

CONSOLIDATED FINANCIAL STATEMENTS

TREKLOGIC TECHNOLOGIES INC.

Quarter Ended March 31, 2004
(Unaudited – Prepared by Management)

TREKLOGIC TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED – PREPARED BY MANAGEMENT)

QUARTER ENDED MARCH 31, 2004

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TREKLOGIC TECHNOLOGIES INC.

CONSOLIDATED BALANCE SHEETS (UNAUDITED - PREPARED BY MANAGEMENT)

As at	March 31, 2004	September 30, 2003
ASSETS		
Current assets		
Accounts receivable	\$ 13,378,471	\$ 8,851,358
Investment tax credits recoverable (note 3)	694,408	785,296
Deposits and prepaid expenses	792,247	208,161
Future income tax asset (note 4)	1,000,000	1,000,000
	15,865,126	10,844,815
Capital assets (note 5)	3,646,059	3,178,864
Goodwill and other intangibles (note 6)	11,881,124	2,881,643
Notes due from related parties (note 7)	442,803	442,803
Future income tax asset (note 4)	3,391,012	3,391,012
	\$ 35,226,124	\$ 20,739,137
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Bank indebtedness, net of cash on hand (note 8)	\$ 610,734	\$ 110,818
Accounts payable and accruals	7,637,750	4,826,076
Current portion of long-term debt (note 9)	962,555	1,745,425
Deferred revenue	208,867	66,396
	9,419,906	6,748,715
Long-term debt (note 9)	1,373,749	1,252,898
Non-controlling interest (note 10)	9,503	60,761
Shareholders' equity		
Capital stock (note 11)	20,677,644	10,129,346
Retained earnings	3,745,322	2,547,417
	24,422,966	12,676,763
	\$ 35,226,124	\$ 20,739,137

The notes constitute an integral part of the consolidated financial statements.

TREKLOGIC TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

(UNAUDITED - PREPARED BY MANAGEMENT)

	For the three months ended		For the six months ended	
	March 31, 2004	March 31, 2003	March 31, 2004	March 31, 2003
Revenue	\$ 18,548,972	\$ 2,444,062	\$ 34,854,153	\$ 4,603,753
Cost of revenues	14,186,916	1,454,182	26,356,407	2,607,810
Gross margin	4,362,056	989,880	8,497,746	1,995,943
Expenses				
Other staffing costs	1,889,395	377,925	3,990,430	809,784
General, selling, and administrative	1,128,768	162,569	2,111,420	326,705
	3,018,163	540,494	6,101,850	1,136,489
Earnings before interest, amortization, and income taxes	1,343,893	449,386	2,395,896	859,454
Interest expense, net	47,466	-	138,010	-
Amortization	223,754	14,917	429,772	29,833
	271,220	14,917	567,782	29,833
Earnings before income taxes	1,072,673	434,469	1,828,114	829,621
Income taxes	304,365	145,350	598,987	286,719
Net income	768,308	289,119	1,229,127	542,902
Non-controlling interest	16,103	-	31,222	-
Earnings attributable to shareholders	752,205	289,119	1,197,905	542,902
Retained earnings, beginning of period	2,993,117	1,906,289	2,547,417	1,652,506
Retained earnings, end of period	\$ 3,745,322	\$ 2,195,408	\$ 3,745,322	\$ 2,195,408
Earnings per share				
Basic	\$ 0.017	\$ 0.013	\$ 0.029	\$ 0.025
Diluted	\$ 0.015	\$ 0.013	\$ 0.025	\$ 0.025
Weighted average number of shares outstanding				
Basic	43,837,467	22,140,898	40,865,868	22,140,898
Diluted	51,644,335	27,040,334	48,722,736	27,040,334

The notes constitute an integral part of the consolidated financial statements.

TREKLOGIC TECHNOLOGIES INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED - PREPARED BY MANAGEMENT)

	For the three months ended		For the six months ended	
	March 31, 2004	March 31, 2003	March 31, 2004	March 31, 2003
Cash flows from (used in)				
Operating activities				
Net income	\$ 768,308	\$ 289,119	\$ 1,229,127	\$ 542,902
Items not affecting cash:				
Income tax expense	304,365	145,350	598,987	286,719
Amortization	223,754	14,917	429,772	29,833
	1,296,427	449,386	2,257,886	859,454
Changes in non-cash working capital items	(105,022)	(350,882)	(1,214,546)	(657,271)
	1,191,405	98,504	1,043,340	202,183
Financing activities				
Issuance of common shares	9,342,358	35,002	10,548,298	141,825
Advances to related parties	-	-	-	1,531
Proceeds from long-term debt	-	-	1,058,620	-
Repayment of long-term debt	(1,165,041)	-	(1,565,639)	-
	8,177,317	35,002	10,041,279	143,356
Investing activities				
Additions to capital assets	(959,361)	(25,548)	(1,096,967)	(42,738)
Business acquisitions, net of cash acquired	(4,345,060)	(650,000)	(10,487,568)	(650,000)
	(5,304,421)	(675,548)	(11,584,535)	(692,738)
Net change in cash (bank indebtedness)	4,064,301	(542,042)	(499,916)	(347,199)
Cash (bank indebtedness) – beginning of period	(4,675,035)	603,111	(110,818)	408,268
Cash (bank indebtedness) – end of period	\$ (610,734)	\$ 61,069	\$ (610,734)	\$ 61,069

The notes constitute an integral part of the consolidated financial statements.

TREKLOGIC TECHNOLOGIES INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2004

1. Summary of significant accounting policies

Basis of presentation

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the accounts of TrekLogic Technologies Inc. and from their respective dates of acquisition of control, its wholly owned subsidiaries, collectively referred to herein as the "Company". The Company's 96% interest of InBusiness Solutions Inc. over which the Company has effective control is consolidated. All significant intercompany balances and transactions have been eliminated on consolidation.

Subsidiary companies:

- 100% owned companies:
 - TrekLogic Inc.
 - Xycorp Inc.
 - Brainhunter.com Ltd. ("Brainhunter")
 - Advanced Solutions Group Inc. ("Advanced")
 - Protec Employment Services Limited ("Protec")
 - Prolink Consulting Inc. ("Prolink")
 - Sirius Consulting Group Inc. ("Sirius")
- 96% owned company
 - InBusiness Solutions Inc. ("InBusiness")

Revenue recognition

The Company provides computer and engineer consultant placements to customers based on written agreements. Revenue from contracts that are earned over a period of time is recognized monthly when clients are billed for hours worked at agreed rates. Other one-time fees earned for individual placements are recognized in the month the individual commences the new job.

The Company enters into written contracts with customers to complete specific software consulting projects. Customer billings are prepared monthly based on hours worked and agreed rates, at which time revenue is recognized. To a significantly lesser degree certain other contracts are fixed-price, for which revenue is recognized monthly using the percentage of completion basis, based on management estimates.

The Company markets third-party software for which customers are billed upon delivery. The Company also supplies consulting and training services related to the software, for which revenue is recognized when these services are provided.

The Company earns revenue from software licenses for in-house developed software and implementation fees, that is deferred and amortized over the term

of the license. Software implementation revenue is recognized in the period the implementation is completed.

Service revenue on fixed price contracts is recognized on a percentage-of-completion basis whereby revenue is recorded at estimated net realizable value of work completed to date. Estimated losses on contracts in progress are recognized when known. Deferred revenue represents amounts billed in advance of satisfying the related service.

Business combinations and goodwill

The Company follows the new recommendations of the Canadian Institute of Chartered Accountants (“CICA”) Handbook Section 1581, Business Combinations, and Handbook Section 3062, Goodwill and other intangible assets. These standards require that all business combinations be accounted for using the purchase method. Additionally goodwill, an asset with an indefinite life, is no longer amortized, but is tested for impairment on an annual basis.

Goodwill represents the excess of the purchase price of businesses acquired over the fair value of the underlying net identifiable assets acquired or liabilities assumed.

The Company assesses the carrying value of goodwill for future recoverability on an ongoing basis. Goodwill is written down for any impairment in value that is not considered temporary.

Intangibles

Intangible assets, comprising trademarks, tradenames, internet domain addresses, patented technology and customer contracts and related relationships are being amortized on a straight-line basis over their estimated period of benefit which varies from two to five years.

Capital assets

Capital assets are recorded at cost, less related investment tax credits. Amortization is provided for over the estimated useful lives of the related assets at the following annual rates and methods:

Furniture and office equipment	20% declining balance
Computer equipment	30% declining balance
Computer software	100% declining balance
Leasehold improvements	Straight-line over the lease term
Developed software	The greater of: a) the ratio that current revenues earn relative to the future gross revenues, and b) the straight-line method over 5 years.

Income taxes

The Company provides for income taxes using the liability method of tax allocation. Under this method, future income tax assets and liabilities are determined based on deductible or taxable temporary differences between the financial statement values and tax value of assets and liabilities and for the benefit of tax losses that are carried forward to offset future years' current taxes payable if they are likely to be realized.

The Company establishes a valuation allowance against future income tax assets if, based upon available information, it is more likely than not that some of or all of the future income tax assets may not be realized.

Stock-based compensation plan

The Company has adopted the new recommendations of the CICA Handbook Section 3870, Stock-based Compensation and Other Stock-based Payments, which requires that a fair value-based method of accounting be applied to all stock-based payments. This recommendation allows the Company to continue its existing policy of treating all other employee and director stock options as capital transactions (the settlement method), but requires pro forma disclosure of net income and per share information as if the Company has accounted for these stock options under the fair value method. No restatement of prior periods is required as a result of the adoption of the new recommendations.

Foreign currency translation

Monetary assets and liabilities in foreign currencies are translated into Canadian dollars at the rate of exchange prevailing at year end. Items in the statement of income and retained earnings are translated into Canadian dollars using exchange rates in effect on the transaction dates. Gains and losses from translation are included in earnings for the current year.

Estimates and assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Such estimates include the allowance for potentially uncollectible accounts receivable, accrued liabilities, the length of product cycles and the related useful life of capital assets, and providing for the recovery of investment tax credits, all of which are based on management's best estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on financial statements of changes in estimates in future periods could be significant. Actual results could differ from those estimates.

Research and development

Research and development costs are expensed as incurred.

Investment tax credits

Investment tax credits relating to qualifying research and development expenditures are recorded as a reduction of expenses when the related costs are incurred and there is reasonable assurance that the credits will be realized.

Financial instruments and foreign exchange risk

Accounts receivable, investment tax credits recoverable and income taxes payable, and accounts payable and accruals constitute instruments that approximate fair value due to the near term maturity.

The Company sells primarily to large, well-established customers.

The Company is exposed to risk due to fluctuations in the exchange rate of the U.S. dollar.

2. Acquisitions

The following business acquisitions occurred during the period:

- (a) Effective October 1, 2003, the Company acquired 100% of the shares of Prolink Consulting Inc. ("Prolink"), an information technology staffing company. Consideration includes 550,000 common shares of the Company with a deemed value of \$2 per share, 355,000 common share purchase warrants priced at \$1.85 and vesting over a three-year period and a cash amount, to be determined, based on working capital. All shares have escrow periods up to three years tied to management contracts and performance criteria. Results of Prolink are included in the consolidated financial statements of the Company as of the effective date.
- (b) Effective November 1, 2003, the Company acquired 100% of the shares of Sirius Consulting Group Inc. ("Sirius"), an information technology staffing company. Consideration includes \$3.0M of cash and a \$1.0M two-year transferable convertible note at an interest rate tied to 90-day treasury bills, exercisable at \$3.00 per common share of the Company. The convertible note has quarterly repayment terms over a two-year period. Additionally, the Company issued 250,000 common share purchase warrants with an exercise price of \$1.96 vesting over three years and a cash amount, to be determined, based on working capital. Results of Sirius are included in the consolidated financial statements of the Company as of the effective date.
- (c) In December 2003 the Company issued a public tender offer to purchase all the issued and outstanding shares of InBusiness so as to take the Company's ownership interest to 100% from 62.3%. As at March 31, 2004, the Company had acquired 96% of InBusiness. In April 2004 the Company initiated a Compulsory Acquisition action under the Canada Corporations Act. On May 6, 2004, the Company announced that it had acquired 100% of the outstanding common shares of InBusiness. The aggregate cost to the Company for all of the InBusiness common shares was approximately \$7.0 million in cash.

3. Income Taxes recoverable, net of taxes payable

Investment tax credits recoverable	\$ 943,724
Income tax expense for year ended September 30, 2003	<u>(158,428)</u>
Balance September 30, 2003	785,296
Net tax recoverable from acquisitions and from adjustments	208,099
Net income tax expense for the period ended March 31, 2004	(598,987)
Investment tax credits accrued to March 31, 2004	<u>300,000</u>
Balance March 31, 2004	<u>\$ 694,408</u>

4. Future income tax asset

The future income tax asset is comprised of and summarized as follows:

Future income tax assets	
Non-capital loss carryforwards	\$6,807,073
Difference between book value and tax basis of capital assets	(234,064)
Share issue costs and other	<u>225,600</u>
	6,798,609
Valuation allowance for future income tax assets	<u>(2,307,597)</u>
Total future income tax assets	4,491,012
Less: Future income tax liabilities	
Investment tax credits	<u>100,000</u>
Net future income tax assets	<u>\$4,391,012</u>

Presented as:

Current future income tax asset	\$1,000,000
Long-term future income tax asset	<u>3,391,012</u>
	<u>\$4,391,012</u>

The Company and its subsidiaries have approximately \$18,094,000 of Federal and Provincial losses available to deduct against future taxable income. These losses expire as follows:

2004	\$ 331,000
2005	525,000
2006	2,485,000
2007	6,012,000
2008	4,275,000
2009	3,651,000
2010	<u>815,000</u>
	<u>\$18,094,000</u>

5. Capital assets

	Cost	Accumulated Amortization	Net Book Value	
			March 31, 2004	September 30, 2003
Computer equipment	\$ 2,803,468	\$ 2,013,093	\$ 790,375	\$ 700,060
Furniture and office equipment	1,180,186	771,754	408,431	412,980
Leasehold improvements	369,186	253,328	115,858	192,752
Computer software	651,716	591,321	60,395	73,072
Developed software	2,600,410	329,410	2,271,000	1,800,000
	<u>\$ 7,604,966</u>	<u>\$ 3,958,906</u>	<u>\$ 3,646,059</u>	<u>\$ 3,178,864</u>

6. Goodwill and other intangibles

Goodwill and other intangibles are summarized as follows:

	Goodwill	Intangibles	Total
Balance September 30, 2003	\$ 2,489,879	\$ 391,764	\$ 2,881,643
Adjustments to 2003 acquisitions	28,275	-	28,275
Acquisition of ProLink	1,009,726	-	1,009,726
Acquisition of Sirius	4,435,490	-	4,435,490
Acquisition of larger interest in InBusiness Solutions Inc.	3,665,734	-	3,665,734
Amortization of intangibles	-	(79,478)	(79,478)
Eliminated on consolidation	(60,266)	-	(60,266)
	\$ 11,568,838	\$ 312,286	\$ 11,881,124

7. Notes receivable from related parties

	March 31, 2004	September 30, 2003
Loans to shareholders, collateralized by pledges of Company shares	\$ 259,105	\$ 259,105
Unsecured loans to related parties	183,698	183,698
	\$ 442,803	\$ 442,803

\$200,000 of the balance of loans to shareholders bears interest at 5%, accumulated monthly to be repaid in full by March 31, 2005.

The balance of amounts due from related parties are non-interest bearing with no stated terms of repayment.

8. Bank indebtedness

	March 31, 2004	September 30, 2003
Cash on hand, net of outstanding cheques	\$ 2,758,463	\$ 1,469,182
Operating loan	(3,369,197)	(1,580,000)
Bank indebtedness (net of cash)	\$ (610,734)	\$ (110,818)

Bank indebtedness consists of cash, a bank operating facility and outstanding cheques. The bank operating facility bears interest at prime plus 1.5% and is collateralized by a general security agreement that constitutes a first charge on all assets of the Company.

At September 30, 2003 the credit facility was \$4,000,000. In January 2004 the Company increased its credit facility to \$7,000,000.

9. Long-term debt

Long-term debt consists of the following:

Promissory note, incurred to acquire Brainhunter, non-interest bearing, payable quarterly at the lesser of 2% of net sales of TrekLogic or \$75,000	\$ 615,367
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Brainhunter acquisition obligation payable March 10, 2006 in common stock of the Company based on the weighted average trading price for previous twenty days or in cash, however the holders have the right to refuse a cash offer and elect to accept shares	458,382
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Promissory note, incurred to acquire the IT assets of Thinkpath Inc., non-interest bearing, payable quarterly at \$15,000, with final payment due June 27, 2004	60,000
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Promissory note, non-interest bearing, payable yearly beginning October 2004, at the greater of \$75,000 or a formula based on ProTec's income	300,000
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Prolink equipment loan	27,555
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<u>Convertible Debenture issued to acquire Sirius</u>	875,000
	2,336,304

<u>Less current portion</u>	962,555
	<u>\$ 1,373,749</u>

Anticipated long-term debt re-payment and conversion obligations are as follows:

To September 30, 2004	\$ 487,555
2005	875,000
2006	823,749
2007	75,000
2008	75,000
	<u>\$ 2,336,304</u>

10. Non-controlling interest

Non-controlling interest is the non-controlling shareholders' interest of 4% in InBusiness. This remaining interest was acquired during the third quarter (see note 2(c)).

11. Capital stock

- (a) Authorized
Unlimited number of common shares
Unlimited number of preferred shares
Unlimited number of non-cumulative, non-redeemable, non-retractable, convertible, voting Series A Preferred Shares
- (b) On February 2, 2004, the Company completed a private placement of 5,555,556 common shares at \$1.80 per share for gross proceeds of \$10,000,000.80. Agents were paid a cash fee equal to 6% of the gross proceeds of the financing, except as detailed below. As additional compensation, the agents received compensation warrants exercisable to acquire an aggregate of 283,335 common shares at a price of \$1.88 per share. These compensation warrants will be exercisable for a period of two years following the closing of the financing.

The Chairman and Chief Executive Officer, and one Director of the Company acquired \$1,500,000 of the financing. The Company paid the agents a cash fee of 3% in respect of this portion of the financing. The agents did not receive compensation warrants in respect of such insider subscriptions.

Funds raised through the financing will be used for acquisitions & organic growth as well as for general working capital.

The following tables summarize the capital stock activity since September 30, 2003:

	Shares	\$
Common Shares		
Balance September 30, 2003	33,971,537	\$ 7,751,301
Shares Issued on Exercise of Options and Warrants	470,096	179,554
Shares Issued on Acquisition of Prolink	550,000	1,100,000
Shares issued by private placement, net of costs	5,555,556	9,268,744
Balance March 31, 2004	40,547,189	18,299,599
Series 'A' Preferred Shares		
Balance September 30, 2003 and March 31, 2004	4,614,861	2,378,045
Total March 31, 2004	45,162,050	\$20,677,644

The Series A preferred shares are convertible at the discretion of the holder at any time into one common share for each preference share held, and are voting.

(c) Escrowed shares

Certain shares are held in escrow following issuance for varying lengths of time due to normal regulatory procedures or due to agreements between the Company and those to whom the shares are issued. Activity to March 31, 2004 is as follows:

	Released	Escrowed	Total
Balance September 30, 2003	23,732,217	10,239,320	33,971,537
Exercises of Options and Warrants	470,096	0	470,096
Released from escrow	8,472,653	(8,472,653)	0
Acquisition of Prolink	0	550,000	550,000
Private placement	0	5,555,556	5,555,556
Balance March 31, 2004	32,674,966	7,872,223	40,547,189

Expected dates of release from escrow:

2004	May	550,000
	June	5,555,556
	July	433,334
	August	150,000
2005	February	150,000
	July	433,333
	August	150,000
2006	February	150,000
	August	150,000
2007	February	150,000
Total		7,872,223

(d) Options

On January 27, 2000, the Company established a stock option plan for its original directors and officers, reserving for issuance 280,000 shares. The options vested August 23, 2000 and expire August 22, 2005 at a price of \$0.20 per common share. To date, no options have been exercised.

During 2002, the Company established a stock option plan for its employees and directors, exercisable at \$0.30 per share, expiring on July 22, 2007. Under the terms of the plan the Company reserved for issuance 2,091,141 shares. Director shares vest 25% immediately on issue, 25% six months from date of issue, 25% twelve months from date of issue and 25% eighteen months from date of issue. Employee options can be exercised as to 1/3 after one year and a further 1/3 after years two and three.

During 2003, the Company amended the stock option plan for its employees and directors. Under the terms of the plan the Company reserved for issuance a total of 4,182,279 shares.

The following table summarizes the stock option activity for the six months ended March 31, 2004:

Exercise price	Term of Options	Options Outstanding			
		Outstanding September 30/03	Exercised During Quarter	Outstanding March 31/04	Exercisable March 31/04
\$0.20	April, 2005	280,000	0	280,000	280,000
\$0.30	July, 2007	1,489,940	(82,839)	1,407,101	946,700
\$0.35	Feb, 2008	412,400	(17,890)	394,510	137,466
\$0.50	June, 2008	1,000,000	0	1,000,000	0
\$0.71	July, 2008	1,200,000	0	1,200,000	0
		4,382,340	(100,729)	4,281,611	2,601,166

(e) Warrants

The following table summarizes the warrant activity for the six months ended March 31, 2004:

Exercise price	Term of Warrants	Warrants Outstanding				
		Outstanding Sep 30/03	Issued During Period	Exercised During Period	Outstanding March 31, 2004	Exercisable March 31, 2004
\$0.30	Sep, 2004	1,670,895	0	(17,121)	1,653,774	1,653,774
\$0.35	Dec, 2004	1,040,930	0	(152,319)	888,611	771,700
\$0.50	April, 2006	472,746	0	(22,746)	450,000	450,000
\$0.70	July, 2006	307,143	0	(50,000)	257,143	257,143
\$1.80	Sep, 2006	50,000	0	0	50,000	50,000
\$2.09	Oct, 2006	226,000	0	0	226,000	226,000
\$2.09	April, 2007	500,000	0	0	500,000	500,000
*\$0.81	Oct, 2006	0	*175,000	0	175,000	175,000
\$2.11	Nov, 2006	0	125,000	0	125,000	125,000
\$1.85	Jan, 2007	0	355,000	0	355,000	0
\$1.96	Jan, 2007	0	250,000	0	250,000	0
\$1.88	Feb, 2006	0	283,335	0	283,335	0
		4,267,714	1,188,335	(369,367)	5,086,682	4,208,617

* These warrants were issued pursuant to an agreement negotiated in April 2003.

12. Net change in non-cash working capital items

The net changes in non-cash working capital items, after removing the effects of the acquisitions of Prolink and Sirius are as follows:

Period ended March 31, 2004	3 months	6 months
Accounts receivable	\$ (1,034,737)	\$ (569,115)
Deposits and prepaid	(223,282)	(536,226)
Future income tax asset	0	0
Accounts payable	1,019,130	(251,676)
Deferred revenue	133,867	142,471
Net	\$ (105,022)	\$ (1,214,546)

13. Commitments and contingencies

The Company is committed to premise lease payments for the next five fiscal years as follows:

2004	-	\$	494,312
2005	-		860,899
2006	-		655,706
2007	-		511,706
2008	-		511,706

InBusiness Solutions Inc. has been the subject of legal claims with respect to certain acquisition and transition activities. A counter claim has been filed with respect to one of the claims. Management does not believe they will incur any liability and accordingly, no provision has been made in these financial statements other than for legal costs.

14. Segmented information

The Company operates in two reportable segments, namely "Staffing" and "Solutions". Staffing involves the placement of computer and engineering personnel generally under the supervision of the customer, whereas Solutions involves the implementation of solutions that meet a customer's specific business needs.

The Company evaluates performance and allocates resources based on earnings before income taxes. The Company does not segregate assets between Staffing and Solutions. The accounting policies of the segments are the same as those described in Note 1.

For the 6 months ended March 31, 2004	Staffing	Solutions	Total
Revenue	\$29,625,022	\$ 5,226,131	\$34,854,153
Earnings before interest, amortization, income taxes and non-controlling interest	\$ 1,874,059	\$ 521,837	\$ 2,395,896

The Company's revenues are earned in North America with 7% from the United States, the balance from Canada.

All capital assets are attributable to operations located in Canada.

15. Subsequent events

On May 3, 2004, the Company announced that it had received approval for its notice of intention to make a normal course issuer bid. The notice provides that the Company may, during the 12-month period commencing May 6, 2004, and ending May 5, 2005, purchase on the Toronto Stock Exchange up to 2,029,009 of the Company's common shares in total, being approximately 5% of the outstanding common shares. The price that the Company will pay for any such shares will be the market price at the time of the acquisition. All such shares will be purchased for cancellation.

16. Comparatives

Certain comparative figures on the consolidated statement of earnings and retained earnings have been changed to be consistent with the current periods' presentation.