

LAMPERD LESS LETHAL INC  
Form 10QSB  
May 23, 2005

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 10-QSB**

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2005

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 000-50011

**LAMPERD LESS LETHAL INC.**

(Exact name of small business issuer as specified in its charter)

**Nevada**

(State or other jurisdiction of incorporation or organization)

**98-0358040**

(IRS Employer Identification No.)

**1200 Michener Road, Sarnia, Ontario, Canada N7S 4B1**

(Address of principal executive offices)

**(519) 344-4445**

(Issuer's telephone number)

**SINEWIRE NETWORKS INC.**

**#1208-1030 West Georgia Street, Vancouver, British Columbia, Canada, V6E 2Y3**

(Former name, former address and former fiscal year, if changed since last report)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

**APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY**

**PROCEEDINGS DURING THE PRECEDING FIVE YEARS**

Check whether the issuer has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes  No

**APPLICABLE ONLY TO CORPORATE REGISTRANTS**

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: 50,500,000 common shares issued and outstanding as of May 15, 2005

Transitional Small Business Disclosure Format (Check one): Yes  No

---

**PART I - FINANCIAL INFORMATION****Item 1. Financial Statements.****LAMPERED LESS LETHAL, INC.****(Formally Sinewire Networks, Inc.)****(A DEVELOPMENT STAGE COMPANY)****BALANCE SHEET****March 31, 2005****ASSETS**

## Current assets

Cash	\$	107
------	----	-----

**LIABILITIES AND STOCKHOLDERS DEFICIT**

## Current liabilities:

Accounts payable and accrued expenses	\$	18,250
---------------------------------------	----	--------

Accrued interest	2,076
------------------	-------

Note payable - shareholder	28,809
----------------------------	--------

Total current liabilities	49,135
---------------------------	--------

## Commitments

**STOCKHOLDERS DEFICIT:**

Common stock, \$.001 par value, 1,000,000,000 shares

authorized, 222,580,000 shares issued and outstanding	222,580
---	---------

Additional paid in capital	(161,130)
----------------------------	-----------

Deficit accumulated during the development stage	(110,478)
--	-----------

Total stockholders deficit	(49,028)
----------------------------	----------

<b>TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT</b>	<b>\$</b>	<b>107</b>
---	-----------	------------

See accompanying notes to financial statements

---

**LAMPERED LESS LETHAL, INC.****(Formally Sinewire Networks, Inc.)****(A DEVELOPMENT STAGE COMPANY)****STATEMENTS OF OPERATIONS****Three Months Ended March 31, 2005 and 2004****and Period from October 4, 2001 (Inception) through March 31, 2005**

	Three Months Ended		Inception through
	March 31, 2005	2004	March 31, 2005
General and administrative	\$ 15,304	\$ 782	\$ 107,978
Interest expense	2,138	-	2,500
Net loss	\$ (17,442)	\$ (782)	\$ (110,478)
Net loss per share:			
Basic and diluted	\$ (0.00)	\$ (0.00)	
Weighted average shares			
outstanding:			
Basic and diluted	222,580,000	222,580,000	

See accompanying notes to financial statements



**LAMPERED LESS LETHAL, INC.****(Formally Sinewire Networks, Inc.)****(A DEVELOPMENT STAGE COMPANY)****STATEMENTS OF CASH FLOWS****Three Months Ended March 31, 2005 and 2004****and Period from October 4, 2001 (Inception) through March 31, 2005**

	Three Months Ended		Inception through
	March 31, 2005	2004	March 31, 2005
<b>CASH FLOWS FROM OPERATING</b>			
<b>ACTIVITIES</b>			
Net loss	\$ (17,442)	\$ (782)	\$ (110,478)
Net change in:			
Accounts payable and accrued			
expenses	12,549	(5,999)	20,326
<b>CASH FLOWS USED IN OPERATING</b>			
<b>ACTIVITIES</b>	(4,893)	(6,781)	(90,152)
<b>CASH FLOWS FROM FINANCING</b>			
<b>ACTIVITIES</b>			
Proceed from the sale of common			
stock	-	-	61,450
Proceeds from note payable			
shareholder	5,000	6,909	28,809
<b>CASH FLOWS FROM FINANCING</b>			
<b>ACTIVITIES</b>	5,000	6,909	90,259
<b>NET INCREASE (DECREASE) IN CASH</b>			
Cash, beg. of period	107	128	107
Cash, end of period	-	5	-
	\$ 107	\$ 133	\$ 107

See accompanying notes to financial statements

---



**LAMPERD LESS LETHAL, INC.**

**(Formally Sinewire Networks, Inc.)**

**(A DEVELOPMENT STAGE COMPANY)**

**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1 - BASIS OF PRESENTATION**

The accompanying unaudited interim financial statements of Sinewire Networks, Inc. have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission ("SEC"), and should be read in conjunction with the audited financial statements and notes thereto contained in the Company's registration statement filed with the SEC on Form 10-KSB. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the financial statements which would substantially duplicate the disclosure contained in the audited financial statements for the most recent fiscal year December 31, 2004 as reported in Form 10-KSB, have been omitted.

**NOTE 2 NOTE PAYABLE - SHAREHOLDER**

Sinewire has unsecured promissory notes of \$28,809 with two shareholders. The notes bear interest at 8%. The promissory notes and interest are payable upon demand.

**NOTE 3 COMMON STOCK**

On February 15, 2005 Sinewire approved a 5 for 1 forward stock split. The financial statements and footnotes have both been adjusted to show this split. All share and per share amounts have been restated to reflect the retroactive effect of the stock split.

**NOTE 4 MATERIAL CHANGES**

On March 21, 2005, we changed our name from "Sinewire Networks Inc." to "Lamperd Less Lethal Inc". The name change was recorded by the Secretary of State of the State of Nevada on March 21, 2005, and took effect with the NASD Inc. s Over-the-Counter Bulletin Board at the opening for trading on March 31, 2005 under our new stock symbol "LLLI". Our company's new CUSIP number is 513665 10 9.

NOTE 5 SUBSEQUENT EVENTS

On March 24, 2005, the Company entered into a Share Exchange Agreement among the Company, under its former name Sinewire Networks Inc., 1476246 Ontario Limited, an Ontario corporation doing business as Lamperd Less Lethal ( Lamperd ), Patrick Ward, Hani Zabaneh and the shareholders of Lamperd as set out in the Share Exchange Agreement. The Share

---

Exchange Agreement contemplated the Company acquiring all of the issued and outstanding shares of Lamperd.

The closing of the transactions contemplated in the Share Exchange Agreement and the acquisition by the Company of all of the issued and outstanding common stock of Lamperd occurred on April 21, 2005, effective as of April 14, 2005. In accordance with the closing of the Share Exchange Agreement, and effective as of April 14, 2005, the Company acquired all of the 100,000,000 issued and outstanding common shares of Lamperd, in exchange for the issuance by the Company of 26,000,000 shares of our common stock to the shareholders of Lamperd on the basis of one share of our company for every 3.8461538 common shares of Lamperd. As a result of the share exchange transaction, Lamperd became a wholly-owned subsidiary of the Company as of April 14, 2005. For financial statement purposes, Lamperd, the acquired entity, is regarded as the accounting acquirer as of April 14, 2005.

The Company had 50,500,000 common shares issued and outstanding as of April 14, 2005 as a result of the issuance of 26,000,000 shares in connection with the closing of the Share Exchange Agreement, and the issuance of 1,500,000 shares issued to Higgs Investment Group Inc. pursuant to a private placement under a Subscription Agreement dated April 14, 2005, between the Company and Higgs Investment Group. The former shareholders of Lamperd own 26,000,000 shares of the Company's common stock, representing approximately 51.5% of the issued and outstanding shares of the Company.

As the former shareholders of Lamperd hold 51.5% of the Company's shares, and because the business of Lamperd represents the only business operations of the Company, the acquisition of Lamperd is deemed to be a reverse acquisition for accounting purposes. Lamperd, the acquired entity, is regarded as the accounting acquirer as of April 14, 2005. Starting with the periodic report for the quarter in which the acquisition was consummated, the Company will file quarterly and annual reports based on the December 31, 2004 fiscal year end of Lamperd. Such financial statements will depict the operating results of Lamperd, including the acquisition of the Company, from April 14, 2005.

---

**Item 2. Management's Discussion and Analysis or Plan of Operation.**

**FORWARD-LOOKING STATEMENTS**

This quarterly report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may", "should", "expects", "plans", "anticipates", "believes", "estimates", "predicts", "potential" or "continue" or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors", that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States Dollars (US\$) and are prepared in conformity with generally accepted accounting principles in the United States of America for interim financial statements. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report.

As used in this quarterly report, the terms "we", "us", "our company", and "Lamperd" mean Lamperd Less Lethal Inc., unless otherwise indicated. All dollar amounts refer to US dollars unless otherwise indicated.

THE FOLLOWING DISCUSSION AND ANALYSIS PROVIDES INFORMATION WHICH OUR MANAGEMENT BELIEVES IS RELEVANT TO AN ASSESSMENT AND UNDERSTANDING OF OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION. THIS DISCUSSION SHOULD BE READ TOGETHER WITH OUR FINANCIAL STATEMENTS AND THE NOTES TO FINANCIAL STATEMENTS WHICH ARE INCLUDED IN THIS REPORT, AND WITH OUR COMPANY'S FORM 10-KSB.

**ACQUISITION OF LAMPERD LESS LETHAL**

On March 24, 2005, we entered into a Share Exchange Agreement among our company, under our former name Sinewire Networks Inc., 1476246 Ontario Limited, an Ontario corporation doing business as Lamperd Less Lethal ( Lamperd ), Patrick Ward, Hani Zabaneh and the shareholders of Lamperd as set out in the Share Exchange Agreement. The Share Exchange Agreement contemplated our company acquiring all of the issued and outstanding shares of Lamperd.

The closing of the transactions contemplated in the Share Exchange Agreement and the acquisition by our company of all of the issued and outstanding common stock of Lamperd occurred on April 21, 2005, effective as of April 14, 2005. In accordance with the closing of the Share Exchange Agreement, and effective as of April 14, 2005, we acquired all of the 100,000,000 issued and outstanding common shares of Lamperd, in exchange for the issuance by our company of 26,000,000 shares of our common stock to the shareholders of Lamperd on the basis of one share of our company for every 3.8461538 common shares of Lamperd. As a result of the share exchange transaction, Lamperd became a wholly-owned subsidiary of our company as of April 14, 2005. For financial statement purposes, Lamperd, the acquired entity, is regarded as the accounting acquirer as of April 14, 2005.

Our company has 50,500,000 common shares issued and outstanding as of April 14, 2005 as a result of the issuance of 26,000,000 shares in connection with the closing of the Share Exchange Agreement, and the issuance of 1,500,000 shares issued to Higgs Investment Group Inc. pursuant to a private placement under a Subscription



Agreement dated April 14, 2005, between our company and Higgs Investment Group. The former shareholders of Lamperd own 26,000,000 shares of our company's common stock, representing approximately 51.5% of the issued and outstanding shares of our company.

As the former shareholders of Lamperd hold 51.5% of our shares, and because the business of Lamperd represents the only business operations of our company, the acquisition of Lamperd is deemed to be a reverse acquisition for accounting purposes. Lamperd, the acquired entity, is regarded as the accounting acquirer as of April 14, 2005. Starting with the periodic report for the quarter in which the acquisition was consummated, our company will file quarterly and annual reports based on the December 31, 2004 fiscal year end of Lamperd. Such financial statements will depict the operating results of Lamperd, including the acquisition of our company, from April 14, 2005.

The shares of our common stock issued to the shareholders of Lamperd pursuant to the Share Exchange Agreement and the shares issued under the Subscription Agreement will not be registered with the Securities Exchange Commission or the securities commission of any United States state, and were issued in reliance upon an exemption from registration in an offering of securities in an offshore transaction to persons who are not United States persons pursuant to Regulation S under the United States Securities Act of 1933, as amended.

## CORPORATE HISTORY

### *Lamperd Less Lethal Inc.*

We were incorporated under the laws of the State of Nevada under the name Sinewire Networks Inc. on October 4, 2001. On March 21, 2005, we changed our name to Lamperd Less Lethal Inc. The name change was recorded by the Secretary of State of the State of Nevada on March 21, 2005, and took effect with the NASD Inc.'s Over-the-Counter Bulletin Board at the opening for trading on March 31, 2005 under our new stock symbol LLLI.

Following our incorporation, we focussed our business efforts on establishing our company as a start-up wireless communications service provider. We planned to implement our business strategy by supplying wireless high-speed internet services, and other complementary internet and telecommunications services. Our company intended to provide a telecommunications delivery service to businesses, Internet service providers and telecommunication companies in underserved markets in North America. Our networks were intended to act as conduits for the transmission of high speed wireless and complementary Internet and telecommunications services.

We were not successful in implementing our business plan. As management of our company investigated opportunities and challenges in the business of becoming a wireless communications service provider, management realized that the business did not present the best opportunity for our company to realize value for our shareholders. Accordingly, we abandoned our previous business plan and focussed on the identification of suitable businesses with which to enter into a business opportunity or business combination.

### *1476246 Ontario Limited doing business as Lamperd Less Lethal*

Lamperd was incorporated pursuant to the laws of the Province of Ontario on November 22, 2001.

Lamperd is a developer and manufacturer of civil defence products that are designed as a less lethal alternative to conventional weapons. The products include weapon systems and munitions that are designed to incapacitate as opposed to kill opponents, and at the same time, ensure the safety of the personnel using the products. In addition, Lamperd also manufactures shields, service equipment, training gear and accessories. The products are primarily designed for the use by military and law enforcement organizations. Lamperd also provides less lethal training to police, military and private sector security personnel. Training is provided by Lamperd's experienced military and police contractors in addition to trained civilian contractors which are retained as required by Lamperd with permission from their respective agencies. The training programs offered by Lamperd incorporate the most current less lethal techniques and equipment, including Lamperd's own products.



## CURRENT BUSINESS

Following the effective date of the Share Exchange Agreement, our company commenced the business of developing and manufacturing civil defence equipment through Lamperd, our wholly-owned operating subsidiary. Lamperd has developed civil defence products that are designed as a less lethal alternative to conventional weapons. The Lamperd product line includes four launchers, five types of munitions and a variety of additional products including shields, protective devices and an assortment of training products.

The launchers consist of a hand held model called the Defender I, a longer version called the Defender II, a revolving shotgun launcher called the RSG-20 and the Military Peace Keeper, or MPK version, that combines lethal and less lethal technologies in one launcher. The launchers fire 5 rounds. The five types of munitions developed for use by Lamperd's launchers, as well as certain conventional weapons, consist of sock rounds, WASP synthetic rounds, distractionary rounds, liquid incapacitant rounds, and training rounds.

Lamperd's market is primarily comprised of military forces and law enforcement organizations in Canada and the United States. In Canada, Lamperd's products are primarily sold to distributors who distribute its products to end users on an exclusive basis. Lamperd has been granted a Canadian Business Firearms License, which allows the company to manufacture, repair, store, import, export and sell its proprietary products.

Our products are sold in the United States through a network of distributors. Lamperd's munitions have been approved by the Joint Less-lethal Weapons program in the United States. The program was established in order to provide certain personnel with a variety of non-lethal weapons products. In furtherance of the marketing and sales of Lamperd's products, Lamperd has been assigned a NATO Commercial and Government Entity Code which enables it to sell military supplies to NATO member countries.

## LAUNCHERS

Lamperd has developed four proprietary projectile launchers. Each of the launchers is compatible with Lamperd's line of proprietary less lethal munitions including the WASP composite rounds, sock rounds, training rounds, distractionary rounds and liquid incapacitant rounds. The three launchers fire 5 rounds. The ability of an operator to fire more than a single round provides greater security in hostile situations.

### *Defender I*

The Defender I is Lamperd's standard launcher product. The launcher fires munitions from a cylinder that holds five rounds. The launcher is a compact and lightweight product that fires 20 gauge rounds.

### *Defender II*

The Defender II is a longer version than the Defender I and also fires munitions from a cylinder that holds 5 rounds. The launcher fires 20 gauge rounds and has a longer barrel which provides for improved accuracy and greater effectiveness at longer ranges.

### *RSG-20*

The RSG-20 is a revolving shotgun version developed for the United States market and designed to fire five 20 gauge cartridges.

### *Military Peace Keeper*

The MPK version combines lethal and less lethal technologies in one launcher and fires five rounds. The launcher is lightweight and contains a laser system for increased accuracy.





## MUNITIONS

Lamperd manufactures five types of proprietary munitions used by the launchers. Each of the munitions is made in 20 guage, 12 guage, 37mm and 40mm sizes. In addition, Lamperd's munitions are compatible with other 20 gauge, 12 gauge, 37mm and 40mm conventional weapons delivery systems. The munitions are designed to ensure the safety of the operator and incapacitate rather than kill an opponent.

### *WASP Composite Rounds*

The WASP round is Lamperd's most technologically advanced product. The round consists of a projectile made from a rubber composite material that does not harden in colder climates and possesses energy dissipation attributes, resulting in a safer and more accurate projectile. The composite material allows it to be used in temperatures ranging from minus 50 degrees Celsius to 100 degrees Celsius. The chemical composition of the projectile dissipates energy upon impact, thus inflicting a level of force that is sufficient to temporarily incapacitate but not kill the intended opponent. The projectile is patent pending in Canada and the United States. The projectile was developed in partnership with the University of Western Ontario. The University of Western Ontario granted Lamperd an exclusive world-wide license to the technology pursuant to a license agreement dated January 30, 2005. The license agreement is effective for the term the patent rights are protected, subject to certain conditions. In consideration for the grant of license, Lamperd agreed to pay all out-of-pocket expenses incurred by the University of Western Ontario, assume responsibility for future patent prosecution and rights and pay the University a royalty commencing on April 1, 2006 of three percent of revenue directly attributable to the projectile. The royalty is subject to minimum royalty obligations of \$5,000 per year for each of the second and third years following the entry into the License Agreement, \$10,000 per year for the fourth to sixth years, and \$20,000 thereafter.

### *Sock Rounds*

The sock round fires a pouch or beanbag projectile filled with lead pellets. Each sock round contains a proprietary tail attached to the end of the round which stabilizes the round for increased accuracy. The composition of the projectile allows for the dissipation of energy upon impact which reduces the chances of injury of the intended target. The projectile is intended to be aimed at the abdomen and hits the intended target with sufficient force to knock the opponent down, but generally not enough to cause permanent injury.

### *Distractionary Rounds*

The distractionary round is an alternative to conventional stun grenades and provides a bright flash combined with a 135 decibel noise, used to disorient and temporarily blind opponents without causing permanent damage. This product is an alternative to stun grenades that are traditionally used for the same purpose.

### *Liquid Incapacitant Rounds*

Incapacitant rounds fire either a liquid or powder form of pepper spray designed to temporarily blind and incapacitate opponents without the need for officer contact. Firing the incapacitant rounds from a launcher provides greater safety to the operator and provides more range than traditional spray delivery methods.

### *Training Rounds*

Training rounds are non-lethal munitions used by military and law enforcement organizations to carry out training exercises amongst themselves in preparation for hostile or combat situations.

### *Additional Products*

Lamperd manufactures and distributes products in addition to launchers and munitions, including the Specialized Mobil Armed Robot Technology System or SMART System which combines the Defender launcher technology with an integrated human-robot interface control platform. The SMART System is designed to deliver less lethal, lethal and chemical weapon systems. Communication is facilitated by a 360 degree camera and a proprietary



sighting system mounted to the robotic platform. The product can also be customized in accordance with the requirements of the end-user.

## MARKET

The military and law enforcement organizations represent Lamperd's primary target markets. Corrections personnel, commercial airlines and private security firms and guard services represent potential secondary markets for its products. Our company intends to focus on the primary target markets and establish operations and revenues before pursuing secondary markets.

### *Law Enforcement Organizations*

Federal, state and local law enforcement agencies in Canada and the United States currently represent the primary target market for our less lethal products. The law enforcement market is essentially comprised of regular forces, as well as special and tactical forces. Although both divisions can utilize Lamperd's products, our company has determined that the special and tactical operations market provides more potential for a company of our size and experience. The regular forces market is considerably larger in terms of demand, and is generally supplied by large established firms who offer both conventional and less lethal products. Our company intends to concentrate our efforts almost exclusively on special and tactical operations. After we have achieved market acceptance of our products in the special and tactical forces market, our company may then determine whether to actively pursue the regular forces market.

In targeting special and tactical operations of law enforcement in the United States, our company intends to pursue law enforcement organizations that serve local populations of 250,000 people or more. Our company has determined not to pursue organizations who serve smaller communities because the need and budget for less lethal products in such communities is minimal. In Canada, however, law enforcement organizations tend to be national or regional, except in larger metropolitan centers. Municipalities with a population over 30,000 generally do not have their own police force but are controlled by larger forces such as the Royal Canadian Mounted Police in Canada. Our company has determined that every police officer in Canada represents a potential end user for our products.

To date, sales of Lamperd's products to law enforcement organizations include munitions, except for the WASP round, shields, service equipment and training gear accessories.

### *Military*

Military forces in North American represent another key market for our less lethal products. The military forces, similar to law enforcement organizations, are composed of regular forces, as well as special and tactical operations. For the same reasons as the law enforcement market, our company intends on focussing on developing sales with the special and tactical divisions of the military before pursuing the regular forces market.

Too date, Lamperd's sales to military forces include munitions, except for the WASP round, shields, service equipment, training gear and accessories. No commercial sales of WASP rounds have been made due to Lamperd's past inability to produce such rounds in commercial quantities. However, Lamperd has received an order for 10,000 WASP rounds from ALS Technologies to supply the United States military forces to be used for evaluation purposes by the United States military's general forces.

### *Potential Secondary Markets*

Although Lamperd has not yet targeted this market, the private security, corrections, and guard services market represents considerable potential demand for less lethal products. This market represents a broad range of individuals, including bodyguards, commercial and government building security guards and commercial money carrier employees.

Following the events of September 11, 2001, the United States commercial airline industry implemented security measures to protect its passengers and crew. Such measures included reinforcement of cockpit doors, increased airport security, and the testing of effective devices for storage and use on airlines. Although Lamperd has not pursued this market, it represents another potential niche market for its less lethal products.

## SALES AND MARKETING STRATEGY

### *Overview*

Lamperd has developed a line of less lethal products and now seeks to focus its efforts on the expansion of its operations. To achieve growth of operations, Lamperd plans to hire key employees and develop marketing materials to promote its product line. Additionally, Lamperd seeks to concentrate its efforts on gaining the requisite approval to sell its products to the military and law enforcement organizations in the United States and on promoting retail sales and establishing distribution channels for its products. To facilitate growth, Lamperd intends to market its product line and continue the development of its comprehensive training program. In addition, Lamperd seeks to enhance and streamline its manufacturing infrastructure and efficiencies to support product demand.

Our priority is expanding our operations and creating awareness and demand for our less lethal products. Given the market demand, our primary objective in the short-to-medium terms is establishing our company as the primary supplier of less lethal products to the special and tactical forces of the military and law enforcement organizations in Canada and the United States. The broad geographic span of our target market and emphasis on development and expansion has resulted in our focus on developing distribution alliances and partnerships as the preferred means of business development. Our company intends to leverage external resources to minimize overhead and to seek market development by tapping into existing client pools of distributors and marketing partners. These arrangements may take the form of commercial agreements or joint ventures. While expanding our direct sales, we simultaneously intend to enter into non-exclusive distribution and marketing agreements with a number of partners in order to increase our market share.

Military forces and law enforcement organizations represent our primary target markets. In each of these markets, the decision to purchase our products is normally made by a committee of individuals. Depending upon the size and cost of the order, the decision may involve political decision-makers such as city council members, various levels of government and a host of military committees and organizations. The process by which such committees or organizations decide to purchase our products is a time consuming process. The approval process is also lengthened by the testing phase that an approving body or organization may require before final approval is granted. Although our company has focussed on the two specified markets, we anticipate that we will require significant time, money and resources to develop significant sales within such markets.

Our company estimates that Lamperd will spend approximately \$5,000 on marketing and sales activities during Lamperd's 2005 fiscal year, excluding salaries for internal sales and marketing personnel. Our short term strategy involves establishing and selling products to Canada and the United States. Our long term strategy contemplates our expansion into the United Kingdom, continental Europe, South America, Australia and Africa.

### *North America Distribution*

We intend to focus on selling our products through distributors. We have chosen our current distributors, and will select new distributors, based upon their reputation within the industry, credit worthiness, and their distribution network. We intend to maintain tight controls over our distributors to ensure that our standards are upheld.

In Canada, R. Nicholls Distributors Inc. is Lamperd's primary distributor for the military and law enforcement markets. This arrangement is non-exclusive and has not been formalized by a written agreement. R. Nicholls is the largest distributor of less lethal products in the country. It is the primary supplier of military products to the Canadian military and many of the largest law enforcement organizations in Canada. R. Nicholls and DIMACO, a division of Heroux-Devtek Inc., a publicly traded Canadian company with shares listed for trading on the Toronto Stock Exchange, both distribute our MPK launcher and munitions on a non-exclusive basis. DIMACO also has the right to sell these products to their clients internationally.



#### *International Distribution*

In the United States, Fox Labs International Inc. is the primary distributor of our entire product line. This arrangement is non-exclusive and has not been formalized by a written agreement.

#### *Training Programs*

Lamperd has established a comprehensive training program to assist its clients with the use of its products as well as a host of additional programs designed to train and educate participants in matters related to professional security training. Most law enforcement, military and corrections agencies will not purchase less lethal products until a training program is established in order to ensure that appropriate measures have been undertaken to properly train personnel in the use of such products. We currently provide training through personal instruction in respect of a wide range of classes for varying levels of experience. Our company has authorized qualified individuals to train participants at Lamperd's 15 acre training facility that it leases on an as needed basis for a daily fee.

#### *Promotional Activities*

Due to the specialized nature of less lethal products, we focus our promotional activities on specific trade shows and product demonstrations. In addition, we also promote our products to law enforcement organizations through specialty magazines. Advertising is primarily expensed by our distributors and our company expends a negligible amount on advertising costs at this time.

#### **Results of Operations**

Our company posted losses of \$17,442 for the three months ended March 31, 2005, losses of \$782 for the three months ended March 31, 2004 and losses of \$110,478 since inception to March 31, 2005. The principal component of the losses were for consulting fees, general and administrative expenses.

Operating expenses for the three months ended March 31, 2005 were \$17,442, compared to our operating expenses for the three months ended March 31, 2004 of \$782 and our expenses from inception to March 31, 2005 which were \$110,478.

#### **Financial Condition, Liquidity and Capital Resources**

At March 31, 2005, we had a working capital deficiency of \$49,028.

At March 31, 2005, our company's total assets of \$107 consisted of cash.

At March 31, 2005, our company's total liabilities were \$49,135. Of this amount, \$28,809 was for a note payable to one of our shareholders, which note was cancelled subsequent to the period end and so no longer remains due or owing.

Our company has not had revenues from inception. As of the date of this report there is insufficient capital to complete our business plan. We were currently trying to obtain additional financing in the form of a private placement or shareholder loans to obtain the capital necessary to survive and implement our business plans. However, to date we have been unsuccessful obtaining such financing and we may be unable to fully implement our business plan as a result of this. Our directors are continuing to conduct an in-depth analysis of our business plan and related future opportunities for wireless companies. To better protect stockholder interests and provide future appreciation, we may concurrently pursue other opportunities or initiatives as an extension to our existing business.

Our company has no long-term debt and does not regard long-term borrowing as a good, prospective source of financing.





*Plan of Operation*

Our primary objectives over the 12 months ending March 31, 2006, will be to continue efforts to raise additional financing to implement our business plan, commence efforts to attract management with experience in developing and manufacturing civil defence equipment and financing contacts, and concurrently continue our consideration of other opportunities or initiatives as an extension to our current business.

*Cash Requirements*

On April 14, 2005 we closed a private placement for the issuance and sale of 1,500,000 units at a purchase price of \$1.00 per unit for total aggregate proceeds of \$1,500,000. Each unit was comprised of one common share and two share purchase warrants to purchase common shares for the additional consideration of \$1.25 per share in the first twelve months and at a price per share of \$1.40 for the remaining twelve months.

Over the next twelve months we require funds in the amount of at least \$1,420,000 to initiate the deployment of our civil defence equipment business and for marketing efforts, as follows:

Estimated Funding Required During the Next Twelve Months

Total General and Administrative	\$720,000
Salaries: \$240,000	
Lease Costs: \$120,000	
General Administrative Expenses: \$360,000	