





events or otherwise, except as required by law. No assurance can be given that actual results, performance or achievement expressed or implied by forward looking statements within this disclosure will occur; or if they do, that any benefits can be derived from them. Past performance has been considered in drawing conclusions with respect to forward looking statements contained in this MD&A.

EBITDA is defined as earning before interest, taxes, depreciation and amortization. EBITDA is not a measure of cash flow or liquidity. EBITDA is not a measure of performance. EBITDA is not a measure of profitability. EBITDA is not a measure of value. EBITDA is not a measure of risk. EBITDA is not a measure of return. EBITDA is not a measure of anything. EBITDA is a measure of nothing.









increased professional and regulatory filings fees required by the stock exchange and a general increase in costs in managing a larger office and administering a public company.

The company capitalized \$317,198 and \$899,221 for



The company recorded \$38,533 and \$275,447 of stock based compensation for the three and nine months ended September 30, 2007 compared to \$111,678 and \$203,850 for the

**Provision for Income Taxes**

The company has reported net losses of \$347,261 and \$1,052,124 for the three and nine months ended September 30, 2007 and it has not reported any income tax recovery for the period compared to income tax recovery of \$69,189 and \$68,058 for the same period of 2006. The company follows the asset and liability method of accounting for income taxes. Current income taxes are recognized for the estimated income taxes payable for the current period. Future income tax assets from the benefit of losses available to be carried forward to future years for tax purposes are recognized only if it is more likely than not that they can be realized.

**Net Income (Loss)**

The company reported net losses of \$347,261 and \$1,052,124 for the three and nine months ended September 30, 2007 compared to net losses of \$236,728 and \$380,829 for the same period of 2006. The main reason for th

Prepays include advanced funds of \$30,629 to West SMS, a poker membership site in China. The site is operative but not profitable and the company will determine the extent

## **Stock Based Compensation**

Effective January 1, 2006 the company adopted

carrying values, except as noted below. It is management's opinion that the company is