

iWeb Group Inc.

Consolidated Interim Financial Statements

**Second quarter
ended March 31, 2007**

Financial Statements

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Notice: the consolidated interim financial statements have not been examined by the Company's external auditors.

iWeb Group Inc.

Consolidated Earnings and Retained Earnings

For the three and six months periods ended March 31, 2007 and 2006

(Unaudited)

	March 31, 2007 3 months	March 31, 2006 3 months	March 31, 2007 6 months	March 31, 2006 6 months
	\$	\$	\$	\$
Revenues	<u>2 290 877</u>	<u>1 378 125</u>	<u>4 247 054</u>	<u>2 520 234</u>
Cost of services sold				
Bandwidth and direct costs	776 289	514 533	1 481 615	956 031
Amortization of tangible assets	<u>232 684</u>	<u>128 030</u>	<u>434 530</u>	<u>229 189</u>
	<u>1 008 973</u>	<u>642 563</u>	<u>1 916 145</u>	<u>1 185 220</u>
Gross profit	<u>1 281 904</u>	<u>735 562</u>	<u>2 330 909</u>	<u>1 335 014</u>
Operating expenses				
Amortization of tangible assets and client lists	18 078	10 548	35 876	20 010
Selling expenses	507 371	211 537	871 353	432 092
Administrative expenses	506 814	287 746	927 919	521 152
Financial expenses	<u>121 936</u>	<u>36 674</u>	<u>231 300</u>	<u>67 495</u>
	<u>1 154 199</u>	<u>546 505</u>	<u>2 066 448</u>	<u>1 040 749</u>
	127 705	189 057	264 461	294 265
Change in fair value of derivate embedded in subordinated debts and final payment with the creditor (Note 4 (b))	<u>95 779</u>		<u>95 779</u>	
Earnings before income taxes	<u>31 926</u>	<u>189 057</u>	<u>168 682</u>	<u>294 265</u>
Future income taxes	<u>10 216</u>		<u>53 977</u>	<u>32 726</u>
Net earnings	<u>21 710</u>	<u>189 057</u>	<u>114 705</u>	<u>261 539</u>
Retained earnings, beginning of period	615 888	78 968	506 847	6 486
Change in accounting policy (Note 2)			16 046	
Retained earnings, beginning of period, as adjusted	<u>615 888</u>	<u>78 968</u>	<u>522 893</u>	<u>6 486</u>
Retained earnings, end of period	<u>637 598</u>	<u>268 025</u>	<u>637 598</u>	<u>268 025</u>
Net earnings per share, basic (Note 9)	<u>0,0009</u>	<u>0,0081</u>	<u>0,0049</u>	<u>0,0112</u>
Net earnings per share, diluted (Note 9)	<u>0,0009</u>	<u>0,0081</u>	<u>0,0047</u>	<u>0,0112</u>

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

iWeb Group Inc.
Consolidated Balance Sheets

As at March 31, 2007 and September 30, 2006

	March 31, 2007 Unaudited \$	September 30, 2006 Audited \$
ASSETS		
Current assets		
Cash and cash equivalents	40 638	84 633
Term deposits	200 000	400 000
Trade and other accounts receivable	581 521	509 812
Prepaid expenses	129 759	50 024
Future income taxes	13 905	13 905
	<u>965 823</u>	<u>1 058 374</u>
Client lists	197 942	210 902
Tangible assets	6 685 320	5 793 477
Data center under construction	2 792 336	
Deferred financing expenses		46 835
Future income taxes	75 909	72 121
	<u>10 717 330</u>	<u>7 181 709</u>
LIABILITIES		
Current liabilities		
Demand loans		204 744
Account payable and accrued liabilities	1 043 830	972 610
Account payable on data center under construction	1 199 109	
Deferred revenues	1 574 479	1 105 324
Instalments on long term debt	409 323	547 411
	<u>4 226 741</u>	<u>2 830 089</u>
Long-term debt (Note 3)	3 277 911	2 359 632
Subordinated debt (Note 4)	939 893	510 289
Derivative embedded in subordinated debt	579 056	
Future income taxes	290 841	236 864
	<u>9 314 442</u>	<u>5 936 874</u>
SHAREHOLDERS' EQUITY		
Capital stock (Note 5)	696 030	695 230
Contributed surplus - stock option plan	69 260	42 758
Retained earnings	637 598	506 847
	<u>1 402 888</u>	<u>1 244 835</u>
	<u>10 717 330</u>	<u>7 181 709</u>

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

iWeb Group Inc.

Consolidated Cash Flows

For the three and six months periods ended March 31, 2007 and 2006

(Unaudited)

	March 31, 2007 3 months \$	March 31, 2006 3 months \$	March 31, 2007 6 months \$	March 31, 2006 6 months \$
OPERATING ACTIVITIES				
Net earnings	21 710	189 057	114 705	261 539
Non-cash items				
Amortization of client lists	6 480	6 318	12 960	12 636
Amortization of tangible assets	244 282	132 260	457 446	236 563
Amortization of deferred financial expenses	10 779		19 919	
Change in fair value of derivate embedded in subordinated debt	95 778		96 946	
Future income taxes	10 216		53 977	32 726
Charge to stock-based compensation	8 502	4 500	26 502	9 000
Changes in working capital items	322 259	(87 167)	515 028	380 431
Cash flows from operating activities	<u>720 006</u>	<u>244 968</u>	<u>1 297 483</u>	<u>932 895</u>
INVESTING ACTIVITIES				
Receipt of term deposits		7 592	200 000	20 668
Tangible assets	(628 003)	(1 309 625)	(1 475 386)	(1 925 070)
Data center under construction	<u>(1 593 227)</u>		<u>(1 593 227)</u>	
Cash flows from investing activities	<u>(2 221 230)</u>	<u>(1 302 033)</u>	<u>(2 868 613)</u>	<u>(1 904 402)</u>
FINANCING ACTIVITIES				
Demand loans	142 866		275 596	
Repayment of demand loans	(451 831)		(479 932)	
Proceeds from issuance of long-term debt	1 029 875	1 085 061	1 029 875	1 294 990
Repayment of long-term debt	(95 419)	(107 866)	(236 539)	(223 665)
Proceed from issuance of a subordinated debt	1 165 777		1 165 777	
Financing expenses for issuance of a subordinated debt	(88 289)		(88 289)	
Repurchase of the bonus clause of a subordinated debt	(140 153)		(140 153)	
Issuance of shares pursuant to the exercise of stock options	800		800	
Cash flows from financing activities	<u>1 563 626</u>	<u>977 195</u>	<u>1 527 135</u>	<u>1 071 325</u>
Net increase (decrease) in cash and cash equivalents	62 402	(79 870)	(43 995)	99 818
Cash and cash equivalents, beginning of period	<u>(21 764)</u>	<u>222 621</u>	<u>84 633</u>	<u>42 933</u>
Cash and cash equivalents, end of period	<u>40 638</u>	<u>142 751</u>	<u>40 638</u>	<u>142 751</u>

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

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

1 - INTERIM FINANCIAL STATEMENTS

The interim financial statements for the three and six month periods ended March 31, 2007 and 2006 are unaudited but include all adjustments that management thought necessary for a fair presentation of the financial position of the Company, the results of its operations and its cash flows.

The unaudited financial statements do not include all the information and notes required according to Canadian generally accepted accounting principles for annual financial statements, and therefore should be read with the audited financial statements and notes of the Company for the year ended September 30, 2006. These unaudited financial statements have been prepared in accordance with Canadian generally accepted accounting principles, applied in the same manner as the most recently audited financial statements.

2 - CHANGE IN ACCOUNTING POLICY

On October 1, 2006, in accordance with the applicable transitional provisions, the Company adopted, without restating prior periods, the new recommendations of the CICA Handbook in Section 3855, *Financial Instruments - Recognition and Measurement*, Section 3865, *Hedges*, Section 1530, *Comprehensive Income* and Section 3861, *Financial Instruments - Disclosure and Presentation*. Sections 3855 and 3861 deal with the classification, recognition, measurement, presentation and disclosure of financial instruments, including derivatives, and non-financial derivatives in the financial statements. Section 3865 deals with the standards for when and how hedge accounting may be applied and Section 1530 deals with the presentation of comprehensive income and its components, including net income and components of comprehensive income.

Adoption of these new recommendations had the following impacts on the classification and measurement of the Company's financial instruments, as at October 1, 2006:

- Cash and cash equivalents and the term deposit are classified as held-for-trading financial assets. They are measured at fair value and changes in fair value are recognized in consolidated earnings. This classification had no impact at the time of adoption of the new recommendations.
- Trade accounts receivable are classified as loans and receivables. They are measured at amortized cost, which is generally the amount on initial recognition less an allowance for doubtful accounts. This classification had no impact at the time of initial adoption of the recommendations.
- Demand loans and accounts payable are classified as other financial liabilities. They are measured at amortized cost, which is the amount on initial recognition plus amortization of costs incurred at the time the demand loans were concluded. Opening retained earnings were increased by a \$4,109 (\$3,791, net of future income taxes) adjustment equivalent to the difference between the carrying amount and amortized cost.

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

2 - CHANGE IN ACCOUNTING POLICY (Continued)

- Long-term debt, excluding obligations under capital leases, and subordinated debt are classified as other financial liabilities. They are measured at amortized cost, which is the amount on initial recognition plus amortization of costs incurred at the time the debts were concluded. Any derivatives embedded in these debts are measured at fair value and changes in fair value are recognized in consolidated earnings. Previously, these debts were measured at cost. Opening retained earnings were increased or decreased by a \$54,984 (\$59,090 net of future income taxes) adjustment corresponding to the difference between the carrying amount and the amortized cost plus the fair value of embedded derivatives, if any.

	\$
Deferred financing costs	(46 835)
Demand loans	4 109
Future income tax assets	3 788
Long-term debt	13 554
Subordinated debt	41 430
Retained earnings	16 046

The Company also adopted the following accounting policies:

- Transaction costs of financial assets which are not classified as held for trading are added to the carrying amount of the related financial assets. Transaction costs relating to other financial liabilities are applied against the carrying amount of the related financial liabilities.
- The Company only recognizes as separate assets and liabilities derivatives embedded in hybrid instruments issued, acquired or substantially modified by the Company as of October 1, 2002, when the hybrid instruments are not recognized as held for trading and are still in effect as at October 1, 2006. Embedded derivatives that are not closely related to the host contract must be separated, classified as held-for-trading financial instruments and are therefore measured at fair value with changes in fair value recognized in consolidated earnings. The Company has not identified any embedded derivative that should be separated, other than the following:
 - Some of the Company's sales contracts include a foreign currency embedded derivative. In several contracts, the foreign currency in question corresponds to or is recognized as the currency of measurement of one of the parties to the contract. In these cases, the recommendations of Section 3855 state that it is not necessary to separate the foreign currency embedded instrument. In other contracts, the currency of measurement of the parties to the contract is different from that of the contract. In these cases, the Company is required to recognize the foreign currency derivatives separately and measure them at fair value. Adoption of this new accounting policy did not have any impact on recognition of these sales contracts.
 - The subordinated debt included an embedded derivative which represented a payment indexed to the Company's shares. The payment represented 0.5% of the market value as at March 26, 2011. The required adjustment to opening retained earnings is included in the adjustment of the host contract as at October 1, 2006.

During the second quarter, the Company came to an agreement with the creditor to repurchase and eliminate the bonus clause for the amount of \$140,154, which was equivalent to the fair value of the derivative at the agreement date. Excluding adjustments on fair value already recognized, an amount of \$95,779 was recorded in the consolidated earnings.

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

3 - LONG-TERM DEBT

	March 31, 2007	September 30 2006
	\$	\$
Term loan, for an authorized amount of \$2,441,960, secured by lands and buildings, base rate plus 0.75% (effective rate of 8.85%), payable with a first instalment of \$16,510 plus interest in January 2008, followed by monthly instalments of \$13,550 plus interest, maturing in December 2022 (\$500,000 will be disbursed in the third quarter) (a)	1 928 416	
Term loan, for an authorized amount of \$2,252,000, secured by equipment, base rate plus 1.5% (9.5%), payable with a first instalment of \$27,600 plus interest in November 2007, followed by monthly instalments of \$26,800 plus interest, maturing in October 2014 (\$1,072,550 will be disbursed in the third quarter) (a)	1 179 450	
Term loans, secured by computer equipment, prime rate plus 3% (9%) payable in monthly instalments of \$4,450 plus interest, maturing in August 2008 and March 2010	131 450	158 150
Term loan, secured by a movable mortgage on the accounts receivable and inventories and a specific mortgage on certain equipment, prime rate plus 2.5% (8,5%), payable monthly instalments of \$4,095 plus interests, maturing in March 2010 (a)	147 425	
Obligation under a capital lease, 4.8%, payable in monthly instalments of \$2,178, principal and interest, maturing in December 2008	43 881	55 714
Obligations under capital leases, 11.95%, payable in monthly instalments of \$15,097, principal and interest, maturing on different dates between June and September 2007	62 651	146 412
Obligation under a capital lease, 7.5%, payable in monthly instalments of \$4,523, principal and interest, maturing in May 2011	193 961	213 167
Mortgage loan, base rate plus 0.5% (8,5%)		423 000

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

3 - LONG-TERM DEBT (Continued)	March 31, 2007	September 30 2006
Mortgage loan, base rate plus 2.5% (effective rate of 10.74%)		1 175 500
Term loans, base rate and base rate plus 6% (8% and 14%, representing a combined rate of 11.87%)		103 600
Term loan subject to partial present and future subordination, base rate plus 2.5% (10.5%)		312 500
Term loan subject to partial present and future subordination, base rate plus 3% (11%)		319 000
	<u>3 687 234</u>	<u>2 907 043</u>
Instalments due within one year	<u>409 323</u>	<u>547 411</u>
	<u>4 096 557</u>	<u>3 454 454</u>

(a) Under the terms of the credit agreements, the Company is subject to certain covenants.

The instalments on long-term debt, including the amounts to be disbursed, for the next twelve-month periods ending March 31, are as follows:

	Obligations under capital leases	Other loans
	\$	\$
2007	144 733	280 952
2008	73 878	577 992
2009	54 276	566 742
2010	54 276	484 200
2011	9 046	484 200
2012 and thereafter		2 578 750
Total minimum lease payments	<u>336 208</u>	
Interest included in minimum lease payments	<u>35 714</u>	
	<u>300 495</u>	

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

4 - SUBORDINATED DEBT

	December 31 2006 <u>Unaudited</u> \$	September 30 2006 <u>Audited</u> \$
Term loan, face value of \$500,000, secured by the universality of the present and future movable and immovable properties, subject to present and future subordination, 10.9%, plus a performance premium of \$150,000, payable in a lump-sum payment on March 26, 2011 (effective rate of 20,23%) (a) (b)	435 210	510 289
Term loan, face value of \$2,500,000, secured by the universality of the present and future movable and immovable properties, subject to present and future subordination, 11% payable monthly, plus an additional yearly 2% and a performance premium bonus from 3% to 6% of the Company cumulative earnings before interest, taxes, depreciation and amortization (EBITDA) for the financial years 2007 to 2011, payable in a lump-sum payment on January 15, 2012 (effective rate of 21,17%) (a) (c)	<u>504 682</u>	<u> </u>
	<u><u>939 893</u></u>	<u><u>510 289</u></u>

- (a) Under the credit agreements, the Company is required to respect certain covenants.
- (b) As at September 30, 2006, certain covenants have not been respected. Subsequently, the Company's creditor waived the existing defaults.
The subordinated debt includes an embedded derivative which represented a payment indexed to the Company's shares. The payment represented 0.5% of the market value as at March 26, 2011.
During the second quarter, the Company came to an agreement with the creditor to repurchase and eliminate the bonus clause for the amount of \$140,154, which was equivalent to the fair value of the derivative at the agreement date. Excluding adjustments on fair value already recognized, an amount of \$95,779 was recorded in the consolidated earnings.
- (c) As at March 31, 2007, an amount of \$1,165,777 have been disbursed and the balance of \$1,334,223 will be disbursed in the third quarter of the current year.

The performance premium bonus from 3% to 6% of the Company cumulative EBITDA for the financial years 2007 to 2011, has been recorded as a derivative for the amount of \$579,056, disclosed separately on the consolidated balance sheet.

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

5 - CAPITAL STOCK

Authorized

Unlimited number of voting and participating common shares, without par value

	Number of shares	Amount \$
Issued and fully paid		
Balance as at September 30, 2006	23 355 021	695 230
Issuance of shares from the stock option plan	4 000	800
Balance as at March 31, 2007	<u>23 359 021</u>	<u>696 030</u>

In accordance with the requirements of the TSX Venture Exchange, 2,778,660 issued common shares were still withheld under the terms of a share escrow agreement. The balance of the withheld shares will be released on September 28, 2007.

6 - STOCK OPTION PLANS

On June 25, 2004, the Company approved the "2004 Stock Option Plan" (the "2004 Plan"), which offers stock options to the Company's directors, employees and service providers. The exercise price is equal to the market value of the shares on the award date, with a minimal exercise price of \$0.20. All options granted under the 2004 Plan can be exercised within a maximum period of five years from the award date at the rate of 25% per year from the first anniversary of the award. The maximum number of common shares issuable under the 2004 Plan is 20% of outstanding common shares and the maximum number of options that can be granted to one recipient is 5% of the total number of outstanding common shares. The maximum number of options that can be granted to a consultant or a person who carries on activities relating to investors is 2% of the total number of outstanding common shares.

On March 26, 2007, the Company approved various amendments to the "2004 Stock Option Plan" (the "2004 Plan"). The adjusted plan (the "2007 Plan") became effective on April 25, 2007, following the final approval of the TSX Venture Exchange (the "Stock Exchange"). The 2007 plan offers stock options to the Company's directors, employees and service providers. The exercise price is equal to a) the weighted average price on the stock volume at the Stock Exchange of the last ten (10) days when the Stock Exchange was opened for transactions before the award date of the option, taking in account that that price can not be lower than the closing price quotation at the Stock Exchange, of the last trading day at the Stock Exchange, before the award date of the option; or b) the closing price quotation at the Stock Exchange, before the award date of the option. All options granted can be exercised within a maximum period of ten (10) years from the award date at the rate determined by the Board of Directors of the Company or at the rate of 25% per year from the first anniversary of the award. The maximum number of common shares issuable under the 2007 Plan is 20% of outstanding common shares and the maximum number of options that can be granted to one recipient is 5% of the total number of outstanding common shares. The maximum number of options that can be granted to a consultant or a person who carries on activities relating to investors is 2% of the total number of outstanding common shares.

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

6 - STOCK OPTION PLANS (Continued)

Changes in the number of stock options outstanding are as follows:

	Number of options	Weighted average exercise price \$
Balance as at September 30, 2006	1 495 332	0,212
Issued	390 000	0,400
Expired	57 826	0,150
Exercised	4 000	0,200
Balance as at March 31, 2007	<u>1 823 506</u>	<u>0,254</u>
Exercisable options, end of period	<u>554 629</u>	<u>0,173</u>

Outstanding stock options as at March 31, 2007 are as follows:

Exercise price	Options outstanding			Exercisable options	
	Number	Weighted-average remaining contractual life (in months)	Weighted average exercise price \$	Number	Weighted average exercise price \$
\$0.15	385 506	12	0,150	289 129	0,150
\$0.20	478 000	28	0,200	255 500	0,200
\$0.27	570 000	50	0,270		
\$0.40	390 000	57	0,400		
	<u>1 823 506</u>	<u>38</u>	<u>0,254</u>	<u>544 629</u>	<u>0,173</u>

The fair value of options awarded to employees and non-employees during the period is \$0.3110
The fair value of stock options was determined using the Black-Scholes option pricing model, and the following assumptions:

	6 months ending March 31, 2007
Expected dividend per share	Nil
Expected volatility	113% yearly
Risk-free interest rate	3,89%
Expected life	4.5 years

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

7 - INFORMATION INCLUDED IN CONSOLIDATED EARNINGS AND CASH FLOWS

	March 31, 2007 <u>3 months</u> \$	March 31, 2006 <u>3 months</u> \$	March 31, 2007 <u>6 months</u> \$	March 31, 2006 <u>6 months</u> \$
Amortization of tangible assets	244 282	132 260	457 446	236 563
Amortization of client lists	6 480	6 318	12 960	12 636
Interest on long-term and subordinated debt	80 767	21 573	156 913	39 855
Interest on capital leases	7 385	10 501	15 990	19 248
Interest on demand loans	9 847		17 306	
Amortization of deferred financial	10 779		19 919	
Change in fair value of derivate embedded in subordinated debt	95 778		96 946	
Tangible assets included in accounts payable	145 221	190 016	145 221	190 016

8 - FINANCIAL INSTRUMENTS

Financial risk objectives and policies

The Company is exposed to various financial risks which result from its operations and investment activities. Head office coordinates financial risk management in close cooperation with the Board of Directors with the prime focus being on actively securing short- and medium-term cash flows by minimizing the Company's exposure to capital markets.

The Company is not actively involved in negotiating or acquiring financial assets for resale in the near term for speculative purposes nor does it sell options. The main financial risks to which the Company is exposed are the following:

Exchange risk

The Company is exposed to exchange risk as a result of cash and cash equivalents, trade and other receivables and accounts payable and accrued liabilities denominated in U.S. dollars. As at March 31, 2007, assets denominated in U.S. dollars are cash and cash equivalents and trade and other receivables totalling US\$327,461 (US\$260,290 as at September 30, 2006) and liabilities denominated in U.S. dollars are accounts payable and accrued liabilities totalling US\$54,998 (US\$16,678 as at September 30, 2006).

The Company does not enter into any agreements to hedge its exchange risk exposure.

Interest rate risk

Fixed rate financial liabilities

The subordinated debts represent a market risk from changes in interest rates since this financial liability bears a fixed rate of interest.

Variable rate financial assets and liabilities

The term deposits and term loans present a cash flow risk from changes in interest rates because they bear variable rates of interest.

iWeb Group Inc.
Notes to Consolidated Financial Statements
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8 - FINANCIAL INSTRUMENTS (Continued)

Financial assets and liabilities without interest rate risk

The Company's other financial assets and liabilities present no interest rate risk since they do not bear interest.

Credit risk

Generally, the carrying amount on the balance sheet of the Company's financial assets exposed to credit risk net of applicable provisions for losses, represents the amount exposed to credit risk. No additional information on credit risk is provided in the financial statements, unless the Company's maximum potential loss exposure for certain financial assets differs substantially from the carrying amount.

Trade accounts receivable

The Company's credit risk exposure is mainly from trade accounts receivable. The Company's policy is to collect accounts receivable before providing the service, which is why it does not require guarantees from its customers. The Company conducts a credit check of each customer. Moreover, the accounts receivable balance is monitored on an on-going basis and, accordingly, the Company's bad debt exposure is not significant.

Fair value

The following methods and assumptions were used to determine the estimated fair value of each class of financial instruments.

– Long-term debt and subordinated debt

As at March 31, 2007, the fair value of the long-term debt is equivalent to its carrying amount.

As at March 31, 2007, the fair value of subordinated debt excluding the embedded derivative is \$939,893. This fair value was estimated using a valuation method and was determined by discounting future cash flows at a rate composed of the rate of same-term Canadian bonds plus the risk premium on the date of issue.

– Derivative embedded in subordinated debt

As at March 31, 2007, the fair value of the derivative embedded in subordinated debt was \$579,056. This fair value was estimated using a valuation method and was determined by discounting future cash flows at a rate composed of the rate of same-term Canadian bonds plus the risk premium on the date of issue.

iWeb Group Inc.
Notes to Consolidated Financial Statements
(unaudited)

9 - EARNINGS PER SHARE

The table below presents a reconciliation of basic and diluted earnings:

	<u>For the quarter ended March 31, 2007</u>		
	<u>Net earnings</u>	<u>Weighted average number of shares</u>	<u>Earnings per share</u>
	\$		\$
Basic earnings			
Net earnings	21 710	23 359 021	0,0009
Diluted earnings			
Effect of dilutive securities - stock option		<u>1 313 539</u>	
Earnings available to common shareholders	<u>21 710</u>	<u>24 672 560</u>	<u>0,0009</u>
	<u>For the six month period ended March 31, 2007</u>		
	<u>Net earnings</u>	<u>Weighted average number of shares</u>	<u>Earnings per share</u>
	\$		\$
Basic earnings			
Net earnings	114 705	23 357 021	0,0049
Diluted earnings			
Effect of dilutive securities - stock option		<u>983 515</u>	
Earnings available to common shareholders	<u>114 705</u>	<u>24 340 536</u>	<u>0,0047</u>
	<u>For the quarter ended March 31, 2006</u>		
	<u>Net earnings</u>	<u>Weighted average number of shares</u>	<u>Earnings per share</u>
	\$		\$
Basic and diluted earnings			
Earnings available to common shareholders	<u>189 057</u>	<u>23 355 021</u>	<u>0,0081</u>
	<u>For the six month period ended March 31, 2006</u>		
	<u>Net earnings</u>	<u>Weighted average number of shares</u>	<u>Earnings per share</u>
	\$		\$
Basic and diluted earnings			
Earnings available to common shareholders	<u>261 539</u>	<u>23 355 021</u>	<u>0,0112</u>

As at March 31, 2006, all outstanding options for the acquisition of 1,495,332 common shares at a weighted average price of \$0.212 per share were not taken into account in the calculation of diluted earnings per share since the exercise price of the options was greater than the average price of the common shares.