

April 19, 2007









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TODAY IN HISTORY

1904 -Great Toronto Fire: Much of Toronto, Ontario, is destroyed by fire.

1987 - The Simpsons make their television debut in the short "Good Night" a segment for The Tracey Ullman Show.

1993 - The 51-day siege of the Branch Davidian building outside Waco, Texas, USA, ends when a fire breaks out. Eighty-one people die.

Central Bank Rates			Prime Rates			Currency	
USD 	5.25%	 GBP 5.25%	 USD 8.25%	CAD/USD	\$0.8864		
EUR 	3.75%	 CAD 4.25%	 CAD 6.00%	USD/JPY	¥118.3500		
JPY 	0.50%	 AUD 6.25%		USD/EUR	\$0.7365		
DATE	COUNTRY	EVENT	AS OF	CONSENSUS	ACTUAL	PRIOR	
4/13/2007 8:30	US	Trade Balance	FEB	-\$60.0B	-\$58.4B	-\$59.1B	
<b>4/13/2007 8:30</b>	<b>US</b>	<b>Producer Price Index (MoM)</b>	<b>MAR</b>	<b>0.70%</b>	<b>1.00%</b>	<b>1.30%</b>	
4/13/2007 8:30	CA	Int'l Merchandise Trade	FEB	C\$6.0	C\$4.8	C\$6.4	
<b>4/13/2007 8:30</b>	<b>US</b>	<b>PPI Ex Food &amp; Energy (MoM)</b>	<b>MAR</b>	<b>0.20%</b>	<b>0.00%</b>	<b>0.40%</b>	
<b>4/13/2007 8:30</b>	<b>US</b>	<b>Producer Price Index (YoY)</b>	<b>MAR</b>	<b>3.00%</b>	<b>3.20%</b>	<b>2.50%</b>	
<b>4/13/2007 8:30</b>	<b>US</b>	<b>PPI Ex Food &amp; Energy (YoY)</b>	<b>MAR</b>	<b>1.80%</b>	<b>1.70%</b>	<b>1.80%</b>	
<b>4/13/2007 10:00</b>	<b>US</b>	<b>U. of Michigan Confidence</b>	<b>APR P</b>	<b>87.5</b>	<b>85.3</b>	<b>88.4</b>	
4/13/2007 13:00	US	Baker Hughes U.S. Rig Count	13-Apr	--	1758	1726	
4/16/2007 8:30	CA	New Motor Vehicle Sales MoM	FEB	-4.00%	-3.70%	-3.30%	
4/16/2007 8:30	US	Advance Retail Sales	MAR	0.60%	0.70%	0.10%	
<b>4/16/2007 8:30</b>	<b>US</b>	<b>Retail Sales Less Autos</b>	<b>MAR</b>	<b>0.90%</b>	<b>0.80%</b>	<b>-0.10%</b>	
4/16/2007 10:00	US	Business Inventories	FEB	0.30%	0.30%	0.20%	
<b>4/17/2007 8:30</b>	<b>US</b>	<b>Consumer Price Index (MoM)</b>	<b>MAR</b>	<b>0.60%</b>	<b>0.60%</b>	<b>0.40%</b>	
4/17/2007 8:30	CA	Manufacturing Shipments MoM	FEB	-0.20%	-0.20%	-2.10%	
<b>4/17/2007 8:30</b>	<b>US</b>	<b>CPI Ex Food &amp; Energy (MoM)</b>	<b>MAR</b>	<b>0.20%</b>	<b>0.10%</b>	<b>0.20%</b>	
<b>4/17/2007 8:30</b>	<b>US</b>	<b>Consumer Price Index (YoY)</b>	<b>MAR</b>	<b>2.80%</b>	<b>2.80%</b>	<b>2.40%</b>	
<b>4/17/2007 8:30</b>	<b>US</b>	<b>CPI Ex Food &amp; Energy (YoY)</b>	<b>MAR</b>	<b>2.60%</b>	<b>2.50%</b>	<b>2.70%</b>	
<b>4/17/2007 8:30</b>	<b>US</b>	<b>Consumer Price Index NSA</b>	<b>MAR</b>	<b>205.403</b>	<b>205.352</b>	<b>203.499</b>	
<b>4/17/2007 8:30</b>	<b>US</b>	<b>CPI Core Index SA</b>	<b>MAR</b>	<b>--</b>	<b>209.263</b>	<b>209.135</b>	
<b>4/17/2007 8:30</b>	<b>US</b>	<b>Housing Starts</b>	<b>MAR</b>	<b>1495K</b>	<b>1518K</b>	<b>1525K</b>	
<b>4/17/2007 8:30</b>	<b>US</b>	<b>Building Permits</b>	<b>MAR</b>	<b>1510K</b>	<b>1544K</b>	<b>1532K</b>	
<b>4/17/2007 9:15</b>	<b>US</b>	<b>Industrial Production</b>	<b>MAR</b>	<b>0.00%</b>	<b>-0.20%</b>	<b>1.00%</b>	
<b>4/17/2007 9:15</b>	<b>US</b>	<b>Capacity Utilization</b>	<b>MAR</b>	<b>81.90%</b>	<b>81.40%</b>	<b>82.00%</b>	
4/18/2007 10:30	US	DOE U.S. Crude Oil Inventories	13-Apr	650K	-994K	678K	
4/18/2007 10:30	US	DOE U.S. Gasoline Inventories	13-Apr	-1900K	-2718K	-5476K	
4/18/2007 10:30	US	DOE U.S. Distillate Inventory	13-Apr	-925K	-795K	170K	
4/18/2007 10:30	US	DOE U.S. Refinery Utilization	13-Apr	0.33%	2.04%	1.34%	
<b>4/19/2007 7:00</b>	<b>CA</b>	<b>Consumer Price Index MoM</b>	<b>MAR</b>	<b>0.60%</b>	<b>--</b>	<b>0.70%</b>	
<b>4/19/2007 7:00</b>	<b>CA</b>	<b>Consumer Price Index YoY</b>	<b>MAR</b>	<b>2.10%</b>	<b>--</b>	<b>2.00%</b>	
<b>4/19/2007 7:00</b>	<b>CA</b>	<b>Bank Canada CPI Core MoM</b>	<b>MAR</b>	<b>0.20%</b>	<b>--</b>	<b>0.50%</b>	
<b>4/19/2007 7:00</b>	<b>CA</b>	<b>Bank Canada CPI Core YoY</b>	<b>MAR</b>	<b>2.20%</b>	<b>--</b>	<b>2.40%</b>	
4/19/2007 8:30	US	Initial Jobless Claims	14-Apr	320K	--	342K	
4/19/2007 8:30	CA	Wholesale Sales MoM	FEB	0.20%	--	-0.50%	
4/19/2007 8:30	US	Continuing Claims	7-Apr	2510K	--	2527K	
4/19/2007 10:00	US	Leading Indicators	MAR	0.10%	--	-0.50%	
4/19/2007 10:30	US	EIA Natural Gas Storage Change	13-Apr	--	--	23	
<b>4/20/2007 8:30</b>	<b>CA</b>	<b>Retail Sales MoM</b>	<b>FEB</b>	<b>-0.30%</b>	<b>--</b>	<b>-0.20%</b>	
<b>4/20/2007 8:30</b>	<b>CA</b>	<b>Retail Sales Less Autos MoM</b>	<b>FEB</b>	<b>0.30%</b>	<b>--</b>	<b>0.30%</b>	
4/20/2007 13:00	US	Baker Hughes U.S. Rig Count	20-Apr	--	--	1726	
<b>4/24/2007 9:00</b>	<b>CA</b>	<b>Bank of Canada Rate Decision</b>	<b>24-Apr</b>	<b>4.25%</b>		<b>4.25%</b>	
	<b>US</b>	<b>FOMC Interest Rate Decision</b>		<b>5.25%</b>		<b>5.25%</b>	

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April 19, 2007

## Life Sciences

### *Gilead Reports 55% Increase In Q1 Profit*

**Gilead Sciences (NASDAQ:GILD \$78.43)**, the third-biggest US biotech by market value, reported strong Q1 results after market close yesterday. Net income rose 55% from a year ago to \$407.4 million or \$0.85 per share, as revenue increased 48% to \$1.03 billion. Surging demand for the Gilead's HIV drugs allowed the company to raise prices by as much as 9% in January. The stock is likely to be volatile today, as the shares briefly extended their record high to over \$80 in after-hours trading, before retreating.

### *Avanir Quadruples On Positive Phase III Results For Zenvia*

**Avanir Pharmaceuticals (NASDAQ:AVNR \$5.19)** was by far the biggest percentage gainer on US markets yesterday, as the stock quadrupled on positive results from the company's Phase III trial evaluating its investigational drug Zenvia in diabetic neuropathic pain. Diabetic neuropathic pain is very intense and is caused by nerve damage arising from diabetes. Patients in the trial reported a statistically significant reduction in pain, based on diary entries, compared with those taking a placebo. Avanir is another of those biotech stocks that has had a roller-coaster rise over the past year. It fell 46% on October 31 after the FDA delayed a decision on whether to approve Zenvia for another disorder that causes involuntary emotional expressions. Prior to yesterday's surge, the stock had plunged more than 90% from its year-ago level. Over 85 million Avanir shares were traded yesterday, more than twice the Company's 39.6 million shares outstanding.

### *Kane Biotech Enters Into Commercial License Agreement*

Winnipeg-based **Kane Biotech (TSXV:KNE \$0.61)** traded at a 52-week high yesterday after announcing it had entered into a global commercial license agreement with privately-held Harland Medical Systems of Minnesota. The agreement gives Harland worldwide rights to Kane's KBI-5898 antimicrobial technology for use in coatings for urinary, venous access and veterinary catheters. Harland will pay a royalty on net sales of products that include Kane's proprietary agent, although financial terms of the agreement were not disclosed.

### *Cepheid Gets FDA Approval For Bacterial Test*

**Cepheid Inc. (NASDAQ:CPHD \$12.12)** traded at its highest levels since January 2004 after the developer of genetic analysis systems said it obtained FDA approval for a bacterial test. The company said its Xpert MRSA test would enable hospitals to identify patients who are harbouring methicillin-resistant *Staphylococcus aureus* (MRSA) bacteria in just over an hour, rather than waiting days for a culture screening. MRSA is often cited as the leading cause of hospital-acquired infections in the US, with over 2 million cases reported annually.

### *Medimmune Adds To Recent Gains After CNBC Says It May Be Close To A Deal*

**MedImmune Inc. (NASDAQ:MEDI \$46.70)** rose yesterday for the fourth day in the last five, bringing the gains made since April 12 – when it stated it was putting itself up for sale – to 23%. Yesterday's gains occurred after CNBC said a buyout offer for the Company may be imminent, with four potential buyers in the running. While MedImmune has virtually doubled from its 52-week low set in July, speculators may be hoping that given the frenzied M&A activity seen in recent weeks, a bidding war could push the stock even higher.

## Metals & Mining

### *MetalCORP Adds Moly to the Mix*

**MetalCORP Limited (TSXV:MTC \$1.43)** has added a substantive molybdenum-silver project near Hemlo, Ontario, to its mineral asset portfolio. Based in Thunder Bay, MetalCORP is already active in the Hemlo area at its wholly owned Big Lake copper-zinc-silver-gold-cobalt project, 10 km southeast of Marathon on the north shore of Lake Superior, where a drilling campaign is ongoing. The company's new, wholly owned moly-silver project, named Playter, is situated 20 km southwest of the Hemlo gold mines. MetalCORP describes the moly-silver mineralization at Playter as being hosted in a quartz vein averaging 4 metres wide and having been traced by drilling for 500 metres. Additional quartz veining extending 1.2 km is associated with a granodiorite porphyry. Drilling at Playter, totaling 20 holes, was completed by Citadel Mines and Galex Mines from 1969-71, and tested the vein to 90 metres depth. MetalCORP says all 20 holes intersected the moly-bearing quartz vein, with the best intersection being 0.26% moly over 8.2 metres.

## Oil & Gas

### *Inventory Estimates And Actuals*

The U.S. Department of Energy (DOE) this morning will release its weekly report highlighting natural gas inventory levels for the week ended April 13. Analysts surveyed by Bloomberg are anticipating inventories to have declined 47 billion cubic feet (bcf), based on the median estimate from 19 analysts. The report will be released at 10:30 a.m. in Washington. The DOE Wednesday released its weekly report on inventory levels of crude oil, gasoline and distillates for the same period. The report showed a decline in all three categories. Crude oil stockpiles decreased by 994,000 barrels, distillates by 795,000 barrels and gasoline by 2.7 million barrels last week. Crude oil and natural gas closed Wednesday at US\$63.08 and US\$7.52, respectively, on the New York Mercantile Exchange.

### *U.S. Must Adopt European Ways*

Margaret Beckett, British Foreign Secretary, Monday, warned U.S. businesses to invest in carbon-free technology or risk losing out to Europeans. Ms. Beckett went on to say that Clean-tech is going to be a massive market, the largest economic opportunity of the century and that the European Union (EU) aims to become the first competitive, low-carbon, energy secure economy in the world.

## Special Situations

### *ADF Blows Away Its Naysayers*

Yesterday, **ADF Group Inc. (TSX:DRX \$3.08)** announced the results for its fiscal year ended January 31<sup>st</sup>, 2007. For the year, ADF generated revenues of \$53.6 million compared to \$21.1 million in fiscal 2006. This represents growth of 154% year over year. 98% of this revenue was earned through fabrication of heavy and complex steel components that were sold in the US. Net income increased from \$1.9 million or 7 cents per share in 2006 to \$10.4 million or 36 cents per share this past year. This is an increase of 437% and results in a 75% one-year return on equity invested in the business. The Company's order backlog rose from \$22.3 million on January 31<sup>st</sup>, 2006 to \$66 million as of the end of this last fiscal year, an increase of 196%. During the last fiscal year, ADF was awarded contracts totaling more than \$67 million and, since the beginning of fiscal 2008, it has won another \$36 million in the US and western Canada. As a result of all this new business, the Company hired 111 people in 2006 and is now looking for 100 more workers to help complete the new contracts awarded this year. ADF Group is a North American leader in the design, engineering, fabrication and selective installation of complex steel superstructures. The Company is one of the few players in the industry capable of handling highly technical mega projects on fast-track schedules in the commercial, industrial and public sectors.

### *Daylight Savings???*

This year the US and Canada (except for Saskatchewan) moved to daylight savings time three weeks early to try to save electricity as those responsible for these things reasoned that people in both countries would use fewer lights during the daylight hours. But data on both electricity and gasoline consumption during those three weeks from mid March until early April show that, other than making everyone tired by waking them up one hour earlier, there was no discernable impact on power usage as people had to use the electricity they saved in the evening to see what they were doing as they made breakfast in the dark mornings. This genius policy change did have an effect on US gasoline consumption however; it drove it up by 266,000 barrels per day of crude oil imports as people used the extra daylight hours to get in their cars and go places. US gasoline demand was growing at 1.9%; when the hour shift came, it jumped to 2.9%. Coincidence? We think not. Daylight savings indeed!

## Technology

### *Costly Program Hurts COM DEV*

**COM DEV International Ltd. (TSX:CDV \$4.76)**, the Cambridge, Ontario, based designer and manufacturer of space hardware subsystems, announced Wednesday that it will take a \$9 million hit on cost overruns, 90% of which will be in its second quarter. The higher than expected costs are due to an unanticipated problem on a certain program, and the company has stated that it has determined the problem applies only to one program. Shares of COM DEV traded down over 11% on the news, closing at \$4.76, well below its 52-week high of \$6.88.

**POWER TECH CORPORATION INC.**

Equity Research | Special Situations

Please see important disclosures at the end of this document

Ticker	Recommendation	12-month Target
<b>TSX:PWB</b> \$0.60	<b>SPEC. BUY</b> (Unchanged)	<b>\$0.89</b> (Unchanged)

**Power Update**

April 19, 2007

Market Data	
52-week High-Low	\$0.84-\$0.53
Shares Outstanding	
– Basic	40.0 million
– Fully diluted	50.8 million
Market Capitalization	\$24.0 million
Cash (Dec. 31/06)	\$0.6 million
Long Term Debt (Dec. 31/06)	\$0.06 million
Fiscal Year End	September 30
Major shareholders	Insiders: 52.6%

Financial Data			
( <i>'000s, except EPS</i> )	FY06A	FY07E	FY08E
Revenue	\$419.7	\$433.6	\$2,769.0
EBITDA	\$(1,822.8)	\$(331.0)	\$(76.9)
Net Earnings	\$(2,219.7)	\$(1,052.4)	\$(933.7)
CFO	\$(2,054.5)	\$546.0	\$(573.1)
EPS (basic)	\$(0.08)	\$(0.03)	\$(0.03)



**Company Description**

**Power Tech Corporation Inc.** designs, manufactures and markets specialized and, literally, groundbreaking technologies aimed at improving the performance, productivity and functionality of excavation equipment and industrial excavation systems. The Company presently has one product on the market, the PicBucket 2000, which attaches to conventional backhoes made by all manufacturers and combines the percussive power of a hydraulic hammer with the stripping force and maneuverability of the conventional bucket found on original equipment. The PicBucket can be used in the construction, demolition, forestry and mining industries, as well as by the military.

**Event**

Recent developments for Power Tech Corporation Inc. ("PowerTech" or "PWB" or "the Company") that took place while Northern Securities was restricted from reporting on the Company due to the announcement of a private placement on February 28, 2007.

**Highlights**

**Closing Of \$3.2 million Financing:** On April 17, 2007, PowerTech announced the second and final closing of a \$3.2 million aggregate financing.

**Launch of The 3000 Series:** On April 10, 2007, the Company announced the commercialization and rollout of the 3000 series of the PicBucket.

**Announcement of European Distribution Agreement and First European Sale:** On March 21, 2007, PowerTech announced a new distribution agreement with Bergerat Monnoyeur. On the same date, the Company announced its first sale of a PicBucket in Europe.

**Release of Q1 2007 Fiscal Results:** On February 28, 2007, PWB released its financial results for the first quarter of fiscal 2007.

**Announcement of Major Attachment Equipment Manufacturer ("AEM") Deal:** On February 27, 2007, PowerTech announced an agreement with NPK Construction Equipment Inc. ("NPK") to manufacture and sell PowerTech's products to NPK after first integrating NPK hydraulic cells into those same PWB products.

**Investment Conclusion**

As you can see, a lot has happened since we last published a note on PowerTech. The Company has signed a major deal with an AEM, made its first sale in Europe, signed a new distributor in France, issued its Q1 statements and raised \$3.2 million in the open market. While we are encouraged by most of this news and not discouraged by the quarterly statements, we feel that most of these announcements will bear fruit in fiscal 2008. Therefore, we are maintaining our **SPECULATIVE BUY** rating and our **12-month price target of \$0.89**. If anything, we are more confident than ever in the future success of PowerTech.

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## Financing

Through the closing of two tranches, PowerTech issued a total of 5,897,290 units at a price of \$0.55. Each unit consists of one common share and one-half of one common share purchase warrant. Each warrant entitles its holder to subscribe for one common share at a price of \$0.70 until April 16, 2009. The Company raised a total of just over \$3.24 million (\$2.94 million net) through this private placement. The funds will be used to accelerate PowerTech's development plan from both a commercial and technological point of view.

## 3000 Series

This new Series follows its smaller predecessors, the 1000 and 2000 Series. The 3000 Series was developed to perform demolition and excavation work carried out by the midsize 8.5 ton and 16 ton excavators. The 3000 Series will be available in 18, 24 and 30 inch versions, for use by the midsize excavator market. Not only will this model offer a bigger version of the PicBucket, it will feature a more powerful hydraulic cell.

## First European Sale & Distribution Agreement

PowerTech has made its first sale in Europe to Degeberga Grus & Schakt ("DGS") of Sweden, which specializes in tunneling for public utilities in Sverige. DGS conducted its own tests and after evaluating the PicBucket this past winter, it decided to purchase one. DGS does excavation work during the winter (which, in Sweden, is eight months of the year) when the ground is frozen solid. To do this work previously, it had to erect tents over the target area and install energy consuming heaters to warm up the soil before digging. The PicBucket digs through frozen soil, which will save DGS time and money since it will not have to heat the ground.

On the distribution front, Bergerat Monnoyeur ("BM") has been a Caterpillar dealer in France for more than 100 years. It has just fewer than 50 branches in nine regions in France, as well as in Belgium, Romania and Poland. BM intends to target the most promising markets in France to enable PWB's products to rapidly gain recognition in the industry. It expects the PicBucket to help BM differentiate its Caterpillar machines in the excavation and demolition markets.

Both of these announcements are good news for PowerTech. Signing up BM to distribute the PicBucket launches the Company into a whole new market in France. Selling a PicBucket to DGS gives them a toehold in Sweden, where it would seem PowerTech's technology can achieve huge savings in time and resources for construction and demolition companies. This is especially true during the never-ending winter, thanks to the PicBucket's ability to dig in the frozen tundra that is the Swedish landscape.

## First Quarter Results

First quarter results for PowerTech were certainly not inspiring, but were for the most part in line with what we were expecting.

**Revenue:** In the first quarter of fiscal 2007, PowerTech earned \$35,938 of revenue from the sale of one Pickbucket and its related accessories. This is down from the same period last year when the Company sold 4 units and produced \$99,960 in sales. This is not surprising as the revenues for a company that is developing new technologies are often highly variable, as sales come in bunches or not at all when the product is at the early stage of commercialization.

**EBITDA:** EBITDA for Q1-07 came in at \$(573,941). Last year EBITDA for the first quarter was \$(321,825). No real surprise to see this as the Company grows.

**Net Loss:** For the first quarter of 2007, the net loss came to \$784,320 or \$0.03 per share. In 2006, these numbers were a loss of \$393,707 or \$0.01 per share. While these numbers seem to be going in the wrong direction, they are par for the course in a business that is just starting to make sales. We expect sales at this early stage to be choppy.

**Cash Flow from Operations:** A year ago, Powertech used \$274,410 for its first quarter of operations. This year, as expected, it used almost twice that much: \$587,706.

**The AEM Deal**

The agreement stipulates that NPK will commercialize PowerTech's technology by branding the PicBuckets and, eventually, the PicHammers with the NPK colours and brand name and sell the products through NPK's distribution channels in the US, Mexico and Latin America. PowerTech will integrate NPK hydraulic cells into PowerTech's products, replacing the cells previously purchased from Atlas Copco. The Company will then sell the products to NPK, which will mark them up and sell them to its clients through its (NPK's) sales channels. This deal grants exclusivity to NPK for three years in the United States, Mexico, central and South America and Canada with respect to other AEMs, such as Ingersoll Rand-Montabert (with the notable exception of dealers already signed up in those regions), but it allows PowerTech to sign up AEMs in other territories such as Europe, and to sign two other Original Equipment Manufacturers ("OEMs"), like Volvo or CAT, anywhere in the world at any time.

**About NPK**

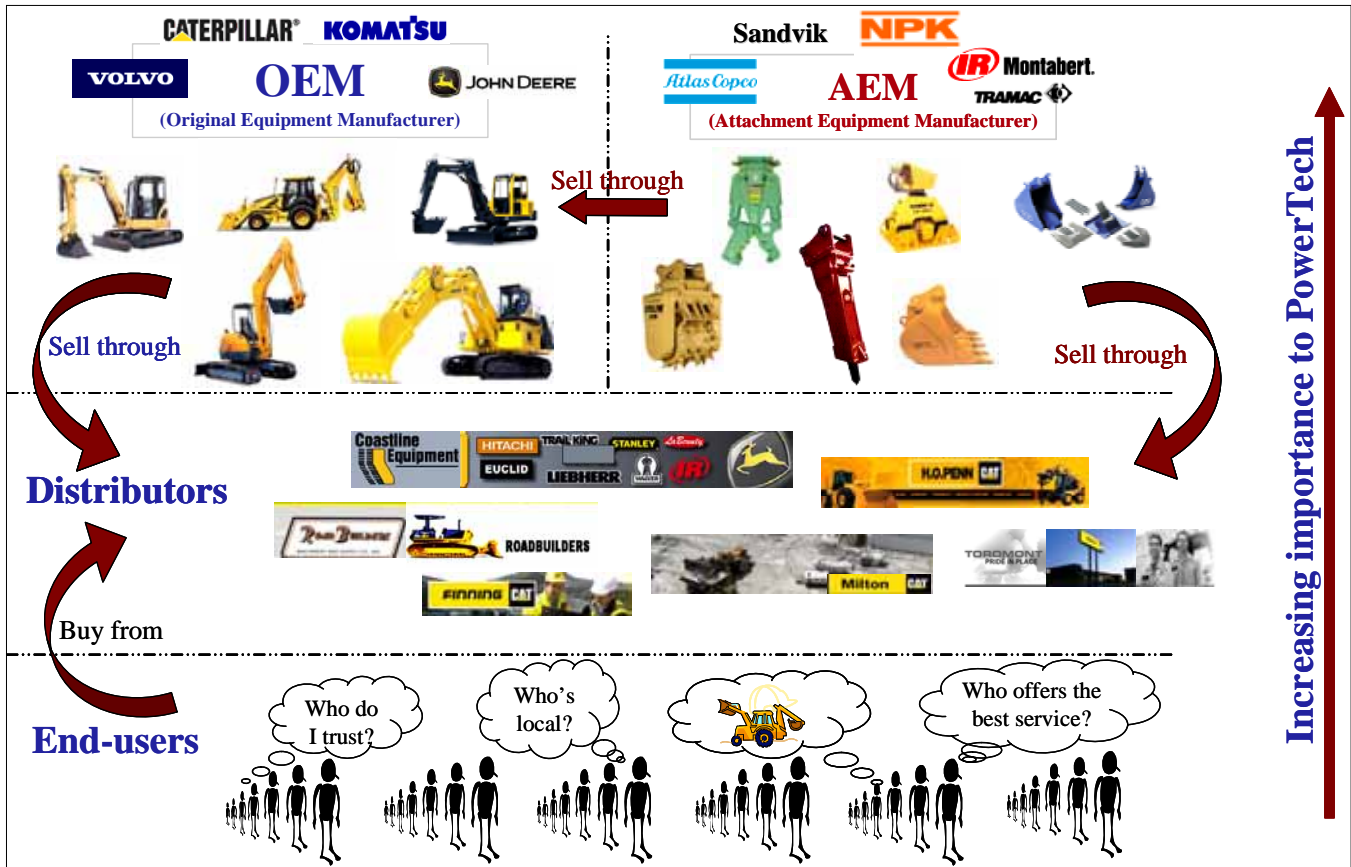
NPK has a worldwide reputation for quality in both the construction and heavy demolition equipment industries. It was established in 1985 as a master distributor for Nippon Pneumatic Construction Products of Osaka, Japan, to serve the needs of the construction, demolition and mining industries in North and South America. Today, NPK is based in Walton Hills, Ohio, and is still part of the Nippon Pneumatic conglomerate, an industrial corporation with over 70 years of experience in the construction attachment industry. NPK Construction Equipment Inc. develops, manufactures and distributes products for the NPK Corporation in the United States, Mexico, Latin America and Canada. It is one of the world's four main manufacturers of hydraulic hammers and attachments and it has one of the best heavy equipment dealer distribution networks in the United States and Latin America, with 74 distributors and 304 points of sale. At present, NPK offers the largest selection of hydraulic hammers, compactors, crushers, material processors, grapples and pedestal boom systems in the world.

**The Benefit**

For PowerTech, this deal is a major step forward on the road to commercialization of the PicBucket. Immediately, the Company has increased its dealer network from 6 to 79. The fact that NPK has agreed to have some of their products manufactured and white labeled by PowerTech lends a great deal of credibility to the Company as it negotiates deals with other OEMs. But, more importantly, we believe that as a result of this agreement annual sales could reach several hundred units for PowerTech in the near term and down the road. We estimate that the margins on those potential sales will be in excess of 40%. We expect the bulk of this revenue to start rolling in during the final quarter of 2007.

The pursuit of agreements with AEMs and OEMs marks a change in strategy for PowerTech. Initially, in order to establish product recognition and credibility with end-users, PowerTech demonstrated and marketed its products mainly through its VIPic Program. The VIPic Program gave significant discounts to selected players in the construction industry that used the PicBuckets for a set period. After spending over a year using this strategy, PowerTech signed six distribution agreements and sold 14 PicBuckets. If we look at Figure 1 (on the following page), we can see how sales flow through the construction market and who the major OEMs and AEMs are. PowerTech has now decided to focus on the major OEMs and AEMs as opposed to trying to make individual sales to each end-user. By changing its focus, the Company believes that it can reach more end-users faster, and thus make more sales because the OEMs and AEMs have larger established distribution and sales channels.

Figure 1: Construction Market Dynamics



Source: Company reports

# WEST 49 INC.

Equity Research | Retail & Consumer Products

Ticker

Recommendation

12-month Target

**TSX:WXX**  
\$1.35

**BUY**  
(unchanged)

**\$1.55**  
(unchanged)

Please see important disclosures at the end of this document

## Expect Expense Leverage To Drive 26% Net Income Growth In FY08

April 19, 2007

### Market Data

52-week High-Low	\$1.75-\$0.81
Shares Outstanding	64.0 million
Market Capitalization	\$86.4 million
Cash + Equivalents (01/27/07)	\$5.4 million
LTD + Equivalents (01/27/07)	\$3.8 million
Book Value per Share (01/27/07)	\$0.92
Year End	January 31
Insider Ownership:	42.7%

### Financial Data

(Millions, except EPS)	FY06A	FY07A	FY08E
Revenue	\$135.1	\$195.3	\$216.0
% Change	55.4%	44.5%	10.6%
EBITDA	\$8.6	\$13.0	\$16.0
EBITDA Margin	6.4%	6.7%	7.4%
Net Income	\$2.7	\$4.1	\$5.2
% Change	69.1%	63.8%	25.9%
EPS – diluted	\$0.05	\$0.07*	\$0.09**
% Change		56.9%	29.8%

### EPS Comparisons

Year	Q1	Q2	Q3	Q4	FY
FY06A	\$(0.03)A	\$(0.03)A	\$0.05A	\$0.04A	\$0.05A
FY07A	\$(0.03)A	\$(0.01)A	\$0.06A	\$0.05A*	\$0.07A*
Prior				0.06E	0.08E
FY08E	\$(0.04)E**	\$(0.02)E	\$0.08E	\$0.07E	\$0.09E**
Prior	\$(0.03)E				
FY09E	—	—	—	—	\$0.12E

\* Prior to \$0.5 million goodwill impairment charge in Q4-07

\*\* Prior to an estimated \$1.0 million charge related to development of the shared services model.

### Investor Risk Tolerance Scale



### Company Description

West 49 Inc. is a retailer of moderately priced brand name and private label apparel, footwear and accessories with an emphasis on skateboarding, snowboarding and surfing. The Company operates 125 stores located across Canada under 7 different banners: West 49, Billabong, Off The Wall, Duke's North Shore, D-Tox, Amnesia and Arsenic.

### Event

Q4 & FY07 earnings review.

### Highlights

West 49 Inc. ("WXX" or "the Company") reported Q4-07 EPS of \$0.05 versus \$0.04 LY and FY07 EPS of \$0.07 versus \$0.05 LY.

Q4 sales were up 22% to \$61.9 million. Higher markdowns resulted in lower gross margins; this was offset by lower SG+A as a percentage of sales and consequently EBITDA margins for Q4 were even with LY at 11.5%.

FY07 sales were up 44.5% to \$195.3 million driven by a 5.9% increase in comparable store sales, a 22% increase in square footage and a full year of sales from the Off The Wall and Quebec stores acquisitions. Net income increased 52% to \$4.1 million or \$0.07 per share.

During FY07, WXX management put in place a plan to increase expense control, improve profitability and position the Company for long-term growth. This included consolidating the administrative functions across the banners and eliminating redundant positions. While the back half of FY07 had some benefit from these initiatives, the Company decided to accelerate the process and expects to take a charge of \$0.8 million to \$1.0 million during FY08 (mostly in Q1). This move is expected to save \$0.3 million in 2H-08 and \$1.0 million annually starting in FY09.

Management indicated that Q1 has continued to be promotionally driven by continued outerwear markdowns and delayed spring deliveries. Consequently, we expect gross margins to be below LY and are projecting EPS of \$(0.04) versus \$(0.03) LY. We expect the Company to recover momentum during the seasonally stronger 2H and are maintaining our FY08 EPS estimate of \$0.09.

Paul Beaumont, COO, joined WXX in late 2005 with a mandate to develop best practices and a shared services model across the banners. With the plan in place and in motion, Mr. Beaumont has resigned his position with the Company to pursue other opportunities.

### Investment Conclusion

**We reiterate our BUY rating and \$1.55 target on WXX.**

We continue to believe that FY08 will be a strong year for WXX driven by improved margins and the shared services model positions the Company for future growth.

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## Acceleration of Share Services Initiative and Departure of COO

WXX announced that it would be centralizing the finance, HR, I/T, marketing and store operations and development functions across its banners. This will enable the Company to better leverage these corporate expenses and position it for future growth. Merchandising, planning and allocation will continue to be banner-specific. **As a result of these initiatives, the Company expects to record a \$0.8 million to \$1.0 million charge during FY08, most of which is expected during Q1-08. The shared service model is expected to generate savings of about \$0.3 million during the back half of FY08 and about \$1.0 million annually starting in FY09.**

The Company also announced that Paul Beaumont, COO, has resigned his position with the Company to pursue other opportunities. Mr. Beaumont was given the mandate to develop a shared services platform across the multiple banners. Upon joining the Company in December 2005, he began to put in place the necessary initiatives to achieve that goal. We believe this was mostly achieved during FY07 with the rewards expected during the back half of FY08 and beyond.

## Outlook

**We are maintaining our FY08 EPS estimate of \$0.09 based on the following assumptions:**

We expect net sales to increase 10.6% to \$216.0 million, driven by an 8% increase in the stores and a modest 2.5%-3.0% increase in comparable store sales. WXX plans to add 10-12 new stores during the year and remodel 8-10 stores resulting in a 10%-12% increase in square footage.

We expect EBITDA to increase about 25% to \$16.3 million and EBITDA margins to reach 7.5% from 6.7% in FY07. We expect gross margins to stay relatively flat at about 27.5% in FY07 and SG+A as a percentage of sales to decrease about 60bps to 20.1%, including the \$0.3 million in projected savings from the shared services model.

Our EPS estimate of \$0.09 is prior to the anticipated charge of \$0.8-\$1.0 million related to the shared services model. Including this charge, our FY08 EPS estimate is \$0.08.

Management indicated that Q1 continues to be promotional, exacerbated by late delivery of spring merchandise from certain vendors. As a result, we expect Q1 gross margins to be below LY levels and are projecting a 190 bps decline to 20%. Consequently, we are projecting Q1-08 EPS of \$(0.04) versus \$(0.03) LY.

**We are maintaining our preliminary FY09 EPS estimate of \$0.12 per share.**

## Q4 Review

Net sales increased 22.1% to \$61.9 million driven by a 17% increase in the store base and a 7.3% increase in comparable stores sales. WXX ended the year with 125 stores including 69 West 49, 6 Billabong, 14 Off The Wall, 18 Arsenic/Amnesia and 2 Dukes. The Company also expanded/relocated 6 stores during the year. Total year-end square footage was up 22% to 375,000 square feet.

Gross margins fell 460 bps to 29.4%. Q4-06 gross margins were very strong and up 860 bps over the prior year, making comparisons tough this year. In addition, the Company decided to take early markdowns in anticipation of a slow start to the Holiday season. Finally, the more fashion forward outerwear offering did not perform well and prompted markdowns late in the quarter.

SG+A as a percentage of sales fell 470 bps to 17.8%. Q4-06 SG+A included about 200 bps of one-time expenses that were not repeated this year. Backing these out, SG+A was still leveraged by 170 bps as a result of strong comparable store and total sales.

EBITDA increased 23.4% to \$7.1 million. EBITDA margins were about even with LY at 11.5%. This was consistent with our projections.

Amortization expense of \$1.5 million (versus \$0.9 million LY) was higher than our projection of \$1.1 million. Amortization in the quarter was higher than normal as certain goodwill related to the Boardzone acquisition was reclassified as an intangible asset.

EBIT increased 17% to \$5.7 million and EBIT margins fell 40 bps to 9.2% as a result of the higher amortization expense.

During the quarter, the Company took a \$0.5 million charge related to the impairment of Boardzone goodwill.

Interest expense and dividends on preferred shares was \$0.2 million versus \$0.3 million LY.

Net income prior to the goodwill impairment charge increased about 23% to \$3.4 million resulting in EPS of \$0.05 versus \$0.04 LY. Including the charge, net income increased 4.9% to \$2.9 million or \$0.04 per share.

Inventories at quarter and year-end were up 13 % to \$24 million. Inventories per square foot were down 8.7%.

## Summary

**We reiterate our BUY rating on WXX.** We continue to believe that WXX is on its way to becoming one of the premier lifestyle retailers in Canada. Its multi-banner concept caters to all sub-cultures of teenage lifestyle: West 49 – action sport; D-Tox – music; Off The Wall – denim driven and fashion forward, to name a few. With its shared services model up and running, we believe WXX management will now have better visibility and control over expenses and other administrative functions such as finance, technology and store development will also be better leveraged across the banners. The end result should be better gross margins and lower expenses, ultimately leading to management's goal of 10% EBITDA margins.

Table 1: Earnings Model

West 49 Inc Earnings Model \$ Millions, Except Per Share Data																
<i>FY end: January</i>	Q1-06A	Q2-06A	Q3-06A	Q4-06A	FY06A	Q1-07A	Q2-07A	Q3-07A	Q4-07A	FY07A	Q1-08E	Q2-08E	Q3-08E	Q4-08E	FY08E	FY09E
<b>Net Sales</b>	\$ 18.9	\$ 26.6	\$ 39.0	\$ 50.7	\$ 135.1	\$ 35.5	\$ 39.7	\$ 58.2	\$ 61.9	\$ 195.3	\$ 40.3	\$ 45.8	\$ 63.2	\$ 66.7	\$ 216.0	\$ 234.9
COGS	15.6	21.5	26.3	33.5	96.9	27.7	30.7	39.6	43.7	141.7	32.3	35.3	42.6	46.4	156.5	169.1
Gross Margin	3.2	5.1	12.7	17.2	38.3	7.8	9.0	18.6	18.2	53.5	8.1	10.5	20.5	20.3	59.5	65.8
SG+A	4.8	6.3	7.1	11.4	29.6	9.0	9.4	11.0	11.0	40.5	10.0	10.6	11.4	11.4	43.5	46.8
<b>EBITDA</b>	<b>(1.6)</b>	<b>(1.2)</b>	<b>5.6</b>	<b>5.8</b>	<b>8.6</b>	<b>(1.3)</b>	<b>(0.4)</b>	<b>7.5</b>	<b>7.1</b>	<b>13.0</b>	<b>(2.0)</b>	<b>(0.1)</b>	<b>9.1</b>	<b>8.9</b>	<b>16.0</b>	<b>19.0</b>
Amortization	0.4	0.6	0.7	0.9	2.6	1.0	1.1	1.1	1.5	4.6	1.2	1.3	1.3	1.3	5.1	5.5
EBIT	(2.0)	(1.7)	4.9	4.8	6.1	(2.3)	(1.4)	6.5	5.7	8.4	(3.2)	(1.4)	7.8	7.6	10.9	13.5
Div on pref shares	0.1	0.1	0.1	0.1	0.3	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4	0.4
Interest expense	0.1	0.2	0.1	0.2	0.5	0.1	0.2	0.2	0.1	0.6	0.2	0.2	0.2	0.2	0.7	0.7
Other	0.0	0.1	0.0	(0.2)	-	-	-	-	-	-	-	-	-	-	-	-
GW Impr / 1X chg	-	-	-	-	-	-	-	-	0.5	0.5	0.7	0.2	0.1	-	1.0	-
Pre-tax earnings	(2.1)	(2.1)	4.7	4.7	5.2	(2.5)	(1.7)	6.1	5.0	6.9	(4.2)	(1.8)	7.4	7.4	8.8	12.4
Taxes	(0.8)	(0.6)	1.8	2.0	2.5	(0.7)	(0.9)	2.3	2.1	2.8	(1.4)	(0.5)	2.8	2.7	3.6	4.8
<b>Net Income</b>	<b>\$ (1.4)</b>	<b>\$ (1.6)</b>	<b>\$ 2.9</b>	<b>\$ 2.7</b>	<b>\$ 2.7</b>	<b>\$ (1.8)</b>	<b>\$ (0.8)</b>	<b>\$ 3.9</b>	<b>\$ 2.9</b>	<b>\$ 4.1</b>	<b>\$ (2.8)</b>	<b>\$ (1.3)</b>	<b>\$ 4.7</b>	<b>\$ 4.6</b>	<b>\$ 5.2</b>	<b>\$ 7.7</b>
<b>EPS x GW Impr/ 1X chg</b>	<b>\$ (0.03)</b>	<b>\$ (0.03)</b>	<b>\$ 0.05</b>	<b>\$ 0.04</b>	<b>\$ 0.05</b>	<b>\$ (0.03)</b>	<b>\$ (0.01)</b>	<b>\$ 0.06</b>	<b>\$ 0.05</b>	<b>\$ 0.07</b>	<b>\$ (0.04)</b>	<b>\$ (0.02)</b>	<b>\$ 0.08</b>	<b>\$ 0.07</b>	<b>\$ 0.09</b>	<b>\$ 0.12</b>
Shares outstanding	47.7	51.6	58.0	61.8	55.7	61.9	62.0	62.0	62.8	62.2	63.3	63.3	63.3	63.3	63.3	64.0
West 49 Comps	10.3%	13.9%	6.3%	6.0%	8.3%	8.2%	-2.9%	5.6%	8.7%	5.4%	1.0%	5.0%	4.0%	1.0%	2.8%	3.0%
Consolidated Comps	10.3%	11.3%	5.4%	5.4%	7.2%	8.5%	0.3%	5.9%	7.3%	5.9%	1.7%	4.2%	3.8%	1.8%	2.9%	2.8%
Total store count	62	75	77	107	107	112	118	125	125	125	129	133	134	135	135	145
% Change	22%	39%	38%	84%	-	81%	57%	62%	17%	17%	15.2%	12.7%	7.2%	8.0%	8.0%	7.4%
Inventories	\$ 17.8	\$ 20.0	\$ 23.5	\$ 21.2	\$ 21.2	\$ 29.7	\$ 34.3	\$ 37.9	\$ 24.0	\$ 24.0						
<b>% Change Analysis</b>																
Sales % Change	30.0%	64.1%	47.1%	70.4%	55.4%	88.3%	49.3%	49.2%	22.1%	44.5%	13.6%	15.4%	8.6%	7.7%	10.6%	8.7%
EBITDA % Change	-214.5%	-293.6%	119.0%	264.8%	103.9%	19.6%	68.0%	34.9%	23.4%	51.0%	-55.1%	76.4%	20.8%	24.8%	22.4%	19.0%
EBIT % Change					92.8%	-16.5%	-17.1%	31.1%	17.1%	38.4%	-40.3%	4.9%	20.9%	34.3%	29.1%	24.6%
Net income % Change					69.1%	-27.0%	-47.3%	31.3%	4.9%	52.0%	-59.4%	-57.9%	21.6%	61.4%	25.9%	47.1%
<b>Margin Analysis</b>																
Gross Margin	17.2%	19.2%	32.5%	34.0%	28.3%	21.9%	22.7%	31.9%	29.4%	27.4%	20.0%	23.0%	32.5%	30.5%	27.5%	28.0%
Bps Change	-3.5%	-9.2%	3.5%	8.6%	2.0%	4.7%	3.5%	-0.6%	-4.6%	-0.9%	-1.9%	0.3%	0.6%	1.1%	0.1%	0.5%
SG+A % Sales	25.6%	23.6%	18.2%	22.6%	21.9%	25.5%	23.7%	19.0%	17.8%	20.7%	24.9%	23.2%	18.1%	17.1%	20.1%	19.9%
Bps Change	1.4%	-1.1%	-1.2%	2.5%	0.5%	-0.1%	0.1%	0.7%	-4.7%	-1.2%	-0.6%	-0.5%	-0.9%	-0.7%	-0.6%	-0.2%
<b>EBITDA Margin</b>	<b>-8.3%</b>	<b>-4.4%</b>	<b>14.3%</b>	<b>11.4%</b>	<b>6.4%</b>	<b>-3.6%</b>	<b>-0.9%</b>	<b>12.9%</b>	<b>11.5%</b>	<b>6.7%</b>	<b>-4.9%</b>	<b>-0.2%</b>	<b>14.4%</b>	<b>13.4%</b>	<b>7.4%</b>	<b>8.1%</b>
Bps Change	-4.9%	-8.1%	4.7%	6.1%	1.5%	4.8%	3.4%	-1.4%	0.1%	0.3%	-1.3%	0.7%	1.5%	1.8%	0.7%	0.7%
EBIT Margin	-10.4%	-6.5%	12.6%	9.5%	4.5%	-6.4%	-3.6%	11.1%	9.2%	4.3%	-7.9%	-3.0%	12.4%	11.4%	5.0%	5.8%
Bps Change	-10.4%	-6.5%	12.6%	9.5%	0.9%	4.0%	2.9%	-1.5%	-0.4%	-0.2%	-1.5%	0.6%	1.3%	2.3%	0.7%	0.7%
Tax Rate	35.1%	26.2%	37.7%	42.4%	47.6%	29.2%	52.3%	37.4%	42.2%	40.0%	32.7%	29.1%	37.1%	37.1%	40.8%	38.4%
Net Income Margin	-7.3%	-5.9%	7.5%	5.4%	2.0%	-5.0%	-2.1%	6.6%	4.6%	2.1%	-7.0%	-2.8%	7.4%	6.9%	2.4%	3.3%

Source: Company reports &amp; NSI estimates

# IMPORTANT DISCLOSURES

April 19, 2007

Analyst/Company	Ticker	Ex	Rating	Price Target	Last Price	Market Cap (millions)	Shares o/s (millions)	Previous Volume	52 Week		Applicable Disclosures
									High	Low	
<b>Oil and Gas</b>											
<b>Tim Murray, CFA 403-313-5983</b>											
Gentry Resources Ltd.	GNV	T	Buy	\$4.70	\$3.98	\$154	38.8	46,850	\$5.95	\$3.25	8
Endev Energy Inc.	ENE	T	Buy	\$1.50	\$1.16	\$103	88.9	32,040	\$2.06	\$0.97	8
Stylus Energy Inc.	STY	T	Buy	\$3.25	\$1.75	\$48	27.7	586,600	\$4.60	\$1.60	8
Grand Banks Energy Corp.	GBE	V	Buy	\$1.50	\$1.22	\$39	32.0	17,260	\$2.19	\$1.10	8
Trafalgar Energy Ltd.	TFL	T	Hold	\$4.25	\$4.09	\$39	9.6	107,750	\$4.60	\$3.27	8
AltaCanada Energy Corp.	ANG	V	Hold	\$0.45	\$0.43	\$26	60.2	139,500	\$0.88	\$0.40	8
The Buffalo Oil Corp.	BFO	V	Buy	\$1.95	\$1.65	\$36	21.6	210,091	\$2.14	\$1.41	1,8
<b>Metals and Mining</b>											
<b>Jeremy Link, M.Eng 416-644-8133</b>											
Khan Resources Inc.	KRI	T	SpecB	\$5.00	\$4.86	\$248	51.0	332,543	\$5.64	\$1.11	2
Frontier Pacific Mining Corporation	FRP	V	SpecB	\$1.40	\$0.75	\$101	134.1	250,060	\$0.94	\$0.30	
Solex Resources Corp.	SOX	V	SpecB	\$2.55	\$1.25	\$71	56.5	69,630	\$1.61	\$0.30	
Acero-Martin Explorations Inc.	ASD	V	SpecB	\$0.84	\$0.54	\$30	56.1	202,700	\$1.33	\$0.47	1,2
Mediterranean Resources Ltd.	MNR	V	SpecB	\$0.90	\$0.35	\$18	52.3	121,690	\$0.57	\$0.24	
Acadian Gold Corp.	ADA	V	REVIEW	N/A	\$1.12	\$147	131.0	299,656	\$1.33	\$0.32	1,2,8
International PBX Ventures Ltd.	PBX	V	REVIEW	N/A	\$0.79	\$43	54.5	1,000,410	\$0.84	\$0.31	
<b>Energy Services</b>											
<b>Marcel Brichon, CFA, FCSI, 604-668-1888</b>											
Divestco Inc.	DVT	T	StrB	\$10.00	\$3.83	\$136	35.4	7,113	\$6.92	\$2.27	1,8
Pulse Data Inc.	PSD	T	Hold	\$2.80	\$2.35	\$113	47.9	86,775	\$3.39	\$2.04	8
BlueGrouse Seismic Solutions Ltd.	BGH	V	Tender	\$1.20	\$1.13	\$15	13.6	11,891	\$2.50	\$0.72	8
Kelman Technologies Inc.	KTI	T	SpecB	\$0.45	\$0.34	\$14	41.6	1,175	\$0.54	\$0.21	
Dalmac Energy Inc.	DAL	V	SpecB	\$1.00	\$0.58	\$7	12.4	40,000	\$1.55	\$0.41	8
<b>Special Situations</b>											
<b>Marcel Brichon, CFA, FCSI, 604-668-1888</b>											
Carmanah Technologies Corp.	CMH	T	Buy	\$3.50	\$2.90	\$123	42.5	81,185	\$3.90	\$2.55	8
Wellpoint Systems Inc.	WPS	V	StrB	\$1.11	\$0.42	\$15	35.6	27,000	\$0.65	\$0.30	1,2,8
AccelRate Power Systems Inc.	APS	V	Hold	\$0.45	\$0.23	\$6	26.3	17,000	\$0.73	\$0.20	8
International Technologies Corp.	ITI	V	Buy	\$1.00	\$0.26	\$5	17.5	1,500	\$0.50	\$0.22	8
<b>Brill, MBA, CFA, 416-644-8164</b>											
Stella-Jones Inc.	SJ	T	Buy	\$38.75	\$36.50	\$449	12.3	3,195	\$36.50	\$17.50	8
Altus Group Income Fund	AIF-U	T	Buy	\$13.85	\$12.20	\$128	10.5	65,530	\$15.90	\$9.55	7,8
Century II Holdings	CH	T	StrB	\$8.25	\$5.17	\$59	11.4	1,304	\$8.43	\$3.75	6,7
Power Tech Corporation Inc.	PWB	V	SpecB	\$0.89	\$0.60	\$18	30.1	5,000	\$0.84	\$0.50	1,2,8
Automated Benefits Corp.	AUT	V	SpecB	\$0.45	\$0.20	\$17	88.1	43,500	\$0.44	\$0.15	1,7,8
<b>Retail &amp; Consumer Products</b>											
<b>Sarah C. Alemao, 416-644-8179</b>											
MEGA Brands Inc.	MB	T	StrB	\$33.00	\$23.13	\$789	34.1	47,185	\$27.60	\$20.25	8
Le Chateau Inc.	CTU/A	T	Buy	\$68.00	\$61.40	\$381	6.2	5,261	\$65.00	\$36.00	8
Hart Stores Inc.	HIS	T	Hold	\$5.60	\$4.40	\$61	13.8	110,050	\$6.59	\$4.05	8
West 49 Inc.	WXX	T	Buy	\$1.55	\$1.35	\$85	63.3	227,770	\$1.68	\$0.81	8
Brick Brewing Co. Ltd.	BRB	T	SpecB	\$2.08	\$1.96	\$43	21.8	2,640	\$2.55	\$1.73	8
Liquidation World Inc.	LQW	T	Hold	\$6.35	\$5.70	\$47	8.3	11,275	\$7.45	\$4.81	
<b>Technology</b>											
<b>Dennis dos Santos, P. Eng, MBA, 416-644-8124</b>											
DALSA Corp.	DSA	T	StrB	\$20.00	\$12.25	\$232	18.9	211,050	\$16.34	\$11.45	8
Intrinsyc Software International Inc.	ICS	T	SpecB	\$1.75	\$0.63	\$52	83.0	105,035	\$0.96	\$0.34	8
ORTHOsoft Inc.	OSH	V	SpecB	\$2.00	\$0.67	\$34	51.1	16,050	\$0.84	\$0.32	
Fortsum Business Solutions Inc.	FRT	V	Buy	\$1.10	\$0.70	\$24	34.3	86,500	\$0.80	\$0.41	4,8
Route1 Inc.	ROI	V	SpecB	\$0.30	\$0.22	\$57	259.1	472,000	\$0.27	\$0.07	4,8
The Medipattern Corp.	MKI	V	SpecB	\$1.40	\$0.60	\$23	37.5	3,000	\$0.70	\$0.40	8
<b>Massimo Voci, 416-644-8129</b>											
Sandvine Corporation	SVC	T	Buy	\$5.00	\$4.58	\$563	123.0	2,565,904	\$4.75	\$1.65	7,8
Absolute Software Corp.	ABT	T	Buy	\$20.00	\$16.50	\$378	22.9	47,429	\$18.80	\$2.95	7
Sylogist Ltd.	SYZ	V	SpecB	\$1.55	\$0.60	\$11	18.0	48,856	\$2.20	\$0.57	8

1. Within the past 12 months, Northern Securities Inc. managed or co-managed a public offering or private placement of securities for the subject company.
2. Within the past 12 months, Northern Securities Inc. received compensation for investment banking services from the subject company.
3. Northern Securities Inc. is currently providing the subject company with investment banking services.
4. Within the past 12 months, Northern Securities Inc. received compensation for products or services other than investment banking services from the subject company.
5. Northern Securities Inc. is currently providing the subject company with non-securities services.
6. Northern Securities Inc. and its affiliates collectively beneficially own 1% or more of the equity securities of the subject company.
7. The research analyst/associate or a member of the research analyst/associate's household has a long or short position in the shares of the subject company.
8. The research analyst has visited the material operations of the subject company.
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