SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2013-01-14** | Period of Report: **2012-11-30**
SEC Accession No. 0001398080-13-000004

(HTML Version on secdatabase.com)

FILER

Portlogic Systems Inc.

CIK:**1413990**| IRS No.: **202000407** | State of Incorp.:**NV** | Fiscal Year End: **0531**
Type: **10-Q** | Act: **34** | File No.: **001-34905** | Film No.: **13527768**
SIC: **7372** Prepackaged software

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

Form 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended November 30, 2012

or

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________ to ____________

Commission file number 333-151434

PORTLOGIC SYSTEMS INC.
(Exact name of registrant as specified in its charter)

NEVADA (State or other jurisdiction of incorporation or organization)	20-2000407 (I.R.S. Employer Identification No.)
100 King St. W., Suite 5700 Toronto, Ontario, Canada (Address of principal executive offices)	M5X 1K7 (Zip Code)
Registrant' s telephone number, including area code	(647) 847-8350

Securities registered under Section 12(b) of the Exchange Act: None.

Securities registered under Section 12(g) of the Exchange Act: None.
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. XYes No □
Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer," and "smaller reporting company" in Rule 12b-2 of the Exchange Act.
Large accelerated filer □
Accelerated filer □
Non-accelerated filer □ (Do not check if a smaller reporting company)
Smaller reporting company X

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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes □ No X

As of January 14, 2013, the registrant had 206,551,422 shares of common stock, par value $0.001, outstanding.

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PORTLOGIC SYSTEMS INC.

FORM 10-Q
For the six months ended November 30, 2012

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CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

Statements in this quarterly report on Form 10-Q may be "forward-looking statements". Forward-looking statements include, but are not limited to, statements that express our intentions, beliefs, expectations, strategies, predictions, or any other statements relating to our future activities or other future events or conditions. These statements are based on current expectations, estimates, and projections about our business based, in part, on assumptions made by our management. These statements are not guarantees of future performance and involve risks, uncertainties, and assumptions that are difficult to predict. Therefore, actual outcomes and results may, and probably will, differ materially from what is expressed or forecasted in the forward-looking statements due to numerous factors, including those described above and those risks discussed from time to time in this quarterly report on Form 10-Q, including the risks described under "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and in other documents we file with the Securities and Exchange Commission.

In addition, such statements could be affected by risks and uncertainties related to our financial condition, factors that affect our industry, market and customer acceptance, competition, government regulations and requirements and pricing, as well as general industry and market conditions and growth rates, and general economic conditions. Any forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this quarterly report on Form 10-Q, except as required by law.

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PART I

Item 1. Financial Statements

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

NOVEMBER 30, 2012 (UNAUDITED)

FORMING A PART OF QUARTERLY REPORT
PURSUANT TO THE SECURITIES EXCHANGE ACT OF 1934

PORTLOGIC SYSTEMS INC.
(A Development Stage Company)

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PORTLOGIC SYSTEMS INC.
(A Development Stage Company)
UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS
AS OF NOVEMBER 30, 2012 AND MAY 31, 2012
(Amounts expressed in US Dollars)

	November 30, 2012	May 31, 2012
	$	$
ASSETS		
Current		
Cash and cash equivalents	25,588	8,804
Loan receivable, net of allowance for doubtful accounts of $0 at November 30, 2012 and May 31, 2012	7,850	8,943
Accounts receivable	22,200	
Interest receivable	-	86
Prepaid expenses and deposits	6,255	6,255
	61,893	**24,088**
Long-term		
Equipment, net	710	1,106
TOTAL ASSETS	**62,603**	**25,194**
LIABILITIES		
Current		
Accounts payable and accrued liabilities	188,414	158,630
Notes payable	391,486	391,486
New loan	200,060	-
Shareholder loan	19,858	36,857
Convertible loan	7,000	7,000
	806,818	**593,973**
Commitments	**-**	**-**
STOCKHOLDERS' DEFICIENCY		
Capital stock		
Preference stock; $0.001 par value; 1,000,000 shares authorized; 0 issued and outstanding at November 30, 2012 and May 31, 2012	-	-
Common stock; $0.001 par value; 225,000,000 shares authorized; 206,551,422 issued and outstanding at November 30, 2012 and May 31, 2012	206,551	206,551
Additional paid in capital	190,749	190,749
Unamortized stock-based compensation for stockholders	(4,000)	(8,800)
Deficit accumulated during the development stage	(1,137,515)	(957,279)
	(744,215)	**(568,779)**
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	**62,603**	**25,194**

The accompanying notes form an integral part of these unaudited interim consolidated financial statements.

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PORTLOGIC SYSTEMS INC.
(A Development Stage Company)
UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED NOVEMBER 30, 2012 AND 2011, AND THE PERIOD FROM JUNE 22, 2004 (INCEPTION) TO NOVEMBER 30, 2012
(Amounts expressed in US Dollars)

	June 22, 2004 (inception) through November 30,	For the Six Months Ended November 30		For the Three Months Ended November 30	
	2012	**2012**	**2011**	**2012**	**2011**
	$	$	$	$	$
Gross Margin (Loss)					
Revenue	146,029	49,296	1,492	49,292	-
Cost of goods sold	247,425	47,428	-	47,428	-
	(101,396)	1,868	1,492	1,864	-
Leasing and consulting fees earned	23,000	-	-	-	-
	(78,396)	1,868	1,492	1,864	-
Expenses					
Selling and administrative	1,044,214	181,708	53,997	90,409	24,212
Depreciation	14,905	396	1,147	198	516
	1,059,119	182,104	55,144	90,607	24,728
Net Loss for the period	**(1,137,515)**	**(180,236)**	**(53,652)**	**(88,743)**	**(24,728)**
Net Loss per share for the period					
Basic and fully diluted		(0.0008)	(0.0008)	(0.0004)	(0.0004)
Weighted average number of shares outstanding					
Basic and fully diluted		206,551,442	68,830,474	206,551,442	68,830,474

The accompanying notes form an integral part of these unaudited interim consolidated financial statements.

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PORTLOGIC SYSTEMS INC.
(A Development Stage Company)
CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE THREE MONTHS ENDED NOVEMBER 30, 2012 AND 2011, AND THE PERIOD FROM JUNE 22, 2004 (INCEPTION) TO NOVEMBER 30, 2012
(Amounts expressed in US Dollars)

	June 22, 2004 (inception) to November 30, 2012	For the six months ended November 30, 2012	For the six months ended November 30, 2011
	$	$	$
Cash Flows from Operating Activities			
Net Loss	**(1,137,515)**	**(180,236)**	**(53,652)**
Adjustments made to reconcile net loss to net cash from operating activities			
Depreciation of equipment	14,905	396	1,147
Amortization of source code	152,000	-	-
Amortization of stock-based compensation	5,600	4,800	-
Changes in operating assets and liabilities			
Decrease (increase) in accounts and other receivables	(30,050)	(21,107)	2,114
Increase in interest receivable	-	86	-
Increase in prepaid expenses and deposits	(6,255)	-	-
Increase in accounts payable and accrued liabilities	188,414	29,784	31,271
Cash flows used in operating activities	**(812,901)**	**(166,277)**	**(19,120)**
Cash Flows from Investing Activities			
Purchase of equipment	(15,615)	-	-
Purchase of source code	(40,000)	-	-
Cash flows used in investing activities	**(55,615)**	**-**	**-**
Cash Flows from Financing Activities			
Proceeds from issuance of notes payable	391,486	-	-
Proceeds from issuance of convertible loan	7,000	-	-
Proceeds from issuance of new loan	200,060	200,060	-
Proceeds (payments) from issuance of shareholder loan	19,858	(16,999)	20,999
Proceeds from issuance of common stock	275,700	-	-
Cash flows provided by financing activities	**894,104**	**183,061**	**20,999**
Increase (decrease) in cash and cash equivalents	**25,588**	**16,784**	**1,879**
Cash and cash equivalents, beginning of period	**-**	**8,804**	**10,607**
Cash and cash equivalents, end of period	**25,588**	**25,588**	**12,486**
Supplemental Cash Flow Information			
Non-cash acquisition of source code upon issuance of common stock	112,000	-	-

The accompanying notes form an integral part of these unaudited interim consolidated financial statements.

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PORTLOGIC SYSTEMS INC.
(A Development Stage Company)
NOTES TO UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
NOVEMBER 30, 2012
(Amounts expressed in US Dollars)

NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS

Portlogic Systems Inc. ("Portlogic") was incorporated under the laws of the State of Nevada on June 22, 2004. On June 5, 2008, Portlogic filed a Form S-1 Registration Statement under the United States Securities Act of 1933. It became effective June 24, 2008.

Portlogic is a Toronto, Canada based development stage company with enterprise mobile marketing applications solutions, kiosk hardware and software products which fall into five principal product families: m2Meet, m2Bank, m2Market, m2Ticket, and m2Kiosk. Prior to January 2010. Portlogic created and licensed online interactive community portal software systems and developed a series of web-based community portal products.

On September 16, 2009, Portlogic incorporated a wholly owned subsidiary, Sunlogic Energy Corporation in Panama City, Republic of Panama for the purpose of looking at solar and alternative green energy software and products. Initial operations include: capital formation; organization; website construction; target market identification; research costs; promotional materials costs; and marketing planning. Sunlogic Energy Corporation is still incorporated as a subsidiary but its operations are on hold.

Since January 2010, Portlogic has expanded the scope of technology offerings to include marketing mobile applications solutions and kiosk hardware and software products. Portlogic' s product offering now include enterprise software solutions which fall into six principal product families: m2Meet, m2Bank, m2Market, m2Ticket, m2Kiosk, and m2Workflow.

On June 18, 2012, Portlogic incorporated a wholly owned subsidiary, VOIP 1, Inc. under the laws of the State of Nevada. VOIP 1, Inc. specializes in data and voice telecommunications technologies. VOIP 1 began earning revenues in September 2012.

The accompanying unaudited interim consolidated financial statements include Portlogic and its subsidiary (herein after referred to collectively as the "Company"). All intercompany balances and transactions have been eliminated on consolidation.

The unaudited interim consolidated financial statements have been prepared in accordance with Securities and Exchange Commission requirements for interim financial statements. Therefore, they do not include all of the information and footnotes required in accordance with United States Generally Accepted Accounting Principles ("GAAP") for complete financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the Form 10-K for the year ended May 31, 2012.

The unaudited interim consolidated financial statements present the balance sheet, statements of operations and cash flows of the Company. The unaudited interim consolidated financial statements have been prepared by management in accordance with GAAP.

NOTE 2. GOING CONCERN

The unaudited interim consolidated financial statements are presented on a going concern basis which contemplates the realization of assets and discharge of obligations in the normal course of business as they come due. No adjustments have been made to assets or liabilities in these unaudited interim consolidated financial statements should the Company not be able to continue normal business operations.

The Company has incurred losses from inception and, during the six month period ended November 30, 2012, the Company utilized $166,277 (November 30, 2011 - $19,120) of cash in operations. At November 30, 2012, the Company reported a deficit of $1,137,515 and continues to expend cash in amounts that exceed revenues. These conditions cast substantial doubt on the ability of the Company to continue as a going concern and meet its obligations

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as they come due. Management is considering various alternatives and is pursuing raising additional capital resources. Nevertheless, there can be no assurance that these initiatives if undertaken will be successful.

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NOTE 2. GOING CONCERN (cont' d)

The Company is in the development stage and is in the process of developing a series of web-based community portal products as well as a series of off-the-shelf template based websites. Sale of one of these products commenced during the 2008 fiscal year. The Company shifted its focus to specializing in mobile applications solutions marketing, and in its new line of business, data and telecommunications technology. The Company' s continuance as a going concern is dependent on the commercialization of more of the Company' s products and the achievement of profitable operations as well as the success of the Company in raising additional long-term financing through debt or equity offerings. In the event that the Company is not successful in these efforts, the assets may not be realized or liabilities discharged at their carrying amounts, and differences from the carrying amounts reported in these consolidated financial statements could be material.

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial information is unaudited. In the opinion of management, all adjustments necessary to present fairly the consolidated financial position as of November 30, 2012 and the results of operations and cash flows presented herein have been included in the unaudited interim consolidated financial statements. All such adjustments are of a normal and recurring nature. Interim results are not necessarily indicative of results of operations for the full year.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Financial statement items subject to significant judgment include the expected life of equipment and source code, the net realizable value of accounts receivable, the completeness of expense accruals, as well as income taxes and loss contingencies. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash equivalents comprise highly liquid instruments with a maturity of three months or less when purchased. As at November 30, 2012, cash equivalents amounted to $9,217 (May 31, 2012 - $8,779).

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the assets' estimated useful lives (three years for computer hardware and mobile hardware and two years for computer software).

Asset Impairment

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset exceeds the estimated undiscounted future cash flows that are expected to result from the use of the asset and its eventual disposition.

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NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (cont' d)

Source Code

The Company has capitalized the costs of acquiring computer source code in accordance with the provisions of the Accounting Standards Codification ("ASC") in ASC 985-20, "Costs of Software to Be Sold, Leased, or Marketed." At each reporting period end, the Company analyzes the realizability of its recorded software assets under the provisions of that statement. An impairment loss would be recognized when and to the extent that the carrying amount of the software exceeds the estimated undiscounted future cash flows that are expected to result from the use of the asset and its eventual disposition. Since the source code has started to generate positive cash flows and is still being used for development, no impairment loss has been recognized. Amortization is provided using the straight-line method over the asset's estimated useful life, three years. As of November 30, 2012, the source code has been fully amortized.

Advertising Costs

Advertising costs are expensed as incurred and included as part of selling and administrative expenses. Advertising costs amounted to $277 for the six month period ended November 30, 2012 (November 30, 2011 - $Nil).

Revenue Recognition

The Company recognizes revenue at the point of passage to the customer of title and risk of loss when there is persuasive evidence of an arrangement, the sales price is determinable, and collection of the resulting receivable is reasonably assured.

Service revenues are generally recognized at the time of performance. Revenues billed in advance under contracts are deferred and recognized over the corresponding service periods.

Foreign Currency Translation

The Company maintains its accounting records in US dollars, which is its functional and reporting currency. At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the functional currency by the use of the exchange rate in effect at that date. At the period end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations. Foreign exchange loss amounted to $110 for the six month period ended November 30, 2012 (November 30, 2011 - gain of $657).

Income Taxes

The Company accounts for its income taxes in accordance with ASC 740, "Income Taxes", which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that the deferred tax assets will not be realized.

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NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (cont' d)

Earnings (Loss) per Share

The Company reports earnings (loss) per share in accordance with ASC 260, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common stockholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since the effect of the assumed conversion of the convertible loan into common shares would have an anti-dilutive effect.

Comprehensive Income

The Company has adopted ASC 220, "Comprehensive Income," which establishes standards for reporting and the display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners or distributions to owners. Among other disclosures, the standard requires that all items that are required to be recognized under the current accounting standards as a component of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. Comprehensive income would be displayed in the statement of shareholders' equity and in the balance sheet as a component of shareholders' equity (deficiency). The Company had no other comprehensive income (loss) for the six month periods ended November 30, 2012 and November 30, 2011. As such, net loss is equivalent to total comprehensive loss.

Financial Instruments and Risk Concentrations

The Company' s financial instruments comprise cash and cash equivalents, loan receivables, accounts payable and accrued liabilities, notes payable and convertible loan. Unless otherwise indicated, the fair value of financial assets and financial liabilities approximate their recorded values due to their short-terms to maturity. The Company determines the fair value of its long-term financial instruments based on quoted market values or discounted cash flow analyses.

Financial instruments that may potentially subject the Company to concentrations of credit risk comprise primarily cash and cash equivalents and accounts receivable. Cash and cash equivalents comprise deposits with major commercial banks and/or checking account balances. With respect to accounts receivable, the Company performs periodic credit evaluations of the financial condition of its customers and typically does not require collateral from them. Allowances are maintained for potential credit losses consistent with the credit risk of specific customers and other information. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or currency risks in respect of its financial instruments.

Leases

Leases entered into by the Company as a lessee are classified as capital or operating leases. Leases that transfer substantially the entire risks and benefits incidental to ownership are classified as capital leases. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset' s fair market value at the beginning of each lease. Rental payments under operating leases are expensed as incurred.

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NOTE 3. SIGNIFICANT ACCOUNTING POLICIES (cont' d)

Stock-Based Compensation

The Company has adopted SFAS 123 (Revised), "Share Based Payment," which requires the Company to measure the cost of employee and non-employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which an employee or a non-employee is required to provide service in exchange for the award-the requisite service period. No compensation cost is recognized for equity instruments for which employees do not render the requisite service. The grant-date fair value of employee and non-employee share options and similar instruments will be estimated using option-pricing models adjusted for the unique characteristics of those instruments.

NOTE 4. FAIR VALUE MEASUREMENTS

Beginning June 1, 2008, the Company partially applied accounting standard, "Fair Value Measurements," codified as ASC 820. The standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value, in this context, should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including our own credit risk.

In addition to defining fair value, the standard expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which are determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

- Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;
- Level 3 Assets or liabilities for which fair value is based on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

Fair Value Measurements Using	Level 1	Level 2	Level3	**Assets/Liabilities** At Fair Value
Asset				
Cash and cash equivalents	$16,371	$ 9,217	-	$ 25,588
Loan receivable	-	-	$ 7,850	$ 7,850
Accounts receivable	-	-	$ 22,200	$ 22,200
Liability				
Notes payable	-	-	$ 391,486	$ 391,486
New loan	-	-	$ 200,060	$ 200,060
Shareholder loan	-	-	$ 19,858	$ 19,858
Convertible loan	-	-	$ 7,000	$ 7,000

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NOTE 5. EQUIPMENT

Equipment – November 30, 2012	**Cost**	**Accumulated Depreciation**	**Net Book Value**
	$	**$**	**$**
Mobile hardware	893	471	422
Computer hardware	9,266	8,978	288
Computer software	5,456	5,456	-
	15,615	**14,905**	**710**

Equipment – May 31, 2012	**Cost**	**Accumulated Depreciation**	**Net Book Value**
	$	**$**	**$**
Mobile hardware	893	322	571
Computer hardware	9,266	8,731	535
Computer software	5,456	5,456	-
	15,615	**14,509**	**1,106**

Depreciation expense amounted to $396 for the six month period ended November 30, 2012 (November 30, 2011 - $1,147).

NOTE 6. SOURCE CODE

Source Code – November 30, 2012	**Cost**	**Accumulated Amortization**	**Net book value**
	$	**$**	**$**
Internet dating portal software	**152,000**	**152,000**	**-**

Source Code – May 31, 2012	**Cost**	**Accumulated Amortization**	**Net book value**
	$	**$**	**$**
Internet dating portal software	**152,000**	**152,000**	**-**

On October 31, 2005, the Company entered into an asset purchase agreement with Joyn Internet Communities Inc. ("Joyn") to acquire Internet dating software that Joyn had developed, including all rights to use and license the software.

In consideration, the Company issued 4,480,000 restricted common shares and paid $40,000, cash. The stock-based portion of the issuance, according to the terms of the agreement, was valued at $112,000, or $0.025 cents per share.

The Company did not capitalize any additional source code software for the year ended May 31, 2012, or for fiscal years ended May 31, 2011, 2010, 2009, 2008 and 2007.

Amortization commenced March 1, 2008, when it became apparent that the source code was being used to generate revenue, and ended on February 28, 2011.

As of November 30, 2012, the source code software has been fully amortized.

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NOTE 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	November 30, 2012	May 31, 2012
	$	$
Cost of goods sold	18,216	-
Audit and review	8,700	12,200
Bookkeeping and accounting	107	107
Legal	4,675	4,675
Other	89,800	90,077
Credit cards	5,793	5,565
Interest payable	61,123	46,006
	188,414	**158,630**

NOTE 8. NOTES PAYABLE

On July 18, 2008, the Company issued a note payable in consideration of a draw down unsecured loan up to an aggregate of $100,000 over a term of one year. Interest is payable at the prime rate plus 2%. This has been extended under the same terms. Principal and interest are now due on July 18, 2013 unless demanded earlier. On July 18, 2008, the Company borrowed $25,000 against the total $100,000 available to be drawn down. On April 14, 2009, the Company borrowed $5,000 against the total $75,000 available to be drawn down. On June 10, 2009, the Company borrowed $50,000 against the total $70,000 available to be drawn down. The balance payable on this note payable is $80,000 as of November 30, 2012 (May 31, 2012 - $80,000).

On August 26, 2009, the Company issued an additional note payable in consideration of a draw down unsecured loan up to an aggregate of $300,000 over a term of one year. Interest is payable at the prime rate plus 2%. This has been extended under the same terms. Principal and interest are now due on August 26, 2013 unless demanded earlier. On August 26, 2009, the Company borrowed $100,000 against the total $300,000 available to be drawn down. On March 3, 2010, the Company borrowed $75,000 against the total $200,000 available to be drawn down. On August 24, 2010, the Company borrowed $30,000 against the total $125,000 available to be drawn down. On September 27, 2010, the Company borrowed $10,000 against the total $95,000 available to be drawn down. On November 1, 2010, the Company borrowed $10,000 against the total $85,000 available to be drawn down leaving $75,000 further funds available to be drawn down. On December 9, 2010, the Company borrowed $15,000 against the total $75,000 available to be drawn down leaving $60,000 further funds available to be drawn down. On December 15, 2010, the Company borrowed $10,000 against the total $60,000 available to be drawn down leaving $50,000 further funds available to be drawn down. On January 18, 2011, the Company borrowed $15,000 against the total $50,000 available to be drawn down leaving $35,000 further funds available to be drawn down. On March 9, 2011, the Company borrowed $12,000 against the total $35,000 available to be drawn down leaving $23,000 further funds available to be drawn down. On January 5, 2012, the Company borrowed $19,943 against the total $23,000 available to be drawn down leaving $3,057 further funds available to be drawn down. On March 13, 2012, the Company borrowed $8,943 against the total $3,057 available to be drawn down resulting in $5,886 overdrawn against the $300,000 loan. On April 2, 2012, the Company borrowed a final $5,600 resulting in $11,486 to be overdrawn against the $300,000 loan. The balance payable on this note payable is $311,486 as of November 30, 2012 (May 31, 2012 - $311,486).

Interest expense amounted to $15,682 for the six month period ended November 30, 2012 (November 30, 2011 - $10,679) and is included in selling and administrative expense. As at November 30, 2012, accrued interest of $61,123 (May 31, 2012 - $46,006) is included in accounts payable and accrued liabilities.

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NOTE 9. CONVERTIBLE LOAN

A convertible debenture, issued March 11, 2005, was unsecured, matured March 11, 2012 and carried interest at a rate of 10% per annum. The instrument is convertible at the option of the holder into common shares of the Company at a rate of $0.05 per share, and may be redeemed at any time prior to maturity at the option of the holder, should certain conditions prevail. The holder of the debenture has signed agreements waiving interest accrued from March 11, 2005 through to March 10, 2013. This convertible debenture has not been repaid and is due on March 10, 2013.

NOTE 10. STOCK TRANSACTIONS *

Transactions, other than employees' stock issuance, are in accordance with paragraph 8 of SFAS 123 "Share Based Payment". Thus issuances shall be accounted for on the fair value of the consideration received. Transactions with employees' stock issuance are in accordance with paragraphs (16-44) of SFAS 123. These issuances shall be accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, or whichever is more readily determinable.

In January 2005, the Company issued a total of 17,700,000* shares of common stock to nine individuals for cash in the amount of $0.0005 per share for a total of $2,950.

On February 7, 2005, the Company issued a total of 600,000* shares of common stock to one individual for cash in the amount of $0.001 per share for a total of $200.

On May 26, 2005, the Company issued a total of 9,000,000* shares of common stock to one individual for cash in the amount of $0.001 per share for a total of $3,000.

In July 2005, the Company issued a total of 151,650,000* shares of common stock to nine individuals for cash in the amount of $0.001 per share for a total of $50,550.

On September 14, 2005, the Company issued a total of 7,500,000* shares of common stock to one director for cash in the amount of $0.001 per share for a total of $2,500.

On October 31, 2005, the Company issued a total of 13,440,000* shares of common stock in the amount of $0.025 per share for a total of $112,000, which was the fair value of the stock on date of issuance, in consideration for the purchase of source code software. A further $40,000 in cash was also paid as consideration for this asset purchase agreement.

In April 2006, the Company issued a total of 180,000* shares of common stock to three individuals for cash in the amount of $0.025 per share for a total of $1,500.

In May 2006, the Company issued a total of 1,440,000* shares of common stock to five individuals for cash in the amount of $0.025 per share for a total of $12,000.

In June 2006, the Company issued a total of 180,000* shares of common stock to three individuals for cash in the amount of $0.025 per share for a total of $1,500.

On July 22, 2006, the Company issued a total of 60,000* shares of common stock to one individual for cash in the amount of $0.025 per share for a total of $500.

On December 22, 2006, the Company issued a total of 180,000* shares of common stock to one individual for cash in the amount of $0.025 per share for a total of $1,500.

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NOTE 10. STOCK TRANSACTIONS * (cont' d)

On February 22, 2007, the Company issued a total of 799,998* shares of common stock to one individual for cash in the amount of $0.075 per share for a total of $20,000.

In May 2007, the Company issued a total of 3,589,998* shares of common stock to three individuals for cash in the amount of $0.1416 per share for a total of $169,500.

On January 10, 2008, the Company issued a total of 171,426* shares of common stock to one individuals for cash in the amount of $0.175 per share for a total of $10,000.

On April 11, 2012, the Company issued a total of 30,000* shares of common stock to a director in return for services. The market value of shares on the date of issuance was $0.16 per share.

On April 11, 2012, the Company issued a total of 30,000* shares of common stock to another director in return for services. The market value of shares on the date of issuance was $0.16 per share.

As of November 30, 2012, the Company had 206,551,422* share of common stock issued and outstanding.

** After giving retroactive effect of 2:1 stock split effective January 20, 2010 and 3:1 forward common stock split effective March 30, 2012*

NOTE 11. UNAMORTIZED STOCK-BASED COMPENSATION FOR STOCKHOLDERS

On April 11, 2012, the Company issued 30,000 shares of its common stock to a director of the Company in return for services. The stock-based compensation issued has been valued at $4,800 ($0.16 per share) which was the fair value of the stock on the date of issuance. The stock must be held for a minimum of twelve months from the date of issuance. The amount of this compensation is being amortized over twelve months starting May 1, 2012. The unamortized portion of this is **$2,000** as at November 30, 2012 and has been expensed as directors' fees.

On April 11, 2012, the Company issued 30,000 shares of its common stock to another director of the Company in return for services. The stock-based compensation issued has been valued at $4,800 ($0.16 per share) which was the fair value of the stock on the date of issuance. The stock must be held for a minimum of twelve months from the date of issuance. The amount of this compensation is being amortized over twelve months starting May 1, 2012. The unamortized portion of this is **$2,000** as at November 30, 2012 and has been expensed as directors' fees.

The total unamortized portion of stock-based compensation for stockholders is **$4,000** as at November 30, 2012 (May 31, 2012 - $8,800).

NOTE 12. STOCKHOLDERS' DEFICIENCY

The stockholders' deficiency section of the Company contains the following classes of capital stock as of November 30, 2012: *

Preferred stock: $0.001 par value: 1,000,000 shares authorized and 0 shares issued and outstanding.
Common stock, $0.001 par value; 225,000,000 shares authorized and 206,551,422* shares issued and outstanding.

The stockholders' deficiency section of the Company contains the following classes of capital stock as of May 31, 2012: *

Preferred stock: $0.001 par value: 1,000,000 shares authorized and 0 shares issued and outstanding.
Common stock, $0.001 par value; 225,000,000 shares authorized and 206,551,422* shares issued and outstanding.

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* After giving retroactive effect of 2:1 stock split effective January 20, 2010 and 3:1 forward common stock split effective March 30, 2012

NOTE 13. COMMITMENTS AND RELATED PARTY TRANSACTIONS

a) On June 25, 2008, the Company advanced $9,807 to UOMO Media Inc. ("UOMO"). One director of the Company is also a director of UOMO. This advance was paid back to the Company on February 19, 2010. In April and May 2010, the Company advanced a total amount of $13,500 as a temporary loan again. In June 2010, a further $1,600 was advanced totaling the temporary loan to $15,100. In August 2011, a payment of $1,624 was applied against this loan. On September 11, 2011, a payment of $490 was applied against this loan. In December 2011, payments of $4,043 were further applied against this loan. On October 1, 2012, $1,094 was repaid. As at November 30, 2012, $7,850 remains receivable from UOMO (May 31, 2012 – $8,943).

b) On May 1, 2007, an independent contractor agreement was entered into under which compensation of $3,000 per month was to be paid to perform services as an officer to October 31, 2007. New agreements have been entered into with this contractor from November 1, 2007 to October 31, 2008 at $3,000 per month. The agreement was continued on a month-to-month basis. On June 30, 2012, the Company entered into a new agreement with the independent contractor under which compensation of $3,000 per month would be paid from July 1, 2012 to November 30, 2012. Then compensation of $10,000 per month would be paid from December 1, 2012 through to June 20, 2014. The related service fee for the six months ended November 30, 2012 amounted to $18,000 (November 30, 2011 - $18,000).

c) On November 24, 2011, the Company entered into a contract to pay one of its directors 20,000 restricted common shares and $5,000 cash compensation to carry out services as the Company' s director for a term of one year or until removed as a director.

d) On December 6, 2011, the Company entered into a contract to pay one of its directors 20,000 restricted common shares and $5,000 cash compensation to carry out services as the Company' s director for a term of one year or until removed as a director.

e) On July 1, 2012, an independent contractor agreement was entered into under which compensation of $12,000 per month was to be paid to perform services as an officer to December 31, 2012. The related service fee for the six months period ended November 30, 2012 amounted to $60,000 (November 30, 2011 - $Nil).

NOTE 13. SUBSEQUENT EVENTS

There are no subsequent events.

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

INTRODUCTION

The following management discussion and analysis compares our results of operations for the six months ended November 30, 2012 to the same period in 2011. This management discussion and analysis should be read in conjunction with our unaudited interim consolidated financial statements and the related notes thereto included elsewhere in this quarterly report for the six months ended November 30, 2012.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This quarterly report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. You should not place undue reliance on these forward-looking statements. Our actual results could differ materially from those anticipated in the forward-looking statements for many reasons, including the risks described in this report and other reports we file with the U.S. Securities and Exchange Commission. Although we believe the expectations reflected in the forward-looking statements are reasonable, they relate only to events as of the date on which the statements are made. We do not intend to update any of the forward-looking statements after the date of this report to conform these statements to actual results or to changes in our expectations, except as required by law.

OVERVIEW

We incorporated on June 22, 2004 as Portlogic Systems Inc. under the laws of the State of Nevada. On June 5, 2008, the Company filed a Form S-1 Registration Statement under the United States Securities Act of 1933. It became effective June 24, 2008. We have a financial year end of May 31.

We are currently in the development stage company offering enterprise mobile marketing applications solutions, kiosk hardware and software products which fall into five principal product families: m2Meet, m2Bank, m2Market, m2Ticket, and m2Kiosk. Prior to January 2010. Portlogic created and licensed online interactive community portal software systems and developed a series of web-based community portal products.

Our 5 divisions are as follows:

1. m2Meet: A community networking software solution. Currently being developed from our proprietary web based source code. Internet and mobile users with similar interests will use m2Meet to socially network and connect using location based technology such as GPS.
2. m2Bank: (Mobile to Bank) is a financial transactions system that facilitates bill payments, money transfers, and account management.
3. m2Market: Mobile marketing solutions including a bluetooth push technology that is used to deliver marketing materials to mobile phones.
4. m2Ticket: Mobile ticketing sales engine which manages the sale and delivery of tickets through mobile phones for the transportation and entertainment industry.
5. m2Kiosk: A line of standard and custom kiosks hardware and software which integrates with mobile phone applications in the marketing, financial, and ticketing industries.

Due to the cost of developing the technology to offer such products we have decided to offer many of our products by bundling technology from third party suppliers. Agreements can include but are not limited to licensing agreements, reseller agreements, partnership agreements, memoranda of understanding, and software development agreements.

On September 16, 2009, we incorporated a wholly-owned subsidiary, Sunlogic Energy Corporation in Panama City, Republic of Panama for the purpose of looking at solar and alternative green energy software and products. To date, our subsidiary has not had any operations.

On June 18, 2012, we incorporated a wholly-owned subsidiary, VOIP 1, Inc. under the laws of the State of Nevada. VOIP 1, Inc. specializes in data and voice telecommunications technologies. We began earning telecommunication revenues in September 2012.

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CRITICAL ACCOUNTING POLICIES

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our unaudited interim consolidated financial statements, which have been prepared in accordance with Securities and Exchange Commission requirements for interim financial statements. Therefore, they do not include all of the information and footnotes required in accordance with United States Generally Accepted Accounting Principles ("GAAP") for complete financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the Form 10-K for the year ended May 31, 2012.

The preparation of these unaudited interim consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. On an on-going basis, we evaluate our estimates, including those related to the reported amounts of revenues and expenses, bad debt, investments, intangible assets, income taxes, and contingencies and litigation. We base our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which 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 from these estimates under different assumptions or conditions. We consider the following accounting policies to be critical because the nature of the estimates or assumptions is material due to the levels of subjectivity and judgment necessary to account for highly uncertain matters or the susceptibility of such matters to change or because the impact of the estimates and assumptions on financial condition or operating performance is material.

CASH AND CASH EQUIVALENTS

Our cash equivalents comprise highly liquid instruments with a maturity of three months or less when purchased. As at November 30, 2012, cash equivalents amounted to $9,217 (May 31, 2012 - $8,779).

SOURCE CODE

We have capitalized the costs of acquiring computer source code in accordance with the provisions of the Accounting Standards Codification ("ASC") in ASC 985-20, "Costs of Software to Be Sold, Leased, or Marketed." At each reporting period end, we analyze the realizability of our recorded software assets under the provisions of that statement. We recognize an impairment loss when and to the extent that the carrying amount of the software exceeds the estimated undiscounted future cash flows that are expected to result from the use of the asset and its eventual disposition. Since the source code has started to generate positive cash flows and is still being used for development, no impairment loss has been recognized. Amortization is provided using the straight-line method over the asset's estimated useful life, three years. As of November 30, 2012, the source code has been fully amortized.

REVENUE RECOGNITION

We recognize revenue at the point of passage to the customer of title and risk of loss when there is persuasive evidence of an arrangement, the sales price is determinable, and collection of the resulting receivable is reasonably assured.

We recognize service revenues at the time of performance. Revenues billed in advance under contracts are deferred and recognized over the corresponding service periods.

FOREIGN CURRENCY TRANSLATION

We maintain our accounting records in US dollars, which is our functional and reporting currency. At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the functional currency by the use of the exchange rate in effect at that date. At the period end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations. Foreign exchange loss amounted to $110 for the six month period ended November 30, 2012 (November 30, 2011 - gain of $657).

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RESULTS OF OPERATIONS
COMPARISON OF RESULTS FOR THE SIX MONTHS ENDED NOVEMBER 30, 2012 AND NOVEMBER 30, 2011

REVENUE

For the six months ended November 30, 2012, we recognized $49,296 in revenue, mostly from our telecommunications operations which began earning revenues in September 2012. For the six months ended November 30, 2011, we recognized $1,492 in revenue only from interest income on our short term deposits.

COST OF GOODS SOLD

We incurred $47,428 in cost of goods sold for the six months ended November 30, 2012 against our telecommunications revenue. For the six months ended November 30, 2011 we incurred $Nil in cost of good sold as we did not recognize any dating revenues to incur cost of sales nor had we yet begun to generate revenues from our mobile marketing offerings.

EXPENSES

During the six months ended November 30, 2012, we incurred total expenses of $182,104 comprised of selling and administrative expense of $181,708 and depreciation of $198; compared with total expenses of $30,415 comprised of selling and administrative expense of $29,784 and depreciation of $631 for the same period in 2011. Higher expenses for the six month period ended November 30, 2012 were incurred all around with the creation and start up operations of our subsidiary, Voip 1, Inc. The largest expenses for both periods pertained mostly to consulting and professional fees. The largest difference between the two periods resulted from consulting fees of $111,152 in the six months ended November 30, 2012 versus $4,000 in the prior period ended November 30, 2011 due to the appointment of our new Chief Executive Officer as well as consultants for our new operations. We incurred a one time billing system fee of $5,000, licensing fees totaling $2,550, and travel expenses totaling $4,342 and office expenses in the current six month period ended November 30, 2012 due to our new operations which were not incurred in the prior period ended November 30, 2011. As well $4,800 in directors' fees were incurred in the current period; we had not appointed the directors yet in the six month period ended November 30, 2011. Finally, interest expense was $15,682 in the six month period ended November 30, 2012 versus $10,679 in the prior six month period ended November 30, 2011 due to additional loans.

NET INCOME/LOSS

During the six months ended November 30, 2012, we incurred a net loss of $180,236 compared with a net loss of $53,652 for the six months ended November 30, 2011. The large increase in net loss was due entirely to much higher selling and administrative expenses from the creation and start up of our new formed subsidiary, Voip 1, Inc. and its operations.

LIQUIDITY AND CAPITAL RESOURCES

We do not yet have an adequate source of reliable, long-term revenue to fund operations. The Company is in the development. We have no significant assets or financial resources. The amount of working capital that we will require depends on several factors, including without limitation, the extent and timing of sales of our products and related services, future costs of development, the timing and costs associated with the expansion of our customer support capabilities, and our operating results.

As of November 30, 2012, we had cash and cash equivalents of $25,588. We had total current assets of $61,893.

In order to ensure we continue to generate cash revenues, during the next six months, we have expanded the scope of technology offerings to include marketing mobile applications solutions and kiosk hardware and software products. Our proprietary web based community software will be further developed for mobile use in our m2Meet division. However, our product offering now includes enterprise software solutions which fall into five principal product

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families: m2Meet, m2Bank, m2Market, m2Ticket, and m2Kiosk as follows:

1. m2Meet: A community networking software solution. Currently being developed from our proprietary web based source code. Internet and mobile users with similar interests will use m2Meet to socially network and connect using location based technology such as GPS.
2. m2Bank: (Mobile to Bank) is a financial transactions system that facilitates bill payments, money transfers, and account management.
3. m2Market: Mobile marketing solutions including a bluetooth push technology that is used to deliver marketing materials to mobile phones.
4. m2Ticket: Mobile ticketing sales engine which manages the sale and delivery of tickets through mobile phones for the transportation and entertainment industry.
5. m2Kiosk: A line of standard and custom kiosks hardware and software which integrates with mobile phone applications in the marketing, financial, and ticketing industries.

Due to the cost of developing the technology to offer such products we have decided to offer many of our products by bundling technology from third party suppliers. Agreements can include but are not limited to licensing agreements, reseller agreements, partnership agreements, memoranda of understanding, and software development agreements. We anticipate that we will require $350,000 in total, over the next six months, to fund the start up of each of these divisions. We anticipate launching each division, individually, as technology solutions providers are in place. We need to be assured that we have strong presentation support, an organized implementation strategy and ongoing technical support. As we sign more technology partners with proven large scale application experience, we will begin to hire project managers and begin marketing our solutions to targeted potential clients.

As part of our expansion of operations, on June 18, 2012, we incorporated a wholly-owned subsidiary, VOIP 1, Inc. VOIP 1, Inc. specializes in data and voice telecommunications technologies. In September 2012, we began generating telecommunications revenues.

Any additional cash revenues that we generate from our operations will ease the burden on our cash and enable us to finance operations beyond the next nine months. If we generate no cash revenues other than the $25,588 that we had available as of November 30, 2012, we will need to raise additional funds during the next six months. Potential sources of such working capital could include senior debt facilities, new lines of credit, bank financings or additional sales of our securities. If we raise funds through the sale of our securities, the common stock currently outstanding would be diluted. There is a risk that such additional financing may not be available, or may not be available on acceptable terms, and the inability to obtain additional financing or generate sufficient cash from operations could require us to reduce or eliminate expenditures for capital equipment, production, or marketing of our products, or otherwise curtail or discontinue our operations, which could have a material adverse effect on our business, financial condition and results of operations.

On August 26, 2009, the Company issued a note payable in consideration of a draw down unsecured loan up to an aggregate of $300,000 over a term of one year which has been extended. Interest is payable at the prime rate plus 2%. Principal and interest are now due on August 26, 2013 unless demanded earlier.

As of November 30, 2012, the Company borrowed $311,486 against this loan.

Prior to this, on July 18, 2008, the Company had issued a note payable in consideration of a draw down unsecured loan up to an aggregate of $100,000 over a term of one year which has been extended. As of November 30, 2012, the Company borrowed $80,000 against this loan.

A shareholder has also loaned the Company $36,087. $12,000 of this has been repaid to the shareholder. Another $5,000 was repaid on November 19, 2012. As of November 30, 2012, the balance of the shareholder loan is $19,858.

On June 6, 2012, a new lender loaned $100,080 to the Company. On July 30, 2012 an additional $49,980 was loaned to the Company. On October 4 and November 16, 2012, additional funds of $25,000 on each date were loaned to the Company. The Company will use the proceeds of this loan to aid with the operations of its new subsidiary. As of November 30, 2012, the total balance of this new loan is $200,060.

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Our unaudited interim consolidated financial statements have been prepared on a continuing operation basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business.

As of November 30, 2012, our total assets were $62,603, our total liabilities were $806,818, and stockholders' deficiency was $744,215.

SUBSEQUENT EVENTS

There are no subsequent events.

OFF-BALANCE SHEET TRANSACTION

We currently have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Smaller reporting companies are not required to provide the information required by this Item.

Item 4T. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Our management evaluated, with the participation of our Chief Executive Officer and our Chief Financial Officer, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) as of the end of the period covered by this quarterly report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures can be relied upon to ensure that information we are required to disclose in reports that we file or submit under the Securities Exchange Act of 1934 (i) is recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms, and (ii) is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required reasonable assurance that such information is accumulated and communicated to our management. Our disclosure controls and procedures are designed to provide reasonable assurance that such information is accumulated and communicated to our management. Our disclosure controls and procedures include components of our internal control over financial reporting. Management's assessment of the effectiveness of our internal control over financial reporting is expressed at the level of reasonable assurance that the control system, no matter how well designed and operated, can provide only reasonable, but not absolute, assurance that the control system's objectives will be met.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Securities Exchange Act of 1934. We have assessed the effectiveness of those internal controls as of November 30, 2012. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control–Integrated Framework.*

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

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A material weakness in internal controls is a deficiency in internal control, or combination of control deficiencies, that adversely affects a company's ability to initiate, authorize, record, process, or report external financial data reliably in accordance with accounting principles generally accepted in the United States of America such that there is more than a remote likelihood that a material misstatement of the company's annual or interim financial statements that is more than inconsequential will not be prevented or detected. In the course of making our assessment of the effectiveness of internal controls over financial reporting, we identified a material weakness in our internal control over financial reporting. This material weakness consisted of inadequate staffing within the accounting operations of our Company. The small number of employees who are responsible for accounting functions prevents us from segregating duties within our internal control system. The inadequate segregation of duties is a weakness because it could lead to the untimely identification and resolution of accounting and disclosure matters or could lead to a failure to perform timely and effective reviews. Due to this material weakness, management could not conclude that its internal control over financial reporting was effective as of November 30, 2012.

Our review also indicated the existence of certain high level procedures that might or might not serve to provide compensating control over these weaknesses. These procedures consisted of analytical review of key operating results by our senior management, including preparation and review of monthly operating results, comparison of such results to budgets and to historical amounts. In addition, the board of directors received monthly updates on operations, and on a quarterly basis, reviews, investigates and discusses apparent inconsistencies and concerns with senior operating management.

Our review also revealed that although a number of controls appeared to exist, and were observed to have been in operation, documentary evidence that such controls were operating throughout the period was found to be lacking. Such evidence as signatures indicating that a certain procedure had been carried out and affixing responsibility were lacking in the internal control system.

This quarterly report does not include an attestation report of our registered public accounting firm regarding internal control over financial reporting. Management' s report was not subject to attestation by our registered public accounting firm pursuant to the rules of the Securities and Exchange Commission that permit us to provide only management' s report in this quarterly report.

Changes in Internal Control Over Financial Reporting

There was no change in our internal controls over financial reporting that occurred during the quarter ended November 30, 2012 that has materially affected, or is reasonably likely to materially affect, our internal controls over financial reporting.

PART II

Item 1. Legal Proceedings

We may be involved from time to time in ordinary litigation, negotiation and settlement matters that will not have a material effect on our operations or finances. We are not aware of any pending or threatened litigation against us or our officers and directors in their capacity as such that could have a material impact on our operations or finances.

ITEM 1A. Risk Factors

Risks Relating To Our Business

We intend to grow our Company by acquisition and have expanded the scope of technology offerings to include marketing mobile applications solutions and kiosk hardware and software products, as well as voice and telecommunication technologies. If we are not successful, our business will be harmed.

Our business strategy includes the attainment of a portion of our growth through our ability to successfully execute our acquisition model. In order to pursue a growth by acquisition strategy successfully, we must identify suitable candidates for these transactions, complete these transactions, and manage post-closing issues such as integration of the acquired business into our corporate structure. Integration issues are complex, time-consuming, and expensive and, without proper planning and implementation, could significantly disrupt our business. Potential disruptions

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include diversion of management's attention, loss of key business and/or personnel from the acquired company, unanticipated events, and legal liabilities. If the business becomes impaired, there could be partial or full write-offs attributed to the acquisition.

If we cannot obtain additional financing, we may have to curtail operations and may ultimately cease to exist.

Our continued operations are contingent on our ability to raise additional capital and obtain financing and success in future operations. If we do not acquire sufficient additional funding or alternative sources of capital to meet our working capital, we may have to substantially curtail our operations and business plan. If we do not achieve sufficient revenues to meet our future obligations, we intend to seek sufficient financial resources by issuing shares of common stock, borrowing cash from a bank or one of our directors, or a combination of these activities. We may be unable to obtain additional financing using any of these methods. These conditions raise substantial doubt about our ability to continue as a going concern. However, our unaudited interim consolidated financial statements do not include any adjustments that might result if we are unable to continue our business.

We have a limited operating history and may never achieve or sustain profitable operations.

We have a short operating history and have not been profitable since our incorporation in June 2004. Since inception until November 30, 2012, we have derived ancillary revenues by providing website layout and web portal design services, as well as software licensing. Although some of our main web-based community portal products were still being developed, we realized some revenues, starting mostly in September 2007, for providing dating software websites. We have changed our business model to mobile solutions applications marketing and data and telecommunications technologies. We began earning telecommunications revenues in September 2012. Even if we obtain future revenues sufficient to expand operations, increased operational or marketing expenses could adversely affect our liquidity. The limited extent of our assets and revenues, our early stage of development, and our limited operating history make us subject to the risks associated with start-up companies, including potentially negative cash flows. We have no significant assets or financial resources. Our lack of operating history makes it very difficult for you to make an investment decision. We may never become profitable. You may lose your entire investment.

We depend on our officers and directors to perform our business activities and our ability to recruit and retain the qualified individuals needed to operate and develop our business is unknown.

We rely on our officers and directors to perform many of our business activities. Currently, our Chief Financial Officer, Secretary, and Treasurer, Jueane Thiessen, personally performs most of our accounting and financial management functions, and liases with external contractors who provide additional programming and consulting services. Ms. Thiessen is also involved in carrying out our sales activities. Our newly appointed Chief Executive Officer and President, Joseph Putegnat performs most of our management functions, and also oversees our sales activities. Our present management structure, although adequate for the early stage of our operations, will likely have to be significantly augmented as our operations expand. Our future success will depend in part on the services of our key personnel and, additionally, on our ability to identify, hire and retain additional qualified personnel. There is intense competition for qualified management, marketing, accounting, and sales personnel in our new business line: marketing mobile application solutions. We may not be able to continue to attract and retain the personnel needed to operate and develop our business. Because we rely on our officers and directors to perform our sales, accounting, and financial management activities, failure to attract and retain key personnel could have a material adverse effect on us.

We have limited cash which we anticipate will be insufficient to fund our plan of operations for the forthcoming next nine months ending May 31, 2013 and if we are unable to raise additional capital, our business may fail and stockholders may lose their entire investment.

We have limited capital reserves to finance expansion or to protect us from a downturn in business. We currently do not have sufficient cash to fund operations for the forthcoming next six months ending May 31, 2013. We will need to raise additional funds to fully fund our operations for the next six month period beginning December 1, 2012. Additional financing may come in the form of an offering of common shares, borrowing from a bank or one of our directors, or from revenues generated by new business. If additional shares are issued to raise capital, our existing stockholders will suffer a dilution of their stock ownership and the value of our outstanding shares may fall. If we borrow more money, we will have to pay interest and may also have to agree to restrictions that limit our operating

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flexibility. We have no commitments for additional financing and there can be no assurance that additional funds will be available when needed, or on terms acceptable to us, if at all. If adequate funds are not available we may be required to change our planned business strategies. If we are unable to obtain adequate financing, we may not be able to successfully develop and market our products and services. As a result, we would need to curtail business operations which would have a material negative effect on operating results, the value of our outstanding stock is likely to fall, and our business may fail causing our stockholders to lose their entire investment.

Two of our directors, Joseph Putegnat and Jueane Thiessen, also serve as our officers. This interrelationship may create conflicts of interest that might be detrimental to us.

There are various interrelationships between our officers and directors that may create conflicts of interest that might be detrimental to us. One of our directors, Joseph Putegnat, is our Chief Executive Officer and President. One of our other directors, Jueane Thiessen, is our Chief Financial Officer, Treasurer, and Secretary. Our board of directors, which appoints our officers, consisted of four persons up until November 23, 2012: Mr. Putegnat, Ms. Thiessen, Mr. Donald Gilpin and Mr. Bruce Maschmeyer. As of December 5, 2012, Mr. Putegnat and Ms. Thiessen are the only remaining directors; Mr. Gilpin and Mr. Maschmeyer' s service terms expired. Because Mr. Putegnat and Ms. Thiessen are both directors and officers, there exists a potential future conflict of interest regarding the decision to remove our officers or appoint new officers. Our directors and officers will deal with any such conflicts of interest, should they arise, in accordance with our Corporate Code of Ethics and applicable corporate law principles.

We may be subject to foreign currency fluctuation and such fluctuation may adversely affect our financial position and results.

We are currently located in Canada and pay most of our expenses in United States dollars. However, our target market is global. We may enter into contracts that require customers to pay us in currencies other than United States dollars. Therefore, our potential operations make us subject to foreign currency fluctuation. We do not make investments that offset the risk of adverse foreign currency fluctuations and we may suffer increased expenses and overall losses as a result.

We do not own patents on our products and, if other companies copy our products, our revenues may decline which may result in a decrease in our stock price.

We do not own patents on our products we have developed and we do not currently intend to file for patent protection on those products. Therefore, another company could recreate our products and could compete against us, which would adversely affect our revenues.

We do not carry any insurance and we may be subject to significant lawsuits which could substantially increase our expenses.

We do not carry any insurance. There are a number of occurrences that could adversely affect our financial condition. These include damage to our assets, financial records, or other property by fire or water, as well as any successful lawsuits against us involving recovery of damages arising out of our contractual, legal, or other duties. Should such an uninsured loss occur, our costs may substantially increase which would lower our overall profitability, if any.

Amendments to telecommunications regulations could have a material adverse effect on our business by increasing the cost of our operations or the costs that customers must incur to use our products and services.

We use telecommunications services to deliver our online software licensing and programming services to customers. In addition, our customers typically require telecommunications systems to use our products and services. The telecommunications industry is subject to regulatory control. Any amendments to current regulations in any jurisdiction where we operate or where our customers conduct business could have a material adverse effect on our business, results of operations, and prospects. If amendments to regulations increase the cost of using telecommunications services, our operating expenses may increase. Additionally, if regulatory amendments increase the cost that our customers must incur to use our services, we may experience difficulty attracting new customers or retaining existing customers.

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Equipment loss or malfunctions and telecommunication service interruptions or delays may adversely affect our ability to provide our products and services.

Our business is highly dependent on our computer and telecommunications equipment and software systems for the operation and quality of our services. The temporary or permanent loss of all or a portion of these systems, including as a result of physical damage or operating malfunction, or significant replacement delays, could have a materially adverse effect on our business, financial condition, and results of operations. Any interruptions, delays or capacity problems experienced on the Internet or with telephone services could adversely affect our ability to provide our products and services.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

N/A

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

During the second quarter of our fiscal year ended May 31, 2013, no matter was submitted to a vote of security holders through the solicitation of proxies or otherwise.

Item 5. Other Information

None.

Item 6. Exhibits

The exhibits listed below are filed as part of or incorporated by reference in this report.

Exhibit No.	Identification of Exhibit
10.1	Independent Contractor Agreement between Portlogic Systems Inc. and Jueane Thiessen, dated June 30, 2012 (included as Exhibit 10.1 to the Form 8-K filed July 5, 2012 and incorporated herein by reference).
10.2	Independent Contractor Agreement between Portlogic Systems Inc. and Joseph Putegnat, dated July 1, 2012 (included as Exhibit 10.1 to the Form 8-K filed July 5, 2012 and incorporated herein by reference).
21.1	Subsidiaries of the Registrant (filed herewith).
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
31.2	Certification of the Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (filed herewith).
32.1	Certification of Officers pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (filed herewith).

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Portlogic Systems Inc. (Registrant)
By	/s/ Joseph Putegnat President and Chief Executive Officer
Date	January 14, 2013
By	/s/ Jueane Thiessen Principal Accounting Officer and Treasurer
Date	January 14, 2013

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person on behalf of the registrant and in the capacity and on the date indicated.

By	/s/ Joseph Putegnat Joseph Putegnat Director
Date	January 14, 2013
By	/s/ Jueane Thiessen Jueane Thiessen Director
Date	January 14, 2013

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EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

As of January 14, 2013, we have two wholly-owned subsidiaries:

Sunlogic Energy Corporation. This entity is incorporated in Panama City, Republic of Panama.

VOIP 1, Inc. This entity is incorporated under the laws of the State of Nevada.

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EXHIBIT 31.1

**CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Joseph Putegnat, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Portlogic Systems Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2013

/s/ Joseph Putegnat
By: Joseph Putegnat
Principal Executive Officer

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EXHIBIT 31.1

CERTIFICATION PURSUANT TO
18 U.S.C. ss 1350, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jueane Thiessen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Portlogic Systems Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: January 14, 2013

/s/ Jueane Thiessen

By: Jueane Thiessen
Principal Accounting Officer and Treasurer

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EXHIBIT 32.1

CERTIFICATIONS PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
(18 U.S.C. SECTION 1350)

In connection with the Quarterly Report of Portlogic Systems Inc. (the "Company") on Form 10-Q for the period ending November 30, 2012 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of the undersigned officers of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 that:

i. The Report fully complies with the requirements of 13(a) or 15(d) of the Securities Exchange Act of 1934; and

ii. The information contained in the Report fairly presents, in all material respects, the financial condition and Result of operations of the company.

IN WITNESS WHEREOF, the undersigned have executed this certification as of the 14th day of January, 2013.

/s/ Joseph Putegnat

By: Joseph Putegnat
Principal Executive Officer

/s/ Jueane Thiessen

By: Jueane Thiessen
Principal Accounting Officer, and Treasurer

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Research and Development	**6 Months Ended Nov. 30, 2012**

Research and Development:

Research, Development, and Computer Software Disclosure

NOTE 6. SOURCE CODE

Source Code – November 30, 2012	**Cost**	**Accumulated Amortization**	**Net book value**
	$	**$**	**$**
Internet dating portal software	**152,000**	**152,000**	**-**

Source Code – May 31, 2012	**Cost**	**Accumulated Amortization**	**Net book value**
	$	**$**	**$**
Internet dating portal software	**152,000**	**152,000**	**-**

On October 31, 2005, the Company entered into an asset purchase agreement with Joyn Internet Communities Inc. ("Joyn") to acquire Internet dating software that Joyn had developed, including all rights to use and license the software.

In consideration, the Company issued 4,480,000 restricted common shares and paid $40,000, cash. The stock-based portion of the issuance, according to the terms of the agreement, was valued at $112,000, or $0.025 cents per share.

The Company did not capitalize any additional source code software for the year ended May 31, 2012, or for fiscal years ended May 31, 2011, 2010, 2009, 2008 and 2007.

Amortization commenced March 1, 2008, when it became apparent that the source code was being used to generate revenue, and ended on February 28, 2011.

As of November 30, 2012, the source code software has been fully amortized.

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Property, Plant, and Equipment	6 Months Ended Nov. 30, 2012
Property, Plant, and Equipment:	
Property, Plant and Equipment	**NOTE 5. EQUIPMENT**

Equipment - November 30, 2012	**Cost**	**Accumulated Depreciation**	**Net Book Value**
	$	**$**	**$**
Mobile hardware	893	471	422
Computer hardware	9,266	8,978	288
Computer software	5,456	5,456	-
	15,615	**14,905**	**710**

Equipment - May 31, 2012	**Cost**	**Accumulated Depreciation**	**Net Book Value**
	$	**$**	**$**
Mobile hardware	893	322	571
Computer hardware	9,266	8,731	535
Computer software	5,456	5,456	-
	15,615	**14,509**	**1,106**

Depreciation expense amounted to $396 for the six month period ended November 30, 2012 (November 30, 2011 - $1,147).

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Unaudited Interim Consolidated Balance Sheets (USD $)	Nov. 30, 2012		May 31, 2012	
Current Assets				
Cash and cash equivalents	$ 25,588		$ 8,804	
Loan receivable	7,850		8,943	
Account receivable	22,200		0	
Interest receivable	0		86	
Prepaid Expenses	6,255		6,255	
Total Current Assets	61,893		24,088	
Other Assets				
Equipment, net	710		1,106	
Total Other Assets	710		1,106	
TOTAL ASSETS	62,603		25,194	
Current Liabilities				
Accounts payable and accrued liabilities	188,414		158,630	
Notes payable	391,486		391,486	
New loan	200,060		0	
Shareholder loan	19,858		36,857	
Convertible loan	7,000		7,000	
Total Current Liabilities	806,818		593,973	
Stockholders' Equity				
Preference stock	0	[1]	0	[1]
Common stock	206,551	[2]	206,551	[2]
Additional paid-in-capital	190,749		190,749	
Unamortized stock-based compensation for stockholders	(4,000)		(8,800)	
Deficit accumulated during the development stage	(1,137,515)		(957,279)	
Total Stockholders' Deficiency	(744,215)		(568,779)	
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 62,603		$ 25,194	

[1] Preference stock, $0.001 par value, 1,000,000 shares authorized; 0 shares issued and outstanding at November 30, 2012 and May 31, 2012

[2] Common stock, $0.001 par value, 225,000,000 shares authorized; 206,551,422 shares issued and outstanding at November 30, 2012 and May 31, 2012

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Accounting Policies	6 Months Ended Nov. 30, 2012

Accounting Policies:

Significant Accounting Policies

NOTE 3. SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial information is unaudited. In the opinion of management, all adjustments necessary to present fairly the consolidated financial position as of November 30, 2012 and the results of operations and cash flows presented herein have been included in the unaudited interim consolidated financial statements. All such adjustments are of a normal and recurring nature. Interim results are not necessarily indicative of results of operations for the full year.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Financial statement items subject to significant judgment include the expected life of equipment and source code, the net realizable value of accounts receivable, the completeness of expense accruals, as well as income taxes and loss contingencies. Actual results may differ from those estimates.

Cash and Cash Equivalents

Cash equivalents comprise highly liquid instruments with a maturity of three months or less when purchased. As at November 30, 2012, cash equivalents amounted to $9,217 (May 31, 2012 - $8,779).

Equipment

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the assets' estimated useful lives (three years for computer hardware and mobile hardware and two years for computer software).

Asset Impairment

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss would be recognized when the carrying amount of an asset exceeds the estimated undiscounted future cash flows that are expected to result from the use of the asset and its eventual disposition.

Source Code

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The Company has capitalized the costs of acquiring computer source code in accordance with the provisions of the Accounting Standards Codification ("ASC") in ASC 985-20, "Costs of Software to Be Sold, Leased, or Marketed." At each reporting period end, the Company analyzes the realizability of its recorded software assets under the provisions of that statement. An impairment loss would be recognized when and to the extent that the carrying amount of the software exceeds the estimated undiscounted future cash flows that are expected to result from the use of the asset and its eventual disposition. Since the source code has started to generate positive cash flows and is still being used for development, no impairment loss has been recognized. Amortization is provided using the straight-line method over the asset's estimated useful life, three years. As of November 30, 2012, the source code has been fully amortized.

Advertising Costs

Advertising costs are expensed as incurred and included as part of selling and administrative expenses. Advertising costs amounted to $277 for the six month period ended November 30, 2012 (November 30, 2011 - $Nil).

Revenue Recognition

The Company recognizes revenue at the point of passage to the customer of title and risk of loss when there is persuasive evidence of an arrangement, the sales price is determinable, and collection of the resulting receivable is reasonably assured.

Service revenues are generally recognized at the time of performance. Revenues billed in advance under contracts are deferred and recognized over the corresponding service periods.

Foreign Currency Translation

The Company maintains its accounting records in US dollars, which is its functional and reporting currency. At the transaction date, each asset, liability, revenue and expense denominated in a foreign currency is translated into the functional currency by the use of the exchange rate in effect at that date. At the period end, monetary assets and liabilities denominated in a foreign currency are translated into the functional currency by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in operations. Foreign exchange loss amounted to $110 for the six month period ended November 30, 2012 (November 30, 2011 - gain of $657).

Income Taxes

The Company accounts for its income taxes in accordance with ASC 740, "Income Taxes", which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carryforwards. Deferred tax assets and liabilities are

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measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that the deferred tax assets will not be realized.

Earnings (Loss) per Share

The Company reports earnings (loss) per share in accordance with ASC 260, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common stockholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since the effect of the assumed conversion of the convertible loan into common shares would have an anti-dilutive effect.

Comprehensive Income

The Company has adopted ASC 220, "Comprehensive Income," which establishes standards for reporting and the display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners or distributions to owners. Among other disclosures, the standard requires that all items that are required to be recognized under the current accounting standards as a component of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. Comprehensive income would be displayed in the statement of shareholders' equity and in the balance sheet as a component of shareholders' equity (deficiency). The Company had no other comprehensive income (loss) for the six month periods ended November 30, 2012 and November 30, 2011. As such, net loss is equivalent to total comprehensive loss.

Financial Instruments and Risk Concentrations

The Company' s financial instruments comprise cash and cash equivalents, loan receivables, accounts payable and accrued liabilities, notes payable and convertible loan. Unless otherwise indicated, the fair value of financial assets and financial liabilities approximate their recorded values due to their short-terms to maturity. The Company determines the fair value of its long-term financial instruments based on quoted market values or discounted cash flow analyses.

Financial instruments that may potentially subject the Company to concentrations of credit risk comprise primarily cash and cash equivalents and accounts receivable. Cash and cash equivalents comprise deposits with major commercial banks and/or checking account balances. With respect to accounts receivable, the

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Company performs periodic credit evaluations of the financial condition of its customers and typically does not require collateral from them. Allowances are maintained for potential credit losses consistent with the credit risk of specific customers and other information. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest or currency risks in respect of its financial instruments.

Leases

Leases entered into by the Company as a lessee are classified as capital or operating leases. Leases that transfer substantially the entire risks and benefits incidental to ownership are classified as capital leases. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the asset' s fair market value at the beginning of each lease. Rental payments under operating leases are expensed as incurred.

Stock-Based Compensation

The Company has adopted SFAS 123 (Revised), "Share Based Payment," which requires the Company to measure the cost of employee and non-employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award. That cost will be recognized over the period during which an employee or a non-employee is required to provide service in exchange for the award-the requisite service period. No compensation cost is recognized for equity instruments for which employees do not render the requisite service. The grant-date fair value of employee and non-employee share options and similar instruments will be estimated using option-pricing models adjusted for the unique characteristics of those instruments.

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Fair Value Measures and Disclosures	6 Months Ended Nov. 30, 2012

Fair Value Measures and Disclosures:

Fair Value, Measurement Inputs, Disclosure

NOTE 4. FAIR VALUE MEASUREMENTS

Beginning June 1, 2008, the Company partially applied accounting standard, "Fair Value Measurements," codified as ASC 820. The standard defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The standard defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value, in this context, should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including our own credit risk.

In addition to defining fair value, the standard expands the disclosure requirements around fair value and establishes a fair value hierarchy for valuation inputs. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which are determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are:

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities;
Level 2	Inputs other than quoted prices included within Level 1 that are either directly or indirectly observable;
Level 3	Assets or liabilities for which fair value is based on valuation models with significant unobservable pricing inputs and which result in the use of management estimates.

Fair Value Measurements Using		Assets/Liabilities		
	Level 1	Level 2	Level3	At Fair Value
Asset				
Cash and cash equivalents	$16,371	$ 9,217	-	$ 25,588
Loan receivable	-	-	$ 7,850	$ 7,850
Accounts receivable	-	-	$ 22,200	$ 22,200
Liability				
Notes payable	-	-	$391,486	$391,486
New loan	-	-	$200,060	$200,060
Shareholder loan	-	-	$ 19,858	$ 19,858
Convertible loan	-	-	$ 7,000	$ 7,000

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Unaudited Interim Consolidated Statements of Operations (USD $)	3 Months Ended		6 Months Ended		101 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012
Revenue	$ 49,292	$ 0	$ 49,296	$ 1,492	$ 146,029
Cost of goods sold	47,428	0	47,428	0	247,425
Total Gross Margin	1,864	0	1,868	1,492	(101,396)
Leasing and consulting fees earned	0	0	0	0	23,000
Total Other Revenue	0	0	0	0	23,000
Total Net Margin	1,864	0	1,868	1,492	(78,396)
Selling and administrative expense	90,409	24,212	181,708	53,997	1,044,214
Depreciation	198	516	396	1,147	14,905
Total Expenses	90,607	24,728	182,104	55,144	1,059,119
Net (loss)	$ (88,743)	$ (24,728)	$ (180,236)	$ (53,652)	$ (1,137,515)
Basic earnings (loss) per share	$ (0.0004)	$ (0.0004)	$ (0.0008)	$ (0.0008)	
Basic weighted average shares outstanding	206,551,442	68,830,474	206,551,442	68,830,474	

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Document and Entity Information (USD $)	6 Months Ended Nov. 30, 2012	Jan. 14, 2013
Document and Entity Information:		
Entity Registrant Name	Portlogic Systems Inc.	
Document Type	10-Q	
Document Period End Date	Nov. 30, 2012	
Amendment Flag	false	
Entity Central Index Key	0001413990	
Current Fiscal Year End Date	--05-31	
Entity Common Stock, Shares Outstanding		206,551,422
Entity Public Float	$ 2,274,785.55	
Entity Filer Category	Smaller Reporting Company	
Entity Current Reporting Status	Yes	
Entity Voluntary Filers	No	
Entity Well-known Seasoned Issuer	No	
Document Fiscal Year Focus	2013	
Document Fiscal Period Focus	Q2	

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Unaudited Interim Consolidated Statements of Cash Flows (USD $)	6 Months Ended		101 Months Ended
	Nov. 30, 2012	Nov. 30, 2011	Nov. 30, 2012
Cash Flows from (used in) Operating Activities			
Net (loss)	$ (180,236)	$ (53,652)	$ (1,137,515)
Depreciation of equipment	396	1,147	14,905
Amortization of source code	0	0	152,000
Amortization of stock-based compensation	4,800	0	5,600
Increase (decrease) in accounts and other receivables	(21,107)	2,114	(30,050)
Increase in interest receivable	86	0	0
Increase in prepaid expenses and deposits	0	0	(6,255)
Increase (decrease) in accounts payable and accrued liabilities	29,784	31,271	188,414
Net cash used for operating activities	(166,277)	(19,120)	(812,901)
Cash Flows from (used in) Investing Activities			
Purchase of equipment	0	0	(15,615)
Purchase of source code	0	0	(40,000)
Net Cash provided by (used in) Investing Activities	0	0	(55,615)
Cash Flows from (used in) Financing Activities			
Proceeds from issuance of notes payable	0	0	391,486
Proceeds from issuance of convertible loan	0	0	7,000
Proceeds from issuance of new loan	200,060	0	200,060
Proceeds from issuance of shareholder loan	(16,999)	20,999	19,858
Proceeds from issuance of common stock	0	0	275,700
Net cash provided by financing activities	183,061	20,999	894,104
Net increase (decrease) in cash and equivalents	16,784	1,879	25,588
Cash and equivalents at beginning of the period	8,804	10,607	0
Cash and equivalents at end of the period	25,588	12,486	25,588
Supplemental cash flow information:			
Non-cash acquisition of source code upon issuance of common stock			$ 112,000

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Stock Transactions Parenthetical Disclosures	6 Months Ended Nov. 30, 2012
Compensation Related Costs, Share Based Payments:	
Stock Transactions Parenthetical Disclosures	**NOTE 10. STOCK TRANSACTIONS *** Transactions, other than employees' stock issuance, are in accordance with paragraph 8 of SFAS 123 "Share Based Payment". Thus issuances shall be accounted for on the fair value of the consideration received. Transactions with employees' stock issuance are in accordance with paragraphs (16-44) of SFAS 123. These issuances shall be accounted for based on the fair value of the consideration received or the fair value of the equity instruments issued, or whichever is more readily determinable. In January 2005, the Company issued a total of 17,700,000* shares of common stock to nine individuals for cash in the amount of $0.0005 per share for a total of $2,950. On February 7, 2005, the Company issued a total of 600,000* shares of common stock to one individual for cash in the amount of $0.001 per share for a total of $200. On May 26, 2005, the Company issued a total of 9,000,000* shares of common stock to one individual for cash in the amount of $0.001 per share for a total of $3,000. In July 2005, the Company issued a total of 151,650,000* shares of common stock to nine individuals for cash in the amount of $0.001 per share for a total of $50,550. On September 14, 2005, the Company issued a total of 7,500,000* shares of common stock to one director for cash in the amount of $0.001 per share for a total of $2,500. On October 31, 2005, the Company issued a total of 13,440,000* shares of common stock in the amount of $0.025 per share for a total of $112,000, which was the fair value of the stock on date of issuance, in consideration for the purchase of source code software. A further $40,000 in cash was also paid as consideration for this asset purchase agreement. In April 2006, the Company issued a total of 180,000* shares of common stock to three individuals for cash in the amount of $0.025 per share for a total of $1,500.

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In May 2006, the Company issued a total of 1,440,000* shares of common stock to five individuals for cash in the amount of $0.025 per share for a total of $12,000.

In June 2006, the Company issued a total of 180,000* shares of common stock to three individuals for cash in the amount of $0.025 per share for a total of $1,500.

On July 22, 2006, the Company issued a total of 60,000* shares of common stock to one individual for cash in the amount of $0.025 per share for a total of $500.

On December 22, 2006, the Company issued a total of 180,000* shares of common stock to one individual for cash in the amount of $0.025 per share for a total of $1,500.

On February 22, 2007, the Company issued a total of 799,998* shares of common stock to one individual for cash in the amount of $0.075 per share for a total of $20,000.

In May 2007, the Company issued a total of 3,589,998* shares of common stock to three individuals for cash in the amount of $0.1416 per share for a total of $169,500.

On January 10, 2008, the Company issued a total of 171,426* shares of common stock to one individuals for cash in the amount of $0.175 per share for a total of $10,000.

On April 11, 2012, the Company issued a total of 30,000* shares of common stock to a director in return for services. The market value of shares on the date of issuance was $0.16 per share.

On April 11, 2012, the Company issued a total of 30,000* shares of common stock to another director in return for services. The market value of shares on the date of issuance was $0.16 per share.

As of November 30, 2012, the Company had 206,551,422* share of common stock issued and outstanding.

** After giving retroactive effect of 2:1 stock split effective January 20, 2010 and 3:1 forward common stock split effective March 30, 2012*

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Notes Payable Fair Value Disclosure Methodology	6 Months Ended Nov. 30, 2012
Notes Payable Fair Value Disclosure Methodology:	
Notes Payable Fair Value Disclosure Methodology	**NOTE 8. NOTES PAYABLE** On July 18, 2008, the Company issued a note payable in consideration of a draw down unsecured loan up to an aggregate of $100,000 over a term of one year. Interest is payable at the prime rate plus 2%. This has been extended under the same terms. Principal and interest are now due on July 18, 2013 unless demanded earlier. On July 18, 2008, the Company borrowed $25,000 against the total $100,000 available to be drawn down. On April 14, 2009, the Company borrowed $5,000 against the total $75,000 available to be drawn down. On June 10, 2009, the Company borrowed $50,000 against the total $70,000 available to be drawn down. The balance payable on this note payable is $80,000 as of November 30, 2012 (May 31, 2012 - $80,000). On August 26, 2009, the Company issued an additional note payable in consideration of a draw down unsecured loan up to an aggregate of $300,000 over a term of one year. Interest is payable at the prime rate plus 2%. This has been extended under the same terms. Principal and interest are now due on August 26, 2013 unless demanded earlier. On August 26, 2009, the Company borrowed $100,000 against the total $300,000 available to be drawn down. On March 3, 2010, the Company borrowed $75,000 against the total $200,000 available to be drawn down. On August 24, 2010, the Company borrowed $30,000 against the total $125,000 available to be drawn down. On September 27, 2010, the Company borrowed $10,000 against the total $95,000 available to be drawn down. On November 1, 2010, the Company borrowed $10,000 against the total $85,000 available to be drawn down leaving $75,000 further funds available to be drawn down. On December 9, 2010, the Company borrowed $15,000 against the total $75,000 available to be drawn down leaving $60,000 further funds available to be drawn down. On December 15, 2010, the Company borrowed $10,000 against the total $60,000 available to be drawn down leaving $50,000 further funds available to be drawn down. On January 18, 2011, the Company borrowed $15,000 against the total $50,000 available to be drawn down leaving $35,000 further funds available to be drawn down. On March 9, 2011, the Company borrowed $12,000 against the total $35,000 available to be drawn down leaving $23,000 further funds available to be drawn down. On January 5, 2012, the Company borrowed $19,943 against the total $23,000 available to be drawn down leaving $3,057 further funds available to be drawn down. On March 13, 2012, the Company borrowed $8,943 against the total $3,057 available to be drawn down resulting in $5,886 overdrawn against the $300,000 loan. On April 2, 2012, the Company borrowed a final $5,600 resulting in $11,486 to be overdrawn against the $300,000 loan. The balance payable on this note payable is $311,486 as of November 30, 2012 (May 31, 2012 - $311,486).

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Interest expense amounted to $15,682 for the six month period ended November 30, 2012 (November 30, 2011 - $10,679) and is included in selling and administrative expense. As at November 30, 2012, accrued interest of $61,123 (May 31, 2012 - $46,006) is included in accounts payable and accrued liabilities.

Convertible Debt, Fair Value Disclosure, Methodology

NOTE 9. CONVERTIBLE LOAN

A convertible debenture, issued March 11, 2005, was unsecured, matured March 11, 2012 and carried interest at a rate of 10% per annum. The instrument is convertible at the option of the holder into common shares of the Company at a rate of $0.05 per share, and may be redeemed at any time prior to maturity at the option of the holder, should certain conditions prevail. The holder of the debenture has signed agreements waiving interest accrued from March 11, 2005 through to March 10, 2013. This convertible debenture has not been repaid and is due on March 10, 2013.

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Related Party Disclosures	6 Months Ended Nov. 30, 2012
Related Party Disclosures:	
Related Party Transactions Disclosure	**NOTE 13. COMMITMENTS AND RELATED PARTY TRANSACTIONS** a) On June 25, 2008, the Company advanced $9,807 to UOMO Media Inc. ("UOMO"). One director of the Company is also a director of UOMO. This advance was paid back to the Company on February 19, 2010. In April and May 2010, the Company advanced a total amount of $13,500 as a temporary loan again. In June 2010, a further $1,600 was advanced totaling the temporary loan to $15,100. In August 2011, a payment of $1,624 was applied against this loan. On September 11, 2011, a payment of $490 was applied against this loan. In December 2011, payments of $4,043 were further applied against this loan. On October 1, 2012, $1,094 was repaid. As at November 30, 2012, $7,850 remains receivable from UOMO (May 31, 2012 – $8,943). b) On May 1, 2007, an independent contractor agreement was entered into under which compensation of $3,000 per month was to be paid to perform services as an officer to October 31, 2007. New agreements have been entered into with this contractor from November 1, 2007 to October 31, 2008 at $3,000 per month. The agreement was continued on a month-to-month basis. On June 30, 2012, the Company entered into a new agreement with the independent contractor under which compensation of $3,000 per month would be paid from July 1, 2012 to November 30, 2012. Then compensation of $10,000 per month would be paid from December 1, 2012 through to June 20, 2014. The related service fee for the six months ended November 30, 2012 amounted to $18,000 (November 30, 2011 - $18,000). c) On November 24, 2011, the Company entered into a contract to pay one of its directors 20,000 restricted common shares and $5,000 cash compensation to carry out services as the Company' s director for a term of one year or until removed as a director. d) On December 6, 2011, the Company entered into a contract to pay one of its directors 20,000 restricted common shares and $5,000 cash compensation to carry out services as the Company' s director for a term of one year or until removed as a director. e) On July 1, 2012, an independent contractor agreement was entered into under which compensation of $12,000 per month was to be paid to perform services as an officer to December 31, 2012. The related service fee for the six months period ended November 30, 2012 amounted to $60,000 (November 30, 2011 - $Nil).

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Compensation Related Costs, Share Based Payments	6 Months Ended Nov. 30, 2012
Compensation Related Costs, Share Based Payments:	
Schedule of Share-based Compensation, Stock Options, Activity	**NOTE 11. UNAMORTIZED STOCK-BASED COMPENSATION FOR STOCKHOLDERS** On April 11, 2012, the Company issued 30,000 shares of its common stock to a director of the Company in return for services. The stock-based compensation issued has been valued at $4,800 ($0.16 per share) which was the fair value of the stock on the date of issuance. The stock must be held for a minimum of twelve months from the date of issuance. The amount of this compensation is being amortized over twelve months starting May 1, 2012. The unamortized portion of this is **$2,000** as at November 30, 2012 and has been expensed as directors' fees. On April 11, 2012, the Company issued 30,000 shares of its common stock to another director of the Company in return for services. The stock-based compensation issued has been valued at $4,800 ($0.16 per share) which was the fair value of the stock on the date of issuance. The stock must be held for a minimum of twelve months from the date of issuance. The amount of this compensation is being amortized over twelve months starting May 1, 2012. The unamortized portion of this is **$2,000** as at November 30, 2012 and has been expensed as directors' fees. The total unamortized portion of stock-based compensation for stockholders is **$4,000** as at November 30, 2012 (May 31, 2012 - $8,800).

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Stockholders Equity Note	6 Months Ended Nov. 30, 2012
Stockholders Equity Note:	
Stockholders' Equity Note Disclosure	**NOTE 12. STOCKHOLDERS' DEFICIENCY** The stockholders' deficiency section of the Company contains the following classes of capital stock as of November 30, 2012: * Preferred stock: $0.001 par value: 1,000,000 shares authorized and 0 shares issued and outstanding. Common stock, $0.001 par value; 225,000,000 shares authorized and 206,551,422* shares issued and outstanding. The stockholders' deficiency section of the Company contains the following classes of capital stock as of May 31, 2012: * Preferred stock: $0.001 par value: 1,000,000 shares authorized and 0 shares issued and outstanding. Common stock, $0.001 par value; 225,000,000 shares authorized and 206,551,422* shares issued and outstanding. * After giving retroactive effect of 2:1 stock split effective January 20, 2010 and 3:1 forward common stock split effective March 30, 2012

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Subsequent Events	6 Months Ended Nov. 30, 2012
Subsequent Events:	
Subsequent Events	**NOTE 13. SUBSEQUENT EVENTS** There are no subsequent events.

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Organization, Consolidation and Presentation of Financial Statements	6 Months Ended Nov. 30, 2012
Organization, Consolidation and Presentation of Financial Statements:	
Organization, Consolidation and Presentation of Financial Statements Disclosure	**NOTE 1. ORGANIZATION AND DESCRIPTION OF BUSINESS** Portlogic Systems Inc. ("Portlogic") was incorporated under the laws of the State of Nevada on June 22, 2004. On June 5, 2008, Portlogic filed a Form S-1 Registration Statement under the United States Securities Act of 1933. It became effective June 24, 2008. Portlogic is a Toronto, Canada based development stage company with enterprise mobile marketing applications solutions, kiosk hardware and software products which fall into five principal product families: m2Meet, m2Bank, m2Market, m2Ticket, and m2Kiosk. Prior to January 2010. Portlogic created and licensed online interactive community portal software systems and developed a series of web-based community portal products. On September 16, 2009, Portlogic incorporated a wholly owned subsidiary, Sunlogic Energy Corporation in Panama City, Republic of Panama for the purpose of looking at solar and alternative green energy software and products. Initial operations include: capital formation; organization; website construction; target market identification; research costs; promotional materials costs; and marketing planning. Sunlogic Energy Corporation is still incorporated as a subsidiary but its operations are on hold. Since January 2010, Portlogic has expanded the scope of technology offerings to include marketing mobile applications solutions and kiosk hardware and software products. Portlogic' s product offering now include enterprise software solutions which fall into six principal product families: m2Meet, m2Bank, m2Market, m2Ticket, m2Kiosk, and m2Workflow. On June 18, 2012, Portlogic incorporated a wholly owned subsidiary, VOIP 1, Inc. under the laws of the State of Nevada. VOIP 1, Inc. specializes in data and voice telecommunications technologies. VOIP 1 began earning revenues in September 2012. The accompanying unaudited interim consolidated financial statements include Portlogic and its subsidiary (herein after referred to collectively as the "Company"). All intercompany balances and transactions have been eliminated on consolidation. The unaudited interim consolidated financial statements have been prepared in accordance with Securities and Exchange Commission requirements for interim financial statements. Therefore, they do not include all of the information and footnotes required in accordance with United States Generally Accepted

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Accounting Principles ("GAAP") for complete financial statements. The unaudited interim consolidated financial statements should be read in conjunction with the Form 10-K for the year ended May 31, 2012.

The unaudited interim consolidated financial statements present the balance sheet, statements of operations and cash flows of the Company. The unaudited interim consolidated financial statements have been prepared by management in accordance with GAAP.

Going Concern Note

NOTE 2. GOING CONCERN

The unaudited interim consolidated financial statements are presented on a going concern basis which contemplates the realization of assets and discharge of obligations in the normal course of business as they come due. No adjustments have been made to assets or liabilities in these unaudited interim consolidated financial statements should the Company not be able to continue normal business operations.

The Company has incurred losses from inception and, during the six month period ended November 30, 2012, the Company utilized $166,277 (November 30, 2011 - $19,120) of cash in operations. At November 30, 2012, the Company reported a deficit of $1,137,515 and continues to expend cash in amounts that exceed revenues. These conditions cast substantial doubt on the ability of the Company to continue as a going concern and meet its obligations as they come due. Management is considering various alternatives and is pursuing raising additional capital resources. Nevertheless, there can be no assurance that these initiatives if undertaken will be successful.

The Company is in the development stage and is in the process of developing a series of web-based community portal products as well as a series of off-the-shelf template based websites. Sale of one of these products commenced during the 2008 fiscal year. The Company shifted its focus to specializing in mobile applications solutions marketing, and in its new line of business, data and telecommunications technology. The Company' s continuance as a going concern is dependent on the commercialization of more of the Company' s products and the achievement of profitable operations as well as the success of the Company in raising additional long-term financing through debt or equity offerings. In the event that the Company is not successful in these efforts, the assets may not be realized or liabilities discharged at their carrying amounts, and differences from the carrying amounts reported in these consolidated financial statements could be material.

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Payables and Accruals	6 Months Ended Nov. 30, 2012
Payables and Accruals:	
Schedule of Accounts Payable and Accrued Liabilities	**NOTE 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	November 30, 2012	May 31, 2012
	$	$
Cost of goods sold	18,216	-
Audit and review	8,700	12,200
Bookkeeping and accounting	107	107
Legal	4,675	4,675
Other	89,800	90,077
Credit cards	5,793	5,565
Interest payable	61,123	46,006
	188,414	**158,630**

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