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September 9, 2008

Investment Analysis for Intelligent Investors

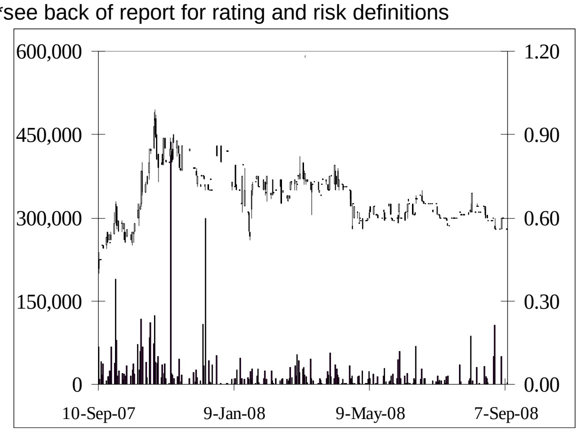
MicroPlanet Technology Corp. (TSX-V: MP) – Commencing volume deliveries in Q3; $6.6 million in order backlogs

Sector/Industry: Energy Technology **www.microplanet.com**

Market Data (as of September 8, 2008)

Current Price	**C$0.56**
Fair Value	**C$1.45 (↓)**
Rating*	**BUY**
Risk*	**4 (Speculative)**
52 Week Range	C$0.56 – C$0.82
Shares O/S	41,065,007
Market Cap	C$23.00 mm
Current Yield	N/A
P/E (forward)	N/A
P/B	6.25
YoY Return	24.4%
YoY TSXV	-34.3%

*see back of report for rating and risk definitions



Q2-2008 Highlights

- MicroPlanet continued to convert its pilot tests to commercial orders since receiving their first major commercial order from Ergon in October 2007. In March 2008, they received their first major commercial order for 3P Voltage Regulators (designed for commercial and industrial customers) for $350,000.
- At the end of Q2, the company had $6.6 million in order backlogs. The company will start reporting notable revenues in Q3 as they commence volume deliveries to Ergon and the Kapalua resort.
- In June 2008, the company was named to the 2008 TSX Venture 50™. The TSX Venture 50 are the top 10 companies in each of five major industry sectors (mining, oil & gas, technology & life sciences, diversified industries and cleantech), based on a ranking formula that includes revenue, return on investment, market capitalization growth, and trading volume.
- In June-July 2008, MicroPlanet completed a brokered financing in two tranches to raise C$7.08 million by issuing 10.89 million units at a unit price of C$0.65. These funds were used to pay off a C$1.75 million line of credit, which has resulted in an improved balance sheet. The rest of the funds, we believe, will be sufficient to fund working capital and operations for the next three quarters.

Note: All figures in this report are in US$ unless otherwise stated.

Financial Summary (YE Dec 31) (US$)	2005	2006	2007	2008E	2009E
Revenue	863,719	332,462	22,770	1,249,000	3,665,000
Gross Margin	-11.46%	-27.08%	36.59%	-10.00%	25.00%
Net Income	(2,667,303)	(3,010,909)	(3,287,669)	(5,560,521)	(4,758,542)
EPS (basic)	(0.16)	(0.11)	(0.11)	(0.14)	(0.12)
Cash	1,790,202	2,110,200	47,985	1,465,344	83,028
Assets	2,226,021	2,803,761	731,048	2,156,769	1,759,205
Debt to Capital	1.80%	0.12%	0.00%	3.91%	6.51%
ROE	622%	-144%	-278%	-941%	-491%
ROIC	1962%	-143%	-278%	-898%	-468%

MicroPlanet Technology is a company based in Seattle, USA, that has developed an advanced voltage regulation technology for residential, commercial and industrial environments. The company's voltage regulators help save energy (which in turn helps reduce greenhouse gas emissions), lower electricity bills, increase efficiency of electric appliances and improve utility services.

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Received first major order for commercial units

In March 2008, Maui Land & Pineapple Company, Inc. (NYSE: MLP) placed an order to install MicroPlanet's 3Phase Voltage Regulators on its commercial buildings located at their Kapalua Resort in Hawaii. The initial order for 14 systems is valued at approximately $350,000, which implies $25,000 per system. Deliveries are expected to begin in Q3.

The Kapalua Resort, which is situated on MLP's 23,000-acre West Maui land holdings, has approximately 1,200 commercial and residential buildings. This order came after MLP completed successful pilot projects over a six-month period, which indicated that MicroPlanet's products saved an average of 12.87% on power consumption and reduced kVAR (demand) by 34.5%. Considering that MicroPlanet was able to convert the pilot tests to a commercial order, we believe, it is highly likely that MicroPlanet will receive more orders from MLP going forward. Also, this order will get MicroPlanet more exposure and brand awareness in Hawaii, which is one of the company's key focus areas because of high utility rates.

This order also has one more significant aspect - it is the company's first major commercial order for its 3Phase Voltage Regulators (the first 3 Phase product was delivered in 2007), which are designed for commercial and industrial customers. 3Phase Voltage Regulators are priced much higher ($8,000 - $150,000 depending on the power requirements) than the company's residential units. Therefore, sales of these systems will significantly impact revenues going forward.

Images of commercial installations in Hawaii and New York

Source: MicroPlanet Technology Corp.

Update on the status of previous orders

MP received their first major commercial order in October 2007. The following is a quick update on the status of the company's major orders since then.

In October 2007, MicroPlanet **received their first commercial scale order for $6 million** (to buy 3,000 LVRs over the next three yeas) from an Australian utility, Ergon Energy. Initial units have been delivered, and the company has completed design and testing for the high volume production of units. MicroPlanet currently outsources all manufacturing to Flextronics (NASDAQ: FLEX), a leading electronics manufacturing services provider with a network of facilities in over 30 countries worldwide. Volume deliveries of production units are expected to commence in Q3, which is when the company will start reporting significant revenues.

In February 2008, MicroPlanet **received an order from their Canadian distributor (Greenvolt Energy Savings) for $92,000** for various installations in Canada. Deliveries are expected in 2009.

In March 2008, the company received an initial commercial order from one of the largest energy companies and leading generator of renewable energy in the UK: Scottish and Southern Energy. Scottish and Southern distributes electricity to 3.5 million homes and businesses across one third of the UK's total land area. **The initial order from Scottish and Southern Energy is for 50 LVRs for $148,000, which implies a unit price of $2,960.** Deliveries are expected in Q4.

Since MicroPlanet's regulators are a cost-effective solution for utilities to solve voltage problems, we believe, it is highly likely that the company will receive larger orders from Ergon and Scottish and Southern Energy going forward, as both utilities realize the benefits of using MicroPlanet's regulators.

Pilot tests likely to be converted into commercial orders

The company is undergoing several pilot tests and field tests at this time. The following are a few of the major programs that we believe could be converted into commercial orders in the future.

- The company is currently working with over 30 utilities worldwide. Pilot operations are currently being conducted at several facilities, including **four utilities in Australia and five utilities in the United Kingdom**. Note that the company has already made their breakthroughs in both markets (through orders from Ergon and Scottish and Southern Energy).

- MicroPlanet has signed multiple pilot agreements in 2007, and 2008, with **major fast food, grocery and convenience store chains throughout the U.S**. The results of these pilots are showing that MicroPlanet systems can reduce energy consumption in commercial environments from 5% to 12%.

- MicroPlanet continues to measure the results at **commercial and residential sites in Hawaii.** MicroPlanet also has agreements with the U.S. military, two major property management companies, a large resort developer, and a "green" residential builder.

- During Q1, the company completed a **pilot program with a major global energy services company**. The pilot was successful and the customer is currently evaluating potential sites for deployment.

- In addition, the company recently disclosed that they are in **negotiations with 3 U.S. Fortune 500 companies** after successfully completing pilot programs averaging an 8% reduction in power consumption.

In one of the pilot programs in Q2, the implementation of MicroPlanet's technology led to a reduction in the customer's (a bowling center - K-Bay Lanes at Marine Corps Base Hawaii) repair and maintenance costs on their equipment as a result of improved power quality. **It is estimated that the customer would achieve a payback of less than one year based on cost savings (over $17,570 per year) demonstrated in the test period. We believe this is highly encouraging, and improves the product's appeal.**

Competitor goes public

One of MicroPlanet's direct competitors, Legend Power Systems Inc. (TSXV: LPS), went public in June 2008 through a reverse takeover. Legend's energy conservation products, targeting commercial and industrial customers, directly compete with MicroPlanet's 3P voltage regulators. Legend's products have shown their capability to cut energy consumption by 7-10%, which is very similar to that achieved by MicroPlanet's products.

Legend's Electrical Harmonizer - Automatic Voltage Regulator (AVR) is based on the Electrical Harmonizer, which was developed in Japan and entered the market there in 1992. Legend obtained the distribution rights for North America in 2001. Their first U.S. installation was in May of 2003. According to Legend, Legend's Electrical Harmonizer - Automatic Voltage Regulator has successfully completed 22 trials with prominent BC based companies (including BC Hydro, Ikea, Canada Post and Science World) and two in California, and delivered over $1 million of cost savings to clients. Legend estimates revenues in 2008 will reach C$0.67 million. Their market capitalization is about C$34 million, larger than MicroPlanet's C$23 million. MicroPlanet's FY2008 revenue estimate is $1.25 million, and it had $6.6 million in order backlog at the end of Q2.

Both companies seem to offer similar products to commercial and industrial customers for energy conservation. With respect to the utility market, Legend and MP's products target different applications. Legend targets energy conservation while MP products help utilities improve power quality. MP's product dynamically raises and lowers voltage to optimum levels; an important requirement for most utilities in low voltage applications. Finally, MP is also targeting the residential market while Legend's focus is on commercial, industrial, and utility markets.

Also, both companies are targeting different initial markets – MicroPlanet is initially targeting regions with high utility rates, namely Europe, the U.S. (primarily Hawaii, California and New England) and Northern Canada for their energy consumption products, and utilities in regions with low voltage problems and high voltage fluctuations, like Australia, Europe and Asia. On the other hand, Legend is initially focusing on markets with a large population like British Columbia, Ontario and California, and not necessarily regions with the highest utility rates, or low voltage problems. However, it is possible that both companies will compete in the same regions going forward.

In terms of product pricing, we do not have information on either company's pricing to be able to make a comparison. However, we know that in March 2008, Legend announced that they obtained a $605,000 order from Canada Post for eight Electrical Harmonizer AVR installations at three of their Ontario facilities. This implies a price of $75,625 per system. MicroPlanet's 3Phase Voltage Regulators are priced at $8,000 - $150,000 depending on the power requirements, and recently they sold 14 systems to the Kapalua Resort for $25,000 per system. Pricing of these products depends heavily on the power requirements. Since we do not have information on the power requirements of the orders received by both companies, we cannot really compare their unit prices at this time. However, we presented this information to show that either company can attain a competitive advantage if they can deliver products priced significantly below competitors.

MicroPlanet, in general, has differentiated itself from other companies in the following respects:

- **First mover advantage in the utility market –** The company is currently working and building relationships with about 30 utilities worldwide, and has $6.6 million (most of these orders come from the utility segment) in order backlogs. Several pilot tests are ongoing, and we believe it is likely that the company will be able to convert them into commercial orders when utilities realize the benefits of using MicroPlanet's technology.

- **Increasing renewable power generation offers a good market for MicroPlanet's utility products:** Voltage fluctuations are common in regions where sustainable sources of power generation, like wind and solar systems, are used. Utilities often cannot make their traditional generation systems respond quickly enough. MicroPlanet's products, therefore, help utilities to improve grid performance when wind and solar systems are operating, and increase the useful life of electronic equipment for both consumers and utilities.

Review of Q2 results

In the first six months of FY2008 (ended June 2008), the company reported $10,000 in revenues versus $2,000 in the comparable period in the previous year. The commercial sales order backlog at the end of Q2-2008 was $6.6 million (from the last four major commercial orders) versus nil at the end of Q2-2007. The company will start reporting notable revenues in Q3 as the company begins volume shipments to Ergon and the Kapalua Resort.

We have lowered our revenue forecasts for FY2008, and FY2009, primarily because we were expecting volume deliveries to Ergon to commence much earlier. According to management, several additional features requested by Ergon delayed production. **Our revised revenue forecasts for FY2008, and FY2009, are $1.25 million (down from $2.29 million) and $3.67 million (down from $4.75 million), respectively.**

Cost of sales, which includes direct labour and product costs, in the first six months of FY2008, were higher than revenues. The company expects cost of sales to be higher than revenues in the second half of FY2008 as well. However, costs are expected to drop in FY2009 as deliveries increase and as economies of scale come in to play.

The company posted EBITDA of ($1.12 million) in Q2-2008, versus ($0.85 million) in Q2-2007. For the six month period, EBITDA was ($2.34 million) versus ($1.51 million) in the comparable period in the previous year. EBITDA dropped as other expenses (which includes marketing, research and development, and general and administrative costs) increased YOY in Q2 from $0.58 million to $1.06 million (up 84% YOY), and in the six month period from $1.23 million to $2.23 million (up 82% YOY). The increase in costs was attributed to increased product development costs (for new products and for development of existing products), new employee hires, compensation and expansion of the company's infrastructure. Although costs were up YOY, they were lower than our expectations. Therefore, we have lowered our 'other costs' forecasts to $4.87 million (down from $5.59 million) in FY2008, and $5.36 million (down from $5.87 million) in FY2009.

The company posted a net loss of $1.30 million in Q2-2008, and $2.59 million in the six month period, versus $0.85 million and $1.51 million, respectively, in the comparable periods in the previous year. We have revised upward our EPS forecasts as the drop in our costs estimates more than offset the drop in our revenue estimates. **Our revised forecast for FY2008 and FY2009 are net losses of $5.56 mm; EPS: -$0.14 (up from $5.59 million; EPS: -$0.17) and $4.76 million; EPS: -$0.12 (up from $5.25 million; EPS: -$0.16).**

Cash Flows – completed C$7.1 million financing

In Q2 and the first six months of FY2008, the company spent $1.53 million ($0.61 million in Q2-2007) and $2.80 million ($1.13 million in the comparable period in the previous year), respectively, on operations. As for investing activities, the company spent $0.03 million and $0.06 million in Q2, and the six month period in FY2008. Operating and investing activities in Q2 were funded primarily by cash raised from the most recent financing (mentioned below).

In June-July 2008, the company completed a brokered financing in two tranches to raise C$7.08 million by issuing 10.89 million units at a unit price of C$0.65. Each unit consists of one common share of MicroPlanet and one-half of one common share purchase warrant (exercise price - $0.90; maturity period – 2 years). The objective of the financing was to finance fulfillment of existing and new commercial orders, development of larger capacity regulators, and general working capital purposes. The company also used these funds to pay off the amount drawn from a line of credit (C$1.75 million).

Improved balance sheet

The following table shows the company's current cash and liquidity position. Note how the company's working capital and debt position improved significantly QoQ due to the recently completed financing.

Liquidity Analysis	2005	2006	2007	Q1-2008	Q2-2008
Working Capital	1,505,691	2,293,556	(344,338)	(1,442,586)	3,563,192
Current Ratio	3.54	10.89	0.63	0.38	3.87
Debt /Equity	1.8%	0.1%	0.0%	-91.9%	1.5%
Debt/Capital	1.8%	0.1%	0.0%	-1128.1%	1.5%

At the end of Q2, the company had $3.42 million in cash versus $0.05 million at the end of FY2007. Working capital and the current ratio improved to $3.56 million (versus negative $1.44 million at the end of Q1) and 3.9x (versus 0.4x at the end of Q1). The company is now in a sound cash position, and we believe cash will be sufficient to fund operations and working capital for the next 3 quarters. Our models indicate the company will have to pursue financings ($3 - $4 million) in FY2009 to fund operations. However, this estimate will change if the company receives another major order in the next 12 months, or if all the 'in-the-money' options and warrants are exercised (Note that the company can raise up to $2 - $2.3 million if all the 'in-the-money' options and warrants are exercised.)

Stock Options and Warrants

At the end of June 2008, the company had 2.76 million stock options outstanding (about 2.16 million are currently 'in the money'), with a weighted average exercise price of $0.41, and time to maturity of 4 years. We estimate the company currently has about 8.91 million warrants outstanding with a weighted average exercise price of $0.76 (2.80 million are currently 'in-the-money'; including 2.27 million with a term expiring at the end of 2008).

Valuation

Our revised valuation on the company is C$1.43 per share (down from C$1.66 per share). The valuation dropped primarily due to the share dilution as a result of the recently completed private placement. A summary of our valuation model is shown below.

DCF Valuation Model (in US$)	**2008E**	**2009E**	**2010E**	**2011E**	**2012E**
FFO	($4,989,004)	($4,385,492)	($2,768,595)	$3,309,192	$10,475,746
Investment in WC	($192,158)	($328,576)	($56,762)	($65,276)	($75,067)
CFO	($5,181,162)	($4,714,068)	($2,825,357)	$3,243,916	$10,400,679
CAPEX	($120,000)	($250,000)	($250,000)	($500,000)	($500,000)
FCF	($5,301,162)	($4,964,068)	($3,075,357)	$2,743,916	$9,900,679
PV	($5,000,996)	($4,167,677)	($2,297,855)	$1,824,605	$5,859,141

	2013E	**2014E**	**2015E**	**Terminal**
FFO	$23,746,603	$23,080,568	$29,823,402	$4,290,461
Investment in WC	($86,327)	($99,277)	($114,168)	($131,293)
CFO	$23,660,276	$22,981,291	$29,709,234	$4,159,168
CAPEX	($1,000,000)	($1,000,000)	($1,000,000)	($250,000)
FCF	$22,660,276	$21,981,291	$28,709,234	$3,909,168
PV	$11,934,522	$10,303,005	$11,975,763	$17,413,310
Discount Rate	12.4%			
Terminal Growth Rate	3%			
Total PV	$47,843,816			
Cash - Debt	$6,709,975			
Equity Value (US$)	$54,553,791			
Equity Value (C$)	**$60,009,170**			
Shares O/S (dil)*	41,914,793			
Value per share	**$1.43**			

Diluted shares were calculated based on the trreasury stock method.

Rating

Based on our revised valuation model and review of Q2 results, we reiterate our BUY rating and lower our fair value estimate from C$1.65 per share to C$1.45 per share. Upside catalysts will arise when the company reports notable revenues in Q3, and if the company converts any of its ongoing pilot programs to a significant commercial order.

Risks

The following risks, though not exhaustive, will cause our estimates to differ from actual results:

- The company's growth will depend heavily on its ability to get orders for its regulators.
- Like other technology companies, MicroPlanet will always have to focus on its R&D to cope with changes in technology.
- We estimate the company will have to pursue financings ($3 - $4 million) in FY2009 to fund operations. However, this estimate will change if the company receives another major order in the next 12 months, or if all the 'in-the-money' options and warrants are exercised.

We rate the shares Risk 4 (Speculative).

Appendix

STATEMENTS OF OPERATIONS (in US$)	**2005**	**2006**	**2007**	**2008E**	**2009E**
Sales	863,719	332,462	22,770	1,249,000	3,665,000
COGS	962,660	422,487	14,438	1,373,900	2,748,750
Gross Profit	**(98,941)**	**(90,025)**	**8,332**	**(124,900)**	**916,250**
Expenses					
Marketing and market development	751,446	568,149	786,975	1,164,542	1,280,997
Research&Development	591,961	547,225	819,601	1,638,009	1,801,809
General & Administration	854,232	1,251,351	1,118,052	2,068,396	2,275,236
Stock-based compensation	391,506	590,552	370,864	289,681	318,649
EBITDA	**(2,688,086)**	**(3,047,302)**	**(3,087,160)**	**(5,285,528)**	**(4,760,441)**
Amortization and Accretion	22,654	53,077	69,460	281,836	54,400
EBIT	**(2,710,740)**	**(3,100,379)**	**(3,156,620)**	**(5,567,364)**	**(4,814,841)**
Interest Income	43,437	89,470	40,721	6,843	56,300
Loss on write down of Investments			(171,770)		
EBT	**(2,667,303)**	**(3,010,909)**	**(3,287,669)**	**(5,560,521)**	**(4,758,542)**
Taxes/(Income Tax Recovery)	-	-	-	-	-
Net Earnings for the period	**(2,667,303)**	**(3,010,909)**	**(3,287,669)**	**(5,560,521)**	**(4,758,542)**
Basic and diluted loss per share	(0.16)	(0.11)	(0.11)	(0.14)	(0.12)

BALANCE SHEETS (in US$)	**2005**	**2006**	**2007**	**2008E**	**2009E**
Assets					
Cash and cash equivalents	1,790,202	2,110,200	47,985	1,465,344	83,028
Accounts receivable	52,146	26,370	3,544	236,061	692,685
Prepaid expenses and deposits	33,352	53,081	158,940	62,450	183,250
Inventory	222,867	335,860	384,281	211,581	423,308
Current Assets	**2,098,567**	**2,525,511**	**594,750**	**1,975,435**	**1,382,271**
Equipment	107,454	106,480	136,298	181,334	376,934
Investment	-	171,770	-	-	-
Restricted cash	20,000	-	-	-	
Total Assets	**2,226,021**	**2,803,761**	**731,048**	**2,156,769**	**1,759,205**
Liabilities & Shareholders' Equity					
Accounts Payables & Accrued Liabilities	464,289	228,812	689,088	460,257	920,831
Deferred compensation	102,000	-	-	-	-
Current Liabilities	**592,876**	**231,955**	**939,088**	**728,504**	**1,189,078**
Equipment loan	14,243	-	-	38,284	20,037
Convertible promissory notes	-	-	-	-	-
Shareholder's Equity					
Share Capital	8,660,279	12,955,920	13,204,151	19,866,141	23,466,141
Contributed surplus	2,742,854	2,411,026	2,670,618	2,960,299	3,278,948
Equity element of convertible promissory notes	-	-	-	206,872	206,872
Deficit	(9,784,231)	(12,795,140)	(16,082,809)	(21,643,330)	(26,401,872)
Shareholder's Equity	**1,618,902**	**2,571,806**	**(208,040)**	**1,389,982**	**550,089**
Total Liabilities & Shareholders' Equity	**2,226,021**	**2,803,761**	**731,048**	**2,156,769**	**1,759,205**

STATEMENTS OF CASH FLOWS (in US$)	**2005**	**2006**	**2007**	**2008E**	**2009E**
Operating Activities					
Net earnings for the period	(2,667,303)	(3,010,909)	(3,287,669)	(5,560,521)	(4,758,542)
Items not involving cash					
Depreciation	22,654	53,078	69,460	74,964	54,400
Interest expense related to accretion on convertible n	9,808	-	-	206,872	
Stock based compensation	391,506	590,552	370,864	289,681	318,649
Loss on disposal of equipment or investment write-d	-	6,917	171,770	-	
Deferred revenue	(605,000)	-	-	-	
	(2,848,335)	**(2,360,362)**	**(2,675,575)**	**(4,989,004)**	**(4,385,492)**
Changes in non-cash operating working capital	**33,944**	**(362,246)**	**578,822**	**(192,158)**	**(328,576)**
Cash from from (used in) operations	**(2,814,391)**	**(2,722,608)**	**(2,096,753)**	**(5,181,162)**	**(4,714,068)**
Investing activities					
Cash balance of the company at acquisition	1,243,658	-	-	-	
Acquisition costs	(642,053)	-	-	-	
Restricted cash	-	20,000	-	-	
Equipment, net	(81,255)	(74,338)	(99,278)	(120,000)	(250,000)
	520,350	**(54,338)**	**(99,278)**	**(120,000)**	**(250,000)**
Financing activities					
Notes and Loans	(35,448)	(26,547)	(3,143)	56,531	(18,247)
Exercise of options	71,139	178,348	136,959	79,650	
Proceeds from equity financing	3,711,578	2,945,143	-	6,582,340	3,600,000
	3,747,269	**3,096,944**	**133,816**	**6,718,521**	**3,581,753**
Increase (decrease) in cash	1,453,228	319,998	(2,062,215)	1,417,359	(1,382,315)
Cash beginning of period	336,974	1,790,202	2,110,200	47,985	1,465,344
Cash end of period	**1,790,202**	**2,110,200**	**47,985**	**1,465,344**	**83,028**

Buy – Annual expected rate of return exceeds 12% or the expected return is commensurate with risk
Hold – Annual expected rate of return is between 5% and 12%
Sell – Annual expected rate of return is below 5% or the expected return is not commensurate with risk
Suspended or Rating N/A— Coverage and ratings suspended until more information can be obtained from the company regarding recent events.

Fundamental Research Corp. Risk Rating Scale:
1 (Low Risk) - The company operates in an industry where it has a strong position (for example a monopoly, high market share etc.) or operates in a regulated industry. The future outlook is stable or positive for the industry. The company generates positive free cash flow and has a history of profitability. The capital structure is conservative with little or no debt.

2 (Below Average Risk) - The company operates in an industry where the fundamentals and outlook are positive. The industry and company are relatively less sensitive to systematic risk than companies with a Risk Rating of 3. The company has a history of profitability and has demonstrated its ability to generate positive free cash flows (though current free cash flow may be negative due to capital investment). The company's capital structure is conservative with little to modest use of debt.

3 (Average Risk) - The company operates in an industry that has average sensitivity to systematic risk. The industry may be cyclical. Profits and cash flow are sensitive to economic factors although the company has demonstrated its ability to generate positive earnings and cash flow. Debt use is in line with industry averages, and coverage ratios are sufficient.

4 (Speculative) - The company has little or no history of generating earnings or cash flow. Debt use is higher. These companies may be in start-up mode or in a turnaround situation. These companies should be considered speculative.

5 (Highly Speculative) - The company has no history of generating earnings or cash flow. They may operate in a new industry with new, and unproven products. Products may be at the development stage, testing, or seeking regulatory approval. These companies may run into liquidity issues, and may rely on external funding. These stocks are considered highly speculative.

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