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

FORM 10-Q

☒ **QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2015

☐ **TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT OF 1934**
For the transition period from _____ to _____

Commission File Number 000-32865

WORDLOGIC CORPORATION

(Exact name of registrant as specified in its charter)

Nevada	**88-0422023**
(State of incorporation)	(I.R.S. Employer Identification No.)

1130 West Pender St., Suite 230
Vancouver, BC Canada V6E 4A4
(Address of principal executive offices)

(604) 257-3660
(Registrant's telephone number)

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.
☒Yes ☐ No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). ☒Yes ☐ No (Not required)

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	☐	**Smaller Reporting Company**	☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). ☐ Yes ☒ No

As of August 11, 2015, there were 114,673,479 shares of the registrant's $0.001 par value common stock issued and 114,441,939 outstanding.

WORDLOGIC CORPORATION*

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Special Note Regarding Forward-Looking Statements

Information included in this Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"). This information may involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of WordLogic Corporation (the "Company"), to be materially different from future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements, which involve assumptions and describe future plans, strategies and expectations of the Company, are generally identifiable by use of the words "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project" or the negative of these words or other variations on these words or comparable terminology. These forward-looking statements are based on assumptions that may be incorrect, and there can be no assurance that these projections included in these forward-looking statements will come to pass. Actual results of the Company could differ materially from those expressed or implied by the forward-looking statements as a result of various factors. Except as required by applicable laws, the Company has no obligation to update publicly any forward-looking statements for any reason, even if new information becomes available or other events occur in the future.

**Please note that throughout this Quarterly Report, and unless otherwise noted, the words "we," "our," "us," the "Company," or "WLGC" refers to WordLogic Corporation.*

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

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(The accompanying notes are an integral part of the consolidated financial statements.)

WORDLOGIC CORPORATION
Consolidated Balance Sheets
(Expressed in US Dollars)

	June 30, 2015 (Unaudited)	December 31, 2014
Assets		
Current Assets		
Cash and cash equivalents	$ 802	$ 1,922
Restricted cash (Note 3)	20,630	4,554
Investments (Note 4)	50,000	50,000
GST refund receivable (Note 5)	19,907	7,349
Employee advances	176	189
Interest receivable	39	128
Prepaid expenses (Note 6)	11,354	12,209
Total Current Assets	102,908	76,351
Property and equipment, net of accumulated depreciation (Note 7)	7,729	9,521
Total Assets	$ 110,637	$ 85,872
Liabilities and Stockholders' Deficit		
Current Liabilities		
Bank overdraft	$ 22,107	$ 6,175
Accounts payable and accrued liabilities	788,006	766,142
Indebtedness to related parties (Note 8)	121,525	78,174
Deposit from shareholder (Note 9)	50,000	50,000
Accrued interest (Note 10)	28,578	7,503
Notes payable (Note 10)	378,949	355,326
Notes payable to related parties(Note 10)	20,043	-
Total Current Liabilities	1,409,208	1,263,320
Total Liabilities	1,409,208	1,263,320
Stockholders' Deficit		
Common stock, $.001 par value; 250,000,000 shares authorized 108,273,479 shares issued and 108,041,939 outstanding as of June 30, 2015, and 102,233,955 shares issued and 102,002,415 outstanding as of December 31, 2014, respectively (Note 11)	108,273	102,234
Additional paid-in capital	28,988,095	28,737,988
Stock payable	4,000	4,000
Accumulated deficit	(29,809,643)	(29,362,106)
Accumulated other comprehensive loss	(569,047)	(639,315)
Treasury stock, 231,540 shares as of June 30, 2015 and December 31, 2014 (Note 12)	(20,249)	(20,249)
Total Stockholders' Deficit	(1,298,571)	(1,177,448)
Total Liabilities and Stockholders' Deficit	$ 110,637	$ 85,872

(The accompanying notes are an integral part of the consolidated financial statements.)

WORDLOGIC CORPORATION
Consolidated Statements of Operations
(Expressed in US Dollars)

	For the Three months Ended (Unaudited)		For the Six months Ended (Unaudited)	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014
Revenues				
Patents licensing (Note 15)	$ –	$ –	$ –	$ –
Total Revenues	–	–	–	–
Operating expenses				
Rent, related party	21,986	26,878	43,934	55,182
Selling, general and administrative (Note 8 and 13)	147,740	249,930	355,067	1,159,693
Research and development	3,011	104,393	23,194	200,847
Total Operating Expenses	172,737	381,201	422,195	1,415,722
Loss from Operations	(172,737)	(381,201)	(422,195)	1,415,722
Other income (expenses)				
Interest income	35	40	70	79
Interest expense	(13,448)	(2,538)	(25,412)	(4,707)
Net Loss	(186,150)	(383,699)	(447,537)	(1,420,350)
Other Comprehensive Income				
Net Gain (Loss) of Foreign Currency Translation	(20,709)	(36,899)	70,268	(18,620)
Net Comprehensive Loss	$ (206,859)	$ (420,598)	$ (377,269)	$ (1,438,970)
Basic net income (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Diluted net income (loss) per share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.01)
Weighted average common shares used in calculating basic net income (loss) per share	107,087,634	96,310,768	105,474,810	94,815,640
Weighted average common shares used in calculating diluted net income (loss) per share	107,087,634	96,310,768	105,474,810	94,815,640

(The accompanying notes are an integral part of the consolidated financial statements.)

WORDLOGIC CORPORATION
Consolidated Statement of Stockholders' Deficit
(Expressed in US Dollars)

	Common Stock		Additional Paid-In Capital	Treasury Stock		Stock Payable	Accumulated	Accumulated Other Comprehensive	
	Shares	Par Value $	$	Shares	Cost $	(Receivable) $	Deficit $	Loss $	Total $
Balance, December 31, 2014	102,233,955	102,234	28,737,988	231,540	(20,249)	4,000	(29,362,106)	(639,315)	(1,177,448)
Sale of common stock ($0.02/share)	300,000	300	5,700	–	–	–	–	–	6,000
Sale of units consisting of one share of common stock and two warrants ($0.02/share)	2,000,000	2,000	38,000	–	–	–	–	–	40,000
Sale of units consisting of one share of common stock and one warrant ($0.04/share)	1,250,000	1,250	48,750	–	–	–	–	–	50,000
Sale of units consisting of one share of common stock and one warrant ($0.06/share)	170,000	170	10,030	–	–	–	–	–	10,200
Sale of units consisting of one share of common stock and half warrant ($0.06/share)	166,667	166	9,833	–	–	–	–	–	9,999
Sale of units consisting of one share of common stock and one warrant ($0.07/share)	142,857	143	9,857	–	–	–	–	–	10,000
Sale of units consisting of one share of common stock and one warrant ($0.05/share)	710,000	710	34,790	–	–	–	–	–	35,500
Stock issued for services ($0.06/share)	1,000,000	1,000	59,000	–	–	–	–	–	60,000
Common stock options exercised ($0.10/share)	100,000	100	9,900	–	–	–	–	–	10,000
Common stock options exercised ($0.07/share)	200,000	200	13,800	–	–	–	–	–	14,000
Common stock options and warrants vested	–	–	10,447	–	–	–	–	–	10,447
Comprehensive loss:									
Net loss	–	–	–	–	–	–	(447,537)	–	(447,537)
Currency translation adjustment	–	–	–	–	–	–	–	70,268	70,268
Balance, June 30, 2015 (Unaudited)	108,273,479	108,273	28,988,095	231,540	(20,249)	4,000	(29,809,643)	(569,047)	(1,298,571)

(The accompanying notes are an integral part of the consolidated financial statements.)

WORDLOGIC CORPORATION
Consolidated Statements of Cash Flows
(Expressed in US Dollars)

	For the Six Months Ended 398 529.26 426.0 4s (Unaudited)	
	June 30, 2015	June 30, 2014
Cash flows from operating activities:		
Net loss	$ (447,537)	$ (1,420,350)
Adjustments to reconcile net income (loss) to net cash provided (used) in operating activities:		
Depreciation and amortization	1,136	1,714
Common stock issued for services	60,000	–
Stock-based compensation	10,447	555,013
Changes in current assets and liabilities:		
Receivables	(12,469)	5,118
Employee advances	13	1
Prepaid expenses	855	(22,393)
Accounts payable and accrued liabilities	38,451	68,701
Accrued interest payable	21,075	–
Deferred revenue	–	50,000
Net cash used in operating activities	(328,029)	(762,196)
Cash flows from financing activities:		
Proceeds from related parties	43,351	–
Repayment of advances from related parties	–	(16,891)
Proceeds from other promissory note	23,623	–
Proceeds from related party promissory note	20,043	–
Proceeds from stock options and warrants exercised	24,000	315,000

(The accompanying notes are an integral part of the consolidated financial statements.)

c) Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses in the reporting period. We regularly evaluate our estimates and assumptions related to the useful life and recoverability of long-lived assets, stock-based compensation and deferred income tax asset valuation allowances. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by us may differ materially and adversely from our estimates. To the extent there are material differences between our estimates and the actual results, our future results of operations will be affected.

d) Cash and Cash Equivalents

The Company considers all investment instruments purchased with an original maturity of three months or less to be cash equivalents. Investment securities with original or remaining maturities of more than three months but less than one year are considered short-term investments. Auction rate securities with original or remaining maturities of more than three months are considered short-term investments even if they are subject to re-pricing within three months. The Company was not invested in any auction rate securities as of June 30, 2015 and December 31, 2014. Investment securities held with the intent to reinvest or hold for longer than a year, or with remaining maturities of one year or more, are considered long-term investments. The Company's cash equivalents at June 30, 2015 consisted of term deposits with original maturities of three months or less, and are therefore classified as cash and cash equivalents in the accompanying balance sheets.

Cash and cash equivalents consisted of cash and term deposits of $802 and $1,922 at June 30, 2015 and December 31, 2014, respectively.

e) **Short and Long-term Investments**

The Company accounts for its short-term and long-term investments in accordance with ASC 320, Investments-Debt and Equity Securities. The Company's short and long-term investments in securities are classified as available-for-sale and are reported at fair value, with unrealized gains and losses, net of tax, recorded in other comprehensive income (loss). Realized gains or losses and declines in value judged to be other than temporary, if any, on available-for-sale securities are reported in other income, net. The Company reviews the securities for impairments considering current factors including the economic environment, market conditions, and the operational performance and other specific factors relating to the businesses underlying the securities. The Company records impairment charges equal to the amount that the carrying value of its available-for-sale securities exceeds the estimated fair market value of the securities as of the evaluation date. The fair value for publicly held securities is determined based on quoted market prices as of the evaluation date. In computing realized gains and losses on available-for-sale securities, the Company determines cost based on amounts paid, including direct costs such as commissions, to acquire the security using the specific identification method. The Company did not have any short or long-term investments in securities at June 30, 2015 or December 31, 2014.

The Company's investment consisted of certified term deposit with original maturities of more than three months. The Company realized interest income based on term deposit rate agreed upon with Royal Bank of Canada. The company had term deposits totaling US $50,000 and $50,000 at June 30, 2015 and December 31, 2014, respectively. The company has recorded interest receivable of $39 and $128 at June 30, 2015 and December 31, 2014, respectively.

See Note 2.m for further information on fair value.

f) Allowance for Doubtful Accounts

The Company considers its receivables to be fully collectable since the Company has only two receivable accounts, GST/HST (Goods and services tax/harmonized sales tax) receivable and interest receivable; accordingly, no allowance for doubtful accounts is required. The Company recognizes an allowance for doubtful accounts on specific accounts identified at risk based on the age of the outstanding receivable and the inability or unwillingness of its customers to make the required payments.

g) Property and Equipment

Property and equipment are stated at cost and are amortized over their estimated useful lives as follows:

Asset	Method	Rate
Computer equipment	Straight-line	33.3%
Computer software	Straight-line	100.0%
Furniture and fixtures	Declining balance	20.0%
Other equipment	Declining balance	20.0%

Amortization is recorded at one-half of the normal rate in the year of acquisition. We have compared the depreciation taken using the declining balance method to the straight-line method and have determined the difference to be immaterial for the six months ended June 30, 2015 and 2014.

Upon retirement or disposition of equipment, the cost and accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in operations. Repairs and maintenance are charged to expense as incurred and expenditures for additions and improvements are capitalized.

h) Impairment of Long-Lived Assets

The Company evaluates the carrying value of its long-lived assets under the provisions issued by the FASB which requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted future cash flows estimated to be generated by those assets are less than the assets' carrying amount. If such assets are impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying value or fair value, less costs to sell.

i) Deferred Revenue

Certain amounts are received pursuant to agreement and may only be used in the delivery of specific services and transactions. These amounts are recognized as revenue in the fiscal year the related expenditures are incurred and services are performed.

j) Software Development Costs

Software development costs are recorded in accordance with the provisions issued by the FASB as follows. Costs incurred to establish the technological feasibility of computer software to be sold, leased, or otherwise marketed are expensed as incurred as research and development costs. Once technological feasibility is established, the cost of producing product masters for the software is capitalized. Capitalization of the software development costs ceases and amortization of the capitalized costs commences when the product is available for general release to customers. Capitalized costs are amortized based on the greater of (a) the ratio of current gross revenues to the total current and anticipated future gross revenues, or (b) the straight-line method over the remaining estimated economic life of the product.

k) Research and Development

Expenditures relating to the development of new products and processes, including significant improvements to existing products, are charged to operations as incurred.

l) Income Taxes

The Company accounts for income taxes under the provisions issued by the FASB which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company computes tax asset benefits for net operating losses carried forward. The potential benefit of net operating losses has not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

m) Revenue Recognition

The Company recognizes revenues in accordance with ASC 985-605, *Revenue Recognition – Software* ("ASC 985-605"), or ASC 605-25, *Revenue Recognition – Multiple-Element Arrangements*.

Pursuant to ASC 985-605, the Company recognizes revenue when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the fee is fixed or determinable, and (iv) collectability is probable. The Company applies these criteria as discussed below:

- *Persuasive evidence of an arrangement exists*. The Company requires a written contract, signed by both the customer and the Company, or a purchase order from those customers that have previously negotiated a standard end-user license arrangement or volume purchase agreement, prior to recognizing revenue on an arrangement.

- *Delivery has occurred*. The Company delivers software and hardware to customers physically. The standard delivery terms are free on board shipping point.

- *The fee is fixed or determinable*. The Company's determination that an arrangement fee is fixed or determinable depends principally on the arrangement's payment terms. Where these terms apply, the Company regards the fee as fixed or determinable, and recognizes revenue upon delivery (assuming other revenue recognition criteria are met). If the payment terms do not meet this standard, but rather, involve "extended payment terms," the fee may not be considered to be fixed or determinable and the revenue would then be recognized when customer installments are due and payable.

- *Collectability is probable*. To recognize revenue, the Company judges collectability of the arrangement fees on a customer-by-customer basis pursuant to a credit review policy. The Company typically sells to customers with which it has had a history of successful collections. For new customers, the Company evaluates the customer's financial position and ability to pay. If the Company determines that collectability is not probable based upon the credit review process or the customer's payment history, revenue is recognized when cash is collected.

If there are any undelivered elements, the Company defers revenue for those elements, as long as vendor specific objective evidence ("VSOE") of fair value exists for the undelivered elements. Payment for product is due upon shipment, subject to specific payment terms. Payment for professional services is due either upon or in advance of providing the services, subject to specific payment terms. Reimbursements received for out-of-pocket expenses and shipping costs, which have not been significant to date, are recognized as revenue in accordance with ASC 605-45, *Revenue Recognition – Principal Agent Considerations*.

The Company earns revenue from the sale of its software products and from royalties earned on software licensing agreements. Revenue from the sale of software products is recognized at the point of delivery, which occurs when customers either download the software or are shipped software products. Royalty revenue is recognized in accordance with the terms of licensing agreements and when collectability is reasonably assured, which is usually on receipt of royalty payments.

The Company also recognizes revenue from the licensing of the intellectual property portfolio according to ASC 985-605, based on the terms of agreements involved.

The Company has not established a formal policy affecting warranty or returns. No estimate of returns from sales has been made.

n) Fair Value for Financial Assets and Financial Liabilities

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification (Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10 35-37 are described below:

Level 1 Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.

Level 3 Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's financial assets and liabilities, such as cash and accrued expenses, approximate their fair values because of the short maturity of these instruments. The Company's note payable approximates the fair value of such instrument based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangement at June 30, 2015. The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at June 30, 2015, nor gains or losses are reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the six months ended June 30, 2015.

The Company's operations are in Canada, which results in exposure to market risks from changes in foreign currency rates. The financial risk to the Company's operations results from fluctuations in foreign exchange rates and the degree of volatility of these rates. Currently, the Company does not use derivative instruments to reduce its exposure to foreign currency risk.

In accordance with ASC 820, the following table presents the Company's fair value hierarchy for its financial assets (investments) as of June 30, 2015 and December 31, 2014:

Level	June 30, 2015	December 31, 2014
Level 1	$50,000	$50,000
Level 2	–	–
Level 3	–	–

o) Foreign Currency Translation

The Company's functional currency is the Canadian dollar and these financial statements have been translated into U.S. dollars in accordance with standards issued by the FASB. The Canadian dollar based accounts of the Company's foreign operations have been translated into United States dollars using the current rate method. Assets and liabilities of those operations are translated into U.S. dollars using exchange rates as of the balance sheet date; income and expenses are translated using the weighted average exchange rates for the reporting period. Translation adjustments are recorded as accumulated other comprehensive income (loss), a separate component of shareholders' equity.

p) Stock-based Compensation

On January 1, 2006, the Company adopted standards issued by the FASB, which requires the measurement and recognition of compensation expense for all share-based awards made to employees and directors, including employee stock options and shares issued through its employee stock purchase plan, based on estimated fair values. In March 2005, the Securities and Exchange Commission issued Staff Accounting Bulletin 107 ("SAB 107") relating to this standard. The Company has applied the provisions of SAB 107 in its adoption of this standard. The Company adopted the FASB standard using the modified prospective transition method, which requires the application of the accounting standard as of the beginning in 2006. The Company's financial statements as of and for the year ended December 31, 2007 reflect the impact of this standard. In accordance with the modified prospective transition method, the Company's financial statements for prior periods do not include the impact of this standard.

The Company's determination of estimated fair value of share-based awards utilizes the Black-Scholes option-pricing model. The Black-Scholes model is affected by the Company's stock price as well as assumptions regarding certain highly complex and subjective variables. These variables include, but are not limited to the Company's expected stock price volatility over the term of the awards and actual and projected employee stock option exercise behaviors.

q) Net Income (Loss) per Share

Basic and diluted net income (loss) per share of common stock is presented in conformity with ASC 260, *Earnings Per Share* ("ASC 260"), for all periods presented. In accordance with ASC 260, basic net income (loss) per share has been computed using the weighted average number of shares of common stock outstanding during the period, less shares subject to repurchase. Diluted net income (loss) per share is computed on the basis of the weighted average number of shares and potential common shares outstanding during the period. Potential common shares result from the assumed exercise of outstanding stock options and warrants that have a dilutive effect when applying the treasury stock method.

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

	Six Months Ended June 30 (Unaudited)	
	2015	2014
Numerator:		
Net income (loss) – basic and diluted	$ (447,537)	$ (1,420,350)
Denominator:		
Basic weighted average common shares outstanding	105,474,810	94,815,640
Effect of dilutive securities:		
Stock options	–	–
Warrants	–	–
Diluted weighted average common shares outstanding	105,474,810	94, 815,640
Net income (loss) per share - basic	$ (0.00)	$ (0.01)
Net income (loss) per share - diluted	$ (0.00)	$ (0.01)

Due to a net loss for the periods ended June 30, 2015 and 2014, basic and diluted net loss per share are equivalent as the inclusion of potential common shares in the number of shares used for the diluted computation would be anti-dilutive to the net loss per share.

r) Comprehensive Income (Loss)

The Company reports its comprehensive (loss) in accordance with provisions of the FASB. For the six months ended June 30, 2015 and 2014, the Company's only component of comprehensive loss was foreign currency translation adjustments.

s) Advertising Costs

Advertising costs are charged to operations as incurred.

t) Recent Accounting Pronouncements

In June 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-12, Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The new guidance requires that share-based compensation that require a specific performance target to be achieved in order for employees to become eligible to vest in the awards and that could be achieved after an employee completes the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation costs should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. This new guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2015. Early adoption is permitted. Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. The Company has elected early adoption of these amendments.

In June 2014, the FASB issued ASU No. 2014-10: Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation , to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements of development stage entities. The amendments in this update remove all incremental financial reporting requirements from U.S. GAAP for development stage entities, thereby improving financial reporting by eliminating the cost and complexity associated with providing that information. The amendments in this Update also eliminate an exception provided to development stage entities in Topic 810, Consolidation, for determining whether an entity is a variable interest entity on the basis of the amount of investment equity that is at risk. The amendments to eliminate that exception simplify U.S. GAAP by reducing avoidable complexity in existing accounting literature and improve the relevance of information provided to financial statement users by requiring the application of the same consolidation guidance by all reporting entities. The elimination of the exception may change the consolidation analysis, consolidation decision, and disclosure requirements for a reporting entity that has an interest in an entity in the development stage. The amendments related to the elimination of inception-to-date information and the other remaining disclosure requirements of Topic 915 should be applied retrospectively except for the clarification to Topic 275, which shall be applied prospectively. For public companies, those amendments are effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. Early adoption is permitted. The Company has elected early adoption of these amendments.

u) Reclassifications

Certain reclassifications have been made to the prior period's financial statements to conform to the current period's presentation.

3. RESTRICTED CASH

As of June 30, 2015 and December 31, 2014, the Company had restricted cash balances of $20,630 and $4,554, respectively. This cash was held in trust by our attorneys for the payment of future legal invoices and payroll source deduction holding from Canada Revenue Agency.

4. INVESTMENTS

TERM DEPOSITS

The company had held-to-maturity certified term deposits with original maturity date more than three months totaling $50,000 at June 30, 2015 as follows:

Investment Date	Amount	Maturity Date	Interest Rate
	$		
April 10, 2014	50,000	April 10, 2016	0.35%
June 30, 2015	**50,000**		

The Company has recorded an accrued interest receivable of $39 and $128 for above term deposits as of June 31, 2015 and December 31, 2014 based on statements provided by financial institutions.

5. GST/HST RECEIVABLE

The Goods and Service Tax ("GST") is a federal tax that applies to the supply of most property and services in Canada. All businesses operating in BC are responsible for collecting and remitting GST to the Canadian government. A GST registrant should collect the GST on most of their sales and pay the GST on most purchases they make to operate their business. They can claim an input tax credit ("ITC"), to recover GST paid or payable on the purchases they use in commercial activities. However, during the six months ended June 30, 2015, the Company has not collected any GST since all sales were incurred in the United States which sales are not GST taxable. The Company has filed GST returns quarterly and claimed only ITC's during the period ended June 30, 2015. As the result of this, as of June 30, 2015 and December 31, 2014, the Company had GST/HST refund receivable of $19,907 (CAD $23,909) and 7,349 (CAD $8,525), respectively.

6. PREPAID EXPENSES

As of June 30, 2015 and December 31, 2014, we had prepaid expenses of $11,354 and $12,209, respectively. Prepaid expenses have been incurred for marketing and advertisement fees and security deposit for an office leased property. Prepaid expenses consisted of the following:

Vendor	June 30, 2015	December 31, 2014
	$	$
Bentall L.P.	10,004	10,757
Others	1,350	1,452
Total	11,354	12,209

7. PROPERTY AND EQUIPMENT

	Cost	Accumulated Amortization as of June 30, 2015	Net Carrying Amount as of June 30, 2015	Net Carrying Amount as of December 31, 2014
	$	$	$	$
Office equipment	8,711	5,647	3,064	3,651
Computer equipment	123,121	119,588	3,533	4,521
Computer software	5,684	5,684	-	-
Furniture and fixtures	13,550	12,418	1,132	1,349
	151,066	143,337	7,729	9,521

Depreciation expense totaled $1,136 and $1,714 for the six months ended June 30, 2015 and 2014, respectively.

8. RELATED PARTY TRANSACTIONS AND BALANCES

The Company incurred the following related party transactions:

a. The Company has entered into an agreement with a private company controlled by a director to provide management services requiring monthly payments of CAD $30,000, expiring December 31, 2015. Management fees incurred by the Company totaled $145,745 (CAD $180,000) and totaled $164,096 (CAD $180,000) for the six months ended June 30, 2015 and 2014, respectively. As at June 30, 2015, the amount owing to this private company totaled $53,523.

b. The Company incurred accounting fees of $7,773 and $2,051 with a private company of which an officer is also an officer for the six months ended June 30, 2015 and 2014, respectively. As at June 30, 2015, the amount owing to this private company totaled $13,286.

c. The Company has entered into an agreement with a private company controlled by an officer to provide management services requiring monthly payments of CAD $20,000, expiring April 1, 2015. Management fees incurred by the Company totaled $nil (CAD $nil) and $109,397 (CAD $120,000) for the six months ended June 30, 2015 and 2014, respectively. As at June 30, 2015, the amount owing to this private company totaled $54,716.

d. During the year ended December 31, 2014, the Company received a non-refundable deposit of $50,000 for software licence of which terms and condition has not yet been finalized.

e. In March 2015, the Company received proceeds of $20,043 (CAD $25,000) on an unsecured promissory note with a related party for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $20,043 (CAD $25,000) at June 30, 2015.

9. DEPOSIT FROM SHAREHOLDER

a. As of June 30, 2015 and December 31, 2014, the Company had non-refundable deposit of $50,000 and $50,000, respectively, for software licence of which terms and condition has not yet been finalized.

Description	June 30, 2015	December 31, 2014
	$	$
Software licence	50,000	50,000
	50,000	50,000
Non-current	-	-
Current	50,000	50,000
	50,000	50,000

10. NOTES PAYABLE

Promissory Notes

a. In August 2014, the Company received proceeds of $10,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $10,000 and $10,000 at June 30, 2015 and December 31, 2014.

b. In September 2014, the Company received proceeds of $50,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $50,000 and $50,000 at June 30, 2015 and December 31, 2014.

c. In October 2014, the Company received proceeds of $20,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $20,000 and $20,000 at June 30, 2015 and December 31, 2014.

d. Also in October 2014, the Company received proceeds of CAD $220,000 on an unsecured promissory note for a period one year at an interest of 12% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $176,374 and $189,640 at June 30, 2015 and December 31, 2014, respectively.

e. In November 2014, the Company received proceeds of $20,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $20,000 and $20,000 at June 30, 2015 and December 31 ,2014.

f. Also in November 2014, the Company received proceeds of CAD $11,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $8,819 and $9,482 at June 30, 2015 and December 31, 2014, respectively.

g. Also in November 2014, the Company received proceeds of $20,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $20,000 and $20,000 at June 30, 2015 and December 31, 2014, respectively.

h. In December 2014, the Company received proceeds of CAD $12,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $9,462 and $10,344 at June 30, 2015 and December 31, 2014, respectively.

i. Also in December 2014, the Company received proceeds of CAD $15,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $12,026 and $12,930 at June 30, 2015 and December 31, 2014, respectively.

j. Also in December 2014, the Company received proceeds of CAD $15,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $12,025 and $12,930 at June 30, 2015 and December 31, 2014, respectively.

k. In January 2015, the Company received proceeds of CAD $5,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $4,008 and $nil at June 30, 2015 and December 31, 2014, respectively.

l. In February 2015, the Company received proceeds of CAD $10,000 on an unsecured promissory note for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $8,017 and $nil at June 30, 2015 and December 31, 2014, respectively.

m. In January 2015, the Company received proceeds of CAD $30,000 on an unsecured promissory note for a period one year at an interest of 12% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $24,051 and $nil at June 30, 2015 and December 31, 2014, respectively.

n. In March 2015, the Company received proceeds of CAD $25,000 on an unsecured promissory note with a related party for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $20,042 and $nil at June 30, 2015 and December 31, 2014, respectively.

o. In May 2015, the Company received proceeds of CAD $5,000 on an unsecured promissory note with a related party for a period one year at an interest of 10% per annum which will be accrued semi-annually and repaid $nil, leaving a balance owing of $4,009 and $nil at June 30, 2015 and December 31, 2014, respectively.

Interest expense on the note during the six month period ended June 30, 2015 and 2014 totaled $20,730 and $nil, respectively.

11. COMMON STOCK

For the six months ended June 30, 2015:

a) In January 2015, the Company issued 1,000,000 shares of its common stock at $0.06 per share for services rendered by consultants valued at $60,000 based on the fair market value of the trading price on date of grant.

b) Also in January 2015, the Company conducted a private placement offering whereby it sold 170,000 shares at a price of $0.06 per share for total proceeds of $10,200.

c) Also in January 2015, the Company conducted a private placement offering whereby it sold 200,000 shares at a price of $0.05 per share for total proceeds of $10,000.

d) Also in January 2015, the Company issued 100,000 shares of its common stock at $0.10 per share related to the exercise of options, for total proceeds of $10,000.

e) In February 2015, the Company conducted a private placement offering whereby it sold 510,000 shares at a price of $0.05 per share for total proceeds of $25,500.

f) Also in February 2015, the Company issued 100,000 shares of its common stock at $0.07 per share related to the exercise of options, for total proceeds of $7,000.

g) In March 2015, the Company issued 100,000 shares of its common stock at $0.07 per share related to the exercise of options, for total proceeds of $7,000.

h) In April 2015, the Company conducted a private placement offering whereby it sold 1,250,000 shares at a price of $0.04 per share for total proceeds of $50,000.

i) Also in April 2015, the Company conducted a private placement offering whereby it sold 2,000,000 shares at a price of $0.02 per share for total proceeds of $40,000.

j) In May 2015, the Company conducted a private placement offering whereby it sold 142,857 shares at a price of $0.07 per share for total proceeds of $10,000.

k) In June 2015, the Company conducted a private placement offering whereby it sold 166,667 shares at a price of $0.06 per share for total proceeds of $10,000.

l) Also in June 2015, the Company conducted a private placement offering whereby it sold 300,000 shares at a price of $0.02 per share for total proceeds of $6,000.

The following table summarizes the continuity of the Company's share purchases with warrants attached:

	Number of Warrants	Weighted average exercise price $	Weighted average remaining contractual life (in years)
Balance, December 31, 2014	8,030,571	0.13	2.02
Issued	6,356,191	0.10	1.78
Exercised	–	–	–
Expired/Cancelled	–	–	–
Outstanding, June 30, 2015	14,386,762	0.12	1.67

During the six months ended June 30, 2015, the Company issued 4,439,524 common shares with warrants attached for total cash proceeds of $155,700. The common stock issued included 4,439,524 attached warrants to purchase 6,356,191 common stock at the weighted average exercise price of $0.10 per share. The relative fair value of the warrants attached to the common stock issued was estimated at the date of grant using the Black-Sholes pricing model. The relative fair value of the warrants attached to the common stock issued is $58,879, and the relative fair value of the common stock is $48,021 as of the issue date. The Black-Sholes pricing model assumption used are as follows: expected dividend yield of 0%; risk-free interest rate of 0.60%; expected volatility of 149.82%, and warrant term of 2 years.

12. TREASURY STOCK

On August 15, 2012, the Company announced that the Company's Board of Directors approved a share repurchase program authorizing up to five million shares of the Company's outstanding common stock to be repurchased over a 12 month period commencing on August 20, 2012. Any shares repurchased by the Company shall be returned to the treasury and may be used, if and when needed, for general corporate purposes. During six months ended June 30, 2015, the Company did not purchase shares of common stock nor retire shares of common stock from treasury stock.

13. STOCK-BASED COMPENSATION

The Company has, since incorporation, adopted three stock option plans. The first plan is dated February 15, 2001, amended on October 15, 2009, under which the Company is authorized to grant options to acquire up to a total of 6,000,000 shares of common stock. The second plan is dated February 15, 2005, under which the Company is authorized to grant options to acquire up to a total of 3,000,000 shares of common stock. The third plan is dated July 30, 2012, under which the Company is authorized to grant options to acquire up to a total of 10,000,000 shares of common stock. Pursuant to the stock option plans, options granted are subject to vesting terms which range from immediate vesting to various stages over a period of one year including monthly vesting, at the sole discretion of the Board of Directors.

During the year ended December 31, 2008, the Company adopted the 2008 Stock Compensation Plan and the 2008 Equity Incentive Plan, under which the Company is authorized to issue up to 500,000 and 2,000,000 shares, respectively, of the Company's common stock, to be registered on Form S-8, to the Company's employees, executives and consultants. On May 14, 2010, the Company adopted the 2010 Share Incentive Plan on Form S-8 under which the Company is authorized to issue up to 10,000,000 registered shares of its common stock to qualified persons. On July 30, 2012, the Company adopted the 2012 Equity Incentive Plan on Form S-8 under which the Company is authorized to issue up to 10,000,000 registered shares of its common stock to qualified persons. On April 11, 2013, the Company adopted the 2013 Equity Incentive Plan on Form S-8 under which the Company is authorized to issue up to 25,000,000 registered shares of its common stock to qualified persons.

Options Granted to Employees

On February 18, 2015, the Company granted options to purchase a total of 300,000 shares of the Company's common stock to an employee. The options carry an exercise price of $0.07 per share and vested immediately. The options expire February 18, 2018. The fair value for options granted was estimated at the date of grant using the Black-Scholes option-pricing model and the fair value of stock options granted was $10,447. During the six months ended June 30, 2015, the Company recorded stock-based compensation of $10,447 as a general and administrative expense in connection with these options.

During the six months ended June 30, 2015, the Company recognized and recorded stock-based compensation of $nil related to options granted in the prior year which vested in the current period as a general and administrative expense.

As at June 30, 2015, there was $nil total unrecognized compensation cost related to nonvested stock-based compensation arrangements.

The fair value for warrants and stock options granted was estimated at the date of grant using the Black-Scholes option-pricing model and the weighted average fair value of stock options granted during the six months ended June 30, 2015 and 2014 were $0.0348 and 0.1274, respectively. The weighted average assumptions used are as follows:

	June 30, 2015	December 31, 2014
Expected dividend yield	0%	0%
Risk-free interest rate	0.43%	0.28%
Expected volatility	140.26%	137.10%
Expected option life (in years)	1.50	1.57

The total intrinsic value of stock options exercised during the six months ended June 30, 2015 and 2014 were $nil and $nil respectively.

The following table summarizes the continuity of the Company's compensation warrants to non-employees:

	Number of Warrants	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding, December 31, 2014	9,911,000	$ 0.10		
Granted	–	–		
Exercised	–	–		
Expired/Cancelled	–	–		
Outstanding, June 30, 2015	9,911,000	$ 0.10	2.56	$nil
Exercisable, June 30, 2015	9,911,000	$ 0.10	2.56	$nil

The following table summarizes the continuity of the Company's stock options granted to employees:

	Number of Options	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Term (years)	Aggregate Intrinsic Value
Outstanding, December 31, 2014	32,625,000	$ 0.10		
Granted	300,000	0.10		
Exercised	(300,000)	0.10		
Expired/Cancelled	(75,000)	–		
Outstanding, June 30, 2015	32,550,000	$ 0.10	1.81	$nil
Exercisable, June 30, 2015	32,550,000	$ 0.10	1.81	$nil

A summary of the status of the Company's nonvested shares as of December 31, 2014, and changes during the period ended June 30, 2015, is presented below:

Nonvested shares	Number of Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2014	–	–
Granted	–	–
Vested	–	–
Nonvested at June 30, 2015	–	–

During six months ended June 30, 2015, the Company recognized and recorded stock-based compensation of $10,447 as a general and administrative expense related to vested share-based compensation arrangements.

14. LEGAL PROCEEDINGS

CIVIL LITIGATION

In January 2011, Mr. Knaven, a former officer and director of the Company, commenced a complaint to British Columbia's Employment Standards Branch against the Company (the "ESB Complaint") alleging that he was owed unpaid wages. In October 2011, Mr. Knaven initiated two further legal proceedings against the Company in B.C. Supreme Court (the "Supreme Court Actions"), in which he advanced further complaints in respect of claims for shares and interest, a claim for wrongful dismissal, and further claims for general and unspecified damages.

Regarding the ESB Complaint, on October 24, 2012 the Company applied successfully for a ruling placing that complaint in abeyance, to be dealt with by the B.C. Supreme Court rather than the ESB. In accordance with that ruling, Mr. Knaven on November 9, 2011 delivered a proposed amendment to his Notice of Civil Claim in one of the Supreme Court Actions. The quantified portion of Mr. Knaven's claims totals approximately $261,752. He also seeks general and unspecified damages which are unquantified. Notwithstanding, $175,310 had been held in trust by the Supreme Court of British Columbia, the subject of a garnishment (See also Note 3). On July 23, 2013 WordLogic obtained a court order releasing $22,124.83 of those funds.

The Company vigorously contests the claims, and has filed Responses and Counterclaims regarding all of the above referenced disputes. The Counterclaims name Mr. Knaven and others as defendants by counterclaim. Mr. Knaven has been served and has filed Responses disputing and denying the Counterclaims.

The terms of agreement are as such: a one-time purchase of the Company's debts obligation, amount of $250,000, where all revenue less cost of goods sold including direct cost of commission will be split 40% to WordLogic Corp. and 60% to Ora Capital.

Pursuant to ASC 985-605, the Company recognizes patents licensing revenue when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) delivery has occurred, (iii) the fee is fixed or determinable, and (iv) collectibility is probable. The Company applies these criteria as discussed below:

- *Persuasive evidence of an arrangement exists*. The Agreement itself is persuasive evidence.
- *Delivery has occurred*. Delivery has occurred as Ora Capital has access to the patents and all economic benefits of the transaction have passed from one party to the other.
- *The fee is fixed or determinable*. The fee of the Agreement is $250,000 which is non-refundable and non-cancellable.
- *Collectibility is probable*. A one-time purchase of the Company's debts obligation amount of $250,000. However, which vendor will be paid is not determined yet at the day of agreement.

As such, the Company has not recorded $250,000 to patents licensing revenue in the current period. However, the Company would record $250,000 revenue when the vendor is determined in the next period.

16. SUBSEQUENT EVENTS

Subsequent to June 30, 2015, the Company issued an aggregate of 6,400,000 shares of its common stock related to exercises of warrants, exercise of stock options, and private placement offerings as of August 11, 2015.

Subsequent events have been reviewed through the date of this report.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION OR PLAN OF OPERATION

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) contains forward-looking statements that involve known and unknown risks, significant uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed, or implied, by those forward-looking statements. You can identify forward-looking statements by the use of the words may, will, should, could, expects, plans, anticipates, believes, estimates, predicts, intends, potential, proposed, or continue or the negative of those terms. These statements are only predictions. In evaluating these statements, you should consider various factors which may cause our actual results to differ materially from any forward-looking statements. Although we believe that the exceptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

RESULTS OF OPERATIONS

Working Capital

	June 30, 2015	December 31, 2014
Current Assets	$102,908	$76,351
Current Liabilities	$1,409,208	$1,263,320
Working Deficit	$(1,306,300)	$ (1,186,969)

Cash Flows

	June 30, 2015	June 30, 2014
Cash Flows used in Operating Activities	$(328,029)	$(762,196)
Cash Flows from Financing Activities	$272,717	$691,309
Effect of exchange rate changes on cash	$70,268	$(18,620)
Net Changes in Cash During Period	14,956	$(89,507)

Operating Revenues

Operating revenues for the six month period ended June 30, 2015 and 2014 were $nil and $nil, respectively.

Operating Expenses and Net Loss

Operating expenses for the six month period ended June 30, 2015 were $422,195 and is comprised of $43,934 in rent, $355,067 in selling, general and administrative and $23,194 in research and development. Operating expenses for the six month period ended June 30, 2014 were $1,415,722 and is comprised of $55,182 in rent, $1,159,693 in selling, general and administrative and $200,847 in research and development.

Net loss for the six month period ended June 30, 2015 was $447,537 and is comprised of $422,195 loss from operations and $70 in interest income and $25,412 in interest expense. Net loss for the six month period ended June 30, 2014 was $1,420,350 and is comprised of $1,415,722 loss from operations and $79 in interest income and $4,707 in interest expense.

Liquidity and Capital Resources

As at June 30, 2015, the Company’s total current assets balance was $102,908 compared to $76,351 as at December 31, 2014. The increase in current assets of $26,557 is attributed to a decrease of $1,120 in cash and cash equivalents, an increase of $16,076 in restricted cash, an increase of $12,558 in HST/GST refund receivable, a decrease of $13 in employee advances, an increase of $89 in interest receivable, and a decrease in prepaid expenses of $855.

As at June 30, 2015, the Company had current and total liabilities of $1,409,208 compared with current and total liabilities of $1,263,320 as at December 31, 2014. The increase in total liabilities of $145,888 is attributed to an increase of $15,932 in bank overdraft, an increase of $21,864 in accounts payable and accrued liabilities, an increase of $43,351 in indebtedness to related parties, an increase of $20,075 in accrued interest, and an increase of $43,666 in notes payable.

As at June 30, 2015, the Company had a working deficit of $1,056,290 compared with a working capital deficit of $1,186,969 as at December 31, 2014. The decrease in working deficit was primarily attributed to a decrease in accounts payable and accrued liabilities.

Cashflow from Operating Activities

During the six month period ended June 30, 2015, the Company used $328,029 of cash for operating activities compared to the used of $762,196 of cash for operating activities during the same period ended June 30, 2014. The change in net cash used in operating activities is primarily attributed to a decrease in net loss.

Cashflow from Investing Activities

During the six month period ended June 30, 2015, the Company received $nil of cash for investing activities compared to $nil of cash received for investing activities during the same period ended June 30, 2014.

Cashflow from Financing Activities

During the six month period ended June 30, 2015, the Company received $272,717 of cash from financing activities compared to cash received $691,309 for the same period ended June 30, 2014. The change in cash flows from financing activities is attributed to a decrease of proceeds from stock options and warrants exercised and sale of common shares, net of an increase in proceeds from promissory notes issued and an increase in proceeds from related parties.

Going Concern

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive acquisitions and activities. For these reasons, our auditors stated in their report on our audited financial statements that they have substantial doubt that we will be able to continue as a going concern without further financing.

Off-Balance Sheet Arrangements

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

Future Financings

We will continue to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund our operations and other activities.

Critical Accounting Policies

Our financial statements and accompanying notes have been prepared in accordance with United States generally accepted accounting principles applied on a consistent basis. The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

We regularly evaluate the accounting policies and estimates that we use to prepare our financial statements. A complete summary of these policies is included in the notes to our financial statements. In general, management's estimates are based on historical experience, on information from third party professionals, and on various other assumptions that are believed to be reasonable under the facts and circumstances. Actual results could differ from those estimates made by management.

Recently Issued Accounting Pronouncements

In June 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-12, Compensation – Stock Compensation (Topic 718): Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period. The new guidance requires that share-based compensation that require a specific performance target to be achieved in order for employees to become eligible to vest in the awards and that could be achieved after an employee completes the requisite service period be treated as a performance condition. As such, the performance target should not be reflected in estimating the grant-date fair value of the award. Compensation costs should be recognized in the period in which it becomes probable that the performance target will be achieved and should represent the compensation cost attributable to the period(s) for which the requisite service has already been rendered. If the performance target becomes probable of being achieved before the end of the requisite service period, the remaining unrecognized compensation cost should be recognized prospectively over the remaining requisite service period. The total amount of compensation cost recognized during and after the requisite service period should reflect the number of awards that are expected to vest and should be adjusted to reflect those awards that ultimately vest. The requisite service period ends when the employee can cease rendering service and still be eligible to vest in the award if the performance target is achieved. This new guidance is effective for fiscal years and interim periods within those years beginning after December 15, 2015. Early adoption is permitted. Entities may apply the amendments in this Update either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. The adoption of ASU 2014-12 is not expected to have a material impact on our financial position or results of operations.

In June 2014, the FASB issued ASU No. 2014-10: Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation , to improve financial reporting by reducing the cost and complexity associated with the incremental reporting requirements of development stage entities. The amendments in this update remove all incremental financial reporting requirements from U.S. GAAP for development stage entities, thereby improving financial reporting by eliminating the cost and complexity associated with providing that information. The amendments in this Update also eliminate an exception provided to development stage entities in Topic 810, Consolidation, for determining whether an entity is a variable interest entity on the basis of the amount of investment equity that is at risk. The amendments to eliminate that exception simplify U.S. GAAP by reducing avoidable complexity in existing accounting literature and improve the relevance of information provided to financial statement users by requiring the application of the same consolidation guidance by all reporting entities. The elimination of the exception may change the consolidation analysis, consolidation decision, and disclosure requirements for a reporting entity that has an interest in an entity in the development stage. The amendments related to the elimination of inception-to-date information and the other remaining disclosure requirements of Topic 915 should be applied retrospectively except for the clarification to Topic 275, which shall be applied prospectively. For public companies, those amendments are effective for annual reporting periods beginning after December 15, 2014, and interim periods therein. Early adoption is permitted. The Company has elected early adoption of these amendments.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by our company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our management carried out an evaluation under the supervision and with the participation of our Principal Executive Officer and Principal Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 ("Exchange Act"). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that our disclosure controls and procedures were not effective as of June 30, 2015, due to the material weaknesses resulting from the Board of Directors not currently having any independent members and no director qualifies as an audit committee financial expert as defined in Item 407(d)(5)(ii) of Regulation S-K, and controls were not designed and in place to ensure that all disclosures required were originally addressed in our financial statements. Please refer to our Annual Report on Form 10-K as filed with the SEC on April 15, 2015, for a complete discussion relating to the foregoing evaluation of Disclosures and Procedures.

Changes in Internal Control over Financial Reporting

Our management has also evaluated our internal control over financial reporting, and there have been no significant changes in our internal controls or in other factors that could significantly affect those controls subsequent to the date of our last evaluation.

The Company is not required by current SEC rules to include, and does not include, an auditor's attestation report. The Company's registered public accounting firm has not attested to Management's reports on the Company's internal control over financial reporting.

PART II - OTHER INFORMATION

CIVIL LITIGATION

In January 2011, Mr. Knaven, a former officer and director of the Company, commenced a complaint to British Columbia's Employment Standards Branch against the Company (the "ESB Complaint") alleging that he was owed unpaid wages. In October 2011, Mr. Knaven initiated two further legal proceedings against the Company in B.C. Supreme Court (the "Supreme Court Actions"), in which he advanced further complaints in respect of claims for shares and interest, a claim for wrongful dismissal, and further claims for general and unspecified damages.

Regarding the ESB Complaint, on October 24, 2012 the Company applied successfully for a ruling placing that complaint in abeyance, to be dealt with by the B.C. Supreme Court rather than the ESB. In accordance with that ruling, Mr. Knaven on November 9, 2011 delivered a proposed amendment to his Notice of Civil Claim in one of the Supreme Court Actions. The quantified portion of Mr. Knaven's claims totals approximately $261,752. He also seeks general and unspecified damages which are unquantified. Notwithstanding, $175,310 had been held in trust by the Supreme Court of British Columbia, the subject of a garnishment (See also Note 3). On July 23, 2013 WordLogic obtained a court order releasing $22,124.83 of those funds.

The Company vigorously contests the claims, and has filed Responses and Counterclaims regarding all of the above referenced disputes. The Counterclaims name Mr. Knaven and others as defendants by counterclaim. Mr. Knaven has been served and has filed Responses disputing and denying the Counterclaims.

In November 2013 the Company settled certain claims by Mr.Knaven and certain counterclaims by the Company as against Mr. Knaven. The terms of settlement are confidential. Following the settlement, the parties discontinued the claim and counterclaim as against each other, and Mr. Knaven withdrew a complaint he had made to the British Columbia's Employment Standards Branch. In consideration for the settlement, the Company released $155,328 from the B.C. Supreme Court ordered garnishment to Mr. Knaven and issued 500,000 common shares of the Company valued at $57,500 to him. As result of the settlement, the Company recorded loss of $24,710. The settlement was paid and the shares were issued in 2013.

In the proceedings referenced above, the Company had filed a counterclaim naming Mr. Knaven along with certain other defendants by counterclaim. Those other defendants by counterclaim have not yet been served. They include Mr. Mike Flom who appears to have been involved in assisting Mr. Knaven in formulating and advancing Knaven's various claims against the Company. In addition, although Mr. Flom has neither threatened nor served any legal proceedings of his own, Mr. Flom had, during 2012, asserted that the Company owed him a "termination" payment and related sums totaling in excess of $500,000, and the issuance of shares. The Company has put Mr. Flom on notice that it does not accept those assertions.

In January 2013, the Company received notice from the former Chief Operating Officer Paul Silverstein, threatening a "whistle blower" claim pursuant to the US Sarbanes-Oxley and Dodd-Frank legislation, to be commenced in the State of New York, alleging he was forced to resign because he was investigating expenses incurred by the Chief Executive Officer. The Company denies the allegations, and further maintains the matter is to be resolved by arbitration. Accordingly on March 8, 2013 it commenced an arbitration in British Columbia, Canada to resolve the issues. The Company also appointed an independent director to conduct an investigation into the allegations raised by Silverstein to report to the Board of Directors on the outcome of his investigation, together with recommendations. The report was delivered to the Board of Directors on March 13, 2013. In response to an objection to jurisdiction raised by the former COO, the arbitrator commenced an initial process to determine his jurisdiction and ruled in favor of WordLogic.

On April 2, 2013, a complaint was filed with the United States District Court for the Southern District of New York by Silverstein against the Company in regards to certain claims asserted under the Dodd-Frank Wall Street Reform and Consumer Protection Act by Mr. Silverstein related to allegations of fraud and the termination of Silverstein as President and CEO of the Corporation. On October 3, 2013, the Corporation filed counterclaims against Silverstein related to his misconduct in the last month of his employment and upon his resignation. The Corporation vigorously denies Silverstein's allegations and will aggressively defend the claim and pursue its claims against Silverstein.

On December 30, 2013, the Company reached an out of court settlement with Paul Silverstein regarding the previously disclosed claim filed by Mr. Silverstein and the counter claim filed by the Company. The settlement includes no admission of liability by either party. In consideration for the settlement, the Company issued 4 million warrants to purchase 4 million common shares of the Company to Mr. Paul Silverstein. Fair value of the warrants was estimated using Black-Sholes pricing model on settlement date. The Company recorded loss of $773,644 on this settlement.

On June 28, 2013, Biller Communications ("Biller"), a former consulting firm of the Company entered into a settlement agreement on the pending litigation whereby the Company paid Biller $17,000 in full and final settlement of the matter. This is a significantly reduced amount from the amount of $30,465 plus interest from May, 2012 and costs sued for in the complaint. The Company agreed to pay this amount in order to avoid any additional costly litigation, including depositions, court appearances and trial. The settlement amount was recorded as loss on legal settlement as of December 31, 2013.

On July 14, 2014, the Company along with its wholly owned subsidiary 602531 British Columbia Ltd., filed a Complaint for Patent Infringement in the United States District Court for the Western District of Washington at Seattle against Touchtype Limited doing business as SwiftKey ("SwiftKey"). The action arises out of the activities of defendant SwiftKey, relating to the making, selling, offering for sale, licensing, and/or using of predictive text technology for computer devices in the United States that constitutes direct or indirect infringement of one or more claims of the Company's United States Patent #8,552,984 entitled "Method, System, Apparatus and Computer-Readable Media For Directing Input Associated with Keyboard-Type Device".

ITEM 1A. RISK FACTORS

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

1. Quarterly Issuances:

We did not issue any unregistered shares, other than as previously reported.

2. Subsequent Issuances:

Subsequent to the quarter, we did not issue any unregistered shares, other than as previously reported.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

6. EXHIBITS

(a)
Documents filed as part of this Report.

Exhibit Number	Description of Exhibit	Filing
3.01	Articles of Incorporation	Filed with the SEC on June 8, 2001 as part of our Registration Statement on Form 10SB12G.
3.01a	Certificate of Amendment to Articles of Incorporation	Filed with the SEC on May 21, 2003 as part of our Quarterly Report on Form 10QSB.
3.01b	Certificate of Amendment to Articles of Incorporation	Filed with the SEC on August 8, 2012 as part of our Current Report on Form 8-K.
3.02	Bylaws	Filed with the SEC on June 8, 2001 as part of our Registration Statement on Form 10SB12G.
4.01	2012 Equity Incentive Plan	Filed with the SEC on August 3, 2012 as part of our Registration Statement on Form S-8.
4.02	Sample Stock Option Agreement	Filed with the SEC on August 3, 2012 as part of our Registration Statement on Form S-8.
4.03	Sample Stock Award Agreement for Restricted Stock	Filed with the SEC on August 3, 2012 as part of our Registration Statement on Form S-8.
4.04	Sample Stock Award Agreement for Stock Units	Filed with the SEC on August 3, 2012 as part of our Registration Statement on Form S-8.
10.01	Promissory Note to Luis Carrillo for $6,000 dated August 5, 2010	Filed with the SEC on November 22, 2010 as part of our Quarterly Report on Form 10-Q.
10.02	Promissory Note to Luis Carrillo for $3,500 dated August 5, 2010	Filed with the SEC on November 22, 2010 as part of our Quarterly Report on Form 10-Q.
10.03	Settlement Agreement between Richard Kozukan and Jim Yano dated August 25, 2010	Filed with the SEC on November 22, 2010 as part of our Quarterly Report on Form 10-Q.
10.04	Website Services Agreement between the Company and Creative Web, Inc. dated August 31, 2010	Filed with the SEC on November 22, 2010 as part of our Quarterly Report on Form 10-Q.
10.05	Consulting Agreement between the Company and Douglas Schreiner dated September 8, 2010	Filed with the SEC on November 22, 2010 as part of our Quarterly Report on Form 10-Q.
10.06	Promissory Note to Luis Carrillo for $3,500 dated October 28, 2010	Filed with the SEC on November 22, 2010 as part of our Quarterly Report on Form 10-Q.
10.07	Promissory Note to Luis Carrillo for $2,500 dated October 28, 2010	Filed with the SEC on November 22, 2010 as part of our Quarterly Report on Form 10-Q.
10.08	Settlement Agreement between the Company and Luis Carrillo dated November 29, 2010	Filed with the SEC on May 23, 2011 as part of our Quarterly Report on Form 10-Q.
10.09	Promissory Note to Luis Carrillo for $4,900 dated January 13, 2011	Filed with the SEC on May 23, 2011 as part of our Quarterly Report on Form 10-Q.
10.10	Settlement Agreement between the Company and Mirador Consulting, Inc. dated February 2, 2011	Filed with the SEC on May 23, 2011 as part of our Quarterly Report on Form 10-Q.
10.11	Settlement Agreement between the Company and Luis Carrillo dated March 9, 2011	Filed with the SEC on May 23, 2011 as part of our Quarterly Report on Form 10-Q.
10.12	Promissory Note to Anthony Amado for $42,500 dated March 24, 2011	Filed with the SEC on May 23, 2011 as part of our Quarterly Report on Form 10-Q.
10.13	Settlement Agreement between the Company and Anthony Amado dated March 24, 2011	Filed with the SEC on May 23, 2011 as part of our Quarterly Report on Form 10-Q.
10.14	Promissory Note to Luis Carrillo for $3,000 dated March 25, 2011	Filed with the SEC on May 23, 2011 as part of our Quarterly Report on Form 10-Q.
10.15	Promissory Note to Luis Carrillo for $14,000 dated May 9, 2011	Filed with the SEC on May 23, 2011 as part of our Quarterly Report on Form 10-Q.
10.16	Settlement Agreement between the Company and Luis Carrillo dated October 21, 2011	Filed with the SEC on November 14, 2011 as part of our Quarterly Report on Form 10-Q.
10.17	Cancellation Agreement between the Company and Frank R. Evanshen dated October 27, 2011	Filed with the SEC on November 14, 2011 as part of our Quarterly Report on Form 10-Q.
10.18	Promissory Note for Luis Carrillo for $3,500 dated February 27, 2012.	Filed with the SEC on April 13, 2012 as part of our Annual Report on Form 10-K.

14.01	Code of Ethics	Filed with the SEC on April 14, 2005 as part of our Annual Report on Form 10K-SB.
16.01	Letter from Former Accountant Manning Elliott LLP dated March 13, 2009	Filed with the SEC on March 16, 2009 as part of our Amended Current Report on Form 8-K/A.
31.01	Certification of Principal Executive Officer Pursuant to Rule 13a-14	Filed herewith.
31.02	Certification of Principal Financial Officer Pursuant to Rule 13a-14	Filed herewith.
32.01	CEO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act	Filed herewith.
32.02	CFO Certification Pursuant to Section 906 of the Sarbanes-Oxley Act	Filed herewith.
101.INS*	XBRL Instance Document	Filed herewith.
101.SCH*	XBRL Taxonomy Extension Schema Document	Filed herewith.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document	Filed herewith.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document	Filed herewith.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document	Filed herewith.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document	Filed herewith.

*Pursuant to Regulation S-T, this interactive data file is deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, and otherwise is not subject to liability under these sections.

SIGNATURES

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

WORDLOGIC CORPORATION

Dated: August XX, 2015

/s/ Franklin Evanshen
By: Franklin Evanshen
Its: President & Chief Executive Officer

Dated: August XX, 2015

/s/ Darrin McCormack
By: Darrin McCormack
Its: Chief Financial Officer & Chief Accounting Officer

Pursuant to the requirement of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated:

Dated: August XX, 2015

/s/ Franklin Evanshen
By: Franklin Evanshen
Its: Director

Dated: August XX, 2015

/s/ T. Allen Rose
By: T. Allen Rose
Its: Director