

Q1 2007

*Consolidated Financial Statements*  
**BELZBERG TECHNOLOGIES INC.**  
*For The Three Months Ended March 31, 2007*

# **BELZBERG TECHNOLOGIES INC.**

## **Notice of Disclosure of Non-Auditor Review of Interim Financial Statements for the period ended March 31, 2007 and 2006**

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Pursuant to national Instrument 51-102, Part 4, subsection 4.3(3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim consolidated financial statements of the Company of the interim periods ended March 31, 2007 and 2006, have been prepared in accordance with Canadian generally accepted accounting principles and are the responsibility of the Company's management.

The Company's independent auditors, KPMG LLP, have not performed a review of the interim financial statements for March 31, 2007 and 2006 in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

## Notice

The consolidated financial statements have not been reviewed by an external auditor

## BELZBERG TECHNOLOGIES INC.

### Consolidated Balance Sheets

(in Canadian dollars)

	March 31, 2007 (Unaudited)	December 31, 2006 (Audited)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	\$ 17,802,440	\$ 16,435,704
Deposits with and receivables from brokers, dealers and clearing organizations (note 3)	2,787,446	2,741,562
Accounts receivable	5,941,550	4,704,665
Prepaid expenses and other receivables	471,253	406,349
Other current assets (note 4)	258,226	176,034
Investment tax credits recoverable	530,880	597,835
Future income tax asset	1,780,634	1,795,754
	<u>29,572,429</u>	<u>26,857,903</u>
<b>CAPITAL ASSETS</b>	2,331,766	2,296,813
<b>INVESTMENT</b>	35,978	35,978
<b>GOODWILL</b>	1,608,471	1,608,471
<b>OTHER INTANGIBLE ASSETS, NET (note 5)</b>	287,972	303,970
	<u>\$ 33,836,616</u>	<u>\$ 31,103,135</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 5,419,758	\$ 4,542,478
Current portion of obligations under capital lease	110,311	116,473
	<u>5,530,069</u>	<u>4,658,951</u>
<b>OBLIGATIONS UNDER CAPITAL LEASE</b>	8,793	32,059
	<u>5,538,862</u>	<u>4,691,010</u>
<b>SHAREHOLDERS' EQUITY</b>		
<b>CAPITAL STOCK (note 6)</b>	39,001,932	38,840,032
<b>CONTRIBUTED SURPLUS</b>	3,561,416	3,518,871
<b>DEFICIT</b>	(14,265,594)	(15,946,778)
	<u>28,297,754</u>	<u>26,412,125</u>
	<u>\$ 33,836,616</u>	<u>\$ 31,103,135</u>

Guarantees and contingencies (Note 11)

See accompanying notes to the consolidated financial statements

APPROVED ON BEHALF OF THE BOARD

"Sidney H. Belzberg"

..... Director

"Alicia Belzberg"

..... Director

## Notice

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### **BELZBERG TECHNOLOGIES INC.**

### **Consolidated Statements of Operations**

**For the three months ended March 31, 2007 and March 31, 2006**

(in Canadian dollars)

(Unaudited)

	2007	2006
REVENUE		
Transaction fees:		
Equity order flow	\$ 4,208,924	\$ 3,596,427
Options and futures contracts	4,449,227	3,117,188
	8,658,151	6,713,615
Subscription fees	1,885,406	1,824,826
Other revenue	354,822	352,694
<b>TOTAL REVENUE</b>	<b>10,898,379</b>	<b>8,891,135</b>
EXPENSES		
Exchange, clearing and brokerage fees	3,230,116	2,468,699
Compensation and related benefits	2,801,522	2,211,439
Telecommunication and datafeed services	1,525,278	1,278,573
Administrative and other expenses	1,215,155	843,107
Strategic process expenses	87,652	-
Amortization of capital assets	329,808	323,976
Amortization of intangible assets	15,998	-
Foreign exchange loss (gain)	187,664	(13,707)
	9,393,193	7,112,087
EARNINGS BEFORE THE UNDERNOTED	1,505,186	1,779,048
Interest expense	5,257	7,730
Interest income	(181,255)	(30,673)
EARNINGS BEFORE INCOME TAXES	1,681,184	1,801,991
PROVISION FOR INCOME TAXES (note 9)	-	-
<b>NET EARNINGS</b>	<b>1,681,184</b>	<b>1,801,991</b>
EARNINGS PER SHARE:		
Basic	\$ 0.11	\$ 0.13
Diluted	\$ 0.11	\$ 0.12
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING (note 6(b)):		
Basic	14,634,547	13,908,287
Diluted	15,275,117	14,475,560

See accompanying notes to the consolidated financial statements

## Notice

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### **BELZBERG TECHNOLOGIES INC.** **Consolidated Statements of Shareholders Equity** **For the three months ended March 31, 2007** (in Canadian dollars) (Unaudited)

	Number of common shares	Amount	Contributed Surplus	Deficit	Total
Balance, December 31, 2006	14,627,974	\$ 38,840,032	\$ 3,518,871	\$ (15,946,778)	\$ 26,412,125
Issue of common shares:					
Exercise of Stock options (note 6 (a) and (d))	35,000	161,900	-	-	161,900
Stock-based compensation (note 6 (e))	-	-	42,545	-	42,545
Net earnings and comprehensive income	-	-	-	1,681,184	1,681,184
<b>BALANCE, MARCH 31, 2007</b>	<b>14,662,974</b>	<b>\$ 39,001,932</b>	<b>\$ 3,561,416</b>	<b>\$ (14,265,594)</b>	<b>\$ 28,297,754</b>

See accompanying notes to the consolidated financial statements

## Notice

The consolidated financial statements have not been reviewed by an external auditor

### **BELZBERG TECHNOLOGIES INC.** **Consolidated Statements of Cash Flows** **For the three months ended March 31, 2007 and March 31, 2006** **(in Canadian dollars)** **(Unaudited)**

	2007	2006
<b>CASH PROVIDED BY (USED FOR)</b>		
<b>OPERATING ACTIVITIES</b>		
Net earnings	\$ 1,681,184	\$ 1,801,991
Items not affecting cash		
Amortization of capital assets	329,808	323,976
Amortization of intangible assets	15,998	-
Unrealized foreign exchange loss (gain)	123,771	(36,919)
Stock-based compensation (note 6(e))	42,545	68,559
Future income taxes	15,120	-
Changes in non-cash working capital items (note 7)	(480,725)	(328,745)
	1,727,701	1,828,862
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(369,666)	(231,633)
Purchase of investment	-	(35,978)
	(369,666)	(267,611)
<b>FINANCING ACTIVITIES</b>		
Repayment of obligations under capital lease	(29,428)	(117,296)
Proceeds from the exercise of stock options (note 6(a))	161,900	559,188
	132,472	441,892
Effect of exchange rate changes on cash and cash equivalents	(123,771)	36,919
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,366,736	2,040,062
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	16,435,704	7,052,641
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 17,802,440	\$ 9,092,703
<b>CASH EQUIVALENTS:</b>		
Cash	\$ 4,172,304	\$ 9,092,703
Cash equivalents	13,630,136	-
	\$ 17,802,440	\$ 9,092,703
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Interest paid	\$ 5,257	\$ 7,730
Interest received	181,721	28,051
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH FINANCING AND INVESTING ACTIVITIES</b>		
Acquisition of capital assets included in accounts payable and accrued liabilities	197,542	159,343

See accompanying notes to the consolidated financial statements

# **BELZBERG TECHNOLOGIES INC.**

Notes to the Interim Consolidated Financial Statements  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

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## **1. Description of business:**

Belzberg Technologies Inc. and its wholly owned subsidiaries (the "Company" or "Belzberg") is a leading provider of trade execution, order management and routing software for the financial industry. The Company's customers, who include both broker-dealers and their customers, use Belzberg trading software to buy and sell equities and stock options on a variety of stock exchanges, electronic markets known as ECNs, and NASDAQ market makers. Belzberg products enable traders to execute and manage large volumes of transactions at high speed, with reliability and security.

The Company also operates a floor brokerage that provides the execution of exchange-traded equity and index options on the Chicago Board Options Exchange.

## **2. Significant accounting policies:**

### (a) Basis of presentation:

These interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Certain information and note disclosures normally included in the annual financial statements prepared in accordance with Canadian generally accepted accounting principles have been condensed to include only the notes related to elements which have significantly changed in the interim period. As a result, these interim financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the fiscal year ended December 31, 2006.

These interim financial statements are prepared following accounting policies consistent with the Company's audited annual financial statements and notes thereto for the year ended December 31, 2006, except as described in note 2 (b). The financial information included herein reflects all adjustments, consisting only of normal recurring adjustments, which in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. The results of operations for the three months ended March 31, 2007 are not necessarily indicative of the results to be expected for the full year.

# BELZBERG TECHNOLOGIES INC.

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

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## 2. Significant accounting policies (continued):

(b) Changes in accounting policies:

Financial instruments:

Effective January 1, 2007, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 1530, Comprehensive Income; Section 3251, Equity; Section 3855, Financial Instruments-Recognition and Measurement; and, Section 3865, Hedges, retroactively without restatement. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting. Section 1530 establishes standards for reporting and presenting comprehensive income, which is defined as the change in equity from transactions and other events from non-owner sources. Other comprehensive income refers to items recognized in comprehensive income that are excluded from net income calculated in accordance with generally accepted accounting principles. Under the new standards, policies followed for periods prior to the effective date generally are not reversed and therefore, the comparative figures have not been restated. The adoption of these Handbook Sections had no impact on opening deficit.

Under Section 3855, financial instruments must be classified into one of these five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net income; available-for-sale financial instruments are measured at fair value with changes in fair value recorded in other comprehensive income until the investment is derecognized or impaired at which time the amounts would be recorded in net income.

Upon adoption of these new standards, the Company designated its cash and cash equivalents, deposits with and receivables from brokers, dealers and clearing organizations and other current assets (that include foreign exchange option contracts) as held-for-trading, which are measured at fair value. Investments are classified as available-for-sale, which are measured at cost as it does not have a quoted market price in an active market. Accounts receivable are classified as loans and receivables, which are measured at amortized cost. Accounts payable and accrued liabilities, are classified as other financial liabilities. The Company had no "other comprehensive income or loss" transactions during the three months ended March 31, 2007 and no opening or closing balances for accumulated other comprehensive income or loss.

# BELZBERG TECHNOLOGIES INC.

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

## 3. Deposits with and receivables from brokers, dealers and clearing organizations

The Company is required to maintain certain deposits and has certain receivables with brokers, dealers and clearing organizations to facilitate its clearing and settlement activities. These amounts are made up as follows:

	March 31, 2007	December 31, 2006
Cash equivalents on deposit with clearing organization, at market	\$ 1,989,335	\$ 2,004,691
Deposits with and receivables from:		
Clearing organizations	92,293	29,020
Brokers and dealers	705,818	707,851
	<u>\$ 2,787,446</u>	<u>\$ 2,741,562</u>

## 4. Other current assets

	March 31, 2007	December 31, 2006
Fair value of foreign exchange option contracts	\$ 258,226	\$ 176,034
	<u>\$ 258,226</u>	<u>\$ 176,034</u>

## 5. Other intangible assets:

	March 31, 2007	December 31, 2006
Customer list	\$ 319,968	\$ 319,968
Accumulated amortization	\$ 31,996	\$ 15,998
	<u>\$ 287,972</u>	<u>\$ 303,970</u>

# BELZBERG TECHNOLOGIES INC.

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

## 6. Capital stock:

The following summarizes changes to capital stock during 2007:

### (a) Authorized:

Unlimited common shares

Issued:

	Number of common shares	Amount
Balance at December 31, 2006	14,627,974	\$ 38,840,032
Exercise of stock options	35,000	161,900
Balance at March 31, 2007	14,662,974	\$ 39,001,932

### (b) Earnings per share:

The following table sets forth the computation of diluted earnings per share:

	Three months ended March 31,	
	2007	2006
Numerator:		
Net earnings available to common shareholders	\$ 1,681,184	\$ 1,801,991
Denominator:		
Weighted average number of common shares outstanding - basic	14,634,547	13,908,287
Effect of dilutive securities:		
Employee stock options	640,570	567,273
Weighted average number of common shares outstanding - diluted	15,275,117	14,475,560
Earnings per share:		
Basic	\$ 0.11	\$ 0.13
Diluted	0.11	0.12

During 2007, options to purchase 445,000 common shares (2006 – 505,000 common shares) were excluded from the computation of diluted earnings per share as the exercise price exceeded the average market price of common shares for the period.

# BELZBERG TECHNOLOGIES INC.

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

## 6. Capital stock (continued):

### (c) Normal course issuer bid:

In March 2006, the Toronto Stock Exchange approved a Normal Course Issuer Bid for the Company to repurchase up to 701,000 of its common shares over the period from April 1, 2006 to March 31, 2007. During the last 12 months, the Company did not purchase any common shares through a normal course issuer bid.

### (d) A summary of the Company's stock option activity for the period ended March 31, 2007 is as follows:

	Number	Weighted average exercise price
Outstanding, December 31, 2006	1,860,417	\$ 6.11
Options exercised	(35,000)	4.63
Outstanding, March 31, 2007	1,825,417	6.14
Options exercisable at March 31, 2007	1,618,250	\$ 6.27

### (e) Options granted to employees and directors on or after January 1, 2003:

For stock options granted to employees and directors on or after January 1, 2003, the Company recorded compensation expense for the three months ended March 31, 2007 of \$42,545 (three months ended March 31, 2006 - \$68,559). This amount is included in compensation and related benefits.

There were no options granted in the three months ended March 31, 2007. The weighted average grant date fair value for employee options granted in the three months ended March 31, 2006 was 2.47 per share. The fair value of each option granted in the three months ended March 31, 2006 was estimated on the grant date using the Black-Scholes option pricing model with the following weighted average assumptions:

# BELZBERG TECHNOLOGIES INC.

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

## 6. Capital stock (continued):

	Three months ended March 31,	
	2007	2006
Risk-free interest rate	–%	3.97%
Expected life of the options	–	3 years
Expected volatility	–%	45.6%
Expected dividend yield	–%	–%

The estimated fair value of the options is amortized to expense over their vesting period on a straight-line basis.

## 7. Changes in non-cash working capital items:

	Three months ended March 31,	
	2007	2006
Accounts receivable	\$ (1,236,885)	\$ (436,481)
Investment tax credits recoverable	66,955	–
Deposits with and receivables from brokers, dealers and clearing organizations	(45,884)	(222,903)
Prepaid expenses and other receivables	(64,904)	(80,103)
Other current assets	(82,192)	136,223
Accounts payable and accrued liabilities	882,185	274,519
	<u>\$ (480,725)</u>	<u>\$ (328,745)</u>

## 8. Financial instruments:

### (a) Foreign currency risk:

The Company operates internationally and, as such, is exposed to fluctuations in foreign exchange rates. The Company uses forward and foreign exchange option contracts to limit its exposure to fluctuations in foreign exchange rates. The fair value of these financial instruments as at March 31, 2007 and March 31, 2006 is based on quoted market prices and information available at that time. As at March 31, 2007, the Company has entered into foreign exchange option contracts for the purchase of Cdn. \$10,500,000 at U.S. \$0.85 maturing in June 2007 (2006 - foreign exchange option contracts for the purchase of Cdn. \$8,000,000 at U.S. \$0.85 maturing June 2006). As at March 31, 2007, the Company

# BELZBERG TECHNOLOGIES INC.

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

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## 8. Financial instruments (continued):

has recorded an unrealized gain on the outstanding foreign exchange option contracts of approximately \$132,000 (2006 - unrealized loss of approximately \$183,000 on outstanding foreign exchange option contracts). The Company also realized losses on foreign exchange option contracts in 2007 of approximately \$162,000 (2006 - realized gain of approximately \$153,000). Realized and unrealized gains or losses on foreign exchange option contracts are netted against gains or losses on the translation of the Company's integrated foreign subsidiaries in the consolidated statement of operations.

### (b) Credit risk:

The Company is subject to risk of non-payment of accounts receivable. The Company mitigates this risk by monitoring the creditworthiness of its customers monthly as subscription and transaction fees are generated. At March 31, 2007, two customers accounted for approximately 22% of total accounts receivable (December 31, 2006 - two customers for 21%). For the three months ended March 31, 2007, one customer accounted for approximately 12% of total revenue (two customers accounted for approximately 20% of total revenue). For the year ended December 31, 2006, one customer accounted for approximately 8% of total revenue.

## 9. Income taxes:

For the three months ended March 31, 2007, the Company reduced its valuation allowance from the 2006 fiscal year-end by approximately \$730,000 based upon a number of factors, including forecasted profitability for the Company and estimated taxable income by jurisdiction. This reduction in the valuation allowance offset the non-cash future income tax expense in the first quarter of 2007 arising from the utilization of tax benefits previously recognized. Any change in management's estimates could result in an additional income tax recovery or expense in the future.

## 10. Segmented information:

The Company operates and manages its business in one industry - the financial services sector. The Company has two reportable segments: the Core business and the Brokerage business. In the Core business, the Company creates and provides to institutional customers trade execution software, trade execution services through its agency only broker-dealer and a network for connecting to various exchanges and other markets in North America. The Brokerage business involves the execution of exchange-traded equity and index options on the floor of the Chicago Board Options Exchange.

# BELZBERG TECHNOLOGIES INC.

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

## 10. Segmented information (continued):

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. The Company evaluates performance of the Core business and the Brokerage business based on several factors, of which the primary financial measures are revenue and earnings from operations. The Company defines earnings from operations as earnings from operations before amortization, net interest expense, income taxes and other non-recurring items.

	Three months ended March 31,					
	2007			2006		
	Core	Brokerage	Total	Core	Brokerage	Total
External revenue:						
Transaction fees	\$ 7,080,836	\$ 1,577,315	\$ 8,658,151	\$ 5,817,934	\$ 895,681	\$ 6,713,615
Subscription fees	1,885,406	–	1,885,406	1,824,826	–	1,824,826
Other	354,822	–	354,822	352,694	–	352,694
	<u>\$ 9,321,064</u>	<u>\$ 1,577,315</u>	<u>\$ 10,898,379</u>	<u>\$ 7,995,454</u>	<u>\$ 895,681</u>	<u>\$ 8,891,135</u>
Earnings before the undernoted	\$ 1,503,584	\$ 435,060	\$ 1,938,644	\$ 2,028,283	\$ 74,741	\$ 2,103,024
Strategic process expenses	87,652	–	87,652	–	–	–
Amortization of:						
Capital assets	328,459	1,349	329,808	323,116	860	323,976
Intangible assets	15,998	–	15,998	–	–	–
Interest:						
Expense	2,551	2,706	5,257	7,713	17	7,730
Income	(162,525)	(18,730)	(181,255)	(29,349)	(1,324)	(30,673)
Earnings before income taxes	<u>\$ 1,231,449</u>	<u>\$ 449,735</u>	<u>\$ 1,681,184</u>	<u>\$ 1,726,803</u>	<u>\$ 75,188</u>	<u>\$ 1,801,991</u>
Total assets	\$ 30,288,044	\$ 3,548,572	\$ 33,836,616	\$ 17,313,842	\$ 1,843,388	\$ 19,157,230
Capital asset expenditures	\$ 365,428	\$ 4,238	\$ 369,666	\$ 231,633	\$ –	\$ 231,633

# BELZBERG TECHNOLOGIES INC.

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

## 10. Segmented information (continued):

The following is a breakdown of operations by significant geographic region:

	Three months ended March 31,					
	2007			2006		
	Canada	United States	Total	Canada	United States	Total
External revenues:						
Transaction fees	\$ 752,634	\$ 7,905,517	\$ 8,658,151	\$ 839,914	\$ 5,873,701	\$ 6,713,615
Subscription fees	1,723,702	161,704	1,885,406	1,655,901	168,925	1,824,826
Other	245,918	108,904	354,822	266,047	86,647	352,694
	\$ 2,722,254	\$ 8,176,125	\$ 10,898,379	\$ 2,761,862	\$ 6,129,273	\$ 8,891,135
Total assets	\$ 9,325,851	\$ 24,510,765	\$ 33,836,616	\$ 5,230,240	\$ 13,926,990	\$ 19,157,230
Capital assets	\$ 1,508,584	\$ 823,182	\$ 2,331,766	\$ 1,166,750	\$ 1,026,974	\$ 2,193,724
Goodwill	\$ -	\$ 1,608,471	\$ 1,608,471	\$ -	\$ 755,239	\$ 755,239
Other intangible assets	\$ -	\$ 287,972	\$ 287,972	\$ -	\$ -	\$ -

## 11. Guarantees and Contingencies:

(a) Guarantees:

- (i) The Company has no guarantees that are required to be disclosed under Accounting Guideline 14 "Disclosure of guarantees".
- (ii) The Company has provided routine indemnifications to its customers against liability if the Company's products infringe on a third party's intellectual property rights. The maximum exposure from these indemnifications cannot be reasonably estimated. In some cases, the Company has recourse against other parties to mitigate its risk of loss from these guarantees. Historically, the Company has made no payments relating to these indemnifications and the Company is not subject to any pending litigation on this matter.

# **BELZBERG TECHNOLOGIES INC.**

Notes to the Interim Consolidated Financial Statements (continued)  
(Expressed in Canadian dollars)

Three months ended March 31, 2007 and 2006  
(Unaudited)

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## **11. Guarantees and Contingencies (continued):**

### (b) Contingencies

In the normal course of operations the Company may be subject to litigation and claims. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not possible to estimate the extent of potential costs, if any, management believes that the ultimate resolution of such contingencies would not have a material adverse effect on the financial position of the Company.

## **12. Comparative figures:**

Certain of the comparative figures have been reclassified to conform with the current period's financial statement presentation.