

Unaudited Interim Condensed Consolidated Financial Statements of

CYBERPLEX INC.

Three and nine months ended September 30, 2012 and 2011

Notice of disclosure of non-auditor review of interim condensed consolidated financial statements pursuant to National Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators.

The accompanying unaudited interim condensed consolidated financial statements of the Company for the three and nine months ended September 30, 2012 and 2011 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting as issued by the International Accounting Standards Board and are the responsibility of the Company's management. The Company's independent auditors have not performed an audit or a review of these interim condensed consolidated financial statements.

CYBERPLEX INC.

Unaudited Interim Condensed Consolidated Statements of Financial Position
(In thousands of Canadian dollars)

September 30, 2012 and December 31, 2011

	September 30, 2012	December 31, 2011
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,358	\$ 4,050
Accounts receivable	2,658	8,769
Income taxes recoverable	—	31
Other current assets	533	6,907
	8,549	19,757
Non-current assets:		
Restricted cash	—	2,357
Long-term investment	50	—
Property and equipment (note 8)	525	1,998
Intangible assets (note 9 (a))	3,156	22,069
Goodwill (note 9 (b))	353	365
	4,084	26,789
Total assets	\$ 12,633	\$ 46,546
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 2,616	\$ 13,707
Current portion of loans and borrowings (note 10)	—	4,634
Current portion of finance lease (note 10)	126	63
Current portion of deferred lease inducements	63	71
Deferred revenue	425	498
Income taxes payable	—	348
	3,230	19,321
Non-current liabilities:		
Loans and borrowings (note 10)	—	20,732
Finance lease (note 10)	252	104
Deferred lease inducements	2	114
Deferred tax liabilities (note 6)	438	603
	692	21,553
Shareholders' equity (note 11)	8,711	5,672
Total liabilities and shareholders' equity	\$ 12,633	\$ 46,546

See accompanying notes to unaudited interim condensed consolidated financial statements.

On behalf of the Board:

"Vernon Lobo" Director "Geoffrey Rotstein" Director

CYBERPLEX INC.

Unaudited Interim Condensed Consolidated Statements of Comprehensive Income (Loss)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

	Three months ended September 30, 2012		September 30, 2011		Nine months ended September 30, 2012		September 30, 2011	
Continuing operations:								
Revenue	\$	3,508	\$	3,123	\$	10,930	\$	9,317
Expenses:								
Publishing and advertising costs		1,939		1,557		6,276		5,091
Employee compensation and benefits		1,237		1,316		3,996		4,418
Other operating expenses		701		864		2,536		2,373
Depreciation of property and equipment		62		105		213		295
Amortization of intangible assets		285		491		839		1,492
Restructuring costs		—		—		—		50
		4,224		4,333		13,860		13,719
Loss from operations		(716)		(1,210)		(2,930)		(4,402)
Finance income (note 5)		(220)		(491)		(54)		(991)
Finance cost (note 5)		10		7		63		10
Loss before income taxes		(506)		(726)		(2,939)		(3,421)
Income tax expense (recovery) (note 6):								
Current		70		—		18		—
Deferred		(54)		(130)		(163)		(390)
Loss for the period from continuing operations		(522)		(596)		(2,794)		(3,031)
Discontinued operation:								
Income (loss) for the period from discontinued operation, net of tax of nil (note 4)		—		1,642		4,076		(1,548)
Income (loss) for the period		(522)		1,046		1,282		(4,579)
Other comprehensive income (loss):								
Net change in fair value of available-for-sale financial assets		—		(21)		—		761
Amount reclassified to income		—		(187)		—		(753)
Foreign currency translation adjustments to equity		(327)		657		886		296
Other comprehensive income (loss) for the period, net of tax		(327)		449		886		304
Total comprehensive income (loss) for the period	\$	(849)	\$	1,495	\$	2,168	\$	(4,275)
Income (loss) per share (note 7):								
Basic	\$	(0.00)	\$	0.01	\$	0.01	\$	(0.03)
Diluted		(0.00)		0.01		0.01		(0.03)
Loss per share from continuing operations (note 7):								
Basic		(0.00)		(0.00)		(0.02)		(0.02)
Diluted		(0.00)		(0.00)		(0.02)		(0.02)

See accompanying notes to unaudited interim condensed consolidated financial statements.

CYBERPLEX INC.

Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity
(In thousands of Canadian dollars)

Nine months ended September 30, 2012 and 2011

Nine months ended September 30, 2012	Common shares		Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
	Number of shares	Amount				
Balances, December 31, 2011	133,839,896	\$ 65,452	\$ 2,278	\$ (2,389)	\$ (59,669)	\$ 5,672
Income for the period	—	—	—	—	1,282	1,282
Share-based payments (note 12)	—	—	39	—	—	39
Transfer of share purchase loans (note 11 (b))	—	1,185	—	—	—	1,185
Cancellation of common shares (note 11 (b))	(6,314,545)	(324)	—	—	—	(324)
Repurchase and cancellation of common shares (note 11 (a))	(547,047)	(29)	—	—	—	(29)
Foreign currency translation adjustments to equity	—	—	—	886	—	886
Balances, September 30, 2012	126,978,304	\$ 66,284	\$ 2,317	\$ (1,503)	\$ (58,387)	\$ 8,711

Nine months ended September 30, 2011	Common shares		Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total equity
	Number of shares	Amount				
Balances, January 1, 2011	133,839,896	\$ 65,452	\$ 1,944	\$ (2,500)	\$ (50,532)	\$ 14,364
Loss for the period	—	—	—	—	(4,579)	(4,579)
Share-based payments	—	—	276	—	—	276
Net change in fair value of available-for-sale financial assets, net of tax	—	—	—	761	—	761
Amount reclassified to income	—	—	—	(753)	—	(753)
Foreign currency translation adjustments to equity	—	—	—	296	—	296
Balances, September 30, 2011	133,839,896	\$ 65,452	\$ 2,220	\$ (2,196)	\$ (55,111)	\$ 10,365

See accompanying notes to unaudited interim condensed consolidated financial statements.

CYBERPLEX INC.

Unaudited Interim Condensed Consolidated Statement of Cash Flows
(In thousands of Canadian dollars)

Nine months ended September 30, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Income (loss) for the period	\$ 1,282	\$ (4,579)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Depreciation of property and equipment	481	1,041
Amortization of intangible assets	3,012	6,564
Amortization of deferred lease inducements	(56)	(87)
Share-based payments (note 12)	39	276
Foreign exchange loss	83	30
Finance cost, net	496	(939)
Deferred income tax recovery	(164)	(390)
Gain on sale of Tsavo (note 4)	(6,349)	—
Restructuring costs	221	263
Change in non-cash operating working capital (note 14)	(3,540)	986
Cash generated from operating activities	(4,495)	3,165
Income taxes received (paid)	(57)	389
Net cash from (used in) operating activities	(4,552)	3,554
Cash flows from financing activities:		
Proceeds from bank operating facility, net	—	—
Finance lease	264	200
Repurchase of common shares under NCIB (note 11 (a))	(29)	—
Repayment of promissory note	(100)	—
Repayment of term loans	—	(5,749)
Repayment of finance lease	(53)	(18)
Interest paid	(272)	(3,155)
Net cash used in financing activities	(190)	(8,722)
Cash flows from investing activities:		
Sale of short-term investments	—	1,546
Purchase of long-term investment	(50)	—
Interest income received	34	30
Proceeds from sale of available-for-sale investments	300	401
Acquisition of EQADS, net of cash acquired	—	(100)
Decrease in restricted cash and short-term investments	201	734
Proceeds on sale of Tsavo, net of cash disposed of (note 4)	6,293	—
Additions to property and equipment	(492)	(341)
Additions to intangible assets	(153)	(21)
Net cash from investing activities	6,133	2,249
Foreign exchange gain on cash held in foreign currency	(83)	(30)
Increase (decrease) in cash and cash equivalents	1,308	(2,949)
Cash and cash equivalents, beginning of period	4,050	5,192
Cash and cash equivalents, end of period	\$ 5,358	\$ 2,243

See accompanying notes to unaudited interim condensed consolidated financial statements.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

1. Corporate information:

Cyberplex Inc. (the "Company") provides on-line publishing and customer acquisition strategies and web-based advertising solutions. The Company, through its subsidiaries, and teams of technology consultants and design, usability and solutions specialists, leverages hundreds of proprietary web properties and its publisher network to connect advertisers to on-line customers and prospects. The Company is governed by the Ontario Business Corporations Act and is domiciled in Canada. The address of the Company's registered office is 1255 Bay Street, Suite 400, Toronto, ON M5R 2A9. The Company is a publicly listed company on the Toronto Stock Exchange ("TSX").

2. Basis of preparation:

(a) Statement of compliance and basis of presentation:

These unaudited interim condensed consolidated financial statements (the "interim financial statements") have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB") and on a basis consistent with the accounting policies disclosed in the Company's annual audited consolidated financial statements for the year ended December 31, 2011 (the "2011 financial statements"). The accounting policies applied in these interim financial statements are based on International Financial Reporting Standards ("IFRS") issued and outstanding as of the date the Board of Directors authorized the statements for issue.

The notes presented in these interim financial statements include, in general, only significant changes and transactions occurring since the Company's last year end, and are not fully inclusive of all disclosures required by IFRS for annual financial statements. These interim financial statements should be read in conjunction with the 2011 financial statements, including the notes thereto.

The interim financial statements were authorized for issue by the Board of Directors on November 14, 2012.

The consolidated financial statements are prepared on a going-concern basis.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

2. Basis of preparation (continued):

On April 24, 2012, the Company reached an agreement to sell 100% of the shares of its subsidiary Orion Foundry (Canada) Inc. ("Tsavo") in a transaction valued at approximately \$33,000. The Company received cash proceeds of \$7,220, with additional defined payments totalling \$100 which were received in full following the quarter end September 30, 2012. As part of the sale, (see note 4 for details) the purchaser of Tsavo assumed the term loans owing to American Capital of \$24,338 as well as \$530 of additional term loans owing by the Company. The Company also received certain net intangible assets valued at \$150. As part of the transaction, 6,314,545 common shares of the Company which were held by current and former management of Tsavo were returned to the Company for no consideration except for the transfer of related share purchase loans of \$1,185 to the purchaser.

As a result of this transaction, the material uncertainty around the Company's ability to continue as a going concern for the foreseeable future was alleviated.

(b) Functional and presentation currencies:

These unaudited interim consolidated financial statements are presented in Canadian dollars. The Company's functional currency is the U.S. dollar. The Company has elected its presentation currency to be the Canadian dollar as it is listed on the TSX and its shareholders are primarily Canadian.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

3. Segment information:

The Company's chief operating decision maker is its Chief Executive Officer. Management reviews the operations of the Company by business segments. On April 24, 2012, the Company sold 100% of the shares of its subsidiary Orion Foundry (Canada) Inc. ("Tsavo"). Tsavo was the sole operation in the Company's On-Line Publishing business segment and its results for the nine months ended September 30, 2012 and 2011 have been presented as a discontinued operation. See note 4, discontinued operations, for information about Tsavo.

The Company's continuing business segments are described as follows:

- (a) Performance-based Marketing Solutions - This segment operates an on-line network connecting advertisers and publishers to execute advertising campaigns. The segment also operates a real-time bidding platform allowing advertisers to target ads to their most relevant on-line audiences. Revenue is generated from the advertisers who pay the Company based on the performance of their campaigns.
- (b) Interactive Services - This segment provides internet-based consulting services which develop and drive on-line business strategies for its clients.
- (c) Corporate - This segment includes costs associated with business activities which are not specific to the Company's operational segments.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

3. Segment information (continued):

	Three months ended September 30, 2012				Three months ended September 30, 2011			
	Performance -based marketing	Interactive services	Corporate	Consolidated	Performance -based marketing	Interactive services	Corporate	Consolidated
Revenues	\$ 2,741	\$ 767	\$ –	\$ 3,508	\$ 2,147	\$ 976	\$ –	\$ 3,123
Operating costs:								
Publishing and advertising costs	1,861	78	–	1,939	1,449	108	–	1,557
Employee compensation and benefits	496	577	127	1,200	584	606	105	1,295
Other operating expenses	242	367	92	701	374	305	185	864
	142	(255)	(219)	(332)	(260)	(43)	(290)	(593)
Share-based payments	–	–	37	37	13	1	7	21
Depreciation of property and equipment	42	–	20	62	83	6	16	105
Amortization of intangible assets	244	–	41	285	477	–	14	491
Loss from operations	(144)	(255)	(317)	(716)	(833)	(50)	(327)	(1,210)
Finance costs (income), net	(181)	(13)	(16)	(210)	(499)	67	(52)	(484)
Income (loss) before income taxes	37	(242)	(301)	(506)	(334)	(117)	(275)	(726)
Income tax expense (recovery):								
Current	70	–	–	70	–	–	–	–
Deferred	(54)	–	–	(54)	(130)	–	–	(130)
	16	–	–	16	(130)	–	–	(130)
Net income (loss) from continuing operations	\$ 21	\$ (242)	\$ (301)	\$ (522)	\$ (204)	\$ (117)	\$ (275)	\$ (596)

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

3. Segment information (continued):

	Nine months ended September 30, 2012				Nine months ended September 30, 2011			
	Performance -based marketing	Interactive services	Corporate	Consolidated	Performance -based marketing	Interactive services	Corporate	Consolidated
Revenues	\$ 8,341	\$ 2,589	\$ –	\$ 10,930	\$ 6,691	\$ 2,626	\$ –	\$ 9,317
Operating costs:								
Publishing and advertising costs	5,963	313	–	6,276	4,751	340	–	5,091
Employee compensation and benefits	1,693	1,918	346	3,957	2,141	1,790	369	4,300
Other operating expenses	877	1,002	657	2,536	989	925	459	2,373
	(192)	(644)	(1,003)	(1,839)	(1,190)	(429)	(828)	(2,447)
Share-based payments	–	–	39	39	82	8	28	118
Depreciation of property and equipment	155	–	58	213	255	18	22	295
Amortization of intangible assets	771	–	68	839	1,451	–	41	1,492
Restructuring costs	–	–	–	–	50	–	–	50
Loss from operations	(1,118)	(644)	(1,168)	(2,930)	(3,028)	(455)	(919)	(4,402)
Finance costs (income), net	2,095	(13)	(2,073)	9	(301)	35	(715)	(981)
Income (loss) before income taxes	(3,213)	(631)	905	(2,939)	(2,727)	(490)	(204)	(3,421)
Income tax expense (recovery):								
Current	18	–	–	18	–	–	–	–
Deferred	(163)	–	–	(163)	(390)	–	–	(390)
	(145)	–	–	(145)	(390)	–	–	(390)
Net income (loss) from continuing operations	\$ (3,068)	\$ (631)	\$ 905	\$ (2,794)	\$ (2,337)	\$ (490)	\$ (204)	\$ (3,031)

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

3. Segment information (continued):

The accounting policies of the segments are the same as those described in note 3 to the Company's 2011 financial statements. The Company discloses segment operating results based on income before depreciation and amortization, share-based payments, restructuring costs, finance cost, finance income and income taxes, consistent with internal management reporting. This measure of segment operating results differs from operating loss in the consolidated statements of comprehensive income (loss). The Company's assets and operations are substantially all located in Canada; however, the Company services many customers in the United States and outside of North America.

The Company generates revenue across three geographical regions. Revenue by region was as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Canada	\$ 1,578	\$ 1,261	\$ 4,045	\$ 3,364
U.S.	1,823	1,786	6,412	5,633
Outside North America	107	76	473	320
	\$ 3,508	\$ 3,123	\$ 10,930	\$ 9,317

For the three months ended September 30, 2012, three clients comprised 47% of the Company's total revenue (from continuing operations) and one client comprised 10% of the Company's total revenue for the same period in 2011. For the nine months ended September 30, 2012, three clients comprised 31% of the Company's total revenue from continuing operations. For the same period in 2011, no customers made up more than 10% of the total revenue.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

4. Discontinued operation:

On April 24, 2012 the Company sold Tsavo. The segment was not a discontinued operation nor classified as held-for-sale as at December 31, 2011 and March 31, 2012. The comparative statement of comprehensive income (loss) has been re-presented to show the discontinued operation separately from the continuing operations. Management committed to a plan to sell Tsavo on April 18, 2012. On April 18, 2012, the Company agreed upon the sale price and received required lender approval for the sale of the segment. Results of the discontinued operation for the periods presented through to the date of sale are as follows:

Results of discontinued operation	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Revenue	\$ —	\$ 13,496	\$ 16,355	\$ 36,328
Expenses:				
Publishing and advertising costs	—	8,139	11,970	21,941
Employee compensation and benefits	—	1,905	2,007	6,263
Other operating expenses	—	892	1,478	2,897
Depreciation of property and equipment	—	218	267	746
Amortization of intangible assets	—	1,690	2,173	5,072
Restructuring costs	—	—	221	213
	—	12,844	18,116	37,132
Income (loss) from operations	—	652	(1,761)	(804)
Finance income	—	(1,860)	(39)	(1,880)
Finance cost	—	870	690	2,624
Income (loss) before income taxes	—	1,642	(2,412)	(1,548)
Current income tax recovery	—	—	139	—
Income (loss) for the period, net of income tax	—	1,642	(2,273)	(1,548)
Gain on sale of discontinued operation (net of tax of nil)	—	—	6,349	—
Income (loss) for the period	\$ —	\$ 1,642	\$ 4,076	\$ (1,548)
Income (loss) per share:				
Basic	\$ 0.00	\$ 0.01	\$ 0.03	\$ (0.01)
Diluted	0.00	0.01	0.03	(0.01)

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

4. Discontinued operation (continued):

Cash flows from (used in) discontinued operation:

	2012	2011
Net cash from (used in) operating activities	\$ (2,809)	\$ 5,675
Net cash from (used in) investing activities	42	653
Net cash from (used in) financing activities	(234)	(9,205)
Net cash from (used in) discontinued operation	\$ (3,001)	\$ 2,877

Consideration received:

Consideration received from purchaser:	
Cash consideration received	\$ 7,220
Deferred sales proceeds	100
Promissory note assumed by purchaser (note 10(b)(ii))	530
Intangible assets transferred to the Company	150
Total consideration received from purchaser	\$ 8,000
Fair value of common shares returned and cancelled (note 11(b))	324
Total consideration received on sale of Tsavo	\$ 8,324

Details of the net assets and liabilities of Tsavo disposed of are as follows:

Cash and cash equivalents	\$ 927
Accounts receivable	8,406
Prepaid expenses	504
Other current assets	5,801
Restricted cash	2,156
Property and equipment	1,435
Intangible assets	15,534
Accounts payable and accrued liabilities	(10,339)
Income taxes payable	(171)
Current portion of deferred rent	(8)
Current portion of term loans	(6,757)
Long term portion of term loans	(17,581)
Long term portion of deferred rent	(57)
Net liabilities disposed of	\$ (150)

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

4. Discontinued operation (continued):

Gain on disposal of Tsavo

Consideration received	\$ 8,324
Net liabilities of Tsavo disposed of	150
Promissory notes transferred to purchaser	200
Share purchase loans transferred	(1,185)
Intercompany loans to Tsavo forgiven	(1,053)
Transaction costs	(87)
Gain on disposal	\$ 6,349

Net cash inflow on disposal of Tsavo

Consideration received, satisfied in cash	\$ 7,220
Cash disposed of	(927)
Net cash inflow	\$ 6,293

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

5. Finance income and finance cost:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Finance income:				
Interest income on cash and cash equivalents and restricted cash	\$ (17)	\$ (2)	\$ (34)	\$ (7)
Gain on sale of available-for-sale investments	—	(187)	—	(753)
Other	—	—	(10)	—
Foreign exchange gain, net	(203)	(302)	(10)	(231)
Total finance income	(220)	(491)	(54)	(991)
Finance cost:				
Other interest expense	10	7	63	10
Total finance cost	10	7	63	10
Net finance cost (income) recognized in profit (loss)	\$ (210)	\$ (484)	\$ 9	\$ (981)

6. Income tax expense (recovery):

The Company recorded a current tax expense of \$70 in the three months ended September 30, 2012, there was no such expense recorded during the same period in 2011. The current tax expense relates to adjustment of tax expenses relating to the prior period. A deferred income tax recovery of \$54 was recorded in the three months ended September 30, 2012 as compared to a deferred income tax recovery of \$130 in the three months ended September 30, 2011. For the nine months ended September 30, 2012, a deferred income tax recovery of \$163 was recorded as compared to a deferred income tax recovery of \$390 for the nine months ended September 30, 2011. The deferred income tax recovery is due to the amortization of intangible assets recognized on acquisitions and the related deferred tax liability that was accrued at that time. The liability is drawn down as that portion of the asset value is amortized. No other deferred tax recovery on losses is recorded in profit or loss and will not be until, in the opinion of management, it is probable that the deferred tax assets will be realized.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

7. Loss per share:

The computations for basic and diluted loss per share for the three and nine months ended September 30, 2012 and 2011 are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2012	2011	2012	2011
Income (loss) for the period	\$ (522)	\$ 1,046	\$ 1,282	\$ (4,579)
Loss for the period from continuing operations	(522)	(596)	(2,794)	(3,031)
Weighted average number of shares outstanding:				
Basic	127,331,505	133,839,896	130,110,529	133,839,896
Diluted	127,331,505	133,839,896	130,110,529	133,839,896
Income (loss) per share:				
Basic	\$ (0.00)	\$ 0.01	\$ 0.01	\$ (0.03)
Diluted	(0.00)	0.01	0.01	(0.03)
Loss per share from continuing operations:				
Basic	(0.00)	(0.00)	(0.02)	(0.02)
Diluted	(0.00)	(0.00)	(0.02)	(0.02)

The total number of anti-dilutive options that were excluded from the calculation of diluted loss per share, because their inclusion would have been anti-dilutive for the three and nine months ended September 30, 2012, were 8,572,834 (2011 - 6,532,101).

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

8. Property and equipment:

	Furniture and fixtures	Computer equipment	Leasehold improvements	Total
Cost				
Balance at January 1, 2012	\$ 2,220	\$ 9,492	\$ 2,238	\$ 13,950
Additions	49	420	23	492
Disposal of Tsavo	(538)	(4,897)	(1,602)	(7,037)
Effect of movements in exchange rates	(165)	(172)	(56)	(393)
Balance at September 30, 2012	\$ 1,566	\$ 4,843	\$ 603	\$ 7,012
Depreciation				
Balance at January, 2012	\$ 1,981	\$ 8,505	\$ 1,466	\$ 11,952
Depreciation for the period	27	398	56	481
Disposal of Tsavo	(370)	(4,351)	(881)	(5,602)
Effect of movements in exchange rates	(76)	(229)	(39)	(344)
Balance at September 30, 2012	\$ 1,562	\$ 4,323	\$ 602	\$ 6,487
Carrying amounts				
At December 31, 2011	239	987	772	1,998
At September 30, 2012	4	520	1	525

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

9. Intangible assets and goodwill

(a) Intangible assets by category are as follows:

	Customer relationships	Technology	Domain and content	Computer software	Total
Cost					
Balance at January 1, 2012	\$ 38,190	\$ 15,460	\$ 15,497	\$ 1,682	\$ 70,829
Additions	–	–	150	3	153
Disposal of Tsavo	(19,714)	(5,513)	(7,725)	(602)	(33,554)
Effect of movements in exchange rates	(488)	(273)	(189)	(36)	(986)
Balance at September 30, 2012	\$ 17,988	\$ 9,674	\$ 7,733	\$ 1,047	\$ 36,442
Amortization					
Balance at January 1, 2012	\$ 28,274	\$ 10,003	\$ 8,835	\$ 1,648	\$ 48,760
Amortization for the period	1,555	998	446	13	3,012
Disposal of Tsavo	(11,930)	(3,067)	(2,445)	(578)	(18,020)
Effect of movements in exchange rates	(260)	(107)	(56)	(43)	(466)
Balance at September 30, 2012	\$ 17,639	\$ 7,827	\$ 6,780	\$ 1,040	\$ 33,286
Carrying amounts					
At December 31, 2011	9,916	5,457	6,662	34	22,069
At September 30, 2012	349	1,847	953	7	3,156

(b) Goodwill:

	Tsavo Media, Inc.	CX Digital ("CXD")	EQADS	Bootcamp Media	Total
Balance at January 1, 2012	\$ –	\$ –	\$ –	\$ 365	\$ 365
Effect of movements in exchange rates	–	–	–	(12)	(12)
Balance at September 30, 2012	\$ –	\$ –	\$ –	\$ 353	\$ 353

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

10. Bank credit facilities, loans and borrowings:

(a) Bank credit facilities:

- (i) The Company has a revolving demand facility and credit card facility with a Canadian chartered bank, to be used for general operating requirements. As of September 30, 2012, there were no amounts outstanding under the revolving demand facility and there was \$100 outstanding under the business credit card facility (2011 - \$58). The amounts owing on the demand revolving facility and credit card facility were included with accounts payable and accrued liabilities. The aggregate of available borrowings under all facilities described below cannot exceed \$1,500 at any time.

The revolving demand facility is up to \$1,000 by way of Canadian and U.S. dollar currency loans. The facility bears interest at the bank's prime rate plus 2.35%. Borrowings outstanding under this facility plus a \$500 business credit card allocation must not exceed 75% of accounts receivable with an aging less than 90 days, as defined in the credit agreement. Amounts outstanding are repayable upon demand.

As at June 30, 2012 the Company breached the covenants associated with its demand revolving facility. The Company was granted waivers from its lender relating to the violations to cover the period until December 31, 2012. At the time there were no amounts outstanding on its revolving facility with the bank.

(b) Loans and borrowings:

- (i) The Company's subsidiary, Tsavo, had term loans with American Capital (successor by merger to American Capital Financial Services Inc.). On April 24, 2012, the purchaser of Tsavo assumed the term loans, eliminating any liability for the Company.
- (ii) In September 2011, the Company entered into a promissory note with a Canadian lender in the amount of \$800 due September 30, 2013. As part of the Tsavo sale transaction, the Company repaid \$100 of the principal outstanding and the purchaser assumed liability for remaining principal and interest of \$730.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

10. Bank credit facilities, loans and borrowings (continued):

The following table outlines the activity for term loans and borrowings and finance lease for the nine months ended September 30, 2012:

Term loan balance December 31, 2011 (U.S. \$24,133)	\$ 24,543
Term loan extinguished on sale of Tsavo (U.S. \$24,493)	(24,338)
Realized foreign exchange gains on term loan extinguishment	(563)
Accrued interest on term loan (U.S. \$632)	630
Interest payment on term loan (U.S. \$272)	(272)
Term loan balance (U.S. \$nil)	–
Principal amount of promissory note	823
Repayment of promissory note	(100)
Promissory note assumed by purchaser of Tsavo	(730)
Accrued interest on promissory note	32
Repayment of interest on Promissory note	(25)
Principal amount of finance lease	431
Repayment of finance lease	(53)
Total loans and borrowings	\$ 378

During the period the Company acquired computer assets by utilizing finance leases with an original cost of \$264. There was interest expensed to finance cost, in the amount of \$10 and \$682, on the term loan, promissory note and finance lease, in the three and nine months ended September 30, 2012, respectively.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

11. Shareholders' equity:

(a) Normal Course Issuer Bid ("NCIB"):

On April 24, 2012, the Company announced a NCIB under which it could purchase up to 11,913,232 of its common shares, representing approximately 10% of the "public float" of common shares, commencing on May 14, 2012 for a period of one year. As of the date of filing, the Company has repurchased and cancelled 667,047 of its common shares under the NCIB.

(b) Cancellation of common shares as part of sale of Tsavo:

On April 24, 2012, the Company obtained 6,314,545 common shares of the Company held by former management of Tsavo as part of the consideration for the sale of Tsavo. The fair value of these common shares was \$324 on the day of the transaction and the shares were cancelled on the same date. The Company transferred \$1,185 of related share purchase loans owed by former management of Tsavo as part of this sale transaction.

12. Share-based payments:

The following table summarizes the continuity of options issued under the Company's stock option plan:

	September 30, 2012		December 31, 2011	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding, beginning of period	6,532,101	\$ 0.61	7,475,768	\$ 0.61
Granted	6,050,000	0.10	—	—
Forfeited or cancelled	(4,009,267)	0.57	(943,667)	0.57
Exercised	—	—	—	—
Outstanding, end of period	8,572,834	0.27	6,532,101	0.61
Options exercisable, end of period	2,031,167	\$ 0.68	3,430,017	\$ 0.63

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

12. Share-based payments (continued):

A summary of the status of the Company's options under the Plan is as follows:

Range of exercise prices	September 30, 2012			December 31, 2011		
	Number of options	Weighted average remaining contractual life (years)	Number of options exercisable	Number of options	Weighted average remaining contractual life (years)	Number of options exercisable
\$0.10	6,050,000	4.75	—	—	—	—
\$0.34	150,000	1.25	150,000	150,000	2.00	100,000
\$0.40 - \$0.46	—	—	—	536,667	0.06	536,667
\$0.51 - \$0.59	783,334	2.23	541,667	3,308,334	3.33	1,052,083
\$0.70	—	—	—	522,600	0.61	522,600
\$0.76	1,245,000	1.48	995,000	1,670,000	2.23	874,167
\$0.80	344,500	0.49	344,500	344,500	1.24	344,500
	8,572,834		2,031,167	6,532,101		3,430,017

During the three months ended September 30, 2012, the Company recorded compensation expense related to stock options granted to employees of \$37 (2011 - expense of \$21). For the nine months ended September 30, 2012, the Company recorded compensation expense related to stock options granted to employees of \$39 (2011 - expense of \$118)

During nine months ended September 30, 2012, the Company granted 6,050,000 stock options. A portion of these, 4,850,000, are subject to vesting terms which are different than those applicable to the remaining options issued by the Company. The non-standard vesting terms provide for a slower rate of vesting during the first two years subsequent to the grant and allow for the options to vest 100% upon the Company's common share price reaching a specified level. No stock options were exercised during the three and nine months ended September 30, 2012. During the three and nine months ended September 30, 2011, no stock options were granted or exercised.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

13. Related party transactions and balances:

Transactions with American Capital Ltd.:

Pursuant to the terms of the credit agreement between Tsavo and American Capital entered into in connection with the acquisition of Tsavo in June 2010, a nominee from American Capital was appointed by the Board of Directors of the Company to serve as a director of the Company, which appointment was duly made in accordance with the Ontario Business Corporations Act. In January 2012, the nominee resigned from the Board of Directors.

Prior to the sale of Tsavo on April 24, 2012, the Company made principal and interest payments of \$272 (2011 - \$2,924) on the term loans to American Capital as administrative and collateral agent for the lenders (note 10). Tsavo paid American Capital \$53 (U.S. \$53) in loan origination fees to American Capital (2011 - \$65 (U.S. \$65)).

14. Consolidated statements of cash flows:

	Nine months ended September 30,	
	2012	2011
Change in non-cash operating working capital:		
Accounts receivable	\$ (1,720)	\$ 2,845
Related party payables	(1,105)	—
Prepaid and other assets	209	167
Accounts payable and accrued liabilities	(730)	(1,407)
Deferred revenue	(57)	(93)
Tax payable	(177)	—
	\$ (3,540)	\$ 986

15. Capital risk management:

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its shareholders. The Company defines capital that it manages as the aggregate of its shareholders' equity, which comprises issued capital, contributed surplus, AOCI and retained earnings (deficit). The Company manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may issue shares, repurchase shares, pay dividends or undertake other activities as deemed appropriate under the specific circumstances. The Company is not subject to externally imposed capital requirements.

CYBERPLEX INC.

Notes to Unaudited Interim Condensed Consolidated Financial Statements (continued)
(In thousands of Canadian dollars, except per share amounts)

Three and Nine months ended September 30, 2012 and 2011

16. Financial risk management:

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Audit Committee reviews the Company's risk management policies on an annual basis. The finance department identifies and evaluates financial risks and is charged with the responsibility of establishing controls and procedures to ensure that financial risks are mitigated in accordance with the approved policies.

(a) Customer Concentration Risk:

Customer concentration risk is the risk of financial loss to the Company due to reliance on one or a small number of customers for significant portions of its total revenues. If a customer that represents a significant portion of revenues reduces its activity or ceases to transact with the Company, there could be a material negative impact on the Company's financial stability. For the three months ended September 30, 2012, three customers comprised 47% of the Company's consolidated revenues from continuing operations and one customer comprised 10% of the Company's consolidated revenues from continuing operations for the same period in 2011. For the nine months ended September 30, 2012, three customers comprised 31% of the Company's consolidated revenues from continuing operations, while for the same period in 2011, no customers comprised more than 10% of consolidated revenues from continuing operations.