

**Financial Statements as of May 31, 2005 prepared for:**  
**Adagio Corporation, Inc.**

**Adagio Corporation, Inc.**  
100 North Charles Street  
Baltimore, MD  
21201

Financial Statements prepared on  
Friday, the 18 day of February in the  
year of 2005

## Consolidated Departments

For the Period from April 1, 2002 to March 31, 2003

Unaudited

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### Review Engagement

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To: Michael Mulrooney

I have reviewed the balance sheet of Adagio Corporation, Inc. as at May 31, 2005 and the statements of income, retained earnings, and cash flows for the 5 months, then ended. My review was made in accordance with Canadian generally accepted standards for review engagements and, accordingly, consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the company. A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements. Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Vancouver, BC  
February 18, 2005

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Andrew Bates

**Adagio Corporation, Inc.**  
**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
(Unaudited)  
**ASSETS**

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note: 2)	162,770	22,430
Accounts receivable	0	0
Inventory	0	0
Work-in-progress	0	0
GST receivable	0	0
Income taxes receivable	0	0
Prepaid expenses	0	0
	162,770	22,430
PATENT COSTS (Note: 3)	0	0
CAPITAL ASSETS (Note: 4)	0	0
	162,770	22,430

**LIABILITIES**

<b>CURRENT LIABILITIES</b>		
Cash and cash equivalents deficit (Note: 2)	0	0
Accounts payable	0	0
Deferred revenue	0	0
Current portion of long term debt	0	0
	0	0
DUE TO RELATED PARTIES (Note: 5)	0	0
LONG TERM DEBT (Note: 6)	0	0
	0	0
<b>CAPITAL DEFICIENCY</b>		
SHARE CAPITAL (Note: 7)	0	0
DEFICIT	0	0
	0	0
	780,900	1,162,667

Approved on behalf of the Board:

\_\_\_\_\_ Director.

\_\_\_\_\_ Director.

**Adagio Corporation, Inc.**  
**STATEMENT OF LOSS AND DEFICIT**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
(Unaudited)

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
REVENUE		
Sales	0	0
Service	0	0
Other	0	0
	<hr/>	<hr/>
	0	0
COST OF SALES (schedule)	0	0
GROSS MARGIN	<hr/>	<hr/>
	0	0
EXPENSES		
Rent	0	0
Consulting	0	0
Rework and warranty costs	0	0
Insurance	0	0
Office and miscellaneous	0	0
Professional fees	0	0
Utilities	0	0
Telephone	0	0
Bad debts	0	0
Property taxes	0	0
Interest and bank charges	0	0
Business development	0	0
Interest on long-term debt	0	0
Automotive	0	0
Amortization	0	0
	<hr/>	<hr/>
	0	0
LOSS FROM OPERATIONS	0	0
OTHER		
Gain (loss) on sale of capital assets	0	0
Gain on sale of investments	0	0
	<hr/>	<hr/>
	0	0
LOSS BEFORE INCOME TAXES	0	0
INCOME TAXES (RECOVERY)	0	0
	<hr/>	<hr/>
LOSS	0	0
DEFICIT, beginning of year	0	0
	<hr/>	<hr/>
DEFICIT, end of year	0	0
	<hr/> <hr/>	<hr/> <hr/>

**Adagio Corporation, Inc.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
(Unaudited)

	<b>2005</b>	<b>2004</b>
	<b>\$</b>	<b>\$</b>
<b>OPERATIONS</b>		
Loss	246,527	104,991
Items not affecting cash:		
Amortization	0	0
Loss (gain) on sale of capital assets	0	0
Gain on sale of investments	0	0
	246,527	104,991
Net changes in non-cash working capital		
Accounts receivable	0	0
Inventory	0	0
Work-in-progress	0	0
GST receivable	0	0
Prepaid expenses	0	0
Accounts payable	0	0
Income taxes receivable	0	0
Deferred revenue	0	0
Salaries payable	0	0
	246,527	104,991
<b>CASH PROVIDED (CONSUMED) BY OPERATIONS</b>	<b>246,527</b>	<b>104,991</b>
<b>FINANCING ACTIVITIES</b>		
Proceeds from long term debt	0	0
Repayments of long term debt	0	0
Advances to related parties	0	0
	0	0
<b>CASH PROVIDED (CONSUMED) THROUGH FINANCING</b>	<b>0</b>	<b>0</b>
<b>INVESTING ACTIVITIES</b>		
Purchases of capital assets	0	0
Proceeds on disposal of capital assets	0	0
Purchases of marketable securities	0	0
Proceeds on disposal of marketable securities	0	0
Patent costs	0	0
	0	0
<b>CASH PROVIDED (CONSUMED) THROUGH INVESTING</b>	<b>0</b>	<b>0</b>
<b>DECREASE IN CASH</b>	<b>246,527</b>	<b>104,991</b>
CASH, beginning of year	0	0
<b>CASH AND CASH EQUIVALENTS (DEFICIT), end of year (Note: 2)</b>	<b>0</b>	<b>0</b>

**Adagio Corporation, Inc.**  
**SCHEDULE OF COST OF SALES**  
**FOR THE YEAR ENDED DECEMBER 31, 2005**  
(Unaudited)

	<b>2005</b>	<b>Sales</b>	<b>2004</b>	<b>Sales</b>
	<b>\$</b>	<b>%</b>	<b>\$</b>	<b>%</b>
<b>Cost of Sales</b>				
Summary Cost of Sales	260,153	51%	11,779	10%
<b>Total Cost of Sales</b>	<b>260,153</b>	<b>51%</b>	<b>11,779</b>	<b>10%</b>
<b>Total Sales</b>	<b>506,680</b>		<b>116,770</b>	