



Aeroquest International Limited

Unaudited Interim Consolidated Financial Statements

For the 3 months ended July 31, 2007 and July 31, 2006

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, the Company discloses that its auditors have not reviewed these unaudited financial statements for the period ended July 31, 2007.

Aeroquest International Limited

Consolidated Balance Sheets
Unaudited – Prepared by Management



As at	July 31, 2007 (Unaudited)	April 30, 2007 (Audited)
Assets		
Current		
Cash and cash equivalents	\$ 5,974,141	\$ 4,706,035
Accounts receivable	8,507,818	3,758,228
Prepaid expenses and deposits	618,523	606,144
Unbilled contracts in progress	1,508,509	23,029
Total current assets	16,608,991	9,093,436
Long term		
Long term investments (Note 1)	16,001	16,001
Capital assets (Note 2)	7,416,377	3,649,769
Intangible assets (Note 3)	20,966,358	-
Goodwill (Note 4)	11,181,601	-
Future income taxes	157,930	1,567
Total long term assets	39,738,267	3,667,337
Total Assets	\$ 56,347,258	\$ 12,760,773
Liabilities and Shareholders' Equity		
Current		
Accounts payable and accrued liabilities	\$ 4,366,773	\$ 2,134,442
Income taxes payable	3,041,609	994,943
Deferred revenue	5,568,668	1,761,281
Promissory notes (Note 5)	838,750	-
Capital lease obligations (Note 6)	299,799	-
Total current liabilities	14,115,599	4,890,666
Long term		
Promissory notes	2,516,250	-
Capital lease obligations	799,817	-
Total long term liabilities	3,316,067	-
Future income taxes	7,811,514	-
Shareholders' equity		
Share capital (Note 8b)	28,288,064	5,992,289
Contributed surplus (Note 8f)	1,101,079	1,102,228
Other comprehensive income	1,803	-
Retained earnings	1,713,132	775,590
Total shareholders' equity	31,104,078	7,870,107
Total Liabilities and Shareholders' Equity	\$ 56,347,258	\$ 12,760,773

The accompanying summary of significant accounting policies and notes are an integral part of these interim financial statements.

Aeroquest International Limited

Consolidated Statements of Operations and Retained Earnings Unaudited – Prepared by Management



For the 3 months ended	July 31, 2007 (Unaudited)	July 31, 2006 (Unaudited)
Sales	\$ 9,355,350	\$ 4,764,973
Cost of sales	5,496,132	2,800,397
Gross profit	3,859,218	1,964,576
Expenses and other items		
General and administrative	1,340,334	758,410
Research and development	172,426	164,485
Depreciation of capital assets	323,734	167,537
Amortization of intangible assets	358,088	31,253
Stock based compensation	6,875	123,500
Total operating expenses	2,201,457	1,245,185
Operating profit	1,657,761	719,391
Other costs (income) (Note 11)	(38,766)	(11,045)
Income before income taxes	1,696,527	730,436
Income taxes		
Current	758,985	166,614
Future	-	-
Net income for the period	\$ 937,542	\$ 563,822
Other comprehensive income:		
Foreign currency translation adjustments	1,803	-
Total comprehensive income	\$ 939,345	\$ 563,822
Retained earnings (deficit), beginning of period, as previously reported	\$ 530,561	\$ (1,136,790)
Cumulative effect of change in accounting policy (Note 9)	245,029	97,768
Retained earnings (deficit), beginning of period, as restated	775,590	(1,039,022)
Net income	937,542	563,822
Retained earnings (deficit), end of period	\$ 1,713,132	\$ (475,200)
Earnings per share (Note 10)		
Basic	\$0.04	\$0.04
Fully diluted	\$0.04	\$0.03

The accompanying summary of significant accounting policies and notes are an integral part of these interim financial statements.

Aeroquest International Limited

Consolidated Statements of Cash Flow Unaudited – Prepared by Management



For the 3 months ended	July 31, 2007 (unaudited)	July 31, 2006 (unaudited)
Cash provided by (used in)		
Operating activities		
Net income	\$ 937,542	\$563,822
Operating items not requiring cash		
Depreciation of capital assets	323,734	167,537
Amortization of intangible assets	358,088	31,253
Future income taxes	217	-
Stock based compensation	6,875	123,500
Operating cash flow before changes in non-cash working capital	1,626,456	886,112
Accounts receivable	(1,652,069)	(302,303)
Prepaid expenses	(12,379)	26,022
Unbilled contracts in progress	(124,241)	10,560
Accounts payable and accrued liabilities	(1,721,873)	199,928
Income taxes	718,793	166,613
Deferred revenue	3,807,387	16,237
Total cash flow from operating activities	2,642,074	1,003,169
Investing activities		
Capital asset purchases	(980,238)	(465,317)
Acquisition, net of cash acquired (Note 4)	(26,012,657)	-
Total cash flow from investing activities	(26,992,895)	(465,317)
Financing activities		
Capital lease obligations	(23,823)	-
Promissory notes	3,355,000	-
Proceeds from issuance of common shares	22,287,750	-
Total cash flow from financing activities	25,618,927	-
Net change in cash / cash equivalents for the period	\$ 1,268,106	\$ 537,852
Cash and cash equivalents, beginning of period	4,706,035	2,510,679
Cash and cash equivalents, end of period	\$ 5,974,141	\$ 3,048,531

The accompanying summary of significant accounting policies and notes are an integral part of these interim financial statements.



Significant Accounting Policies

The interim financial statements and notes should be read in conjunction with the most recent annual financial statements. The interim financial statements follow the same accounting policies and methods as the most recent annual financial statements with the exception of a change in its revenue recognition policy effective May 1, 2007. This change has been made to more accurately reflect the business activity in Aeroquest and match revenues with the costs incurred in the pursuit of such revenue.

All historical periods have been and will be restated to conform to this new revenue recognition policy. As a result, the prior period comparatives may not match the results made public in earlier reporting periods. Further information can be found in Note 9 – Cumulative effect of change in accounting policy.

Nature of Business

Aeroquest International Limited is incorporated under the Ontario Business Corporations Act. The Company is a public company trading on the TSX Venture Exchange under the trading symbol AQL-V.

The Company is engaged in the operation of providing airborne geophysical services to the mining, oil & gas, environmental and geologic engineering industries as well as government agencies worldwide.

The Company acquired 100% of the voting shares of Universal Tracking Systems Pty Ltd on July 3, 2007. Universal Tracking Systems Pty Ltd (UTS) is incorporated in Australia and has been in operation since 1992. Its head office is located at Perth Airport, Western Australia. UTS provides high resolution airborne magnetic, radiometric and gravimetric surveys using fixed-wing and rotary-wing aircraft for the exploration and environmental industries.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Aeroquest Limited, Aeroquest (UK) Limited and Universal Tracking Systems Pty Ltd (UTS). All significant inter company transactions and balances have been eliminated on consolidation.

Certain comparative figures have been reclassified to conform to the presentation adopted for the current period.

Use of Estimates

These financial statements have been prepared in accordance with generally accepted accounting principles in Canada. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates as additional information becomes available in the future. The financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies summarized below.

Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable.

MOBILIZATION CHARGES – Mobilization charges are recognized as revenue at the time the Company commences mobilization to a new job site. The related costs of mobilization are included in cost of sales.

SURVEY REVENUE – Survey revenue is recognized over the period of the contract at the rate of 95 per cent of the established per kilometer survey rate for every kilometer actually flown and accepted during the survey. The final five percent of survey revenue is recognized upon completion and shipment of the final report to the customer.

STANDBY CHARGES – Standby charges are recognized as revenue as standby days are incurred. The related costs of standby are included in cost of sales.

SALE OF EQUIPMENT - Revenue on sale of equipment is recognized when title transfers to the customer as defined in the sales agreement. The cost of the equipment sold is capitalized to work in process until revenue on the sale of the equipment is recorded and then recognized in cost of sales.

In all cases, revenue is recognized only when the amounts are fixed and determinable and when we can be reasonably assured of collection.

Financial Instruments

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

The Canadian dollar equivalents of amounts included in the balance sheet that are denominated in U.S. dollars are as follows:

Cash	\$ 1,260,000
Accounts receivable	2,720,000
Accounts payable	725,000
Deferred revenue	\$ 1,183,000

Foreign Currency Translation

The Company's functional currency is the Canadian dollar. Foreign currency accounts are translated into Canadian dollars as follows: At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars at the monthly average exchange rate. At the period end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period.

The accounts of self-sustaining foreign operations are translated at period end exchange rates, and revenues and expenses are translated at monthly average exchange rates. Differences arising from these foreign currency translations are recorded in shareholders' equity as a cumulative translation adjustment until they are realized by a reduction in the investment.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and short-term investments readily convertible to cash with original maturities of 90 days or less.

Long-term Investments

Long-term investments are carried at cost unless an impairment in value exists that is other than temporary, in which case the long-term investment is written down to fair market value.

Capital Assets

Capital assets are stated at cost less accumulated depreciation. Cost is net of related investment tax credits and government grants. Depreciation based on the estimated useful life of the asset is calculated as follows:

Airborne and geophysical equipment	30% diminishing balance
Automotive equipment	30% diminishing balance
Data processing equipment	30% diminishing balance
Office equipment	20% diminishing balance
Leasehold improvements	shorter of estimated economic life or lease term

Intangible Assets

Intangible assets are amortized over the useful life of the underlying asset. No amortization is recorded where the asset has an infinite life or is not determinable. Amortization is recorded on a straight line basis over the estimated useful life of the assets as follows:

Customer relationships	5 years
Technology	7 years
Sales backlog	1 year
Trade name	Not amortized

Goodwill

Goodwill is the resulting excess of purchase price over the fair value of the assets acquired. Goodwill is tested for impairment on an annual basis unless an event occurs that would render the fair value of a reporting unit below its carrying amount. Any impairment in goodwill is written off against earnings.

Long Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which carrying amounts of the assets exceed the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less cost to sell.

Research and Development

All research costs are charged to operations in the year of expenditure. Development costs are only capitalized if they meet the criteria for capitalization and are then amortized over the period of the expected life. Development costs are written off when there is no longer expectation of future benefits. Any investment tax credits received for these costs are allocated to other income and recognized when there is reasonable assurance that the credits will be realized.

Income Taxes

The Company follows the liability method of tax allocation in accounting for income taxes. Under this method, future income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and measured using the substantively enacted tax rates and laws expected to be in effect when the differences are realized.

Stock Based Compensation

The Company has adopted the recommendations of the CICA with respect to stock based compensation and other stock-based payments. These standards require that direct awards of stock, liabilities incurred or other compensation arrangements that are based on the price of common stock, be measured at fair value at each reporting date, with the change in fair value reported in the statement of operations.

The Company uses the fair value based method of accounting for all its stock based compensation including restricted stock units. Accordingly, the fair value method of accounting is applied for stock options and restricted stock units granted to directors, officers, employees and consultants whereby the fair value of options granted is recognized on a straight line basis over the vesting period. When the awards are exercised, share capital is credited by the sum of the consideration paid together with the related portion previously credited to contributed surplus.

Change in Accounting Policies

Effective May 1, 2007 Aeroquest adopted the new recommendations of the Canadian Institute of Chartered Accountants Handbook Section 1530, Comprehensive Income; Section 3251, Equity; Section 3855, Financial Instruments – Recognition and Measurement; and Section 3861, Financial Instruments – Disclosure and Presentation. These new Handbook sections, which are effective for fiscal years commencing on or after October 1, 2006, set out criteria for the recognition, measurement, disclosure and presentation of financial instruments. These new standards do not require policies followed in prior periods to be revised. Thus, the comparative figures have not been restated.

Section 3855 requires all financial assets and liabilities to be classified into one of the following five categories: held-for-trading; held-to-maturity; loans and receivables; available-for-sale financial assets; and other financial liabilities. All financial instruments, including derivatives, are measured on the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at cost. Subsequent measurement and recognition of the changes in fair value of financial instruments depends upon their initial classifications, as follows:

Held-for-trading financial assets: measured at fair value with subsequent changes in fair value recognized in current period net income;

Held-to-maturity assets, loans and receivables and other financial liabilities: initially measured at fair value and subsequently measured at amortized cost with changes recognized in current period net income;

Available-for-sale financial assets: measured at fair value with subsequent gains and losses included in other comprehensive income until the asset is removed from the balance sheets; and

Derivative financial instruments: classified as held-for-trading financial instruments and measured at fair value, with respect to gains and losses in the current period income.

Upon the adoption of these new standards, Aeroquest designated its cash as held-for-trading, its accounts receivable as loans and receivables, and its accounts payables and accruals, and long-term debt as other financial liabilities. Aeroquest had no held-to maturity or available-for-sale financial assets during the three months ended July 31, 2007.

Comprehensive income represents the changes in the value of the net assets from non-owner sources. Other comprehensive income refers to items that are recognized in the comprehensive income but excluded from net income calculated in accordance with generally accepted accounting principles until such time as it is considered appropriate to recognize them in net income. Aeroquest had \$1,803 in “other comprehensive income” transactions during the three months ended July 31, 2007 and no opening or balance of accumulated other comprehensive income.



Notes To Consolidated Financial Statements

1. Long Term Investments

The Company owns shares in a number of Canadian public companies. The book value of these investments is \$16,001. The market value of these investments at July 31, 2007 was \$85,000, (\$91,000 at April 30, 2007).

2. Capital Assets

	Cost	July 31, 2007 Accumulated Depreciation	Net Book Value	April 30, 2007 Net Book Value
Airborne and geophysical equipment	\$ 8,350,421	\$ 2,420,725	\$5,929,696	\$ 2,562,147
Automotive equipment	587,751	258,859	328,892	162,949
Data processing equipment	418,829	208,007	210,822	189,483
Leasehold improvements	104,691	14,023	90,668	88,586
Office equipment	329,882	79,830	250,052	180,208
Equipment in process	606,247		606,247	466,396
	\$ 10,397,821	\$ 2,981,444	\$ 7,416,377	\$3,649,769

Equipment in process relates to airborne equipment that was not ready for use at period end.

3. Intangible Assets

Certain intangible assets were acquired as part of the acquisition of UTS (See Note 4). These intangible assets have been identified and valued at their fair values as of the date of the acquisition.

Intangible Asset	Amortization Period in Years	July 31, 2007		
		Cost	Amortization	Net Book Value
Customer relationships	5	\$ 12,717,446	\$ 211,957	\$12,505,489
Technology	7	5,926,000	70,548	5,855,452
Sales backlog	1	907,000	75,583	831,417
Trade name	0	1,774,000		1,774,000
		\$ 21,324,446	\$ 358,088	\$ 20,966,358

4. Business Acquisitions

On July 3, 2007, the Company acquired 100% of the outstanding share capital of Universal Tracking Systems Pty Ltd. for a total consideration of CAD\$26,012,657, which includes direct costs related to the acquisition of \$986,861. The total consideration paid is made up of the following:

Cash	\$ 7,050,796
Shares of Aeroquest International (6,800,000 shares @ \$2.15)	14,620,000
Promissory Note	3,355,000
Acquisition costs	986,861
Total Purchase Price	\$ 26,012,657

The acquisition has been accounted for under the purchase method of accounting and the results of operations have been included in the consolidated statements of earnings, effective from the acquisition date.

The process of valuing certain assets acquired is not finalized and, as such, the fair value allocations of the purchase price are subject to refinement. On a preliminary basis, details of the consideration given and the fair value of net assets acquired, in Canadian dollars, are as follows:

Net Assets Acquired at Fair Values:

Accounts receivable	\$ 3,097,521
Unbilled contracts in progress	1,361,239
Fixed assets	3,110,103
Future taxes	(7,651,799)
Accounts payable and accruals	(3,972,024)
Capital lease obligations	(1,110,557)
Income taxes payable	(1,327,873)
Intangible assets	21,324,446
Goodwill	11,181,601
Total net assets acquired, net of	\$ 26,012,657
Cash of	\$ 2,140,180

5. Promissory Notes

As part of the acquisition of UTS, the Company entered into unsecured subordinated promissory note agreements with the sellers UTS for a total value of \$3,355,000. The promissory notes are non-interest bearing for the first year and then bear interest at an annual rate of 10% calculated on a simple basis, payable semi-annually in arrears on June 30 and December 31 of each year. The promissory notes mature on June 30, 2011 and call for principal payments of \$838,750 on June 30 2008 and each year thereafter until June 30, 2011.

6. Capital Lease Obligation

Finance leases are established for the purchase of plant and equipment with terms ranging from 1 to 5 years. The lease obligations are capitalized at the lease inception at the lower of fair value of the leased property and the present value of the minimum lease payments. The weighted average interest rate implicit in the leases is 7.63%.

The minimum annual lease payments for the next five years are as follows.

2008	\$ 371,745
2009	371,745
2010	343,365
2011	151,571
2012	11,595
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	\$ 1,250,021

7. Operating Lease Commitments

The Company has several operating leases for premises. The lease payments range from \$1,800 per month to \$16,000 per month. Leases expire in May 2008, June 2009, October 2009 and January 2012.

The minimum annual lease payments for the next five years are as follows:

2008	\$ 410,108
2009	386,459
2010	287,589
2011	285,130
2012	150,224
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	\$ 1,519,510

8. Share Capital

a. Authorized

Unlimited number of voting common shares.

b. Issued and Outstanding

	July 31, 2007		April 30, 2007	
Share capital, opening	15,857,773	\$ 5,992,289	15,840,273	\$ 5,836,176
Shares issued on exercise of stock options	32,500	25,775	255,000	243,925
Issuance of common shares	11,300,000	21,505,000	-	-
Share purchase warrants	-	765,000	-	-
Shares redeemed	-	-	(237,500)	(87,812)
Share capital, closing	27,190,273	\$ 28,288,064	15,857,773	\$5,992,289

In the quarter, the Company issued a total of 11,300,000 common shares for a total value of \$21,505,000. Of the issued common shares, 6,800,000 shares were issued at an ascribed value of \$2.15 to the sellers of UTS and 4,500,000 were issued as part of a subscription receipt unit offering of one common share plus one half a common share purchase warrant priced at \$1.70, including the value ascribed to the warrants.

The Company did not redeem any of its shares in the quarter ending July 31, 2007. For the year ending April 30, 2007, the Company redeemed shares at a total cost of \$330,402. This amount is allocated as follows: \$87,812 to share capital, \$16,924 to contributed surplus and the resulting excess of \$225,666 to retained earnings.

c. Share purchase warrants

Warrants issued during the period ended July 31, 2007 were issued in connection with a private placement of subscription receipt units and are exercisable at the holder's option. The warrants will expire on July 3, 2009. Warrants were issued at two different strike prices. Warrants at an exercise price of \$2.45 have an acceleration clause that entitles the Company to force exercise of the warrants if the stock price on the TSX Venture Exchange equals or exceeds \$3.50 for a period of 20 consecutive trading days beginning November 3, 2007. There are no conditions whereby the Company would have to settle the warrants in cash.

Number of warrants	Fair value	Exercise Price	Expiry Date
2,250,000	\$0.22	2.45	July 3, 2009
450,000	\$0.60	1.95	July 3, 2009

The fair value of each warrant granted has been estimated as of the date of the grant using a Black-Scholes model with the following assumptions: Risk free rate of interest 4%- dividend yield 0%-volatility 70%- term 2 years. The combined fair value of warrants issued is \$765,000.

d. Stock Options

The Company has a Stock Option plan under which the directors of the Company may grant options to acquire shares of the Company to qualified directors, officers, employees and persons providing ongoing services to the Company. The strike price of these options will not be less than the market price of the common shares at the time of the grant. The options generally vest upon grant and have a term of five years.

The following table reflects the continuity of options granted under the stock option plan for the periods ending July 31, 2007 and April 30, 2007.

	Number of Options	Avg. Exercise Price
Outstanding April 30, 2006	997,500	1.10
Options granted	740,000	0.62
Options expired or cancelled	(355,000)	1.96
Options exercised	(255,000)	0.55
Total outstanding and exercisable April 30, 2007	1,127,500	0.64
Options granted	-	-
Options exercised	(32,500)	0.55
Options expired	-	-
Total outstanding and exercisable July 31, 2007	1,095,000	\$ 0.64

The fair value of stock options granted during 2007 was estimated using a Black-Scholes option pricing model on the date of the grant with the following weighted average assumptions:

Stock option price at grant date	\$0.60-\$0.72
Exercise price	\$0.75
Expected life of options	3 years
Expected stock price volatility	70%
Expected dividend yield	-
Risk free interest rate	4%

e. Restricted Stock Unit Plan

The Company has a Restricted Stock Unit (RSU) plan under which the directors of the Company may grant RSU units of the Company to qualified directors, officers, employees and persons providing ongoing services to the Company. The strike price of these units will not be less than the market price of the common shares at the time of the grant. The units vest over a three year period with one third vesting in each of the three years on the anniversary date of the grant.

The following table reflects the continuity of restricted stock units granted under the RSU plan for the period ended July 31, 2007:

	Number of Units	Average Exercise Price
Outstanding, April 30, 2007	120,000	\$ 0.75
Granted	-	-
Expired	-	-
Outstanding, July 31, 2007	120,000	\$0.75

f. Contributed Surplus

	July 31, 2007	April 30, 2007
Contributed surplus, beginning of period	\$ 1,102,228	\$ 986,771
Stock option expense	-	221,410
Restricted stock unit expense	6,875	14,896
Redemption of shares	-	(16,924)
Exercise of stock options	(8,024)	(103,925)
Contributed surplus, end of period	\$ 1,101,079	\$ 1,102,228

9. Cumulative Effect of Change in Accounting Policy

The prior period adjustments come as a result of a change in the Company's revenue recognition policy from a contract completion basis to percentage of completion basis. This change in accounting policy applied retroactively has a total impact on net income of \$328,900 of which \$245,029 relates to prior periods. The following table outlines the impact for the current quarter and prior periods.

	July 31, 2007	April 30, 2007 and Prior	Total
Change in revenue	\$ (36,353)	\$ 532,623	\$ 496,270
Change in cost of sales	(120,224)	287,594	167,370
Total net impact to earnings	\$ 83,871	\$ 245,029	\$ 328,900

10. Earnings per Share

Basic earnings per share has been calculated by dividing net income by the weighted average number of shares outstanding during the period. Fully diluted earnings per share is similar to basic earnings per share, except the denominator is increased to include the number of additional common shares that would have been outstanding if dilutive potential common shares had been issued.

	July 31, 2007	April 30, 2007
Numerator		
Net income (loss) for the year	\$ 937,542	\$ 563,822
Denominator		
Average common shares outstanding	21,537,773	15,840,273
Fully diluted common shares outstanding	23,532,773	17,487,773
Basic earnings per share	\$ 0.04	\$ 0.04
Fully diluted earnings per share	\$ 0.04	\$ 0.03

11. Other Costs (Income)

Other income relates entirely to interest income earned on cash balances during the period.

12. Segmented Information

For the periods ended July 31, 2007 and April 30, 2007, no one customer individually represented more than 10% of revenue.

Geographic segments

The Company has operations in Canada and Australia and conducts surveys around the world. Its operations in all markets have similar products, services and customer types as well as similar economic characteristics. Revenues from external customers are generated around the world and are attributed to one of three geographic segments. The following table outlines revenue by geographic segment for the three months ended July 31, 2007 and the twelve months ended April 30, 2007:

	July 31, 2007	April 30, 2007
Revenue		
Canada	\$ 6,329,000	\$ 15,037,984
Australia	1,064,000	0
Rest of World	1,962,000	4,837,903
	\$ 9,355,000	\$ 19,875,887

13. Related Party Transactions

During the period, the Company paid \$83,312 (\$90,000 in July 2006) to companies owned by certain directors for management consulting services. These transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties), which approximates the arm's length equivalent value for services performed.

14. Credit Facilities

The Company has several operating facilities. In Canada, an operating facility is in place for Aeroquest Limited totalling \$2,000,000 (2006 - \$250,000), bearing interest at prime plus 0.75%, and secured by accounts receivable and a general security agreement. At July 31, 2007 and April 30, 2007 no amounts have been drawn on this facility. In Australia, an operating facility is in place for UTS of A\$400,000 and, at July 31, 2007, no amounts have been drawn on this facility.