SPECTACULAR SIGN (NETWORK) INC.

Consolidated Financial Statements

Years Ended November 30, 2008 and 2007

(Expressed in US Dollars)

SATURNA GROUP
CHARTERED ACCOUNTANTS LLP

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Spectacular Sign (Network) Inc.

We have audited the accompanying consolidated balance sheets of Spectacular Sign (Network) Inc. (the "Company") as of November 30, 2008 and 2007, and the related consolidated statements of operations, cash flows, and stockholders' equity (deficit) for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of November 30, 2008 and 2007, and the consolidated results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company has a working capital deficit and has incurred operating losses since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 1 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ SATURNA GROUP CHARTERED ACCOUNTANTS LLP

Saturna Group Chartered Accountants LLP

Vancouver, Canada

February 4, 2010

SPECTACULAR SIGN (NETWORK) INC.

Consolidated Balance Sheets
(Expressed in US Dollars)

	November 30, 2008 $	November 30, 2007 $
ASSETS		
Current Assets		
Cash	1,795	160
Accounts receivable	9,332	6,343
Inventory	–	130,497
Total Current Assets	11,127	137,000
Property and equipment (Note 5)	2,038	10,967
Total Assets	13,165	147,967
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities		
Accounts payable	731,874	827,328
Accrued liabilities	102,519	116,613
Customer deposits	92,261	246,337
Loan payable (Note 6)	–	149,179
Due to related parties (Note 7)	46,254	33,117
Total Liabilities	972,908	1,372,574
Nature of Operations and Continuance of Business (Note 1)		
Stockholders' Deficit		
Preferred stock Authorized: 20,000,000 shares, with a par value of $0.001 per share and voting rights of 10 votes per share; Issued and outstanding: 5,000,000 shares	5,000	5,000
Common stock Authorized: 50,000,000 shares, with a par value of $0.001 per share; Issued and outstanding: 17,172,805 and 17,047,805 shares, respectively	17,173	17,048
Additional paid-in capital	501,222	349,434
Accumulated other comprehensive income (loss)	89,171	(136,599)
Accumulated deficit	(1,572,309)	(1,459,490)
Total Stockholders' Deficit	(959,743)	(1,224,607)
Total Liabilities and Stockholders' Deficit	13,165	147,967

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

SPECTACULAR SIGN (NETWORK) INC.
Consolidated Statement of Operations
(Expressed in US dollars)

	Year ended November 30, 2008 $	Year ended November 30, 2007 $
Revenue	361,701	428,581
Direct costs	223,193	305,451
Gross Margin	138,508	123,130
Operating Expenses		
Amortization	2,143	12,557
Bad debts	54,587	44,853
General and administrative	83,962	201,004
Impairment of goodwill	–	117,560
Impairment of loans receivable	–	35,372
Management fees	28,803	27,734
Professional fees	31,943	31,119
Salaries and wages	45,193	71,316
Total Operating Expenses	246,631	541,515
Net Operating Loss	(108,123)	(418,385)
Other Expense		
Loss on disposal of property and equipment	4,696	97,154
Net Loss	(112,819)	(515,539)
Net Loss Per Share, Basic and Diluted	(0.01)	(0.03)
Weighted Average Shares Outstanding	17,140,835	17,047,805

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

SPECTACULAR SIGN (NETWORK) INC.

Consolidated Statement of Cash Flows
(Expressed in US dollars)

	Year ended November 30, 2008 $	Year ended November 30, 2007 $
Operating Activities		
Net loss	(112,819)	(515,539)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	2,143	12,557
Impairment of goodwill	–	117,560
Impairment of loans receivable	–	35,372
Loss on disposal of property and equipment	4,696	97,154
Changes in operating assets and liabilities:		
Accounts receivable	(1,397)	58,459
Inventory	143,749	(54,740)
Other assets	–	1,888
Accounts payable and accrued liabilities	71,043	92,883
Customer deposits	(119,691)	3,276
Net Cash Used in Operating Activities	(12,276)	(151,130)
Financing Activities		
Due to related parties, net	21,197	(68,742)
Proceeds from loans payable, net	–	102,950
Net Cash Provided by Financing Activities	21,197	34,208
Effect of Exchange Rate Changes on Cash	(7,286)	117,082
Increase in Cash	1,635	160
Cash, Beginning of Year	160	–
Cash, End of Year	1,795	160
Supplemental disclosures:		
Interest paid	–	–
Income tax paid	–	–
Non-cash investing and financing activities:		
Shares issued for settlement of loans payable	151,913	–

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

SPECTACULAR SIGN (NETWORK) INC.

Consolidated Statement of Stockholders' Equity (Deficit)
For the Period from November 30, 2006 to November 30, 2008
(Expressed in US dollars)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Number	Amount $	Number	Amount $	$	$	$	$
Balance – November 30, 2006	5,000,000	5,000	17,047,805	17,048	349,434	(66,695)	(943,952)	(639,165)
Foreign currency translation	–	–	–	–	–	(69,904)	–	(69,904)
Net loss for the year	–	–	–	–	–	–	(515,539)	(515,539)
Balance, November 30, 2007	5,000,000	5,000	17,047,805	17,048	349,434	(136,599)	(1,459,491)	(1,224,608)
Shares issued for settlement of loan payable	–	–	125,000	125	151,788	–	–	151,913
Foreign currency translation	–	–	–	–	–	225,770	–	225,770
Net loss for the year	–	–	–	–	–	–	(112,819)	(112,819)
Balance, November 30, 2008	5,000,000	5,000	17,172,805	17,173	501,222	89,171	(1,572,310)	(959,744)

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

1. Nature of Operations and Continuance of Business

Spectacular Sign (Network) Inc. (the "Company") was incorporated on November 28, 2001 in the State of Nevada, USA. The Company's core operation includes acquiring, consolidating and operating signage and awning companies in Canada and the United States.

These consolidated financial statements have been prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary debt or equity financing to continue operations, and the attainment of profitable operations. As at November 30, 2008, the Company has accumulated losses totaling $1,572,309 and a working capital deficit of $961,781. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company will need additional working capital to continue or to be successful in any future business activities. Therefore, continuation of the Company as a going concern is dependent upon obtaining the additional working capital necessary to accomplish its objective. Management plans to seek debt or equity financing, or a combination of both, to raise the necessary working capital.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation and Principles of Consolidation

These consolidated financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States, and are expressed in US dollars. These consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries in Canada, Spectacular Electronic Advertising (Edmonton) Inc., Ancient Mariner Industries Ltd., Ancient Mariner Sign Services Ltd., Ancient Mariner Glass Ltd, Spectacular Electronic Advertising (BC) Inc. and Universal Display International Inc. All inter-company accounts and transactions have been eliminated. The Company's year-end is November 30.

(b) Use of Estimates

The preparation of financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. The Company regularly evaluates estimates and assumptions related to the recoverability of accounts receivable, useful life and recoverability of long-lived assets, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with maturity of three months or less at the time of issuance to be cash equivalents.

(d) Accounts Receivable

The Company recognizes allowances for doubtful accounts to ensure accounts receivable are not overstated due to the inability or unwillingness of its customers to make required payments. The allowance is based on the age of receivable and the specific identification of receivables the Company considers at risk.

2. Summary of Significant Accounting Policies (continued)

(e) Property and Equipment

Property and equipment is recorded at cost less accumulated depreciation and depreciated at the following rates:

Computer hardware	3 years straight-line basis
Computer software	5 years straight-line basis
Office equipment	5 years straight-line basis
Signage	20% declining balance
Vehicle	5 years straight-line basis

(f) Impairment of Long-lived Assets

In accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", the Company tests long-lived assets or asset groups for recoverability when events or changes in circumstances indicate that their carrying amount may not be recoverable. Circumstances which could trigger a review include, but are not limited to: significant decreases in the market price of the asset; significant adverse changes in the business climate or legal factors; accumulation of costs significantly in excess of the amount originally expected for the acquisition or construction of the asset; current period cash flow or operating losses combined with a history of losses or a forecast of continuing losses associated with the use of the asset; and current expectation that the asset will more likely than not be sold or disposed significantly before the end of its estimated useful life. Recoverability is assessed based on the carrying amount of the asset and its fair value which is generally determined based on the sum of the undiscounted cash flows expected to result from the use and the eventual disposal of the asset, as well as specific appraisal in certain instances. An impairment loss is recognized when the carrying amount is not recoverable and exceeds fair value.

(g) Goodwill

In accordance with SFAS No, 142, "Goodwill and Other Intangible Assets", goodwill is required to be tested for impairment on an annual basis, or more frequently if certain indicators arise, using the guidance specifically provided.

Management reviews goodwill at least annually, and on an interim basis when conditions require, evaluates events or changes in circumstances that may indicate impairment in the carrying amount of such assets. An impairment loss is recognized in the statement of operations in the period that the related asset is deemed to be impaired.

(h) Revenue Recognition

The Company recognizes revenue from the sale of signage and awnings in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 104, *"Revenue Recognition in Financial Statements."* Revenue is generated from the manufacture and installation of signs and awnings, and the maintenance and rental of signs and is recognized only when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the Company's price to the buyer is fixed or determinable, and collectability is reasonably assured.

(i) Foreign Currency Translation

The Company's functional currency is the Canadian dollar and its reporting currency is the United States dollar. The financial statements are translated to United States dollars in accordance with SFAS No. 52, "Foreign Currency Translation". All assets and liabilities are translated at the rates of exchange on the balance sheet date. All revenues and expenses are translated using an average annual exchange rate. Remeasurement gains and losses arising on translation are included on the balance sheet as other comprehensive income (loss).

2. Summary of Significant Accounting Policies (continued)

(j) Income Taxes

The Company accounts for income taxes using the asset and liability method in accordance with SFAS No. 109, "Accounting for Income Taxes". The asset and liability method provides that deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax bases of assets and liabilities, and for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the currently enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company records a valuation allowance to reduce deferred tax assets to the amount that is believed more likely than not to be realized.

On January 1, 2007, the Company adopted the provision of the FASB Interpretation No. 48, Accounting for Uncertainty in Income Taxes" ("FIN 48"), an interpretation of the FASB Statement No. 109, "Accounting for Income Taxes". FIN 48 prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. The interpretation requires the Company recognize the impact of a tax position in the financial statements if that position is more likely than not of being sustained on audit, based on the technical merits of the position. FIN 48 also provides guidance on de-recognition, classification, interest and penalties, and accounting in interim periods and disclosure. In accordance with the provisions of FIN 48, any cumulative effect resulting from a change in accounting principle is recorded as an adjustment to the opening deficit balance. As of November 30, 2008 and 2007, the Company did not have any amounts recorded pertaining to uncertain tax positions. The adoption of FIN No. 48 did not impact the Company's tax provision or the amounts recorded in the consolidated financial statements.

The Company files federal and provincial income tax returns in Canada and federal, state and local income tax returns in the US, as applicable. The Company may be subject to a reassessment of federal and provincial income taxes by Canadian tax authorities for a period of three years from the date of the original notice of assessment in respect of any particular taxation year. In certain circumstances, the US federal statute of limitations can reach beyond the standard three year period. US state statutes of limitations for income tax assessment vary from state to state. Tax authorities of Canada and U.S. have not audited any of the Company's, or its subsidiaries', income tax returns for the 2006 to 2008 taxation years.

The Company recognizes interest and penalties related to uncertain tax positions in tax expense. During the years ended November 30, 2008 and 2007, there were no charges for interest or penalties.

(k) Other Comprehensive Income (Loss)

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. The Company records comprehensive income (loss) related to foreign currency translation.

(l) Financial Instruments

SFAS No. 157, "Fair Value Measurements", requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. SFAS No. 157 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

SFAS No. 157 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

2. Summary of Significant Accounting Policies (continued)

(l) Financial Instruments (continued)

Level 3

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts receivable, accounts payable, accrued liabilities, loan payable, other liabilities, and amounts due to related parties. Pursuant to SFAS No. 157, fair value of assets and liabilities measured on a recurring basis include cash equivalents determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The Company believes that the recorded values of all of the other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

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

(m) Loss Per Share

The Company computes net loss per share in accordance with SFAS No. 128, "Earnings per Share". SFAS No. 128 requires presentation of both basic and diluted earnings per share ("EPS") on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti dilutive.

(n) Recent Accounting Pronouncements

In June 2009, the Financial Accounting Standards Board ("FASB") issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles – a replacement of FASB Statement No. 162". The FASB Accounting Standards Codification ("Codification") will become the source of authoritative U.S. generally accepted accounting principles ("GAAP") recognized by FASB to be applied by nongovernmental entities. Rules and interpretive releases of the Securities and Exchange Commission "SEC" under authority of federal securities laws are also sources of authoritative GAAP for SEC registrants. On the effective date of this statement, the Codification will supersede all then-existing non-SEC accounting and reporting standards. All other non-grandfathered non-SEC accounting literature not included in the Codification will become non-authoritative. This statement is effective for financial statements issued for interim and annual periods ending after September 30, 2009. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In June 2009, the FASB issued SFAS No. 167, "Amendments to FASB Interpretation No. 46(R)". The objective of this statement is to improve financial reporting by enterprises involved with variable interest entities. This statement addresses (1) the effects on certain provisions of FASB Interpretation No. 46 (revised December 2003), "Consolidation of Variable Interest Entities", as a result of the elimination of the qualifying special-purpose entity concept in SFAS No. 166, "Accounting for Transfers of Financial Assets", and (2) concern about the application of certain key provisions of FASB Interpretation No. 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. This statement is effective as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period, and for interim and annual reporting periods thereafter. Earlier application is prohibited. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

2. **Summary of Significant Accounting Policies** (continued)

(n) Recent Accounting Pronouncements (continued)

In June 2009, the FASB issued SFAS No. 166, "Accounting for Transfers of Financial Assets – an amendment of FASB No. 140". The object of this statement is to improve the relevance, representational faithfulness, and comparability of the information that a reporting entity provides in its financial statements about a transfer of financial assets; the effects of a transfer on its financial position, financial performance, and cash flows; and a transferor's continuing involvement, if any, in transferred financial assets. This statement addresses (1) practices that have developed since the issuance of SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", that are not consistent with the original intent and key requirements of that statement and (2) concerns of financial statement users that many of the financial assets (and related obligations) that have been derecognized should continue to be reported in the financial statements of transferors. SFAS No. 166 must be applied as of the beginning of each reporting entity's first annual reporting period that begins after November 15, 2009, for interim periods within that first annual reporting period and for interim and annual reporting periods thereafter. Earlier application is prohibited. This statement must be applied to transfers occurring on or after the effective date. Additionally, on and after the effective date, the concept of a qualifying special-purpose entity is no longer relevant for accounting purposes. The disclosure provisions of this statement should be applied to transfers that occurred both before and after the effective date of this statement. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events". SFAS No. 165 establishes general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. SFAS No. 165 is to be applied to interim and annual financial periods ending after June 15, 2009. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In May 2008, the FASB issued SFAS No. 163, "Accounting for Financial Guarantee Insurance Contracts – An interpretation of FASB Statement No. 60". SFAS No. 163 requires that an insurance enterprise recognize a claim liability prior to an event of default when there is evidence that credit deterioration has occurred in an insured financial obligation. It also clarifies how Statement 60 applies to financial guarantee insurance contracts, including the recognition and measurement to be used to account for premium revenue and claim liabilities, and requires expanded disclosures about financial guarantee insurance contracts. It is effective for financial statements issued for fiscal years beginning after December 15, 2008, except for some disclosures about the insurance enterprise's risk-management activities. SFAS No. 163 requires that disclosures about the risk-management activities of the insurance enterprise be effective for the first period beginning after issuance. Except for those disclosures, earlier application is not permitted. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles". SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles in the United States. SFAS No. 162 is effective for financial statements issued for fiscal years beginning after November 15, 2008. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities – an amendment to FASB Statement No. 133". SFAS No. 161 is intended to improve financial standards for derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. Entities are required to provide enhanced disclosures about: (a) how and why an entity uses derivative instruments; (b) how derivative instruments and related hedged items are accounted for under Statement No. 133 and its related interpretations; and (c) how derivative instruments and related hedged items affect an entity's financial position, financial performance, and cash flows. It is effective for financial statements issued for fiscal years beginning after November 15, 2008, with early adoption encouraged. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

(Expressed in US dollars)

2. Summary of Significant Accounting Policies (continued)

(n) Recent Accounting Pronouncements (continued)

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations". This statement replaces SFAS No.141 and defines the acquirer in a business combination as the entity that obtains control of one or more businesses in a business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS No. 141 (revised 2007) requires an acquirer to recognize the assets acquired, the liabilities assumed, and any noncontrolling interest in the acquiree at the acquisition date, measured at their fair values as of that date. SFAS No. 141 (revised 2007) also requires the acquirer to recognize contingent consideration at the acquisition date, measured at its fair value at that date. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements Liabilities –an Amendment of ARB No. 51". This statement amends ARB 51 to establish accounting and reporting standards for the Noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. This statement is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. Earlier adoption is prohibited. The adoption of this statement is not expected to have a material effect on the Company's consolidated financial statements.

3. Goodwill

During the year ended November 30, 2007, the Company recorded an impairment of $117,560 to the carrying value of goodwill.

4. Loans Receivable

During the year ended November 30, 2007, the Company recorded an impairment of $35,372 for amounts owing from the former President of the Company.

5. Property and Equipment

	Cost $	Accumulated Depreciation $	November 30, 2008 Net Carrying Value $	November 30, 2007 Net Carrying Value $
Computer hardware	4,925	4,925	–	–
Computer software	869	869	–	363
Office equipment	422	294	128	170
Signage	48,878	46,968	1,910	3,028
Vehicle	–	–	–	7,406
	55,094	53,056	2,038	10,967

6. Loan Payable

As at November 30, 2008, the Company has an outstanding loan payable of $nil (November 30, 2007 - $149,179) which is unsecured, non-interest bearing, and due on demand. In February 2008, the Company settled the balance owing with the issuance of 125,000 common shares.

(Expressed in US dollars)

7. Related Party Transactions

As at November 30, 2008, the Company owed $46,254 (2007 - $33,117) to the President of the Company for funding of general operations. The amount owing is unsecured, non-interest bearing, and due on demand.

8. Common Stock

On February 29, 2008, the Company issued 125,000 shares of our common stock to settle outstanding debt valued at $151,913.

9. Stock Options

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

	Number of options	Weighted average exercise price $	Weighted Average Remaining Contractual Life (years)	Aggregate Intrinsic Value $
Outstanding and Exercisable - November 30, 2008, 2007, and 2006	3,400,000	0.001	5.4	–

Additional information regarding stock options as of November 30, 2008 is as follows:

Number of Options	Exercise Price $	Expiry Date
3,400,000	0.001	April 26, 2014

10. Income Taxes

The Company is subject to United States federal and state income taxes at an approximate rate of 34% and Canadian federal and provincial income tax rates at approximately 31%. The reconciliation of the provision for income taxes at the United States and Canadian federal statutory rate compared to the Company's income tax expense as reported is as follows:

	2008 $	2007 $
Income tax recovery at statutory rate	(66,310)	(121,345)
Permanent differences and other	50,690	44,085
Change in tax rates	1,299	6,018
Valuation allowance change	14,321	71,242
Provision for income taxes	–	–

(Expressed in US dollars)

10. **Income Taxes** (continued)

The significant components of deferred income tax assets and liabilities at November 30, 2008 and 2007 are as follows:

	2008	2007
Net operating loss carried forward	174,414	159,074
Property and equipment	5,095	6,114
Gross deferred income tax assets	179,509	165,188
Valuation allowance	(179,509)	(165,188)
Net deferred income tax asset	–	–

As at November 30, 2008, the Company has net operating losses of $660,127 (2007 - $607,616) which will begin to expire in 2024.