



VIQ Solutions Inc.

Third Quarter 2009 Management's Discussion and Analysis of
Financial Condition and Results of Operations

VIQ Solutions Inc.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three and Nine Month Periods Ended September 30, 2009

The following Management's Discussion and Analysis ("MD&A") comments on the financial condition and results of operations of VIQ Solutions Inc. ("VIQ Solutions" or the "Corporation") for the three and nine month periods ended September 30, 2009 and should be read in conjunction with the audited consolidated financial statements and Auditors' Report for fiscal 2008.

The Corporation's Interim Consolidated Financial Statements have been prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"), except for certain "Non-GAAP Measures" described in this MD&A. The unaudited Interim Consolidated Financial Statements and this MD&A were reviewed by the Corporation's Audit Committee and approved by the Corporation's Board of Directors.

Unless the context otherwise requires, all references to "VIQ Solutions", "Corporation", "our", "us", and "we" refers to VIQ Solutions Inc. and its subsidiaries. Additional information regarding the Corporation is available on SEDAR at www.sedar.com. This MD&A is dated November 25, 2009. All amounts herein are presented in Canadian dollars, unless otherwise stated.

OVERVIEW

We develop software and provide solutions that capture, digitize, compress and store audio and video from a variety of sources, including microphones, telephones and hand-held recorders. Our software can be used to securely manage the flow of voice files over virtually any computer network, including the Internet. The Corporation supplies, through a network of integrators, channel partners and direct sales, solutions to end-users including courthouses, legislative assemblies and quasi-judicial agencies. NetScribe, a sophisticated web-based workflow management switch, provides anywhere-anytime transcription workflow capabilities worldwide.

We also provide recording and transcription services directly or by contracting to various suppliers around the world to a variety of clients including medical facilities, courtrooms, legislative assemblies, hearing rooms, inquiries and quasi-judicial clients in numerous countries including Canada, the United States, the United Kingdom, Australia, South Africa and Denmark.

OUTLOOK AND STRATEGY

This "Outlook and Strategy" section contains certain forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. Please refer to the section "Forward-looking Statements".

Market Trends

We are well positioned to capitalize on the potential growth and heightened interest in our software solutions globally. During 2009, and for the next several years, we anticipate that we will benefit from a series of market trends including: (i) the transition in the courts from analog audio recording systems to digital recording systems; (ii) the end of life cycle for most analog audio recording devices; (iii) the increasing market demand for digital recording in various market verticals including the medical, insurance, law enforcement, military and transportation industries; and (iv) the need to manage large volumes of digital data with simple-to-use but sophisticated workflow technologies. We anticipate that these trends will continue to intensify in the future, allowing the benefits of digital records to be further demonstrated through a variety of solutions and applications. Accordingly, we intend to grow by acquiring new customers and expanding the service offering that we currently provide to our existing customers.

Focus on Research and Development

Our development team continues to produce significant new product offerings to complement our full spectrum of solutions from entry to enterprise level. Globally, we are seeing a demand for large-scale integrated justice projects which capture, manage and store digital records. With this in mind, we have expanded our offerings to integrate with

scalable storage systems and provide sophisticated file management capabilities for searching and retrieving recordings and associated documents. Several leading edge data storage subsystems can now be configured to interface with our products. Our Encompass Suite has been designed to accommodate a multi-tiered architecture capable of managing world-wide audio/video acquisition and workflow processes including redundancy and disaster-recovery scenarios. Our multi-tiered architecture provides automatic real-time synchronization of all nodes to middle-tier servers which in turn auto-synchronize with a central-tier data center providing instantaneous redundant file storage. We believe that these product capabilities will allow us to service existing markets as well as penetrate evolving markets that require easy to use digital recording with sophisticated back-office requirements, including the management and storage of mission-critical data.

Our solutions continue to be integrated with our NetScribe product which delivers secure anywhere-anytime exchange of files for transcription. Our NetScribe solution has been designed to accommodate easy-to-use, entry-level solutions to sophisticated, full-featured back-office workflow systems. This solution set allows the customer to adopt the level of sophistication suitable to their needs and maintain that investment while growing into more sophisticated requirements.

Expanding Our Partner Networks

We are working to develop new partnerships and expand existing partnerships among large system integrators and strategic entry point partners. These partners have geographic and technical presence in the market and accelerate our ability to attain and keep new contracts. As these relationships flourish, they should result in valuable and long-term recurring revenues for the Corporation.

Our clients, dealers and resellers continue to provide valuable input to the design and feature-set being delivered in our solutions. Our service businesses continue to play an important strategic role in guiding the Corporation, providing first hand knowledge and experience of the changes in the court reporting and transcription market and the evolving needs of our customers. Both of our subsidiaries, Spark & Cannon Australasia Pty Limited (“Spark & Cannon”) and International Reporting Inc. (“International Reporting”), are continually adopting our new technology into their business processes and provide valuable feedback to our development team.

FINANCIAL HIGHLIGHTS

Summary Financial Analysis
(in thousands of dollars, except per share amounts)

	Three Months Ended Sept. 30			Nine Months Ended Sept. 30		
	2009	2008	% Change	2009	2008	% Change
Consolidated Statement of Operations						
Computer Products and Services	404	498	(19%)	1,512	1,275	19%
Transcription and Recording Services	2,437	2,262	8%	6,953	7,602	(9%)
Revenue	2,841	2,760	3%	8,465	8,877	(5%)
Gross Profit	1,081	1,078	0.0%	3,450	3,498	(1%)
% of Revenue	38%	39%		41%	39%	
Selling and Administrative Expenses	1,220	1,095	11%	3,442	3,366	2%
Research and Development	136	117	16%	392	347	13%
Net Income (Loss)	(449)	(332)	(35%)	(649)	(565)	(15%)
Net Income (Loss) per Share	(0.00)	(0.00)	0.0%	(0.01)	(0.01)	0.0%
Consolidated Statement of Cash Flows						
Cash From (Used in) Operating Activities	87	(413)	121%	155	(735)	121%
Other Measures						
EBITDA ¹	(348)	(236)	(47%)	(364)	(223)	(63%)

OPERATING RESULTS

Revenue was \$2.8 million and \$8.5 million for the three and nine month periods ended September 30, 2009 as compared to \$2.8 million and \$8.9 million for the three and nine month periods ended September 30, 2008, remaining unchanged for the three month period and representing a decrease in revenue of \$0.4 million or 5% for the nine month period. The decrease in revenue for the nine month period ended September 30, 2009 as compared to the previous year is primarily due to a decrease in revenue from our transcription businesses partially offset by an increase in revenue of our computer products and services business unit.

The following table provides a breakdown of our revenues for the reported period:

(\$000s)	Three months ended Sept. 30		Nine months ended Sept. 30	
	2009	2008	2009	2008
Transcription services	\$ 2,437	\$ 2,262	\$ 6,953	\$ 7,602
Computer products and services	404	498	1,512	1,275
Total Sales	\$ 2,841	\$ 2,760	\$ 8,465	\$ 8,877

¹ EBITDA is a Non-GAAP measure. Please refer to the section entitled "Non GAAP Measures" of this MD&A.

Revenue from computer products and services included revenue from the sale of our software and hardware products, NetScribe services and our service support and maintenance agreements. Revenue from this business unit for the nine months ended September 30, 2009 has improved from the previous year, despite the weak market and reduced government spending in the United States, due to the recent interest in our products globally. Revenue was down slightly in the third quarter as compared to the previous quarter as the project team focused on the installation of VIQ products purchased in the previous quarter as part of the first stage of our of our multi-year digital audio recording and storage project in the United Kingdom with Atos Origin and Logica. We anticipate that the revenue from computer products and services will resume its growth for the balance of 2009 due to the increase in market activity and the continued rollout of the United Kingdom project with Atos Origin and Logica. We expect that our enterprise Encompass suite will continue to represent an increasing portion of our revenue for the balance of 2009 and into 2010 as we continue to leverage our existing relationships with system integrators.

Revenue from our transcription and recording services decreased by 9% for the nine month period ended September 30, 2009 as compared to the same period in 2008 primarily due to the to the discontinuance of a large contract in Western Australia in 2008 and a lower average exchange rate for the period. Revenue from our transcription and recording services increased by 8% for the three months ended September 30, 2009 as compared to the previous year as Spark & Cannon starts to take on more work from new and existing customers. We anticipate that transcription revenue will remain steady for the balance of 2009.

Gross profit for the three and nine month periods ended September 30, 2009 was \$1.1 million and \$3.5 million unchanged from the previous year.

The following table provides a breakdown of our gross profit for the reported periods:

(\$000s)	Three months ended Sept. 30		Nine months ended Sept. 30	
	2009	2008	2009	2008
Transcription services	\$ 727	\$ 625	\$ 2,152	\$ 2,343
Computer products and services	354	453	1,298	1,155
	\$ 1,081	\$ 1,078	\$ 3,450	\$ 3,498

The following table provides a breakdown of our gross margin for the reported periods:

	Three months ended Sept. 30		Nine months ended Sept. 30	
	2009	2008	2009	2008
Transcription services	30%	28%	31%	31%
Computer products and services	88%	91%	86%	91%
	38%	39%	41%	39%

Gross margin from computer products and services was 88% and 86% for the three and nine month periods ended September 30, 2009 as compared to 91% for the same periods in 2008. The variation in the gross margin can be attributed primarily to a change in our revenue mix from the sale of our software products and services and our hardware products which typically have significantly lower profit margins. We are anticipating that our gross margins for our computer products and services will remain at these historical levels in the upcoming quarters as we continue to sell a mix of computer software and hardware products and services.

Gross margin from our transcription and court reporting services was 30% and 31% for the three and nine month periods ended September 30, 2009 as compared to 28% and 31% respectively for the three and nine month periods ended September 30, 2008. The increase in gross margin in the third quarter of 2009 can be attributed primarily to a change in the mix to include higher margin contracts in Spark and Cannon. We anticipate that our gross margin for the transcription business will remain steady in subsequent quarters.

Selling and administrative expenses were \$1.2 million and \$3.4 million for the three and nine month periods ended September 30, 2009, as compared to \$1.1 million and \$3.4 million for the same periods in 2008 increasing slightly as we invest in new digital recording market opportunities that have arisen in 2009. We anticipate that selling and administrative expenses will remain stable or increase slightly as we grow our revenue.

Included in selling and administrative expenses was stock-based compensation of \$53,945 and \$163,720 for the three and nine month periods ended September 30, 2009 as compared to \$58,774 and \$157,894 for the same periods in 2008.

Research and development expenses were \$136,048 and \$391,633 for the three and nine month periods ended September 30, 2009 as compared to \$116,644 and \$347,460 for the three and nine month periods of the previous year, representing an increase of \$19,404 and \$44,173 respectively due to an increase in resources allocated to the continued development of our software product suite. We anticipate that our research and development expenses will remain constant or grow slightly as we continue to invest in existing and new product and services.

EBITDA loss was \$348,079 for the three month period ended September 30, 2009 as compared to \$236,015 for the three month period ended September 30, 2008. EBITDA loss for the nine month period ended September 30, 2009 was \$363,695 as compared to EBITDA loss of \$223,332 for the nine month period ended September 30, 2008.

Our net loss for the three month period ended September 30, 2009 was \$448,896 as compared to \$332,068 for the same period in 2008. Our net loss for the nine month period ended September 30, 2009 was \$648,696 as compared to a net loss of \$564,822 for the same period in 2008.

Net loss per common share for the three and nine month periods ended September 30, 2009 was \$0.00 remaining unchanged from the same periods in 2008. Options granted under our stock option plan and outstanding warrants have not been included in the calculation of the diluted loss per share for the three and nine month periods ended September 30, 2009 and September 30, 2008 as the effect would be anti-dilutive.

The weighted average number of common shares used in calculating the earnings per share was 82,876,085 and 82,495,650 for the three month periods ended September 30, 2009 and 2008 respectively. The number of common shares outstanding as at September 30, 2009 was 82,876,085 (September 30, 2008 – 82,876,085). The total number of common shares outstanding as of the date of this MD&A was 82,876,085.

Stock options outstanding as at September 30, 2009 were 7,253,250 (September 30, 2008 – 6,901,750), of which 5,976,409 were exercisable (September 30, 2008 - 5,489,662). Warrants outstanding at September 30, 2009 were 2,464,665 (September 30, 2008 – 2,589,665).

QUARTERLY RESULTS OF OPERATIONS

The following table highlights selected financial information for the eight consecutive quarters ended September 30, 2009. This information was obtained from our quarterly unaudited financial statements, which have been prepared in accordance with Canadian GAAP. We expect our operating results to vary significantly from quarter to quarter and they should not be relied upon to predict future performance.

	(000s of dollars – except per share amounts)							
	2009			2008				2007
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Revenue	\$2,841	\$3,078	\$2,546	\$3,059	\$2,760	\$3,283	\$2,835	\$2,820
Gross Profit	1,081	1,367	1,001	1,556	1,077	1,378	1,041	1,007
Selling and Administrative Expenses	\$1,220	\$1,159	\$1,063	\$1,098	\$1,095	\$1,159	\$1,108	\$1,142
Net Income (Loss)	(449)	37	(237)	282	(332)	20	(253)	(356)
Net Loss per Share (Basic and Fully Diluted)	(\$0.00)	\$0.00	(\$0.00)	\$0.00	(\$0.00)	\$0.00	(\$0.00)	(\$0.005)

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2009, the Corporation had \$819,046 of cash (September 30, 2008 - \$782,225). Cash flows from operating activities was \$86,570 and \$154,578 for the three and nine month periods ended September 30, 2009 as compared to a cash outflow of \$413,197 and \$735,041 for the three and nine month periods ended September 30, 2008 primarily due to a reduction in our investment in working capital. Cash used in investing activities was \$143,189 and \$193,157 for the three and nine month periods ended September 30, 2009 as compared to \$30,444 and \$66,611 for the three and nine month periods ended September 30, 2008, primarily due to an upgrade of our New South Wales facility in order to better service our customers in that location. Cash flows used for financing activities was \$22,149 and \$115,047 for the three and nine month periods ended September 30, 2009 as compared to a cash inflow of \$106,950 and \$1,269,537 for the three and nine month periods ended September 30, 2008 as a result of the private placement and exercise of warrants in 2008.

We intend to use our funds to meet net funding requirements for the development and commercialization of our computer products and transcription services based on anticipated market demand. Our actual funding requirements will vary depending on a variety of factors, including our success in executing our business plan, the progress of our research and development efforts, our commercial sales and our ability to manage our working capital requirements. We believe that our existing cash balances and cash generated from operations will be sufficient to meet our anticipated cash needs for working capital and capital expenditures for the foreseeable future.

The following table provides information about the Corporation's non-cash working capital items:

As at September 30, (in thousands of dollars)	2009	2008	Change		Commentary
			\$	%	
Current Assets					
Accounts Receivable	1,542	1,559	(17)	(1%)	Unchanged.
Inventory	24	25	(1)	(4%)	Inventory remained within normal historical levels.
Current Liabilities					
Accounts Payable and accrued liabilities	1,722	1,349	373	28%	Increased trade payables in third quarter due to increased selling expenses incurred in the quarter.
Deferred revenue and deferred lease incentives	269	276	(7)	(3%)	Decreased due to the continued amortization of the deferred lease incentives.

The following table provides information about the Corporation's total assets and total long-term debt as at September 30 for the last three fiscal years.

As at September 30 (\$000s)	2009	2008	2007
Total assets	\$ 5,908	\$ 5,671	\$ 5,304
Total long-term debt	\$ 547	\$ 543	\$ 1,568

Financial Instruments

Fair Values

The estimated fair values of cash, receivables, restricted cash, short-term debt and payables and accruals approximate their carrying values due to the relatively short-term nature of the instruments and/or floating interest rates on the instruments. The estimated fair values of long-term debt and obligations under capital lease also approximate carrying values due to the fact that effective interest rates are not significantly different from market rates.

Liquidity

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they become due. The Corporation's approach in managing liquidity is to ensure, to the extent possible, that it will have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, by continuously monitoring actual and budgeted cash flows.

The Corporation has sustained losses over the last number of years and has financed these losses mainly through a combination of equity and debt offerings. At September 30, 2009, we had approximately \$0.8 million in cash and had contractual obligations relating to accounts payable and accrued liabilities, obligations under capital leases and long-term debt of which a substantial portion will mature in the next year. Management believes that it has raised sufficient cash during the period to meet all of its contractual debt that is coming due in the current year and has the ability to fund any operating losses that may occur in the upcoming year. There are, however, a number of uncertainties related to the timing and use of the Corporation's cash resources and actual results may differ from expected results.

The condition of the current global economy and credit markets affects our outlook as our products depend, to some degree, on general world economic conditions and activity. If the current condition of the economy results in a sustained broad economic recession, governments may be forced to support industry and social programs in an unprecedented way. This, in turn, may limit the number of infrastructure projects that they invest in. As of the date of this MD&A, we are not aware of any decline in market activity from governments in connection with the operation and continued upgrading of courts. We continue to monitor our operating strategy in light of these market conditions.

Credit Risk

Credit risk arises from the potential that a customer or counterparty will fail to perform its obligations. The Corporation is exposed to credit risk from its customers; however, the Corporation has a significant number of customers, minimizing the concentration of credit risk. Further, a large majority of the Corporation's customers are economically stable organizations such as government agencies or departments with whom the Corporation transacts with on a regular basis, further reducing the overall credit risk. An ongoing review is performed by management to evaluate changes in the status of counterparties.

Historically, losses under trade receivables have been insignificant. In order to minimize the risk of loss from trade receivables, the Corporation's extension of credit to customers involves review and approval by senior management and conservative credit limits for new or higher risk accounts.

The Corporation reviews its trade receivable accounts regularly and writes down these accounts to their expected realizable values, by making an allowance for doubtful receivables, as soon as the account is determined not to be

fully collectible. The allowance is charged against earnings. Shortfalls in collections are applied against this provision. Estimates for allowance for doubtful accounts are determined by a customer-by-customer evaluation of collectability at each balance sheet reporting date, taking into account the amounts that are past due and any available relevant information on the customers' liquidity and going concern issues.

Foreign Currency Risk

Foreign currency risk arises because of fluctuations in exchange rates. The Corporation conducts a significant portion of its business activities in foreign currencies, primarily the U.S. and Australian dollars and Great Britain pounds with a large portion of the Corporation's sales and operating costs being realized in these foreign currencies. Monetary assets and liabilities that are denominated in foreign currencies will be affected by changes in the exchange rate between the Canadian dollar and these foreign currencies. The Corporation's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by transacting, to the greatest extent possible, with third parties in Canadian, United States and Australian dollars.

The Corporation's Australian subsidiary is a self-sustaining entity and accordingly creates an economic hedge as the majority of revenue and expenses for this entity are transacted in Australian dollars. The Corporation's computer products and services operations are exposed to exchange rate changes in the U.S. dollar relative to the Canadian dollar since a substantial portion of this division's sales are denominated in U.S. dollars with most of the related expenses payable in Canadian dollars. Similarly, the Corporation's computer products and services operations are exposed to exchange rate changes in the UK pound relative to the Canadian dollar since a portion of this division's sales are denominated in UK pounds with most of the related expenses payable in Canadian dollars.

The Corporation does not currently use foreign exchange contracts to hedge its exposure of its foreign currencies cash flows as management has determined that this risk is not significant at this point in time.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. The Corporation's interest rate risk is primarily related to the Corporation's interest bearing debts on its balance sheet. A significant portion of the Corporation's short-term and long-term debt has fixed interest rates, thereby minimizing the Corporation's exposure to cash flow interest rate risk.

Capital Management

The Corporation's objective in managing capital is to ensure sufficient liquidity to pursue its organic growth strategy, fund research and development and undertake selective acquisitions, while at the same time taking a conservative approach toward financial leverage and management of financial risk.

The Corporation's capital is composed of total shareholders' equity. The Corporation's primary uses of capital are to finance operating losses, capital expenditures and increases in non-cash working capital. The Corporation currently funds these requirements from internally generated cash flows and cash raised through past share issuances and long-term debt as required. The Corporation's objectives when managing capital are to ensure that the Corporation will continue to have enough liquidity so it can provide its products and services to its customers and returns to its shareholders.

The Corporation monitors its capital on the basis of the adequacy of its cash resources to fund its business plan. In order to maximize flexibility to finance the Corporation's ongoing growth, the Corporation does not currently pay a dividend to holders of its common shares.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

General

The preparation of the Interim Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of

contingent assets and liabilities. These estimates and assumptions are based upon management's historical experience and are believed by management to be reasonable under the circumstances. Such estimates and assumptions are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ significantly from these estimates. The Corporation's critical accounting policies have been reviewed and discussed with the Corporation's Audit Committee.

Going Concern Assumption

The Interim Consolidated Financial Statements have been prepared on the basis of accounting principles applicable to a "going concern", which assumes that the Corporation will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of its operations. VIQ Solutions has incurred operating losses during the current and prior year.

Historically, management has consistently been able to raise sufficient funds to finance its operations, and raised capital in 2008 in the amount of \$2,548,800 through a private placement and the exercise of warrants. The Corporation's ability to continue as a going concern is dependent on its ability to achieve and maintain profitable operations and to obtain future financing.

Use of Estimates

In preparing the Corporation's Consolidated Financial Statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and reported amounts of revenue and expenses. Actual results could differ from these estimates.

Significant estimates made by the Corporation include the determination of the fair value of goodwill, the useful lives of property and equipment and other assets for amortization purposes, amounts recorded as accrued liabilities, valuation of stock-based payments, valuation allowance for future tax assets, impairment testing of goodwill and the fair values of financial instruments.

Goodwill

Goodwill has been recorded as a result of our acquisitions of Spark & Cannon and International Reporting. Goodwill is tested for impairment annually or more frequently if events and circumstances indicate that the asset might be impaired. We have selected our fourth quarter as our annual testing period for goodwill. Impairment of goodwill is tested at the business unit level by comparing the business unit's carrying amount, including goodwill, to the fair value of the business unit. The fair values of the business units are estimated using a combination of the discounted cash flow and capitalized earnings before interest, taxes, depreciation and amortization approaches. To determine the fair value using the discounted cash flow approach, we use estimates that include: (i) revenue; (ii) expected growth rates; (iii) costs; and (iv) appropriate discount rates. Significant management judgment is required in forecasting future operating results. Should different conditions exist, material impairments of goodwill could occur. The market approach, which utilizes comparable companies' data, is also used to a lesser extent due to the unique niche markets in which we operate.

Adoption of New Accounting Policies

The Corporation has adopted the following change to its accounting policies:

Goodwill and Intangibles

CICA Handbook Section 3064, Goodwill and Intangible Assets, replaces Section 3062 and establishes standards for the recognition, measurement, and disclosure of goodwill and intangible assets to converge with international financial reporting. This standard is effective for the Corporation for interim and annual financial statements beginning on January 1, 2009. The adoption of this policy has not had an impact on its financial statements.

The following change will be adopted in the future:

International Financial Reporting Standards

In February 2008, the Accounting Standards Board (“AcSB”) confirmed that Canadian GAAP for publicly accountable enterprises will be converged with International Financial Reporting Standards (“IFRS”) effective in calendar year 2011, with early adoption allowed starting in calendar year 2009. The conversion to IFRS will be required, for the Corporation, for interim and annual financial statements beginning on January 1, 2011. IFRS uses a conceptual framework similar to Canadian GAAP, but there are significant differences on recognition, measurement and disclosures.

Several IFRS standards are in the process of being amended by the IASB. Amendments to existing standards are expected to continue until January 1, 2011, the date of transition. We are monitoring the International Accounting Standards Board’s schedule of projects, giving consideration to any proposed changes, which would impact our assessment of the differences between IFRS and Canadian GAAP.

The Corporation is in the process of developing its IFRS changeover plan to address the impact of IFRS on its business and allow the Corporation the time to develop and implement those actions necessary to ensure the adoption of IFRS standards for interim and annual consolidated financial statements on or after January 1, 2011.

Our plan will incorporate six significant items being: (i) accounting policies, including choices among policies permitted under IFRS, and implementation decisions such as whether certain changes will be applied on a retrospective or a prospective basis; (ii) information technology and data systems; (iii) internal control over financial reporting; (iv) disclosure controls and procedures, including investor relations and external communication plans; (v) financial reporting expertise, including training requirements; and (vi) business activities that may be influenced by Canadian GAAP measures such as debt covenants, capital requirements and compensation arrangements.

Our approach to the conversion process is to focus on those areas where the greatest effort is needed, prioritizing the conversion plan according to the time expected to be required to assess and convert the Consolidated Financial Statements to be compliant with IFRS.

In the upcoming months, we will complete a high level diagnostic outlining the significant differences between Canadian GAAP and IFRS, rating each financial statement component based on its significance to the conversion project based on technical accounting complexity, availability of policy choices and general industry standards.

RELATED PARTY TRANSACTIONS

The following related party transaction occurred during the three month period ended September 30, 2009:

- The unsecured amount owed to the vendors of International Reporting included loans from certain senior officers and employees of International Reporting. During the three month period ended September 30, 2009, no interest (2008 - \$nil) was paid in connection with the unsecured loans.

SUBSEQUENT EVENTS

Subsequent to the period, the Corporation refinanced the short term debt of \$500,000 with a two year secured bridge loan with a face value of \$500,000 bearing interest at a rate of 10% per annum, payable annually and the issuance of 625,000 warrants. The loan is repayable on the two-year anniversary, being October 2011. The loan is secured by a general security agreement covering all assets of the Corporation.

INTERNAL CONTROLS OVER FINANCIAL REPORTING AND DISCLOSURE CONTROLS AND PROCEDURES

As a venture issuer, the Corporation is not required to certify the design and evaluation of internal controls over financial reporting (“ICFR”) and disclosure controls and procedures (“DC&P”). As part of our corporate governance practices, ICFR and DC&P have been designed. There has been no formal evaluation of the operation of these controls and inherent limitations on the ability of the certifying officers to design and implement on a cost effective basis ICFR and DC&P may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filing and other reports provided under securities legislation.

The Corporation has designed its ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian GAAP. During the review of the design of ICFR it was noted that, due to the limited number of staff at the Corporation, it is not feasible to achieve complete segregation of incompatible duties. However, other compensating ICFR have been designed which provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements. Management and the board of directors work to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

The Corporation’s DC&P have been designed to ensure that information required to be disclosed by VIQ Solutions is accumulated and communicated to the Corporation’s management as appropriate to allow timely decisions regarding required disclosure. It should be noted that while the Corporation's Chief Executive Officer and Chief Financial Officer believe that the Corporation's DC&P provide a reasonable level of assurance that they are effective, they do not expect that the DC&P or ICFR will prevent all errors or fraud. There have been no material changes to the internal controls of the Corporation in the three month period ended September 30, 2009.

NON-GAAP MEASURES

Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) is a non-GAAP measure used by management to provide additional insight into our performance and financial condition. We believe that this measure is an important part of the financial reporting process and is useful in communicating information that complements and supplements the consolidated financial statements. Accordingly, we are presenting EBITDA in this MD&A to enhance the usefulness of our MD&A. In accordance with Canadian Securities Administration Staff Notice 52-306, we have provided a reconciliation of EBITDA to the most directly comparable Canadian GAAP number, disclosure of the purpose of the non-GAAP measure, and how the non-GAAP measure is used in managing the business.

We report EBITDA because it is a key measure used by management to evaluate performance of our business units and the Corporation. EBITDA is a measure commonly reported and widely used by investors as an indicator of a company’s operating performance and ability to incur and service debt, and as a valuation metric. The Corporation believes EBITDA assists investors in comparing a company’s performance on a consistent basis without regard to depreciation and amortization, which are non-cash in nature and can vary significantly depending on accounting methods or non-operating factors such as historical cost.

EBITDA is not a calculation based on Canadian GAAP and should not be considered an alternative to operating income or net income in measuring the Corporation’s performance, nor should it be used as an exclusive measure of cash flow, because it does not consider the impact of working capital growth, capital expenditures, debt principal reductions and other sources and uses of cash which are disclosed in the consolidated statements of cash flows. Investors should carefully consider the specific items included in our computation of EBITDA.

The following is a reconciliation of EBITDA with the net income (loss) for the three and nine month periods ended September 30:

EBITDA (\$000s)	Three Month Period Ended Sept. 30		Nine Month Period Ended Sept. 30	
	2009	2008	2009	2008
Net Income (loss) for the period	\$ (449)	\$ (332)	\$ (649)	\$ (565)
Amortization of property and equipment	78	70	212	209
Interest expense	23	26	73	132
Income tax expense (recovery)	-	-	-	-
EBITDA	\$ (348)	\$ (236)	\$ (364)	\$ (223)

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements about our achievements, the future success of our business and technology strategies, performance, goals and other future events. Management's assessment of future plans and operations, cash flows, methods of financing and the ability to fund financial liabilities, and the timing of and impact of adoption of IFRS and other accounting policies may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, the risks identified above. As a consequence, the Corporation's actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although VIQ Solutions believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because the Corporation can give no assurance that such expectations will prove to be correct.

In addition to other factors and assumptions which may be identified in this document and other documents filed by the Corporation, assumptions have been made regarding, among other things: the impact of increasing competition; the general stability of the economic and political environment in which VIQ Solutions operates, including significant changes in demand from our customers as a result of the impact of the global economic crisis and capital markets weakness; the risk of potential non-performance by counterparties, including but not limited to, customers and suppliers, during uncertain economic conditions; our dependence on a limited number of customers; our dependence on industries affected by rapid technological change; our ability to successfully manage our operations internationally including in the United Kingdom, Australia and the United States; the challenge of managing our financial exposures to foreign currency fluctuations; our ability to obtain qualified staff and services in a timely and cost-efficient manner; our ability to obtain financing on acceptable terms including anticipated sources of funding of working capital and financial losses which may include securing credit facilities, accessing new equity, corporate acquisitions or business combinations or joint venture arrangements; the ability to secure new contracts on terms acceptable to the Corporation; the ability to successfully develop new products; the Corporation's ability to effectively register, for protection, its new and existing products in certain jurisdictions; the Corporation's ability to protect new and existing products from proprietary infringement by third parties and its ability to effectively enforce such proprietary infringements; taxes in the jurisdictions in which the Corporation operates, including Canada, the United Kingdom, Australia and the United States; and VIQ Solutions' ability to successfully market its products. Readers are cautioned that the foregoing list of factors is not exhaustive.

The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding the Corporation's fiscal 2009 financial performance and may not be appropriate for other purposes. Readers are encouraged to read the section entitled "Risk Factors" in our 2008 Annual Report for a broader discussion of the factors that could affect our future performance. Furthermore, the forward-looking statements contained in this document are made as at the date of this document and the Corporation does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.