	169	-	-	-
Total contractual cash obligations	\$ 2,396	\$ 1,190	\$ 830	\$ 376	\$ -

The Company leases its facilities under operating leases that expire at various times to March 2014. In June 2008, on the expiry of an existing lease, the Company secured new premises in Toronto with a lease term to October 2013. The Company leases certain computer equipment, mainly servers, under capital leases.

Contingencies

The Company was the plaintiff in a lawsuit filed in Ontario Superior Court of Justice against Hollinger Inc. and Hollinger Canadian Publishing Holdings Co in which the Company sought to recover approximately \$457,000 from the defendant. The defendant was a vendor to the Company and the amount sought by the Company consisted of unused advertising credits which were prepaid by the Company in 1999. The case was resolved by a negotiated settlement during the first quarter of 2008 and the defendant paid \$340,000 to the Company in full settlement, which is included in other income in that period.

The Company is the plaintiff in a lawsuit filed in the Commercial & Equity Division of the County Court of Victoria in Melbourne, Australia against The Eight Black Partnership Pty and Simon Chen, in which the Company seeks to recover approximately \$435,000 from the defendant. The defendant was a reseller of the Company's Marketstream service in Australia and the amount sought by the Company consists of unpaid Marketstream subscription fees from July 2006 to May 2007, plus interest. The case is currently pending final resolution and there is uncertainty as to what value, if any, will be derived from the lawsuit. No provision has been made for recovery of these credits in the financial statements in any period.

During 2008, an employee of the Company made an application to the District Court of Amsterdam, the Netherlands requesting the Court to order the Company to restore his access to Company systems and continue paying his salary. He further requested that the Court order the temporary restriction of funds then held in the Company's Dutch subsidiary's bank accounts until the terms of his employment could be determined. The Court granted this application and ordered the transfer of €89,110 (\$131,000) from the operating bank accounts to a restricted account. This amount was classified as restricted cash on the consolidated balance sheet at December 31, 2008. During January 2009 the matter was resolved by negotiation and the restriction on the Company's funds was lifted by the Court.

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(Unaudited)

In addition to the above, the Company is involved in various other legal matters which arise from time-to-time in the ordinary course of the Company's business, none of which is believed to be material to its results of operations, liquidity or financial condition at this time. Unless otherwise noted, the Company cannot reasonably estimate at this time whether a monetary settlement will be reached or predict the ultimate resolution of these legal matters.

7. FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company has various financial instruments that must be measured under the fair value accounting standards including: cash and cash equivalents and debentures. The Company currently does not have non-financial assets or non-financial liabilities that are required to be measured at fair value on a recurring basis, with the exception of intangible assets. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy.

The following table provides a summary of the fair values of assets and liabilities:

	Carrying Value	Fair Value Measurements		
	June 30, 2009	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 353	\$ 353	\$ -	\$ -
Liabilities:				
Debentures	\$ (557)	\$ -	\$ -	\$ (557)

As the debentures were issued late in 2008, the Company believes that the market rate of interest as at June 30, 2009, was not materially different to the rate of interest at which the debentures were issued. Accordingly, the Company believes that the fair value of the debentures approximated their carrying value at June 30, 2009.

8. ACCOUNTING FOR AND DISCLOSURE OF GUARANTEES

From time-to-time, the Company enters into certain types of contracts that require it contingently to indemnify parties against third party claims. These contracts primarily relate to: (i) service level agreements with clients, under which the Company may be required to indemnify clients for liabilities related to data transmission and dissemination; and (ii) certain agreements with the Company's officers, directors and employees and third parties, under which the Company may be required to indemnify such persons for liabilities arising out of their duties to the Company.

The Company regularly enters into service level agreements with clients, under which the Company guarantees consistent streaming of data within certain pre-defined tolerances. The terms of these obligations vary and generally are not limited in amount, so it is not possible to express the amount at risk in dollars. Historically, the Company has not been obligated to make significant payments on account of these obligations, and accordingly, no liabilities were recorded for these obligations of this

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(Unaudited)

nature on its balance sheets as of June 30, 2009 and December 31, 2008. The Company carries coverage under certain insurance policies to protect itself in the case of an unexpected liability; however, this coverage may not be sufficient.

9. SUBSEQUENT EVENTS

Mobile Business

On July 20, 2009, the Company made the decision to shut down its mobile product line. The Company performed an analysis of its mobile business, which consisted primarily of Institutional subscribers and conclude that the margin was too low and the collection risk associated with the business was too high. As a result of the significant drop in subscribers due to the economic recession, gross margin for the mobile line of business had been reduced significantly as a result of fixed costs being spread over a much smaller customer base. The Company is intending to transfer its mobile system technology to its North American data feeds platform to provide a consumer version.

Deregistration

On August 11, 2009, the Company filed a Certification and Notice of Termination of Registration on Form 15 with the Securities and Exchange Commission (SEC). The Company is eligible to deregister its common stock as it had fewer than 300 holders of record of its common stock at the beginning of its fiscal year.

Upon the filing of Form 15, the Company's obligation to file periodic and current reports with the SEC, including Forms 10-K, 10-Q, and 8-K, was immediately suspended. Stockhouse expects that the deregistration of its common stock will become effective 90 days after the date of filing of Form 15 with the SEC. The Company will continue to trade on the TSX Venture Exchange under the symbol: SHC.V.

While no longer required by the SEC after deregistering, Stockhouse will continue to provide quarterly, annual and other information regarding the Company's performance to its shareholders while complying with TSX Venture rules and Canadian Securities regulations. In addition, filings and regulatory reporting will continue through its email database and website. Additional disclosures pertaining to the Company including material change reports, press releases and other information are available at www.sedar.com.