Condensed Interim Financial Statements
(Expressed in Canadian dollars)

NEXJ SYSTEMS INC.

Three and six month periods ended
June 30, 2011 and 2010
(Unaudited)

NEXJ SYSTEMS INC.

Condensed Interim Statements of Financial Position
(Expressed in thousands of Canadian dollars)
(Unaudited)

	June 30, 2011	December 31, 2010	January 1, 2010
Assets			
Current assets:			
Cash and cash equivalents	$ 62,830	$ 23,942	$ 34
Short-term investments	–	5,070	3,597
Accounts receivable	6,533	6,491	1,000
Investment tax credits receivable	3,171	4,063	3,822
Prepaid expenses and other assets	925	433	459
Total current assets	73,459	39,999	8,912
Non-current assets:			
Property and equipment	3,007	1,858	631
Other assets	361	307	260
Total non-current assets	3,368	2,165	891
Total assets	$ 76,827	$ 42,164	$ 9,803
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable and accrued liabilities	$ 5,000	$ 4,286	$ 1,787
Current portion of obligations under capital leases	70	67	63
Deferred revenue	3,385	5,727	831
Total current liabilities	8,455	10,080	2,681
Non-current liabilities:			
Accrued liabilities	639	1,513	1,414
Obligations under capital leases	5	41	108
Total non-current liabilities	644	1,554	1,522
Total liabilities	9,099	11,634	4,203
Shareholders' equity (note 4):			
Share capital	79,071	35,455	10,372
Share purchase loans	(3,826)	–	–
Contributed surplus	3,483	2,196	480
Deficit	(11,000)	(7,121)	(5,252)
Total equity	67,728	30,530	5,600
Contractual obligations (note 9)			
Total liabilities and equity	$ 76,827	$ 42,164	$ 9,803

See accompanying notes to the condensed interim financial statements.

NEXJ SYSTEMS INC.

Condensed Interim Statements of Comprehensive Income
(Expressed in thousands of Canadian dollars)
(Unaudited)

	Three month periods ended June 30, 2011	Three month periods ended June 30, 2010	Six month periods ended June 30, 2011	Six month periods ended June 30, 2010
Revenue:				
License fees	$ 2,129	$ 2,213	$ 5,865	$ 2,245
Professional services	4,686	2,717	8,187	4,751
Maintenance and support	883	506	1,391	1,019
	7,698	5,436	15,443	8,015
Expenses*:				
Professional service costs	2,397	1,077	4,521	2,001
Research and development, net	3,154	1,877	6,460	3,323
Sales and marketing	1,669	1,319	4,098	2,251
General and administrative	1,884	991	3,723	1,831
	9,104	5,264	18,802	9,406
Income (loss) before the undernoted	(1,406)	172	(3,359)	(1,391)
Foreign exchange gain (loss)	(110)	317	(625)	245
Finance income	67	43	110	44
Finance costs	(4)	(2)	(5)	(4)
	(47)	358	(520)	285
Income (loss) before income taxes	(1,453)	530	(3,879)	(1,106)
Income taxes	–	–	–	–
Net income (loss) and comprehensive income (loss)	$ (1,453)	$ 530	$ (3,879)	$ (1,106)
Net income (loss) per share (note 7):				
Basic	$ (0.08)	$ 0.04	$ (0.24)	$ (0.09)
Diluted	(0.08)	0.04	(0.24)	(0.09)
*Share-based payment expense has been included in expenses as follows:				
Professional service costs	$ 46	$ 70	$ 162	$ 101
Research and development, net	86	68	307	99
Sales and marketing	81	43	441	62
General and administrative	127	46	384	67
	$ 340	$ 227	$ 1,294	$ 329

See accompanying notes to the condensed interim financial statements.

NEXJ SYSTEMS INC.

Condensed Interim Statement of Changes in Equity
(Expressed in thousands of Canadian dollars and shares)

Six month period ended June 30, 2011
(Unaudited)

	Common shares Number	Common shares Amount	Share purchase loans	Contributed surplus	Deficit	Total shareholders' equity
Balance, January 1, 2011	14,704	$ 35,455	$ –	$ 2,196	$ (7,121)	$ 30,530
Comprehensive loss for the period	–	–	–	–	(3,879)	(3,879)
Share-based payment expense (note 4(b)(ii))	–	–	–	1,294	–	1,294
Exercise of stock options	8	29	–	(7)	–	22
Issuance of common shares as part of IPO (note 4(a)(ii))	4,850	43,650	–	–	–	43,650
Financing costs incurred relating to the IPO (note 4(a)(ii))	–	(3,905)	–	–	–	(3,905)
Issuance of common shares to employees* (note 4(a)(i))	–	3,842	(3,842)	–	–	–
Repayment of share purchase loans by employees* (note 4(a)(i))	3	–	16	–	–	16
Balance, June 30, 2011	19,565	$ 79,071	$ (3,826)	$ 3,483	$ (11,000)	$ 67,728

*For accounting purposes, common shares issued pursuant to the share loan and pledge agreements are not recognized as outstanding until such time as payments are received on the loan balances. At June 30, 2011, 996 common shares were legally issued and outstanding to employees in connection with these agreements and included in the total outstanding common shares of 20,561.

See accompanying notes to the condensed interim financial statements.

NEXJ SYSTEMS INC.
Condensed Interim Statement of Changes in Equity (continued)
(Expressed in thousands of Canadian dollars and shares)

Six month period ended June 30, 2010
(Unaudited)

	Common shares Number	Common shares Amount	Contributed surplus	Deficit	Total shareholders' equity
Balance, January 1, 2010	9,995	$ 10,372	$ 480	$ (5,252)	$ 5,600
Comprehensive loss for the period	–	–	–	(1,106)	(1,106)
Share-based payment expense (note 4(b)(ii))	–	–	329	–	329
Exercise of stock options	4	11	(1)	–	10
Issuance of common shares to employees (note 4(a)(iv))	213	744	–	–	744
Issuance of common share units as part of private placement (note 4(a)(iii))	3,914	22,505	–	–	22,505
Financing costs incurred relating to the private placement (note 4(a)(iii))	–	(1,640)	349	–	(1,291)
Balance, June 30, 2010	14,126	$ 31,992	$ 1,157	$ (6,358)	$ 26,791

See accompanying notes to the condensed interim financial statements.

NEXJ SYSTEMS INC.

Condensed Interim Statements of Cash Flows
(Expressed in thousands of Canadian dollars)
(Unaudited)

	Six month periods ended June 30, 2011	2010
Cash flows from operating activities:		
Loss and comprehensive loss for the period	$ (3,879)	$ (1,106)
Adjustments for:		
Depreciation	367	186
Share-based payment expense	1,294	329
Finance income	(110)	(44)
Finance costs	5	4
Foreign exchange loss (gain)	425	(156)
Change in non-cash operating working capital:		
Accounts receivable	(42)	(2,321)
Prepaid expenses and other assets	(492)	73
Investment tax credits receivable	892	773
Accounts payable and accrued liabilities	(1,087)	(40)
Deferred revenue	(2,342)	4,058
Net cash flows from (used in) operating activities	(4,969)	1,756
Cash flows from financing activities:		
Repayment of obligations under capital leases	(33)	(31)
Proceeds from exercise of stock options	22	10
Proceeds from repayment of share purchase loans	16	–
Issuance of common shares	43,650	23,249
Financing costs	(3,905)	(1,291)
Interest paid	(5)	(4)
Net cash flows from financing activities	39,745	21,933
Cash flows from investing activities:		
Purchase of property and equipment	(589)	(1,065)
Redemption of short-term investments	5,090	3,748
Interest received	110	44
Decrease (increase) in other assets	(54)	108
Net cash flows from investing activities	4,557	2,835
Effects of exchange rates on cash and cash equivalents	(445)	5
Increase in cash and cash equivalents	38,888	26,529
Cash and cash equivalents, beginning of period	23,942	34
Cash and cash equivalents, end of period	$ 62,830	$ 26,563
Supplemental cash flow information:		
Acquisition of property and equipment not yet paid for	$ 927	$ 57

See accompanying notes to the condensed interim financial statements.

1. Reporting entity:

NexJ Systems Inc. (the "Company") is incorporated in Canada with its corporate headquarters located at 4101 Yonge Street, Suite 706, Toronto, Ontario, M2P 1N6.

The Company is a provider of private cloud-based enterprise customer relationship management solutions primarily for the financial services, insurance and healthcare industries.

2. Basis of preparation:

(a) Statement of compliance:

These condensed interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB") and using the accounting policies the Company expects to adopt in its annual financial statements as at and for the year ending December 31, 2011. These condensed interim financial statements should be read in conjunction with the Company's 2010 annual financial statements prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and in conjunction with the Company's first condensed interim financial statements for the three month period ended March 31, 2011 prepared in accordance with IFRS. Note 3 of the condensed interim financial statements for the three month period ended March 31, 2011, previously issued and filed with securities commissions on June 14, 2011, describes the significant accounting policies adopted by the Company under IFRS. Certain comparative figures have been reclassified to conform to the current period's presentation.

The significant accounting policies as disclosed in the Company's condensed interim financial statements for the three month period ended March 31, 2011 have been applied consistently in the preparation of these condensed interim financial statements. These condensed interim financial statements were approved for issuance by the Company's Board of Directors on August 3, 2011. Any subsequent changes to IFRS that are given effect in the Company's annual financial statements for the year ending December 31, 2011 could result in restatement of these condensed interim financial statements, including the transition adjustments recognized on change-over to IFRS.

In note 3 of these condensed interim financial statements, the Company has presented reconciliations and descriptions of the effect of the change-over from GAAP to IFRS on equity, net income (loss) and comprehensive income (loss).

2. Basis of preparation (continued):

(b) Basis of measurement:

These condensed interim financial statements have been prepared mainly under the historical cost basis. Other measurement bases used are described in the applicable notes.

Presentation of the condensed interim statements of financial position differentiates between current and non-current assets and liabilities. The condensed interim statements of comprehensive income are presented using the function classification for expenses.

(c) Functional and presentation currency:

The condensed interim financial statements are presented in Canadian dollars, which is the Company's functional currency. All financial information presented in Canadian dollars (except per share amounts) has been rounded to the nearest thousand.

(d) Use of estimates and judgments:

The preparation of the condensed interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from those estimates.

Key areas of estimation and judgment, where management has made difficult, complex or subjective judgments, often as a result of matters that are inherently uncertain, include the valuation of accounts receivable, estimation of useful lives of property and equipment, valuation of investment tax credits receivable, inputs used in the computation of share-based payment expense, including volatility and expected lives of the awards, and valuation of common shares of the Company for various capital transactions prior to the Company's shares becoming publicly traded. In its determination of the amount and timing of revenue to be recognized, management relies on assumptions and estimates supporting its revenue recognition policy. Estimates of the percentage of completion for customer projects are based upon current actual and forecasted information and related contractual terms.

(Expressed in thousands of Canadian dollars, except per share amounts)

3. Explanation of transition to IFRS:

The Company adopted IFRS on January 1, 2011. The Company applied IFRS retroactively to comparative data as of January 1, 2010. Refer to note 4 of the condensed interim financial statements for the three month period ended March 31, 2011, which explains the Company's transition to IFRS.

The following tables set forth, for the periods indicated, reconciliations from GAAP to IFRS, of the Company's equity, net income (loss) and comprehensive income (loss):

Reconciliation of equity:

	Note	December 31, 2010	June 30, 2010	January 1, 2010
Equity in accordance with GAAP		$ 30,530	$ 26,791	$ 5,600
Share-based payment expense - increase in deficit	(a)	(1,243)	(292)	(314)
Increase in contributed surplus	(a)	1,238	292	314
Increase in share capital	(a)	5	–	–
Equity in accordance with IFRS		$ 30,530	$ 26,791	$ 5,600

Reconciliation of net income (loss) and comprehensive income (loss) for the period:

	Note	Three month period ended June 30, 2010	Six month period ended June 30, 2010	Year ended December 31, 2010
Net income (loss) and comprehensive income (loss) in accordance with GAAP		$ 736	$ (814)	$ (626)
Share-based payment expense	(a)	(206)	(292)	(1,243)
Net income (loss) and comprehensive income (loss) in accordance with IFRS		$ 530	$ (1,106)	$ (1,869)

3. Explanation of transition to IFRS (continued):

(a) Transitional adjustment:

Share-based payment transactions:

Under GAAP, each grant was treated as a single composite arrangement and compensation expense was determined at the time of grant and amortized over the vesting period, generally four years, on a straight-line basis. In addition, under GAAP, the Company used the minimum value method, as was permissible prior to becoming a publicly accountable enterprise, to measure the share-based payment expense for awards to employees and accounted for forfeitures as they occurred. IFRS requires a separate calculation of compensation expense for awards that vest in instalments. Under IFRS, compensation expense differs from GAAP based on the changing fair values used for each instalment and the timing of recognizing compensation expense. Generally, this results in accelerated expense recognition under IFRS. In addition, under IFRS, the Company is required to include expected volatility of the underlying shares in the calculation of grant date fair values as well as an estimated forfeiture rate as part of the computation of the share-based payment expense. Since the Company was operating as a private company and the shares were not traded, an implied volatility was calculated based on actual experience of similar companies with traded equity instruments. The Company applied an implied weighted average annual volatility of 36.45% to account for the transition adjustment as at January 1, 2010. On the transition date to IFRS, the Company recognized additional compensation expense of $314, which increased the deficit with a corresponding increase to contributed surplus. Total equity was not affected. The Company applied an implied weighted average annual volatility of 48.15% for the year ended December 31, 2010. As a result, under IFRS as compared to GAAP, stock-based compensation expense for the year ended December 31, 2010 increased by $1,243 (three and six month periods ended June 30, 2010 - $206 and $292, respectively).

4. Shareholders' equity:

(a) Share capital:

(i) On March 28, 2011, in preparation of its initial public offering ("IPO"), the Company entered into loan and share pledge agreements with certain employees and officers ("Exercise Persons") in order to reduce the amount of the Company's outstanding option pool. The participating employees were given an interest-free share purchase loan to exercise all of their options as of March 28, 2011, which were originally scheduled to vest on or prior to December 31, 2011. The Company provided $3,745 in share purchase loans to facilitate the issuance of 970,898 common shares as a result of the acceleration involving the exercise of the applicable employee stock options. On May 2, 2011, as part of the March 28, 2011 agreements, the Company provided an additional $97 in share purchase loans to facilitate the issuance of 28,123 common shares as a result of the acceleration involving the exercise of the applicable employee stock options. These shares acquired upon exercise of the employee stock options are pledged as security against the share purchase loans and are held as security by the Company until such time as the individual loans are repaid. The share purchase loans are immediately due and payable to the Company upon the sale of the common shares or upon the termination of employment, subject to certain conditions being met. Despite their legal form, the share purchase loans are accounted for similar to the grant of a stock option under IFRS. As such, for accounting purposes, the common shares issued and the share purchase loans granted under the loan and share pledge agreements are not recognized as outstanding until such time as payments are received on the loan balances. At June 30, 2011, 996,209 common shares for proceeds of $3,826 were held as security by the Company with respect to the share loan and pledge agreements.

In addition, the Company and the Exercise Persons entered into non-binding retention bonus agreements, pursuant to which each Exercise Person was allocated a retention bonus in the amount of their respective share purchase loan, which could vest in a future period at the sole discretion of the Company, and may be paid in instalments over a three-year period. As of June 30, 2011, the Company has not made a decision with respect to the vesting conditions of the retention bonus, thus no expense has been recognized in the period.

4. Shareholders' equity (continued):

(ii) On May 18, 2011, the Company completed its IPO on the Toronto Stock Exchange ("TSX"). The Company issued 4,850,000 common shares from treasury at a price of $9.00 per share for gross proceeds of $43,650. The Company incurred expenses, including underwriters' fees, of $3,905 relating to the IPO, which have been included within equity as an offset to share capital.

(iii) In April 2010, the Company completed a private placement with external parties. The Company issued 3,914,000 units, being non-separable and consisting of one common share in the capital of the Company and one right, for proceeds of $22,505. The right attached to the units included a provision whereby the unitholders were entitled to an additional 0.1 common share of the Company for every unit purchased through private placement if the Company did not obtain a listing on a recognized stock exchange by May 31, 2011. Since the Company obtained a listing on TSX before the exercise date, the rights of the unitholders expired and did not result in issuance of any additional common shares. The Company incurred financing costs of $1,640 relating to this private placement, which included $349 in share-based payments relating to stock options issued to the agents of the private placement transaction.

(iv) In February 2010, the Company completed a round of financing involving employees of the Company. The Company issued 212,573 common shares at $3.50 per share to employees for proceeds of $744.

(b) Share-based payment transactions:

(i) On April 21, 2011, the Board of Directors approved an amended stock option plan (the "2011 Option Plan"), effective upon closing of the IPO. All options granted under the previous option plan and all new options granted under the 2011 Option Plan are now governed by the 2011 Option Plan. The 2011 Option Plan reduces the contractual life of the options to 7 years for new options issued and mandates that the maximum aggregate number of outstanding options shall not exceed 10% of the outstanding common shares at the relevant grant date.

4. Shareholders' equity (continued):

(ii) The total share-based payment expense and the amount credited to contributed surplus, including the adjustments relating to the acceleration of the employee stock options, as discussed below, for the three and six month periods ended June 30, 2011 was $340 and $1,294 (2010 - $227 and $329), respectively.

(iii) The Company accelerated the vesting of certain employee stock options enabling them to be exercised as of March 28, 2011 and May 2, 2011, respectively. As a result, the Company recorded additional share-based payment expense of $13 and $343 for the three and six month periods ended June 30, 2011, respectively.

The following table outlines the stock option activity for the six month periods ended June 30, 2011 and 2010:

	2011		2010	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
	(000s)		(000s)	
Outstanding, beginning of period	2,174	$ 4.60	783	$ 2.65
Granted	235	8.93	1,137	5.51
Exercised	(1,007)	3.84	(4)	2.50
Cancelled	(58)	5.79	(19)	3.28
Outstanding, end of period	1,344	5.88	1,897	4.36
Exercisable	94	3.46	453	2.56

4. Shareholders' equity (continued):

At June 30, 2011, the following table provides the outstanding options at their respective exercise prices and the related weighted average remaining contractual life:

Exercise price	Number outstanding	Weighted average remaining contractual life
	(000s)	(years)
$2.50	82	6.84
3.50	156	8.26
5.75	637	8.93
6.00	240	9.47
8.25	21	6.96
9.00	208	6.88
	1,344	8.47

5. Financial instruments and capital management:

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of these risks as at June 30, 2011:

(a) Credit risk:

Credit risk represents the financial loss that the Company would experience if a counterparty to a financial instrument failed to meet its obligations in accordance with the terms and conditions of its contracts with the Company.

The Company's credit risk is primarily attributable to its accounts receivable. The Company reviews the components of this account on a regular basis to evaluate and monitor this risk. The Company's customers are generally large financially established organizations which limits the credit risk relating to the customers. In addition, credit reviews by the Company take into account the counterparty's financial position, past experience and other factors.

(Expressed in thousands of Canadian dollars, except per share amounts)

5. Financial instruments and capital management (continued):

The following table summarizes the number of customers that individually comprise greater than 10% of total revenue or total accounts receivable and their aggregate percentage of the Company's total revenue and accounts receivable:

	Revenue	
	Number of customers	% of total
Three month period ended June 30, 2011	3	84
Three month period ended June 30, 2010	3	94
Six month period ended June 30, 2011	2	76
Six month period ended June 30, 2010	3	93

	Accounts receivable	
	Number of customers	% of total
As at June 30, 2011	2	76
As at December 31, 2010	2	84

(b) Liquidity risk:

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company's growth is financed through a combination of the cash flows from operations and the issuance of equity. One of management's primary goals is to manage liquidity risk by continuously monitoring actual and projected cash flows to ensure that the Company has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of the Company's financial liabilities is accounts payable and accrued liabilities. During the quarter ended June 30, 2011, the Company completed its IPO on the TSX and issued 4,850,000 common shares for gross proceeds of $43,650. Given the Company's available liquid resources as compared to its liabilities, management assesses the Company's liquidity risk to be low.

5. Financial instruments and capital management (continued):

(c) Foreign exchange risk:

The Company transacts business in multiple currencies, the most significant of which is the U.S. dollar. Currently, the Company does not enter into foreign exchange contracts to manage this exposure, but may do so in the future. The Company has an unused foreign exchange credit line in the amount of $500. The Company has foreign currency exposure with respect to items denominated in foreign currencies, most notably accounts receivable and cash and cash equivalents. During the three and six month periods ended June 30, 2011, the Company recorded a foreign exchange loss of $110 and $625 (2010 - gain of $317 and $245), respectively.

If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately $2,525 due to the fluctuation and this would be recorded in the statements of comprehensive loss.

(d) Interest rate risk:

Interest rate risk arises because of the fluctuation in interest rates. The Company is subject to interest rate risk on its obligations under capital leases. The impact of change in interest rates would not be material.

5. Financial instruments and capital management (continued):

(e) Capital management:

The Company defines capital that it manages as the aggregate of its shareholders' equity, which comprises issued capital, contributed surplus and deficit.

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its growth strategy, fund research and development to enhance existing product offerings as well as develop new ones, undertake selective acquisitions and provide sufficient resources to meet day-to-day operating requirements, while at the same time taking a conservative approach towards financial leverage and management of financial risk. In managing its capital structure, the Company takes into consideration various factors, including the growth of its business and related infrastructure and the up-front cost of taking on new customers. The Company's officers and senior management are responsible for managing the Company's capital and do so through quarterly meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process. The Company manages its capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the cash flows from operations and equity balance.

The Company does not have any externally imposed capital requirements.

6. Related party transactions:

The Company's Chief Executive Officer is a director of Canadian Association for People-Centred Health ("CAPCH"), a not-for-profit organization, and is actively involved in planning, directing and controlling the activities of CAPCH. During the three and six month periods ended June 30, 2011, the Company expensed cash contributions of $9 and $18 (2010 - $48 and $88), respectively, which is included in sales and marketing expenses to support the activities of CAPCH.

(Expressed in thousands of Canadian dollars, except per share amounts)

7. Net income (loss) per share:

The following table sets forth the calculation of basic and diluted net income (loss) per share:

	Three month periods ended June 30, 2011	Three month periods ended June 30, 2010	Six month periods ended June 30, 2011	Six month periods ended June 30, 2010
Numerator:				
Net income (loss)	$ (1,453)	$ 530	$ (3,879)	$ (1,106)
Denominator:				
Weighted average number of shares:				
Basic	17,053	14,058	15,887	12,079
Effect of dilutive securities	–	685	–	–
Diluted	17,053	14,743	15,887	12,079
Net income (loss) per share:				
Basic	$ (0.08)	$ 0.04	$ (0.24)	$ (0.09)
Diluted	(0.08)	0.04	(0.24)	(0.09)

During the three and six month periods ended June 30, 2011, there were 2,654 and 2,593 (2010 - nil and 3,376), respectively, weighted average outstanding stock options excluded from the computation of diluted loss per share as they were anti-dilutive.

8. Segment reporting:

The Company is organized and operates as one operating segment for purposes of making operating decisions and assessing performance. The chief operating decision makers evaluate performance, make operating decisions, and allocate resources based on financial data consistent with the presentation in these condensed interim financial statements.

(Expressed in thousands of Canadian dollars, except per share amounts)

8. Segment reporting (continued):

The following information provides the required enterprise-wide disclosures:

The Company's revenue by geographic areas is as follows:

	Three month periods ended June 30, 2011	Three month periods ended June 30, 2010	Six month periods ended June 30, 2011	Six month periods ended June 30, 2010
United States of America	$ 5,575	$ 4,089	$ 12,029	$ 6,162
Canada	1,233	1,347	2,424	1,853
Europe	890	–	990	–
	$ 7,698	$ 5,436	$ 15,443	$ 8,015

All of the Company's assets are located in Canada and virtually all of the Company's expenses are incurred in Canada.

9. Contractual obligations:

During the quarter ended June 30, 2011, the Company entered into an amended lease agreement with its landlord for additional office space to be assumed in 2011 through an operating lease. The amended lease is for a period of seven years.

Total approximate future minimum annual lease payments for the leased office premises as at June 30, 2011 are as follows:

2011-12	$ 687
2012-13	1,034
2013-14	933
2014-15	1,015
2015-16	1,332
Thereafter	2,063
	$ 7,064