



**MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AS AT DECEMBER 31, 2007 AND RESULTS OF
OPERATIONS FOR THE THREE MONTH PERIOD ENDED
DECEMBER 31, 2007**

April 29, 2008

The following discussion and analysis of operating results and financial position is supplementary to, and should be read in conjunction with the audited financial statements for the period ended December 31, 2007 and the audited financial statements of Newlook Industries Corp. ("Newlook" or "the Company"). The consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in Canada. All monetary amounts, unless otherwise indicated, are expressed in Canadian dollars.

FORWARD-LOOKING INFORMATION

The discussion and analysis and other sections of this report contain forward-looking statements. These forward-looking statements, by their nature, necessarily involve risks and uncertainties that could cause results to differ materially from those contemplated by these forward-looking statements. Newlook considers the assumptions on which these forward-looking statements are based to be reasonable at the time the statements were prepared, but cautions the reader that they could cause actual results to differ materially from those anticipated.

COMPANY OVERVIEW

Newlook Industries Corp. ("Newlook") is a telecommunications company with two primary investments; Wireless Age Communications, Inc. ("Wireless Age") and Onlinetel Corp. ("Onlinetel"). Newlook is a public company listed trading on the TSX Venture Exchange under the symbol "NLI". Newlook's head office is located in Toronto, Ontario and has five corporate staff and approximately 84 operating staff.

Wireless Age Communications, Inc.

Newlook recently completed the purchase of a controlling interest in Wireless Age Communications, Inc. (OTCBB: WLSA) for consideration of approximately US\$700,000 and 1,018,432 Newlook common shares.

Initially Newlook acquired the following Wireless Age securities from a New York based investor:

- 4,192,900 Series A convertible preferred shares,
- 1,482,400 common shares,
- 5,000,000 Series A Warrants, and
- 5,000,000 Series B Warrants.

On June 30, 2007, Wireless Age and Newlook mutually agreed to a settlement and release whereby Wireless Age issued 26,638,267 restricted common shares to Newlook as a full and complete settlement for all liquidated damages arising from defaults under the assigned investment agreement, the conversion of preferred stock and the cashless exercise of all warrants. Under the terms of the settlement and release Wireless Age agreed to accelerate the effects accruing to Newlook of Wireless Age not attaining certain 2007 operating performance targets. Newlook received:

- 16,771,600 restricted common shares in exchange for the 4,192,900 Series A preferred shares,
- 6,666,667 restricted common shares in exchange for (i) the A Warrants to purchase 5,000,000 common shares; and (ii) the B Warrants to purchase 5,000,000 common shares,
- 3,200,000 restricted common shares in settlement of liquidated damages arising from the composition of Wireless Age's Board.

Newlook also acquired an additional 3,426,500 shares of Wireless Age common stock pursuant to the terms and conditions of a Share Exchange Agreement by and among Newlook and Bradley Poulos, Brad Poulos Holdings, Glenn Poulos, Glenn Poulos Holdings and Sylvain LaFreniere. Pursuant to the Share Exchange Agreement, Newlook agreed to exchange, subject to regulatory approval, 1,018,432 shares of Newlook's securities in exchange for 3,426,500 shares of Wireless Age common stock.

Wireless Age is a telecommunication service and distribution company, with operations focused on the provision of wireless system products and service solutions to carriers, wholesalers, distributors, retailers and end-users. Wireless Age operates nine retail cellular and telecommunications stores, distributes prepaid phone cards and various cellular and land mobile radio products. This acquisition allows Newlook to expand its existing portfolio of telecommunication products and services. Going forward, Newlook anticipates further acquisitions to enhance its position in the telecommunication services industry.

Onlinetel Corp.

Newlook has a 100% ownership interest in Onlinetel Corp., a next-generation telecommunications software and services company, which harnesses the power of proprietary soft-switch technology to deliver state of the art Voice over Internet Protocol (VoIP) communication services to individuals, businesses and carriers. Utilizing soft switch technology, Onlinetel converts analog voice conversations to digital I.P. packets and routes voice calls, phone-to-phone, over the Internet from any wireless or landline connection.

Newlook has agreed to dispose of Onlinetel operations and accordingly its operating results are recorded as discontinued operations in the results of operations.

Onlinetel entered into an Option Agreement on June 28, 2007 with 1597541 Ontario Inc. (operating as "Worldline") pursuant to which it granted an option to Worldline to acquire its remaining operations, fixed assets and intellectual property for aggregate consideration of \$1. Worldline agreed to provide up to \$750,000 of telecommunications services without payment as consideration for the option. The option vests or is exercisable upon \$1,500,000 of positive cashflow (as defined) accruing to Onlinetel over the five year period ending June 27, 2012. Worldline is a privately-held, Ontario-based telecommunications company.

Additionally Onlinetel entered into an Asset Purchase Agreement for the sale of its 10-10-580 ("dial-around" casual calling) business signed on May 1, 2007 with Yak Communications (Canada) Corp., a wholly-owned subsidiary of Globalive Communications Corp.

SELECTED ANNUAL INFORMATION

Summarized selected consolidated financial information with respect to the Company for the fiscal periods ended December 31, 2007 and September 30, 2007 is as follows:

	Three months ended December 31, 2007	Twelve months ended September 30, 2007
Total revenues	\$ 10,920,721	\$ 8,648,785
Earnings from continuing operations	216,651	69,496
Income (loss) from discontinued operations	(41,639)	217,459
Income	<u>\$ 175,012</u>	<u>\$ 286,955</u>
Earnings (loss) per share from continuing operations – basic and diluted	0.001	0.002
Earnings/(loss) per share from discontinued operations - basic	(0.002)	0.008
Earnings/(loss) per share from discontinued operations – diluted	(0.002)	0.008
Earnings/(loss) per share – basic	0.001	0.010
Earnings/(loss) per share – diluted	0.001	0.010
Total assets	10,686,224	8,610,970
Total liabilities	13,279,803	10,833,805
Non-controlling interest	485,084	270,375
Shareholders' deficit	(3,078,663)	(2,493,210)
Cash dividends declared	-	-

RESULTS OF OPERATIONS

Continuing Operations

The acquisition of a controlling interest in Wireless Age occurred on June 29, 2007, and accordingly Newlook began to consolidate the operating results and assets and liabilities into its consolidated financial statements effective July 1, 2007. Accordingly the operating results of Wireless Age have only been consolidated since July 1, 2007.

The operating results of Onlinetel have been segregated as discontinued operations in the consolidated statement of operating results and the assets and liabilities of Onlinetel have been classified as assets and liabilities of discontinued operations in the consolidated balance sheet at December 31, 2007.

Consolidated continuing operations revenues for the three month period ended December 31, 2007 were \$10,920,721 compared to \$8,648,785 during the year ended September 30, 2007 (Wireless Age only having been consolidated since July 1, 2007). Revenues from the sale of products and services totaled \$9,587,847 in the current period and revenues from commission and residual revenue totaled \$1,332,874.

Operations of the Company are aggregated into two operating segments; 1) retail, and 2) commercial. The retail segment consists of the operating results of nine cellular retail stores in Western Canada (four in Saskatchewan and five in Manitoba). The commercial segment consists of distribution businesses that sell pre-paid cellular cards, professional grade land mobile radios and ancillary electronic accessories.

Sales of the retail segment were \$6,239,214 during the three month period ended December 31, 2007, compared to \$4,538,172 during the twelve month period ended September 30, 2007 and sales of the commercial segment were \$4,681,507 during the period ended December 31, 2007 compared to \$4,110,613 the period ended September 30, 2007.

Sales of the retail segment during the periods ended December 31, 2007 and September 30, 2007 can be broken down into the following subcategories:

	<u>December 31,</u> <u>2007</u>	<u>September 30,</u> <u>2007</u>
Cellular hardware, radios and accessories	\$ 4,931,028	\$ 3,375,078
Commission and residual revenue	1,308,186	1,163,094
	<u>\$ 6,239,214</u>	<u>\$ 4,538,172</u>

Retail segment revenue growth is a direct result of the sales of new and improved handsets and accessories constantly entering the market place. The segment's success relies on its ability to successfully sell existing clientele on new handset features and also on increasing penetration rates in the mobile telephone industry.

Sales of the commercial segment during the periods ended December 31, 2007 and September 30, 2007 can be broken down into the following subcategories:

	<u>December 31,</u> <u>2007</u>	<u>September 30,</u> <u>2007</u>
Prepaid cards, 2 way radios & accessories	\$ 4,656,820	\$ 4,064,964
Commission revenue	<u>24,687</u>	<u>45,649</u>
	<u>\$ 4,681,507</u>	<u>\$ 4,110,613</u>

The growth in revenues within the commercial segment is led by the distribution of prepaid cards. Prepaid cellular airtime is becoming a fast growing choice for the youth and senior cellular market.

Consolidated continuing operations margin from products and services for the three month period ended December 31, 2007 was \$2,662,997 compared to \$2,314,488 during the previous fiscal period. Margin stated as a percentage of sales was 24%. Margin on product and services sales (excluding the effects of commission and residual revenue) was 14%. Approximately 50% of the Company's margin on products and services is earned from commissions and residuals.

Selling and administrative expenses from continuing operations were \$2,102,611 during the three month period ended December 31, 2007 compared to \$1,801,503 during the comparative period in the prior fiscal year.

Selling and administrative expenses during the periods ended December 31, 2007 and September 30, 2007, included:

	<u>December 31,</u> <u>2007</u>	<u>September 30,</u> <u>2007</u>
General and administrative costs	\$ 388,218	\$ 387,046
Professional and consulting fees	60,113	140,345
Rent and occupancy costs	135,815	173,410
Wage and benefit costs	1,518,465	994,844
Stock based compensation	<u>-</u>	<u>105,858</u>
	<u>\$ 2,102,611</u>	<u>\$ 1,801,503</u>

Professional and consulting fees were \$60,113 during the three month period ended December 31, 2007 compared to \$140,345 during the year ended September 30, 2007. Professional and consulting fees include expenses for accounting and legal, directors' fees and other consultants. General and administrative expenses totaled \$388,218 for the period ended December 31, 2007 compared to \$387,046 for the comparable period ended September 30, 2007. Rent and occupancy costs were \$135,815 during the period ended December 31, 2007 compared to \$173,410 in the comparative period in the prior year. Wages and benefits have increased from \$994,844 for the year ended September 30, 2007 to \$1,518,465 for the fiscal period ended December 31, 2007. Comparisons for the two periods are relatively difficult due the current period being a three month period and the

comparative period a twelve month period. The comparison is further complicated due to only consolidating the operating results of Wireless Age since July 1, 2007, i.e. only one quarter of the twelve months ended September 30, 2007 contained Wireless Age operating results.

The Company recorded stock based compensation of \$nil during the period ended December 31, 2007 and \$105,858 during the year ended September 30, 2007 (representing the fair value of 1,600,000 options granted in 2007). The Company granted options to certain officers and directors in order to retain key individuals.

Amortization of capital and intangible assets totaled \$137,403 during the period ended December 31, 2007 and amortization of capital assets during the year ended September 30, 2007 totaled \$163,890.

The Company incurred interest expense from continuing operations during fiscal year ended September 30, 2007 of \$87,436 and recorded \$81,520 during the fiscal period ended December 31, 2007. The Company's majority owned subsidiary Wireless Age incurred interest under a working capital loan secured by the assets of its key operating subsidiaries. The loan was renegotiated during the current period.

Foreign exchange gains arising from translation of US dollar denominated assets and liabilities into CAD dollars, totaled \$14,482 during the fiscal period ended December 31, 2007. The Company had a foreign exchange loss of \$76,329 for the year ended September 30, 2007.

As the Company holds a 53% ownership interest in Wireless Age, the Company recorded a non-controlling interest deduction to income of \$214,709 representing the portion of earnings attributed to others.

The earnings from continuing operations was \$216,651 (\$0.001 per share) during the fiscal period ended December 31, 2007 compared to earnings of \$69,496 (\$0.002 per share) in the prior fiscal year. Management expects the continuing operations to be profitable going forward.

Discontinued Operations

Discontinued operations consists of the operating results of the Company's wholly owned subsidiary Onlinetel Corp. and certain discontinued operations items within its majority owned subsidiary Wireless Age.

Loss from discontinued operations during the period ended December 31, 2007 was \$41,639 compared to earnings of \$217,459 during the year ended September 30, 2007.

Earnings during the year ended September 30, 2007 included two unusual gains. The first from the disposal of the 10-10-580 business to Yak Communications totaling \$330,000 and the second a \$408,291 gain on debt settlement whereby the Company made payments totaling \$404,205 to a telecommunications supplier in exchange for forgiveness of the remaining indebtedness of \$408,291.

Revenues of discontinued operations were \$328,696 for the three months ended December 31, 2007 and \$4,074,934 for the twelve months ended September 30, 2007. Costs and expenses of discontinued operations for the three months ended December 31, 2007 were \$370,331 and \$4,547,347 for the twelve months ended September 30, 2007.

SUMMARY OF QUARTERLY RESULTS

The following table presents selected financial data of the Company for its last eight quarters as reported in the particular period:

Quarter Fiscal Yr.	Three months ending Dec. 31, 2007	Q4 2007	Q3 2007	Q2¹ 2007	Q1¹ 2007	Q4 2006	Q3 2006	Q2 2006
Revenue	10,920,721	8,648,785	-	461,370	840,337	498,930	1,081,550	1,026,064
Income (loss) before unusual items	175,012	(391,978)	(32,544)	(359,787)	17,540	(601,092)	201,750	28,015
Net income (loss)	175,012	(42,065)	515,609	(204,129)	17,540	(601,092)	(227,300)	28,015
EPS before unusual items	0.001	(0.014)	(0.001)	(0.013)	0.0006	(0.021)	0.007	0.001
Earnings per share	0.001	(0.010)	0.018	(0.0007)	0.0006	(0.021)	(0.008)	0.001

¹ Not restated for reclassification of Onlinetel discontinued operations later in the year.

LIQUIDITY

At December 31, 2007, the Company consolidated the assets and liabilities of Wireless Age and has reflected the Onlinetel assets and liabilities as discontinued operations. Note 10 of the consolidated financial statements provides further detail of the acquisition of Wireless Age.

Current assets at December 31, 2007 were \$6,712,720 up substantially from \$5,100,964 at September 30, 2007. Current assets at December 31, 2007 consist of accounts receivable of \$3,912,048, inventory of \$2,417,355, prepaid expenses of \$151,211, cash of \$185,724 and assets of discontinued operations of \$46,382. Substantially all of the current assets are assets of Wireless Age. Current assets at September 30, 2007 consisted of accounts receivable of \$2,719,166, cash of \$11,474, \$2,078,509 in inventory, \$221,971 in operating prepaid expenses and assets of discontinued operations of \$69,844.

Long term assets at December 31, 2007 included property and equipment of \$869,733, intangible assets of \$1,862,757 and assets of discontinued operations of \$1,240,974. Property and equipment consists of leaseholds, office equipment, a rental radio pool and various assets under capital leases. Intangible assets represent future residual payment streams from the Company's cellular carriers. Discontinued operations assets consist

primarily of telecommunications equipment used in the Onlinetel operations. Long term assets at September 30, 2007 were property and equipment of \$836,141, intangible assets of \$1,393,359 and assets of discontinued operations of \$1,280,506.

Current liabilities increased from \$9,956,031 at September 30, 2007 to \$10,898,782 at December 31, 2007. Current liabilities at December 31, 2007 consisted of accounts payable and accrued liabilities of \$7,713,894, due to related party amounts of \$196,088, current portion of deferred revenue and deposits of \$204,463, a note payable of \$100,000, current portion of obligations under capital leases of \$28,635 and liabilities of discontinued operations of \$2,655,702. Liabilities of discontinued operations include \$1,541,321 owed to related parties which has no specific repayment terms. The majority of current continuing operations liabilities at December 31, 2007 were associated with Wireless Age. Current liabilities at September 30, 2007, represented \$5,431,670 of accounts payable, due to related party amounts of \$1,220,476, and current portion of deferred revenue and customer deposits of \$183,670. In addition, it consisted of a \$258,288 current portion of note payable, obligation under capital lease of \$32,839, and liabilities of discontinued operations of \$2,829,088.

Long term liabilities consisted of liabilities of discontinued operations of \$750,000, \$98,003 of deferred revenue, and long term portion of obligations under capital leases of \$33,018. In addition \$1,500,000 consists of a loan facility with TCE Capital Corporation. Liabilities of discontinued operations represent the fair value of a derivative financial instrument (call option granted to Worldline to acquire the remaining Onlinetel operating assets).

The Company had a working capital deficit of approximately \$4,186,067 at December 31, 2007 compared to approximately \$4,855,000 at September 30, 2007. Management believes that the deficit will improve through profitable operations.

The Company's consolidated financial statements for the year ended December 31, 2007 have been prepared on a going concern basis, in accordance with Canadian generally accepted accounting principles. The going concern basis of presentation assumes that the Company will continue in operations for the foreseeable future and will be able to realize its assets and discharge its liabilities and contingencies in the normal course of operations.

There is doubt about the Company's ability to continue as a going concern as the Company has a working capital deficit of \$4,186,067, an accumulated deficit of \$8,208,080 and a shareholders' deficiency of \$3,078,663 as at December 31, 2007. The Company's ability to continue as a going concern is dependent upon the Company's ability to raise additional capital, to increase sales and sustain profitable operations. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company believes with the acquisition of an interest in Wireless Age the Company's financial position will improve and will provide sufficient cash flow for it to continue as a going concern in its present form, however, there can be no assurances that the Company will achieve such results. Accordingly, the consolidated financial statements do not include any adjustments related to the recoverability and classification of recorded

asset amounts or the amount and classification of liabilities or any other adjustments that might be necessary should the Company be unable to continue as a going concern.

CAPITAL RESOURCES

With the acquisition of controlling interest in Wireless Age and the steps to liquidate Onlinetel operations over time, the Company intends to raise additional debt and equity financing to improve its financial position and make acquisitions. The Company plans to leverage its expertise in the wireless communications market place and expand its operations substantially.

On December 13, 2007, the Company entered into a series of agreements to amend the terms of its loan facility with TCE Capital Corporation.

The amendments create a new loan facility totaling \$2,500,000. The amended facility included; 1) a new \$1,500,000 18% per annum, 3 year term loan and 2) the existing \$1,500,000 loan facility was reduced to \$1,000,000. The effective annual interest rate on latter portion of the new facility is reduced from approximately 24.6% to approximately 17.9%. The term loan is interest only and may be retired 18 months into the term subject to a \$75,000 prepayment penalty.

OFF-BALANCE SHEET ARRANGEMENTS

Newlook had no off-balance sheet arrangements as at December 31, 2007, other than an Option Agreement with 1597541 Ontario Inc. (operating as Wordline) pursuant to which the Company might receive aggregate consideration of \$1,500,000 prior to June 27, 2012.

TRANSACTIONS WITH RELATED PARTIES

All transactions within the corporate group listed in note 8 of the consolidated financial statements for the year ended December 31, 2007, are in the normal course of business and are recorded at the carrying value. Inter-company transactions and balances are eliminated upon consolidation.

CRITICAL ACCOUNTING ESTIMATES

The Company's consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The critical accounting policies followed by the Company are as follows:

Inventory

Telecommunications equipment and accessories inventory is recorded at the lower of cost and net realizable value with cost being determined by the first-in, first-out method. The Company analyzes inventory levels annually and writes down inventory that has become obsolete, inventory that has a cost basis in excess of its expected net realizable value and

inventory in excess of expected requirements, to cost of goods sold. Expired inventory is disposed of and the related costs are written off. If actual market conditions are less favorable than that estimated by us, additional write-downs of existing inventory may be required in future periods.

Inventory currently represents approximately 36% of total current assets and is subject to risk of inexact estimates by management.

Revenue Recognition

The Company recognizes revenue from the sale of telecommunications equipment and accessories when the products are delivered and accepted by the customer. Activation commission fees earned from the telephone companies are recognized at the time of activation by the customer. Residual commission fees are recognized at the time they are earned and reasonable assurance of collection exists. The Company receives co-op advertising revenue from the telephone companies based on the requirement to spend a minimum of 60% of the available co-op advertising allotment. Any amount received under this program is deducted from advertising expense.

Revenue from long-term contracts for developing and building telecommunications systems is recognized using the percentage of completion method where revenue is recorded as costs are incurred, based on actual costs incurred to date on a contract, relative to the estimated total costs to complete the contract. Unbilled revenue represents revenue earned in excess of amounts billed on uncompleted contracts. Deferred revenue represents the extent that billings to clients are in excess of revenue recognized to date. The results reported under the percentage of completion method are based on management's estimates of total costs to complete the various contracts. Should total actual costs be materially higher or lower than these estimates, adjustment to future results would be necessary.

Management believes that revenue recognition is substantially objectively measured and other than collectibility which is covered elsewhere, there are no elements of estimates in them. However, in our long term contracts, which at current levels are generally not material, there are estimates of completion on how much is earned and therefore are subject to risks of inexact estimates by management.

Warranty Sales and Costs

The Company, through its Wireless Age business, sells extended warranty plans for certain telecommunications equipment. It recognizes revenue on a straight line basis over the period in which the Company is obligated to service the equipment. The Company also defers certain costs associated with the sale of the extended warranty plan and matches such costs against revenue as it is recognized.

Intangible Assets

Residual premiums are amounts paid for future residual revenue of retail cellular and telecommunications subscriber business recorded at cost less accumulated amortization.

Amortization is provided for on a straight-line basis over five years. Agency fees are amortized over the term of the related agreement (ten years) on a straight line basis.

These assets must be reviewed annually (or more frequently under prescribed conditions) for impairment in accordance with this statement. If the carrying amount of the reporting unit's goodwill or indefinite-lived intangible assets exceeds the implied fair value, an impairment loss is recognized for an amount equal to that excess. Intangible assets that do not have indefinite lives are amortized over their useful lives.

CHANGES IN ACCOUNTING POLICIES

Financial Instruments

On October 1, 2006, the Company adopted three new accounting standards that were issued by the Canadian Institute of Chartered Accountants ("CICA"): Handbook Section 1530, *Comprehensive Income*, Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, and Handbook Section 3865, *Hedges* and related amendments to Handbook Section 3251, *Equity*. The Company adopted the three standards and amendments prospectively.

Comprehensive Income

Section 1530 introduces Comprehensive Income, which consists of net income and other comprehensive income ("OCI"). OCI represents changes in shareholders' equity during a period arising from transactions and other events with non-owner sources and includes unrealized gains and losses on financial assets classified as available-for-sale, unrealized foreign currency translation gains and losses arising from self-sustaining foreign operations, net of hedging activities, and changes in the fair value of the effective portion of cash flow hedging instruments. The Company did not have transactions or events that would have been recorded in OCI or Accumulated Other Comprehensive Income in these audited consolidated financial statements.

Financial Instruments – Recognition and Measurement

Section 3855, establishes standards for recognizing and measuring financial assets, financial liabilities and non financial derivatives, including the presentation of any resulting gains and losses.

All financial instruments are required to be measured at fair value on initial recognition. Measurement in subsequent periods depends on whether the financial instrument has been classified as held-for-trading, available-for-sale, held-to-maturity, loans and receivables and other liabilities.

Financial assets and financial liabilities classified as held-for-trading are required to be measured at fair value with gains and losses recognized in net income.

Available-for-sale financial assets are required to be measured at fair value with unrealized gains and losses recognized in OCI.

Financial assets classified as held-to-maturity, loans and receivables and financial liabilities (other than those held-for-trading) are required to be measured at amortized cost.

The classifications above do not apply to investments where the Company has significant influence that are accounted for using the equity method.

Derivative instruments must be recorded on the balance sheet at fair value. Changes in fair value are required to be recognized in net income.

Impact upon adoption of CICA Handbook Sections 1530, 3855 and 3865

During the interim nine month period end June 30, 2007, the Company issued a derivative instrument for which it has ascribed a fair value and any changes in the fair value will be charged to income in the period of change.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Earnings and cash flow are subject to volatility stemming mainly from movements in the U.S./Canadian dollar exchange rate and interest rates. Newlook does not hedge its foreign currency exposure. As at December 31, 2007, the Company had no financial instruments.

OTHER MD&A REQUIREMENTS

Disclosure of Outstanding Share Data

As at December 31, 2007, the Company had authorized 100,000,000 class "A" preference shares, non-voting, cumulative dividend, par value of \$1 each, 100,000,000 class "B" preference shares, non-voting, cumulative dividend, par value of \$5 each, and 100,000,000 common shares without par value. The Company had issued 28,540,000 common shares at December 31, 2007, of which 2,680,307 were held by its majority owned subsidiary Wireless Age. If all options outstanding were exercised the number of common shares outstanding would be 32,950,000.

The company agreed to issue, subject to regulatory approval, 1,018,432, shares to acquire an additional 3,426,500 Wireless Age shares. In January 2008, the company received approval to issue the shares.

OUTLOOK

The Company recently completed a change in senior management and the acquisition of a controlling interest in Wireless Age. Management is currently negotiating the acquisition of Vertex Integrations Inc. operating as Millennium Data Systems (“Millennium”). Millennium is a specialized Canadian IP network services organization, with a core focus on managed network solutions. Millennium owns and operates a Southern Ontario wireless IP network which delivers managed data, video and voice-based services and applications to an array of clients including small-medium businesses, enterprise accounts and telecommunication companies. The wireless infrastructure provides an alternative connectivity medium to traditional “wire in the ground” networks that allows for a reliable, cost effective, secure and stable platform.

The Company believes that the telecommunications sector currently presents several attractive acquisition opportunities. Management believes that the risk level in this sector is comparatively lower, particularly due to management’s historic expertise in this sector. Management will investigate these types business opportunities carefully over the near term, in order to be certain that capital generated from the disposal of existing investments are used to generate shareholder wealth.

The Company also intends at a logical point in the future to acquire the non-controlling interest in Wireless Age but will only complete this transaction if management believes it is in the best interests of the company.

The Company plans to obtain additional financing either through additional debt or new equity. These funds will be utilized for new investment.

Factors that could change the outlook for the Company include changes in regulatory restrictions in which the Company plans to make investments, the company’s relationship with its carriers deteriorates or general economic and financial market conditions. Some acquisition opportunities have recently been declined due to a perceived declining value in acquisition assets that has caused management to adopt a wait and see approach. Lack of sufficient capital to invest in business opportunities would also have an impact on the performance of Company over the near term.