

Interim Unaudited Consolidated Financial Statements of:

STOCKHOUSE INC.
STOCKHOUSE INC.

For the Three and Nine Months Ended September 30, 2009

Notice of No Auditor Review of Interim Financial Statements

The accompanying unaudited interim financial statements of Stockhouse Inc. for the period ended September 30, 2009 have been prepared by management and approved by the Audit Committee and the Board of Directors of the Company. The Company's independent auditors have not performed a review of these financial statements.

UNAUDITED CONSOLIDATED BALANCE SHEET
Basis of Presentation and Continuing Operations (Note 1)

	As at	
	September 30, 2009	December 31, 2008
ASSETS		
Current assets		
Cash and cash equivalents (Note 1)	\$ 297,836	\$ 728,693
Restricted cash		130,733
Accounts receivable (net of allowance of \$659,344)	694,315	1,326,630
Prepaid expenses and other current assets	212,030	252,648
TOTAL CURRENT ASSETS	\$ 1,204,181	\$ 2,438,704
Property and equipment, net (Note 3)	363,282	554,676
Intangible assets, net	-	207,998
TOTAL ASSETS	\$ 1,567,463	\$ 3,201,378
 LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable (Note 3)	\$ 2,496,341	\$ 1,560,582
Accrued liabilities (Note 3)	1,482,347	1,814,780
Deferred revenues	861,590	980,475
Debentures	-	544,963
Capital lease obligations	11,146	78,427
TOTAL CURRENT LIABILITIES	\$ 4,851,424	\$ 4,979,227
Long-term capital lease obligations	597,323	3,995
Long-term deferred revenues	10,322	103,392
TOTAL LIABILITIES	\$ 5,459,069	\$ 5,086,614
 SHAREHOLDERS' DEFICIENCY (Note 4)		
Preferred stock	\$ 2,968,821	\$ 2,968,821
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 43,935,922	\$ 19,030,161	\$18,909,674
Additional paid-in capital	3,879,265	3,820,143
Accumulated deficit	(29,769,853)	(27,583,871)
TOTAL SHAREHOLDERS' DEFICIENCY	\$ (3,891,606)	\$ (1,885,233)
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIENCY	\$ 1,567,463	\$3,201,381
 Commitments and contingencies (Note 6)		
Guarantees (Note 8)		

See accompanying notes to the Unaudited Interim Consolidated Financial Statements

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

	Three months ended September 30,		Nine months ended September 30,	
	2009	2008	2009	2008
REVENUES				
Licensing and subscriptions	\$ 1,273,614	\$ 2,127,453	\$ 4,719,599	\$ 7,318,715
Advertising services	295,387	416,719	1,187,223	1,990,320
TOTAL REVENUES	\$ 1,569,001	\$ 2,544,172	\$ 5,906,822	\$ 9,309,035
OPERATING COSTS AND EXPENSES				
Cost of revenues (exclusive of amortization)	\$ 655,333	\$ 1,379,836	\$ 2,741,783	\$ 4,290,509
Sales and marketing	271,208	1,062,683	1,033,403	3,718,661
Research and development	43,617	355,880	275,937	1,107,584
General and administrative	1,184,943	1,483,900	3,735,669	5,367,343
Amortization of intangible assets	32,842	50,843	98,526	338,969
Impairment of goodwill	-	-	-	99,322
Impairment of intangible assets	109,474	-	109,474	736,000
TOTAL OPERATING EXPENSES	\$ 2,297,417	\$ 4,333,142	\$ 7,994,792	\$ 15,658,388
Loss from operations	\$ (728,416)	\$ (1,788,970)	\$ (2,087,970)	\$ (6,349,352)
Interest and other expense (income), net (Note 6)	103,797	(82,704)	98,011	(440,015)
Net loss before income taxes	\$ (832,213)	\$ (1,706,266)	\$ (2,185,981)	\$ (5,909,337)
Provision for income taxes	-	8,026	-	9,576
Net loss and comprehensive loss	\$ (832,213)	\$ (1,714,292)	\$ (2,185,981)	\$ (5,918,913)
Net loss per common share:				
Basic and diluted	\$ (0.02)	\$ (0.04)	\$ (0.05)	\$ (0.14)
Common shares used in computing basic and diluted net loss				
per share	43,935,922	41,297,000	43,935,922	41,295,922

See accompanying notes to the Unaudited Interim Consolidated Financial Statements

**CONSOLIDATED STATEMENTS OF SHAREHOLDERS' (DEFICIENCY) EQUITY
(UNAUDITED)**

	Preferred Shares No. of Shares	Preferred Shares \$	Common Stock No. of Shares	Common Stock \$	Additional Paid-in Capital \$	Accumulated Deficit \$	Total Shareholders' (Deficiency) Equity \$
Balance at September 30, 2008	3,000	2,968,821	41,295,922	18,909,674	3,877,587	(26,956,895)	(1,200,813)
Stock-based compensation	-	-	-	-	(57,444)	-	(57,444)
Net loss and comprehensive loss	-	-	-	-	-	(626,976)	(626,976)
Balance at December 31, 2008	3,000	2,968,821	41,295,922	18,909,674	3,820,143	(27,583,871)	(1,885,233)
Issuance of common stock pursuant to exercise of employee stock options				(537)			(537)
Stock-based compensation					33,037		33,037
Net loss and comprehensive loss						(684,704)	(684,704)
Balance at March 31, 2009	3,000	2,968,821	41,295,922	18,909,138	3,853,180	(28,268,575)	(2,537,437)
Stock-based compensation					6,951		6,951
Net loss and comprehensive loss						(669,065)	(669,065)
Balance at June 30, 2009	3,000	2,968,821	41,295,922	18,909,138	3,860,131	(28,937,640)	(3,199,551)
Issuance of common stock pursuant to agreement with debenture holders			2,640,000	121,023			121,023
Stock-based compensation					19,134		19,134
Net loss and comprehensive loss						(832,213)	(832,213)
Balance at September 30, 2009	3,000	2,968,821	43,935,922	19,030,161	3,879,265	(29,769,853)	(3,891,606)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine months ended September 30	
	2009	2008
Operating Activities		
Net loss	\$ (2,185,981)	\$ (5,918,913)
Adjustments to reconcile net loss to net cash (used in) / provided by operating activities:		
Movement in fixed assets		
Amortization of property and equipment	245,232	255,651
Amortization of intangible assets	98,526	338,969
Impairment of goodwill		99,322
Impairment of intangible assets	109,474	736,000
Stock-based compensation	59,122	234,445
Shares issued to debenture holders	120,487	
Gain on sale of shares in Stockscores	-	(75,000)
Unrealized foreign exchange loss	52,358	
	\$ (1,500,782)	\$ (4,329,526)
Changes in operating assets and liabilities:		
Accounts receivable	632,315	802,852
Prepaid and other current assets	40,618	(59,678)
Accounts payable	935,759	200,293
Accrued liabilities	(332,433)	(574,433)
Deferred revenues	(211,954)	(158,873)
CASH USED IN OPERATING ACTIVITIES	\$ (436,477)	\$ (4,119,365)
Investing Activities		
Purchases of property and equipment	\$ (53,838)	\$ (67,885)
Proceeds on sale of shares in Stockscores	-	75,000
Acquisition of Mobile Finance Division	-	(49,616)
Restricted cash	130,733	(130,733)
CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	\$ 76,895	\$ (173,234)
Financing Activities		
Proceeds on exercise of stock options	\$ -	\$ 167,006
Proceeds on issuance of preferred shares, net of costs	-	2,968,821
Repayment of capital lease obligations	(71,275)	(178,947)
CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	\$ (71,275)	\$ 2,956,880
Net decrease in cash and cash equivalents	\$ (430,857)	\$ (1,335,719)
Cash and cash equivalents, beginning of period	728,693	2,821,034
Cash and cash equivalents, end of period	\$ 297,836	\$ 1,485,315
Supplemental Cash Flow Information:		
Cash	\$ 296,715	\$ 583,874
Cash equivalents	\$ 1,121	\$ 901,441
Interest paid	\$ 79,301	\$ 3,682
Taxes paid	\$ -	\$ 9,576
Assets acquired through capital lease transactions	\$ -	\$ 63,352

See accompanying notes to the Unaudited Interim Consolidated Financial Statements

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2009

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 nine months ended September 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 nine months ended September 30, 2009 we had net losses of \$2,185,981, and a net working capital deficit of \$2,785,653, which is defined as current assets minus current liabilities excluding current deferred revenues. At November 17, 2009, the Company had cash and cash equivalents of \$602,000. 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. On September 10, 2009, the maturity date of these debentures was extended from November 14, 2009 to November 14, 2011.

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

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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Company's future advertising and subscription revenue. Management acted to reduce the Company's 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 down all of the Company's non Canadian offices. In addition, as a result of vendor fixed costs being allocated over a shrinking number of customers, the Company made the decision to reduce costs by shutting down its pager business in North America. In addition, the Company entered into a partnership to continue the Company's pager business in Europe, as well as the mobile business in Europe and North America. The Company will finance any further cash requirements, if necessary, through further debt or equity financings. Management believes that it will only be able to obtain financing once the Company's working capital deficit is reduced. Management has approached all of the Company's significant vendors with proposals to settle the Company's outstanding liabilities to the vendors for significantly reduced amounts. There is no assurance however, that additional financing can be obtained, or if obtained, on terms that are acceptable to management. However, Management feels that should it be successful in its negotiations with vendors, 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 nine months ended September 30, 2009 from those previously disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2008, except as follows:

Discontinued Operations

The Company records the disposal of business segments in discontinued operations. Disposal of a business segment is considered to be a separate major line of business that has been sold, abandoned, spun off or otherwise disposed of or although still operating is the subject of a formal plan of disposal.

Income (loss) on disposal and income (loss) up to the measurement date (the date management approves the formal plan of disposal) is included in discontinued operations and is reported separately from income (loss) from continuing operations for all current and prior periods.

Costs associated with exit or disposal activities are recognized when the costs are incurred, rather than at the date of commitment to an exit or disposal plan. A liability related to an exit or disposal activity is not recognized, or measured initially at fair value, until such liability has actually been incurred.

Recent Accounting Standards and Pronouncements

New accounting standards adopted during the nine months ended September 30, 2009 were:

In December 2007, The Financial Accounting Standards Board (FASB) issued Accounting Standards Codification (ASC) topic 805 (formerly SFAS No. 141 (revised 2007) *Business Combinations*). ASC 805 establishes principles and requirements for how an acquirer recognizes and measures in its

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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financial statements the identifiable assets acquired, the liabilities assumed, any non-controlling interest in the acquiree and the goodwill acquired. ASC 805 also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. ASC 805 is effective for fiscal years beginning after January 1, 2009. We adopted ASC on January 1, 2009. We expect ASC 805 will have an impact on our accounting for future business combinations, but the effect is dependent upon making acquisitions in future.

In March 2008, the FASB issued ASC topic 815-10-50 (formerly SFAS No. 161, *Disclosures about Derivative Instruments and Hedging Activities*). ASC 815-10-50 changes the disclosure requirements for derivative instruments and hedging activities. Entities are required to provide enhanced disclosures about (a) how and why an entity uses derivative instruments, (b) how derivative instruments and related hedged items are accounted for and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. This topic is effective for financial statements issued for fiscal years and interim periods beginning after November 15, 2008. This statement encourages, but does not require, comparative disclosures for earlier periods at initial adoption. Our adoption of ASC 815-10-50 on January 1, 2009 did not a material effect on our current or comparative consolidated financial statements.

On May 28, 2009, the FASB issued ASC topic 855 (formerly SFAS No. 165, *Subsequent Events*). ASC 855 establishes authoritative accounting and disclosure guidance for recognized and non-recognized subsequent events that occur after the balance sheet date but before financial statements are issued. ASC 855 also requires disclosure of the date through which an entity has evaluated subsequent events and the basis for that date. The adoption of ASC 855 had no impact on our consolidated financial statements.

On April 9, 2009 the FASB issued ASC topic 825 (formerly FSP No. FAS 157-4, *Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly*). ASC 825 provides additional guidance for estimating fair value in accordance with ASC topic 820 (formerly SFAS 157) when the volume and level of activity for the asset or liability have significantly decreased and includes guidance for identifying circumstances that indicate a transaction is not orderly. This guidance is necessary to maintain the overall objective of fair value measurements, which is 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 under current market conditions. The adoption of ASC 825 had no impact on our consolidated financial statements.

In June 2009, the FASB issued ASC topic 105 (formerly SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles (GAAP)*). ASC 105 establishes only two levels of U.S. GAAP, authoritative and nonauthoritative. The FASB Accounting Standards Codification (the "Codification") is the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the SEC, which are sources of authoritative GAAP for SEC registrants. All other nongrandfathered, non-SEC accounting literature not included in the Codification is nonauthoritative. We now use the new guidelines and numbering system prescribed by the Codification when referring to GAAP.

New accounting standards to be adopted are as follows:

In August 2009, the FASB issued Accounting Standards Update (ASU) 2009-05, *Measuring Liabilities at Fair Value* (ASU 2009-05). The amendments in this ASU apply to all entities that measure liabilities at fair value and provides clarification that in circumstances in which a quoted price in an active market for the identical liability is not available, an entity is required to measure fair value using one or

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more techniques laid out in this ASU. The guidance provided in this ASU is effective for the first reporting period (including interim periods) beginning after issuance. We do not anticipate the adoption of this guidance will have a material impact on our consolidated financial statements.

In October 2009, the FASB issued Accounting Standards Update (ASU) 2009-13, *Multiple-Deliverable Revenue Arrangements a consensus of the FASB Emerging Issues Task Force*, which amends ASC topic 605, Revenue Recognition, to require companies to allocate revenue in multiple-element arrangements based on an element's estimated selling price if vendor-specific or other third-party evidence of value is not available. ASU 2009-13 is effective beginning January 1, 2011. Earlier application is permitted. We do not anticipate the adoption of this guidance will have a material impact on our consolidated financial statements.

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2009**

3. BALANCE SHEET COMPONENTS

	30-Sep 2009	31-Dec 2008
PROPERTY AND EQUIPMENT		
Computer equipment	\$ 1,803,040	\$ 1,784,312
Computer equipment under capital lease	393,634	393,634
Computer software	172,064	168,289
Office furniture and equipment	106,832	106,832
Leasehold improvements	197,075	165,740
Total cost	\$ 2,672,645	\$ 2,618,807
Less: accumulated amortization	(2,309,363)	(2,064,131)
Property and equipment, net	\$ 363,282	\$ 554,676
 ACCOUNTS PAYABLE		
Trade accounts payable	\$ 2,357,367	\$ 1,420,829
Sales taxes payable	138,974	139,753
Total Accounts payable	\$ 2,496,341	\$ 1,560,582
 ACCRUED LIABILITIES		
Other accrued liabilities	\$ 520,295	\$ 690,804
Accrued data costs	962,052	1,123,975
Total accrued liabilities	\$ 1,482,347	1,814,779
Customer deposits	861,590	980,475
Total Accrued liabilities	\$ 2,343,937	\$ 2,795,254

NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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In the nine months ended September 30, 2009, amortization expense related to property and equipment totaled \$245,232 including \$100,885 amortization for capital assets under lease. In the nine months ended September 30, 2008 amortization expense was \$256,000 including \$112,000 of amortization for capital assets under lease.

	September 30, 2009			December 31, 2008		
	Cost	Accumulated amortization	Net book value	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 1,803,040	\$ 1,612,721	\$ 190,319	\$ 1,784,312	\$ 1,534,755	\$ 249,557
Computer equipment leased	393,634	337,603	56,031	393,634	236,719	156,915
Total computer equipment	\$ 2,196,674	\$ 1,950,324	\$ 246,350	\$ 2,177,946	\$ 1,771,474	\$ 406,472
Computer software	172,064	168,225	3,839	168,289	136,278	32,011
Furniture and equipment	106,832	56,586	50,246	106,832	40,506	66,326
Leasehold improvements	197,075	134,228	62,847	165,740	115,873	49,867
PROPERTY & EQUIPMENT, net	\$ 2,672,645	\$ 2,309,363	\$ 363,282	\$ 2,618,807	\$ 2,064,131	\$ 554,676

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. Pursuant to the extension of the Company's debentures, the Company issued 2,640,000 shares during the three months ending September 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 nine months ended September 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 UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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The following table provides information on the Company's outstanding options and options available for grant at September 30, 2009 and activity since September 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 September 30, 2008	1,781,775	4,216,625	\$0.15 - \$1.25	\$ 0.45	\$ 2.91	\$ -
Options granted	(996,000)	996,000	\$0.08 - \$0.08			
Options exercised	-	-				
Options expired						
Options forfeited	1,477,000	(1,477,000)	\$0.15 - \$1.25			
Balance at December 31, 2008	2,262,775	3,735,625	\$0.08 - \$0.59	\$ 0.33	\$ 3.04	\$ -
Vested and exercisable at December 31, 2008		1,692,625		\$ 0.72	\$ 0.58	\$ -
Balance at December 31, 2008	2,262,775	3,735,625	\$0.08 - \$0.59	\$ 0.33	\$ 3.04	\$ -
Options granted	(872,000)	872,000	\$0.08 - \$0.08			
Options exercised	-	-				
Options expired						
Options forfeited	1,669,500	(1,669,500)	\$0.08 - \$1.21			
Balance at September 30, 2009	3,060,275	2,938,125	\$0.08 - \$1.21	\$ 0.27	\$ 3.47	\$ -
Vested and exercisable at September 30, 2009		1,259,312		\$ 0.51	\$ 1.13	\$ -

The aggregate intrinsic value is equal to the difference between the quoted closing market price of the Company's common shares at September 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 September 30, 2009.

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

Unvested Shares	Number of Awards	Weighted-Average Grant Date Fair Value
Unvested at September 30, 2008	2,043,938	\$ 0.37
Granted	996,000	\$ 0.08
Vested	480,062	\$ 0.24
Forfeited	(1,477,000)	\$ 0.23
Unvested at December 31, 2008	2,043,000	\$ 0.24
Granted	872,000	\$ 0.08
Vested	433,312	\$ 0.27
Forfeited	(1,669,500)	\$ 0.20
Unvested at September 30, 2009	1,678,812	\$ 0.13

As of September 30, 2009, total unrecognized compensation expense related to unvested awards granted under the Company's stock option plans was \$74,579. Forfeiture rates used to determine unrecognized compensation expense were based on forfeiture rates experienced for the twelve months ended December 31, 2007. The forfeiture rates experienced for the twelve months ended September 30, 2009 were abnormally high owing to the termination of employees in the third and fourth quarters of 2008.

Stock-Based Compensation Expense

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

	Three Months Ended		Nine Months Ended	
	30-Sep		30-Sep	
	2009	2008	2009	2008
Sales and marketing	\$ 3,162	\$ (1,637)	\$ 23,489	\$ 13,243
Research and development	\$ (2,232)	\$ 1,753	\$ (12,815)	\$ 6,281
General and administrative	\$ 18,204	\$ 73,668	\$ 48,448	\$ 214,921
Total stock-based compensation expense	\$ 19,134	\$ 73,784	\$ 59,122	\$ 234,445

Stock-based compensation for research and development for the three and nine months ended September 30, 2009 was a gain of \$2,232 and \$12,815 respectively. This reversal represents stock-based compensation granted to research and development employees which did not ultimately vest as a result of the termination of their employment.

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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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 nine months ending September 30, 2009 and 2008 was estimated using the Black-Scholes option-pricing model using the following weighted average assumptions:

	Three Months Ended		Nine Months Ended	
	30-Sep		30-Sep	
	2009	2008	2009	2008
Expected life (in years)	5	5	5	5
Risk-free interest rate	3%	3%	3%	4%
Expected volatility	253%	103%	189%	97%
Dividend yield	0%	0%	0%	0%
Fair value per stock option	<u>\$0.08</u>	<u>\$0.22</u>	<u>\$0.08</u>	<u>\$0.28</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.

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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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 September 30,		Nine Months Ended September 30,	
	2009	2008	2009	2008
<u>Licensing and Subscription</u>				
North America	\$ 1,199,629	\$ 1,652,438	\$ 4,308,095	\$ 5,680,089
United Kingdom	70,590	267,067	381,561	933,806
Other	3,395	207,948	29,943	704,821
Total Licensing and Subscription	<u>\$ 1,273,614</u>	<u>\$ 2,127,453</u>	<u>\$ 4,719,599</u>	<u>\$ 7,318,716</u>
<u>Advertising Services</u>				
North America	\$ 295,387	\$ 416,719	\$ 1,187,223	\$ 1,990,319
United Kingdom	-	-	-	-
Other	-	-	-	-
Total Advertising Services	<u>\$ 295,387</u>	<u>\$ 416,719</u>	<u>\$ 1,187,223</u>	<u>\$ 1,990,319</u>
Total Revenues	<u>\$ 1,569,001</u>	<u>\$ 2,544,172</u>	<u>\$ 5,906,822</u>	<u>\$ 9,309,035</u>

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

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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6. COMMITMENTS AND CONTINGENCIES

Commitments

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

	Payments Due by Period			
	Total	Within 1 Year	2 – 3 Years	4 – 5 Years
Vancouver office operating lease	\$ 910,230	\$ 179,427	415,708	\$ 315,095
Toronto office operating lease	493,954	120,968	241,937	\$131,049
Capital leases	11,146	11,146	-	
Debt (principal)	597,323	-	597,323	
Debt (interest)	234,278	110,337	123,941	
Data provider commitment	84,000	84,000		
Total contractual cash obligations	\$ 2,330,931	\$ 505,878	\$ 1,378,909	\$ 446,144

The Company leases its facilities under operating leases that expire at various times to March 2014. The Company also leases certain computer equipment, mainly servers, under capital leases.

On September 10, 2009, the maturity date of the debentures was extended from November 14, 2009 to November 14, 2011. Under the terms of the extension, The Company issued 2,640,000 common shares to the debenture holders at a deemed value of \$0.05 per share.

Subsequent to September 30, 2009, the Company successfully terminated the lease on its premises in Toronto, resulting in a reduction of the operating lease commitment of \$110,888 of payments due within one year, \$241,937 of payments due between 2 – 3 years and \$131,049 of payments due between 4 – 5 years.

On October 30, 2009 the Company reached an agreement to sell its media business assets and related trademarks to an investor group. Under the terms of the agreement, the Company transferred \$361,680(C\$400,000) of the Company's 18% debentures to the investor group. Interest savings associated with the transfer of these 18% debentures is \$137,106 over the remaining term of the debentures. See Subsequent Events Note 9.

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.

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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 (\$130,733) 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.

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 September 30, 2009	Fair Value Measurements		
		Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	\$ 297,836	\$ 297,836	\$ -	\$ -
Liabilities:				
Debentures	\$ (597,323)	\$ -	\$ -	\$ (597,323)

As the debentures were issued late in 2008, the Company believes that the market rate of interest as at September 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 September 30, 2009.

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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 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

Sale of the Media Business Division

Subsequent to the quarter end date of September 30, 2009, the Company received an offer to sell the Media Business Division. On October 30, 2009, the Company entered into a Purchase Agreement whereby the Company agreed to sell certain assets used in the operation of the Company's Media division for \$312,157 (\$C328,000). The sale of the Media division business assets resulted in an approximate gain of \$232,786.

On October 30, 2009 the Company also entered into a Trademark and Copyright Assignment Agreement whereby the Company agreed to sell, assign and transfer all of its rights, title and interest in certain trademarks and copyrights for \$361,680 (C\$400,000). In payment of the purchase price the purchaser has agreed to assume the obligation to pay \$361,680 of the Company's debentures.

The results of operations for the Media business division have been included in the results of operations for all periods presented in the accompanying Consolidated Statements of Operations due to the measurement date being subsequent September 30, 2009.

The Company also entered into a Transition Services Agreement whereby the Company agreed to provide certain accounting, legal, human resource, MIS and other services (Services) to the purchaser of the Media Business for up to three months in return for \$10,000 per month plus a monthly fee to cover Services provided by the Company.

Terms of the agreement include a 5 year technology agreement with an estimated value of \$2,056,188(C\$2,204,555), as well as a sublease agreement to March 31, 2004. The purchaser has the right to terminate the sublease agreement upon issuance of 90 days written notice.

In accordance with ASC 855 management evaluated all activity of the Company through November 30, 2009 (the issue date of the financial statements) and concluded that no subsequent events

**NOTES TO THE UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
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have occurred that would require recognition in the consolidated financial Statements or disclosure in the consolidated notes to the financial statements.