

Unaudited Interim Financial Statements

Multiplied Media Corporation

June 30, 2009

**The accompanying interim financial statements have not been reviewed by the Company's
external Auditors**

Multiplied Media Corporation

Balance Sheet

(Unaudited)

(see note 1 – Description of Operations & Going Concern Uncertainty)

As at	June 30 2009 \$	December 31 2008 \$
ASSETS		
Current		
Cash	34,768	-
Accounts receivable	141,199	9,433
Goods and Services Taxes recoverable	22,638	18,884
Share subscription receivable	25,000	-
Prepaid expenses and deposits	223,957	210,471
	447,561	238,788
Property and equipment <i>[note 5]</i>	139,031	186,684
Intangible assets <i>[note 6]</i>	227,594	228,308
	814,185	653,780
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable	529,775	624,060
Short term promissory note <i>[note 9]</i>	130,000	130,000
	659,775	754,060
Commitments <i>[note 12]</i>		
Shareholders' equity/(deficiency)		
Share capital <i>[note 9]</i>	14,946,831	13,828,765
Compensation options and warrants	-	330,185
Contributed surplus <i>[note 10]</i>	1,170,849	718,580
Deficit	(15,963,270)	(14,977,810)
	154,410	(100,280)
	814,185	653,780

See accompanying notes

On behalf of the Board:

(signed) "Craig Bentham" _____

(signed) "Stephen Lougheed" _____

Multiplied Media Corporation

Statements of Loss and Comprehensive Loss and Deficit

(Unaudited)

(see note 1 – Description of Operations & Going Concern Uncertainty)

	Three month period ended		Six month period ended	
	2009	2008	2009	2008
REVENUE				
Sales	101,200	13,660	117,371	14,314
Interest income	-	7,358	-	28,526
Total Revenue	101,200	21,018	117,371	42,840
EXPENSES				
Salary and consulting fees	218,088	717,200	366,662	1,501,246
Stock based compensation <i>[note 9,10]</i>	50,304	164,948	122,084	223,206
Administration, occupancy and insurance	276,358	250,161	488,150	543,097
Advertising and marketing	16,026	266,799	27,204	522,144
Professional fees	34,624	17,284	36,428	80,494
Amortization of tangible assets	24,368	40,019	53,135	77,176
Amortization of intangible assets	4,638	3,818	9,168	6,117
Amortization of deferred development costs	-	230,668	-	461,335
	624,406	1,690,897	1,102,831	2,303,605
Net loss and comprehensive loss for the period	(523,205)	(1,669,879)	(985,460)	(3,371,975)
Deficit, beginning of period	(15,440,065)	(9,650,553)	(14,977,810)	(7,948,457)
Deficit, end of period	(15,963,270)	(11,320,432)	(15,963,270)	(11,320,432)
Net loss for the period per share <i>[note 11]</i>				

See accompanying notes

Multiplied Media Corporation

Statements of Cash Flow

(Unaudited)

(see note 1 – Description of Operations & Going Concern Uncertainty)

	Three month period ended June 30		Six month period ended June 30	
	2009	2008	2009	2008
OPERATING ACTIVITIES				
Net loss for the period	(523,205)	(1,669,879)	(985,460)	(3,371,975)
Items not requiring cash				
Amortization	29,006	274,505	62,303	544,628
Stock based compensation <i>[note 9,10]</i>	50,304	164,948	122,084	233,206
	(443,895)	(1,230,426)	(801,073)	(2,604,141)
Changes in non-cash working capital				
Short term investments	-	1,446,000	-	3,047,175
Accounts receivable	(114,787)	6,585	(131,766)	21,641
Goods and Services Tax receivable	13,632	(20,456)	(3,754)	(9,503)
Share subscription receivable	(25,000)	-	(25,000)	-
Prepaid expenses and deposits	34,462	122,494	(13,486)	169,053
Accounts payable	-	39,074	(94,285)	(13,842)
	(91,693)	1,593,697	(268,291)	3,148,471
Cash flows from (used by) operating activities	(535,588)	363,271	(1,069,364)	610,383
INVESTING ACTIVITIES				
Purchase of equipment	(1,000)	(4,952)	(5,482)	(91,443)
Expenditures on trademark and patents	(5,605)	(50,329)	(8,453)	(119,736)
Expenditures on deferred development costs	-	(270,440)	-	(479,478)
Cash flows used by investing activities	(6,605)	(325,721)	(13,935)	(690,657)
FINANCING ACTIVITIES				
Issuance of common shares net of issuance costs	576,961	122,800	1,118,066	122,800
Cash flows from financing activities	576,961	122,800	1,118,066	122,800
Increase (decrease) in cash	34,768	160,350	34,768	42,526
Cash, beginning of the period	-	3,966	-	121,790
Cash, end of the period	34,768	164,316	34,768	164,316

See accompanying notes

Multiplied Media Corporation

Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)
For the Period Ended June 30, 2009 and 2008

1. DESCRIPTION OF OPERATIONS AND GOING CONCERN ASSESSMENT

Multiplied Media Corporation (TSXV: MMC) (the “Company”), is an online search service provider with a unique proprietary family of products designed to help consumers and merchants connect in an easy, convenient manner. The Company is incorporated under the Alberta Business Corporations Act and is traded on the TSX Venture Exchange.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles (“Canadian GAAP”) on a going concern basis which presumes the realization of assets and discharge of liabilities in the normal course of business for the foreseeable future. The Company has incurred losses amounting to \$14,977,810, as at and for the year ended December 31, 2008.

The continuation of the Company’s operations is dependent on the ability to achieve future profitable operations and to obtain additional financing which will provide the Company with adequate funds to cover the cash flows projected for the fiscal 2009 year. The Company is pursuing financing alternatives with investors. No agreements with investors have yet been reached and there can be no assurance that such agreements will be reached, nor that financing efforts will be successful. These factors raise substantial doubt as to the Company’s ability to continue as a going concern. These financial statements do not include adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

See subsequent event note 13 regarding financing activities completed after year end.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The Company’s accounting policies and its standards of financial disclosure are in accordance with the recommendations of the Canadian Institute of Chartered Accountants (“CICA”). The significant accounting policies are summarized as follows.

Changes in accounting policies

The Company has assessed new and revised accounting pronouncements that have been issued and determined that the following may have a significant impact on the Company.

Future changes in accounting policies

Effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2008, the new CICA Handbook Section 3064 will replace Section 3062 “Goodwill and Other Intangible Assets” and Section 3450 “Research and Development Costs.” This section establishes standards for the recognition, measurement, presentation, and disclosure of goodwill and intangible assets including internally generated intangible assets. This new section is effective for the Company beginning January 1, 2009. The Company is currently assessing the impact of adoption of this new accounting policy.

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In January 2009, the CICA issued Emerging Issues Committee Abstract of Issue Discussed 173 Credit Risk and the Fair Value of Financial Assets and Financial Liabilities (“EIC-173”) applicable to the Company’s 2009 fiscal year. EIC-173 recommends that a company take into account its own credit risk and the credit risk of the counterparty in determining the fair value of financial assets and financial liabilities. The Company is currently assessing the effect on its financial results.

In October 2008, the CICA issued Section 1582 Business Combinations (“Section 1582”) concurrently with Section 1601 Consolidated Financial Statements (“Section 1601”), and Section 1602 Non-controlling Interests (“Section 1602”). Section 1582, which replaces Section 1581 Business Combinations, establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. Section 1601, which replaces Section 1600, carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than non-controlling interests. Section 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards are effective for the Company’s interim and annual consolidated financial statements commencing on January 1, 2011 with earlier adoption permitted as of the beginning of a fiscal year. The Company is assessing the impact of the new standards on its financial statements.

The Canadian Accounting Standards Board (AcSB) has confirmed that the use of International Financial Reporting Standards (“IFRS”) will be required in 2011 for publicly accountable profit-oriented enterprises. IFRS will replace Canada’s current GAAP for those enterprises. These include listed companies and other profit-oriented enterprises that are responsible to large or diverse groups of stakeholders. The official changeover date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. Companies will be required to provide comparative IFRS information for the previous fiscal year. The Company is currently evaluating the impact of adopting IFRS.

Multiplied Media Corporation

Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)

For the Period Ended June 30, 2009 and 2008

Measurement uncertainty

In preparing financial statements in conformity with Canadian generally accepted accounting principles, management is required 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 period. Actual results could differ from those estimates. The amounts recorded relating to the fair value of stock options issued and the resulting income effect (note 10) are based on estimates of the future volatility of the Company's share price, expected lives of the options, expected dividends and other relevant assumptions.

Property and equipment

Property, plant and equipment are stated at cost less accumulated amortization. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Computer	3 years straight line
Furniture and equipment	5 years straight line
Leasehold improvement	straight line over the term of lease

The Company regularly reviews its property and equipment to eliminate obsolete items.

Trademarks and patents

The Company capitalizes all trademark and patent application costs and amortization is provided for on a straight-line basis over the expected life of 10 and 20 years respectively. The unamortized balance is charged to its operations if the Company does not obtain approval or the trademark or patent is abandoned.

Impairment of long-lived assets

Property and equipment, deferred development costs and intangible assets are to be evaluated for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the carrying value of the asset exceeds the estimated undiscounted future cash flows from the use and eventual disposition of the asset, then an impairment loss is recognized to write the asset down to fair value. Fair value is determined based on discounted cash flows

Revenue recognition

Revenue is recognized when services are provided to users, which is generally at the time when online queries are completed and when reasonable assurance exists regarding the measurement and collection of the consideration to be received.

Multiplied Media Corporation

Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)
For the Period Ended June 30, 2009 and 2008

Non-monetary revenue transactions are recorded based upon the fair-value of products or services exchanged.

Research and development costs

Research costs are expensed in the year incurred. The Company expenses development costs in the year incurred, except when it is determined that the costs meet Canadian generally accepted accounting criteria for deferral and amortization. Amortization of development costs commences when development of a project is completed and sales of the related product have commenced. The costs are amortized on a straight-line basis based on the recoverability period of unamortized deferred development costs.

Stock options

The Company has adopted the Canadian accounting standard outlined in the CICA Handbook Section 3870, “Stock-based Compensation and Other Stock-based Payments.” This section provides for the fair value method to record stock-based compensation expense with respect to stock options granted. The fair value of each option granted is estimated on the date of grant using the Black-Scholes option pricing model.

Income taxes

The Company uses the liability method of accounting for income taxes. Under this method, current income taxes are recognized for the estimated income taxes payable for the current year. Future income tax assets and liabilities are recognized in the current year for temporary differences between the tax and accounting bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for income tax purposes. Future tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to be recovered or settled. The effect of a change in tax rates on future income tax assets and liabilities is recognized in operations in the period that includes the substantive enactment date. Future income tax assets are limited to the amount that is more likely than not to be realized.

Loss per share

Basic per share amounts are computed by dividing the net loss for the year by the weighted average number of common shares outstanding for the year. Diluted per share amounts reflect potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares. Diluted per share information is calculated using the treasury stock method that assumes any proceeds received by the Company upon the exercise of in-the-money options, plus unamortized stock-based compensation cost, would be used to buy back common shares at an average market price. Anti-dilutive options or instruments are not included in the calculation and all options and instruments are considered anti-dilutive when the Company is in a loss position.

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Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)
For the Period Ended June 30, 2009 and 2008

Financial instruments

a) Interest rate risk

As at June 30, 2009, the Company had no material exposure to changes in interest rates with respect to the short-term investments or debt.

b) Fair value

The Company's financial instruments include cash, short-term investments, accounts receivable, deposits, and accounts payable. The fair values of all financial instruments approximate their carrying values.

c) Credit risk

The Company's exposure to credit risk relates to accounts receivable and arises from the possibility that a counterparty does not fulfill its obligations. This is minimized through continuous evaluation of accounts receivable and recording an allowance for doubtful accounts as required.

3. CAPITAL STRUCTURE FINANCIAL POLICIES

The Company's objectives in managing its capital is to safeguard the Company's assets and its ability to continue as a going concern and sustain future development of the business.

Management defines capital as the Company's shareholders' equity (deficiency). The Company manages its capital structure and makes adjustments according to market conditions and the risk characteristics of the underlying assets. In addition, management monitors the Company's ongoing capital requirements for the fiscal year. In order to maintain or adjust the capital structure, the Company may adjust capital spending, issue equity, sell assets or incur debt. The Company is not subject to externally imposed capital requirements. As at June 30, 2009 total managed capital is \$154,410 (December 31, 2008 - \$(100,280))

Total managed capital has changed subsequent to period end. See note 13, subsequent events.

Multiplied Media Corporation

Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)

For the Period Ended June 30, 2009 and 2008

4. IMPAIRMENT OF DEFERRED DEVELOPMENT COSTS

In accordance with generally accepted accounting principles, on an annual basis, or more frequently if circumstances may indicate that impairment may occur, the Company conducts an impairment test of its deferred development costs. If it is concluded that an impairment to deferred development costs exists, then a reduction in the carrying value of the deferred development costs would be recorded on the balance sheet and recognized as a non-cash impairment charge to income.

The Company evaluated the deferred development costs relative to the Company's market capitalization, the revenues generated by the related assets, and the future expectations for those assets. Based upon all of those factors, it was estimated by management, that the deferred development costs had been impaired, and as a result should be written off. The impairment charge does not affect the Company's liquidity, funds from operations and will not impact future operations with respect to its mobile services.

5. PROPERTY AND EQUIPMENT

	June 30, 2009		
	Cost \$	Accumulated amortization \$	Net Book Value \$
Computer	262,718	(150,858)	111,860
Furniture and equipment	60,999	(36,244)	24,754
Leasehold improvement	14,346	(11,930)	2,416
	338,063	(199,032)	139,031
	December 31, 2008		
	Cost \$	Accumulated amortization \$	Net Book Value \$
Computer	258,858	(110,714)	148,144
Furniture and equipment	59,377	(24,828)	34,549
Leasehold improvement	14,346	(10,355)	3,991
	332,581	(145,897)	186,684

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Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)
For the Period Ended June 30, 2009 and 2008

6. INTANGIBLE ASSETS

	June 30, 2009		
	Cost	Accumulated	Net Book
	\$	amortization	Value
Patents	134,653	(11,773)	122,879
Trademarks	124,798	(20,084)	104,714
	259,451	(31,857)	227,594

	December 31, 2008		
	Cost	Accumulated	Net Book
	\$	amortization	Value
Patents	129,484	(8,504)	120,980
Trademarks	121,513	(14,185)	107,325
	250,997	(22,689)	228,308

7. OPERATING LINE OF CREDIT

During 2007, the Company obtained a demand operating line of credit in the amount of \$50,000, collateralized by a cashable GIC in the amount of \$50,000. The Company cancelled this facility in October 2008.

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Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)
For the Period Ended June 30, 2009 and 2008

8. SHARE CAPITAL

Share Capital Authorized

Unlimited Common voting shares	No par value
Unlimited Preferred shares	No par value

Issued and Outstanding

	June 30, 2009		December 31, 2008	
	Shares #	Amount \$	Shares #	Amount \$
Common shares:				
Balance, beginning of Period	72,558,296	13,828,765	59,978,296	13,259,322
Issuance for cash net (i)			9,480,000	414,443
Issuance for cash net (ii)			3,100,000	155,000
Issuance for cash net (iii)	1,000,000	50,000		
Options exercised	-	-	-	-
Issuance for cash, net (iv)	9,964,000	491,105	-	-
Issuance for cash, net (v)	11,660,000	576,961		
Balance, end of period	95,182,296	14,946,831	72,558,296	13,828,765
Compensation warrants and options:				
Balance, beginning of period	1,435,585	330,185	2,098,085	423,512
Compensation warrants <i>[note 9]</i>			(662,500)	(93,327)
Compensation options <i>[note 9]</i>	(1,435,585)	(330,185)	-	-
Balance, end of period	-	-	1,435,585	330,185

- (i) During June 2008, the Company closed a non-brokered private placement to issue 9,480,000 Common Shares at a price of \$0.05 each for gross proceeds of \$474,000 less issuance costs of \$59,557.
- (ii) During December 2008, the Company completed a first closing of a non-brokered private placement to issue 4,100,000 Units comprised of 1 Common Share and one-half Warrant at a price of \$0.05. Each whole Warrant is exercisable for one Common Share at a price of \$0.10 per Common Share for two years.
- (iii) As at December 31, 2008, the Company had a share subscription amount receivable of \$50,000 to issue 1,000,000 shares, and 500,000 warrants, from the closing on December 24, 2008. Subsequent to year end the cash was received and the shares issued.
- (iv) During February 2009, the Company completed the second closing of a non-brokered private placement to issue 9,964,000 shares and 4,982,000 warrants. Each whole Warrant is exercisable for one Common Share at a price of \$0.10 per Common Share for two years.
- (v) During May 2009, the Company completed a closing of a non-brokered private placement to issue 11,660,000 Common Shares and 5,830,000 Warrants. Each Warrant is exercisable for one Common Share at a price of \$0.10 per Common Share for two years.

Multiplied Media Corporation

Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)
For the Period Ended June 30, 2009 and 2008

9. STOCK OPTIONS & WARRANTS

Stock Options

The Company has a stock option plan that permits the Board of Directors to grant to employees, officers, and directors options to purchase common shares from Treasury. Under the plan, the Board of Directors sets the exercise price and expiry date for each option grant. The options vest one-third each year and expire in 5 years from the date of grant.

During the period ended June 30, 2009, the Company did not grant any stock options to employees of the Company.

The fair value of stock options has been estimated on the date of grant by reference to the Black-Scholes option-pricing model. During the second quarter, the Company recognized stock based compensation expense, net of cancellations, of \$50,304 (for 2008 – \$164,948). Assuming that no common share dividend will be paid, a weighted average expected volatility of 138% (2008 – 104%), an expected life of three years, and a weighted average risk-free interest rate of 2.95% (2008 – 3.45%), equal to the interest rate of a 3-year Government of Canada bond.

A summary of the status of the Company's stock options during the years presented is as follows:

	2009		2008	
	Number of Options	Weighted Average Exercise Price \$	Number of Options	Weighted Average Exercise Price \$
Balance, beginning of period	5,685,698	0.26	5,000,698	0.40
Granted	1,875,000	0.10	2,395,000	0.11
Forfeited/cancelled	(2,190,000)	0.21	(1,710,000)	0.40
Expired	(373,698)	0.32	-	-
Exercised	-	-	-	-
Balance, end of period	4,997,000	0.22	5,685,698	0.26
Exercisable, end of period	1,519,676	0.33	1,306,043	0.37

Exercise Price \$	Number of Options Outstanding	Number of Options Exercisable	Remaining Life (Year)
0.10 – 0.19	2,995,000	356,672	3.95
0.20 – 0.29	115,000	38,334	3.39
0.30 – 0.39	400,000	133,334	3.28
0.40 – 0.49	1,337,000	891,336	2.68
0.50 – 0.59	150,000	100,000	2.87
	4,997,000	1,519,676	3.06

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(see note 1 – Description of Operations & Going Concern Uncertainty)
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Warrants

Pursuant to a promissory note announced on November 6, 2008, the Company issued 1,300,000 warrants exercisable at \$0.10 on or before October 31, 2010.

Pursuant to the first closing of a non-brokered private placement on December 23, 2008, the Company sold 3,100,000 Units comprised of 1 Common Share and ½ Warrant. Each whole Warrant is exercisable for two years and may purchase 1 Common Share at a price of \$0.10. As at December 31, 2008 there are 1,550,000 Warrants outstanding that do not expire until December 23, 2010. On February 18, the Company completed the second closing and issued a further 9,964,000 units which include 4,982,000 warrants exercisable for two years at \$0.10.

Pursuant to the closing of a non-brokered private placement on May 15, 2009, the Company sold 11,660,000 units which include 5,830,000 Warrants exercisable for two years at \$0.10.

As at June 30, 2008 there are 14,162,000 Warrants outstanding that do not expire until December 23, 2010, February 18, 2011 and May 15, 2011.

Compensations Warrants

Pursuant to a Subscription Receipt Agreement completed in 2006, the Company granted 662,500 compensation warrants (the “Compensation Warrants”) to agents at an exercise price of \$0.40 each. The Compensation Warrants are convertible into Common Voting Shares on a one-for-one basis. As at December 31, 2008, the Compensation Warrants are no longer outstanding as they expired February 29, 2008 and April 4, 2008.

Compensation Options

Pursuant to an agency agreement for issuance of 14,355,845 Common Shares in July 2007 (note 9), the Company granted 1,435,585 compensation options (the “Compensation Options”) to the agent, at an exercise price of \$0.55 each. The Compensation Options are convertible into Common Voting Shares on a one-for-one basis. As at March 31, 2008, the Compensation Options are no longer outstanding as they expired on January 24, 2009.

Multiplied Media Corporation

Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)
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10. CONTRIBUTED SURPLUS

For stock options granted, the Company records compensation expense using the fair value method. Fair values are determined using the Black-Scholes option pricing model. Compensation costs are recognized over 3 years from the date of grant as an increase to stock based compensation expense and contributed surplus. When options are subsequently exercised, the fair value of such options in contributed surplus is credited to share capital. A summary of changes of contributed surplus is:

	Six Months Ended, June 30, 2009	Year ended December, 31 2008
	\$	\$
Balance, beginning of period	718,580	237,709
Stock-based compensation recognition of fair value of stock options granted, net of cancellations	122,084	371,849
Stock-based compensation directly related to development		15,695
Fair value of expired compensation warrants	330,185	93,327
Balance, end of Period	1,170,849	718,580

11. LOSS PER SHARE

The following table sets forth the computation of basic net loss per share:

	Three month ended June 30,		Six month ended June 30,	
	2009	2008	2009	2008
Numerator for basic net loss per share	\$ (523,205)	\$ (1,669,879)	\$ (985,460)	\$ (3,371,975)
Denominator for basic net loss per share:				
Weighted average number of common shares	88,163,615	60,394,999	82,661,103	60,187,799
Net loss per share Basic	\$ (0.006)	\$ (0.027)	\$ (0.012)	\$ (0.056)

Diluted earnings per share is not presented as the stock options, compensation options, and compensation warrants are anti-dilutive.

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Notes to Financial Statements

(see note 1 – Description of Operations & Going Concern Uncertainty)
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12. COMMITMENTS

The Company has entered into agreements to lease premises in Calgary, Alberta. The leases expire in May 2013 with remaining total minimum annual lease payments of \$560,984.

During 2007, the Company entered into agreements to lease premises in Thornton, Ontario. The leases expire in February, 2012 and 2013 with total minimum lease payments of \$126,474.

The following is a schedule by fiscal year of future minimum lease payments:

	\$
Remainder of 2009	87,338
2010	184,522
2011	192,123
2012	151,707
2013	71,768
Total	687,457

13. SUBSEQUENT EVENTS

Subsequent to the end of the year, the Company announced the following:

The Company issued 48,643,717 common shares at \$0.06 per share for total gross proceeds of \$2,918,623.02. The cash fee payable to the Agents is \$183,851.29 representing 7.0% of the aggregate purchase price for the common shares solicited by the Agents directly plus compensation options ("Compensation Options") entitling the Agents to subscribe for 4,864,371 Common Shares equal to 10.0% of the aggregate number of Common Shares issued pursuant to the Offering. Each Compensation Option is exercisable to acquire one Common Share at a price of \$0.06 per Common Share, with an expiry date of August 6, 2011.

14. COMPARATIVE FIGURES

The comparative financial statements have been reclassified from statements previously presented to conform to the current year presentation.