BULLDOG TECHNOLOGIES INC
Form 10QSB
April 19, 2006

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-QSB

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

For the quarterly period ended February 28, 2006

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

For the transition period from __________________ to __________________

Commission file number 000-50321

Bulldog Technologies Inc.

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

Nevada	**98-0377543**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

Riverside Place, Suite 301 11120 Horseshoe Way, Richmond, B.C., Canada V7A 5H7

(Address of principal executive offices)

604.271.8656

(Issuer's telephone number)

Not Applicable

(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 x No o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes x No o

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APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date:

24,904,787 common shares issued and outstanding as at April 10, 2006.

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

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

Our consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles.

It is the opinion of management that the consolidated interim financial statements for the quarter ended February 28, 2006 includes all adjustments necessary in order to ensure that the consolidated financial statements are not misleading.

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2006 and August 31, 2005

(Unaudited   Amounts Stated in US Dollars)

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED BALANCE SHEETS

(Amounts Stated in US Dollars)

		(Unaudited) February 28, 2006		August 31, 2005
ASSETS				
Current				
Cash	$	156,027	$	150,263
Short-term investments (Note 4)		1,282,000		464,834
Amounts receivable		76,781		26,526
Prepayment to trade suppliers		122,583		172,196
Inventory (Note 5)		677,473		329,465
Prepaid expenses (Note 8)		193,780		240,483
Total current assets		2,508,644		1,383,767
Property, plant and equipment		575,969		574,075
Deferred financing costs (Note 10)		1,995,090		-
Total Assets	$	5,079,703	$	1,957,842
LIABILITIES				
Current				
Accounts payable and accrued liabilities	$	495,312	$	243,163
Deposit from customer		39,000		-
Liability for warrants subject to registration (Notes 8 and 10)		4,632,862		499,026
Total current liabilities		5,167,174		742,189
Long-term Liabilities				
Convertible notes payable (Note 10)		296,252		-
Total Liabilities		5,463,426		742,189
STOCKHOLDERS EQUITY (CAPITAL DEFICIT)				
Capital Stock (Note 8)				
Preferred stock, par value $0.001 per share				
10,000,000 authorized, none issued				
Common stock, par value $0.001 per share				
100,000,000 authorized				
24,655,288 issued (August 31, 2005: 24,047,317 issued)		24,655		24,047
Additional paid-in capital		9,230,052		7,201,210
Accumulated other comprehensive loss				
- cumulative translation adjustment		298,921		184,999
Deficit accumulated during the development stage		(9,937,351)		(6,194,603)

Total Stockholders Equity (Capital Deficit)	(383,723)	1,215,653
Total Liabilities and Stockholders Equity (Capital Deficit)	$ 5,079,703	$ 1,957,842

SEE ACCOMPANYING NOTES

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited Amounts Stated in US Dollars)

	Three Months Ended February 28, 2006	Three Months Ended February 28, 2005	Six Months Ended February 28, 2006	Six Months Ended February 28, 2005	Cumulative from September 23, 1998 (Date of Inception) to February 28, 2006
Revenue	$ 80,479	$ -	$ 80,479	$ -	$ 80,479
Cost of revenue	55,603	-	55,603	-	55,603
Gross profits	24,876	-	24,876	-	24,876
Consulting revenue	-	59,810	-	59,810	322,924
Expenses					
General and administrative					
Consulting fees (Note 9)	84,579	122,943	166,500	338,602	1,586,259
Depreciation	45,716	21,168	91,572	36,323	239,533
Office and general	202,959	162,337	402,106	243,806	1,464,841
Professional fees	96,269	88,502	152,831	137,789	719,227
Rent	37,438	32,762	71,963	41,683	299,759
Salaries and wages	573,110	644,957	1,020,074	1,010,635	5,179,718
Trade shows, travel and marketing	86,419	114,964	237,190	244,587	1,030,007
Research and development	239,972	142,918	451,557	242,887	1,638,049
	(1,366,462)	(1,330,551)	(2,593,793)	(2,296,312)	(12,157,393)
Loss from operations	(1,341,586)	(1,270,741)	(2,568,917)	(2,236,502)	(11,809,593)
Other income (expenses)					
(Loss) /Gain on revaluation of liability for warrants (Note 8(a))	(212,653)	606,527	(720,192)	411,197	3,180,292
Interest income	2,931	18,383	13,882	39,289	71,255
Interest expense	(217,050)	-	(387,827)	-	(425,437)
Loss on settlement of accounts payable	-	-	-	-	(954,000)
Foreign exchange gain (loss) and other	(17,634)	(90,618)	(40,900)	(90,618)	39,106
Amortization of deferred financing cost	(19,397)	-	(38,794)	-	(38,974)
Net loss for the period	$ (1,805,389)	$ (736,449)	$ (3,742,748)	$ (1,876,634)	$ (9,937,351)
Basic and diluted loss per share	$ (0.08)	$ (0.03)	$ (0.16)	$ (0.08)	
Weighted average shares outstanding	24,340,241	23,746,817	24,034,585	23,452,410	

SEE ACCOMPANYING NOTES

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

(Unaudited Amounts Stated in US Dollars)

	Three Months Ended February 28, 2006	Three Months Ended February 28, 2005	Six Months Ended February 28, 2006	Six Months Ended February 28, 2005	Cumulative from September 23, 1998 (Date of Inception) to February 28, 2006
Net loss	$ (1,805,389)	$ (736,449)	$ (3,742,748)	$ (1,876,634)	$ (9,937,351)
Foreign currency translation	56,807	(46,181)	113,922	267,225	298,922
Comprehensive loss	$ (1,748,582)	$ (782,630)	$ (3,628,826)	$ (1,609,409)	$ (9,638,429)

SEE ACCOMPANYING NOTES

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited - Stated in US Dollars)

	Six Months Ended February 28 2006	Six Months Ended February 28 2005	Cumulative from September 23, 1998 (Date of Inception) to February 28, 2006
Cash flows used in operating activities:			
Net loss	$ (3,742,748)	$ (1,876,634)	$ (9,937,351)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	91,572	36,323	239,533
Expenses paid by affiliates	-	-	301,303
Amortization of beneficial conversion option	324,985		324,985
Amortization of deferred financing costs	38,794		38,794
Loss (gain) on revaluation of liability for warrants	720,192	(411,197)	(3,180,292)
Issuance of common stock for services	3,428	-	1,600,507
Issuance of common stock for interest expense	41,709	-	41,709
Stock option compensation	64,332	226,685	845,943
Loss on settlement of accounts payable	-	-	954,000
(Increase) decrease in assets			
Amounts receivable	(50,255)	(66,496)	(75,777)
Deposit from customer	39,000	-	39,000
Prepayment to suppliers	49,613	(97,457)	(122,583)
Inventory	(368,873)	(4,955)	(680,270)
Prepaid expenses	46,557	49,043	(95,910)
Increase in accounts payable and accrued liabilities	267,460	132,806	996,194
Net cash used in operating activities	(2,476,934)	(2,011,882)	(8,712,245)
Cash flows provided by (used in) investing activities			
Purchase of property, plant and equipment	(118,531)	(223,432)	(802,645)
Short term investments	(827,537)	1,173,899	(1,160,461)
Net cash provided by (used in) investing activities	(946,068)	950,467	(1,963,106)
Cash flows provided by (used in) financing activities			
Loans payable	-	-	54,500
Shares repurchased	-	-	(20,000)
Issuance of common shares	15,625	1,073,287	7,493,690
Proceeds from issuance of convertible notes	3,408,000	-	3,408,000
Net cash provided by financing activities	3,423,625	1,073,287	10,936,190
Effect of foreign exchange rate changes on cash	5,141	3,755	(57,292)

Net increase in cash	5,764	15,627	156,027
Cash, beginning of period	150,263	46,021	-
Cash, end of period	$ 156,027	$ 61,648	$ 156,027
Supplemental disclosure of cash flow information:			
Cash paid for:			
Interest	$ -	$ -	$ 18,383
Income taxes	$ -	$ -	$ -
Non-cash Investing and Financing Activities			
Issuance of shares in settlement of accounts payable	$ 45,137	$ 212,000	$ 1,624,187
Issuance of shares in settlement of loans payable	$ -	$ 52,930	$ 54,500
Issuance of shares upon conversion of convertible notes	351,470	-	351,470
Issuance of shares for services included in prepaid	$ -	$ -	$ 252,000
Issuance of shares on recapitalization (Note 3)	$ -	$	$ 796

SEE ACCOMPANYING NOTES

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

for the period from September 23, 1998 (Date of Inception) to February 28, 2006

(Unaudited - Amounts Stated in US Dollars)

	Common Stock [a] Shares	Par Value	Additional Paid-in Capital	Cumulative Translation Adjustment	Deficit Accumulated During the Development Stage	Total
On inception of Bulldog BC, September 23, 1998	465,000	$ 465	$ (138)	$ -	$ -	$ 327
Issuance of stock in Bulldog BC for cash - at $0.34	20,000	20	6,683	-	-	6,703
- at $0.67	125,000	125	83,663	-	-	83,788
- at $1.34	22,500	23	30,140	-	-	30,163
Issuance of stock in Bulldog BC for services	8,000	8	16,079	-	-	16,087
Foreign exchange translation adjustment	-	-	-	(12)	-	(12)
Net loss	-	-	-	-	(114,968)	(114,968)
Balance, August 31, 1999 (Bulldog BC)	640,500	641	136,427	(12)	(114,968)	22,088
Issuance of stock in Bulldog BC for cash - at $0.68	25,000	25	16,965	-	-	16,990
- at $1.02	8,000	8	8,147	-	-	8,155
- at $1.36	2,500	2	3,398	-	-	3,400
Issuance of stock in Bulldog BC for services	34,000	34	9,494	-	-	9,528
On inception of Bulldog Nevada - at $0.001	7,035,000	7,035	-	-	-	7,035
Issuance of stock in Bulldog Nevada for cash - at $1.00	613,727	614	613,113	-	-	613,727
Foreign exchange translation adjustment	-	-	-	289	-	289
Net loss	-	-	-	-	(531,252)	(531,252)
	8,358,727	8,359	787,544	277	(646,220)	149,960

Balance, August 31, 2000
(combined)

SEE ACCOMPANYING NOTES

Continued

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

for the period from September 23, 1998 (Date of Inception) to February 28, 2006

(Unaudited - Amounts Stated in US Dollars)

	Common Stock [a]		Additional Paid-in	Cumulative Translation	Deficit Accumulated During the Development	
	Shares	Par Value	Capital	Adjustment	Stage	Total
Balance, August 31, 2000 (combined, balance forward)	8,358,727	8,359	787,544	277	(646,220)	149,960
Issuance of stock in Bulldog Nevada for cash - at $0.002	245,000	245	130	-	-	375
- at $0.24	95,833	96	22,904	-	-	23,000
- at $0.50	80,000	80	39,920	-	-	40,000
- at $1.00	155,623	156	155,467	-	-	155,623
Issuance of stock in Bulldog Nevada for services	304,830	305	230,125	-	-	230,430
Redeemed and cancelled for Nil consideration	(861,000)	(861)	861	-	-	-
Shares issued as commission for private placements	91,120	91	(91)	-	-	-
Foreign exchange translation Adjustment	-	-	-	26,357	-	26,357
Net loss	-	-	-	-	(424,417)	(424,417)
Balance, August 31, 2001 (combined)	8,470,133	8,471	1,236,860	26,634	(1,070,637)	201,328

SEE ACCOMPANYING NOTES

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

for the period from September 23, 1998 (Date of Inception) to February 28, 2006

(Unaudited - Amounts Stated in US Dollars)

	Common Stock [a] Shares	Par Value	Additional Paid-in Capital	Cumulative Translation Adjustment	Deficit Accumulated During the Development Stage	Total
Balance, August 31, 2001 (combined, balance forward)	8,470,133	8,471	1,236,860	26,634	(1,070,637)	201,328
Shares in Bulldog Nevada issued as commission for private placements	1,500	2	(2)	-	-	-
Issuance of stock in Bulldog Nevada for cash - at $0.24	104,167	104	24,896	-	-	25,000
- at $0.50	87,200	87	43,513	-	-	43,600
Issuance of stock in Bulldog Nevada for services	168,500	168	68,832	-	-	69,000
Foreign exchange translation adjustment	-	-	-	2,402	-	2,402
Net loss	-	-	-	-	(209,920)	(209,920)
Balance, August 31, 2002 (combined)	8,831,500	8,832	1,374,099	29,036	(1,280,557)	131,410
Issuance of stock in Bulldog Nevada for cash - at $0.25	183,000	183	45,567	-	-	45,750
Issuance of stock for services to Bulldog Nevada	10,000	10	1,863	-	-	1,873
Shares of Bulldog Nevada issued as commission for private placements	8,000	8	(8)	-	-	-

Foreign exchange translation adjustment	-	-	-	(128,899)	-	(128,899)
Net loss	-	-	-	-	(312,840)	(312,840)
Balance, August 31, 2003 (combined)	9,032,500	9,033	1,421,521	(99,863)	(1,593,397)	(262,706)

SEE ACCOMPANYING NOTES

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

for the period from September 23, 1998 (Date of Inception) to February 28, 2006

(Unaudited - Amounts Stated in US Dollars)

	Common Stock [a] Shares	Par Value	Additional Paid-in Capital	Cumulative Translation Adjustment	Deficit Accumulated During the Development Stage	Total
Balance, August 31, 2003 (combined, carried forward)	9,032,500	9,033	1,421,521	(99,863)	(1,593,397)	(262,706)
Issuance of stock in Bulldog Nevada for cash - at $0.25	448,000	448	111,552	-	-	112,000
Issuance of stock of Bulldog Nevada for services and debt settlement	391,000	391	97,359	-	-	97,750
Redemption and cancellation of shares in Bulldog Nevada for cash - at $0.25	(80,000)	(80)	(19,920)	-	-	(20,000)
	9,791,500	9,792	1,610,512	(99,863)	(1,593,397)	(72,956)
Adjustment to the stockholders' equity of the Company at the recapitalization date	9,591,400	9,591	(8,795)	-	-	796
Issuance of stock for cash on private placement - at $1.00	520,000	520	519,480	-	-	520,000
Issuance of stock on debt settlement - at $1.84	600,000	600	1,103,400	-	-	1,104,000
Issuance of stock for services at $1.50	35,500	35	53,215	-	-	53,250
Issuance of stock for services	500,000	500	999,500	-	-	1,000,000
Stock option compensation	-	-	492,269	-	-	492,269
Issuance of stock for cash on						

private placement - at $2.25						
(net of $299,647 finder's fee)	2,219,611	2,220	-	-	-	2,220
Issuance of stock for services at $1.50	69,000	69	103,431	-	-	103,500
Issuance of stock for services at $1.69	15,000	15	25,335	-	-	25,350
Cancellation of shares	(500,000)	(500)	500	-	-	-
Net loss	-	-	-	-	(1,014,759)	(1,014,759)
Foreign exchange translation						
Adjustment	-	-	-	(72,642)	-	(72,642)
Balance, August 31, 2004	22,842,011	22,842	4,898,847	(172,505)	(2,608,156)	2,141,028

SEE ACCOMPANYING NOTES

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

for the period from September 23, 1998 (Date of Inception) to February 28, 2006

(Unaudited - Amounts Stated in US Dollars)

	Common Stock [a] Shares	Par Value	Additional Paid-in Capital	Cumulative Translation Adjustment	Deficit Accumulated During the Development Stage	Total
Balance, August 31, 2004 (carried forward)	22,842,011	22,842	4,898,847	(172,505)	(2,608,156)	2,141,028
Issuance of stock for cash on exercise of warrants - at $1.00	520,000	520	519,480	-	-	520,000
Issuance of stock for cash on exercise of warrants - at $1.90 (net of $35,317 finder's fee)	309,806	310	552,978	-	-	553,288
Adjustment arising on exercise of warrants	-	-	292,738	-	-	292,738
Issuance of shares for services at $2.16	150,000	150	323,850	-	-	324,000
Issuance of shares for services at $1.50	183,000	183	274,317	-	-	274,500
				-	-	
Issuance of shares as settlement	12,500	12	12,488	-	-	12,500

- at $1.00						
Issuance of shares for services						
at $1.24	30,000	30	37,170	-	-	37,200
Stock option compensation	-	-	289,342	-	-	289,342
Net loss	-	-	-	-	(3,586,447)	(3,586,447)
Foreign exchange translation						
adjustment	-	-	-	357,504	-	357,504
Balance, August 31, 2005	24,047,317	24,047	7,201,210	184,999	(6,194,603)	1,215,653

SEE ACCOMPANYING NOTES

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BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (CAPITAL DEFICIT)

for the period from September 23, 1998 (Date of Inception) to February 28, 2006

(Unaudited - Amounts Stated in US Dollars)

	Common Stock [a] Shares	Par Value	Additional Paid-in Capital	Cumulative Translation Adjustment	Deficit Accumulated During the Development Stage	Total
Balance, August 31, 2005 (carried forward)	24,047,317	24,047	7,201,210	184,999	(6,194,603)	1,215,653
Beneficial conversion option on the August 2005 convertible debt (Note 10(a))	-	-	836,038	-	-	836,038
Issuance of stock on conversion of convertible notes - at $1.06 per share (Note 8(e))	212,264	212	137,296	-	-	137,508
Stock option compensation (Note 9)	-	-	64,332	-	-	64,332
Issuance of stock for cash on exercise of warrants - at $1.25 (Note 8(f))	12,500	13	15,612	-	-	15,625
Issuance of stock on conversion of convertible notes - at $1.06 per share (Note 8(g))	350,000	350	213,612	-	-	213,962
Beneficial conversion option on the February 2006 convertible debt (Note 10(b))			591,850	-	-	591,850
Modification to conversion option (Note 10)			125,000	-	-	125,000
Issuance of shares as settlement for interest - $1.39 (Note 8(i))	30,007	30	41,679	-	-	41,709
Issuance of shares for services at $1.07 (Note 8(h))	3,200	3	3,423	-	-	3,426

Net loss	-	-	-	-	(3,742,748)	(3,742,748)
Foreign exchange translation adjustment	-	-	-	113,922	-	113,922
Balance, February 28, 2006	24,655,288	$ 24,655	$ 9,230,052	$ 298,921	$ (9,937,351)	$ (383,723)

(a) Prior to the recapitalization in November 2003, the stockholders' equity represents the combined shares and balances of Bulldog Nevada and Bulldog BC exchanged on a one for one basis on recapitalization (Note 3).

SEE ACCOMPANYING NOTES

BULLDOG TECHNOLOGIES INC.

(A Development Stage Company)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

February 28, 2006 and August 31, 2005

(Amounts Stated in US Dollars)

Note 1 Description of Business and Accounting for Reverse Acquisition

The Company was incorporated under the laws of the State of Nevada on June 18, 2002 as Northward Ventures, Inc. ("Northward") and was previously involved in mineral exploration activity. In November 2003, the Company acquired control of Bulldog Technologies (BC) Inc. ("Bulldog BC") and Bulldog Technologies Inc. ("Bulldog Nevada"). Bulldog BC was incorporated under the laws of British Columbia on September 23, 1998 and carries on the business of developing and commercializing security systems for the cargo transportation industry. Bulldog Nevada was incorporated in the State of Nevada on January 18, 2000 primarily to raise financing for Bulldog BC. Prior to the share exchange, Bulldog BC and Bulldog Nevada were under common control. On November 7, 2003, the Company changed its name to Bulldog Technologies Inc. and merged with Bulldog Nevada such that after closing the consolidated entity consists of Bulldog Technologies Inc. (formerly Northward Ventures, Inc.) and its subsidiary, Bulldog BC.

In accordance with provisions governing the accounting for reverse acquisitions, the accounts are presented as a continuation of Bulldog BC and Bulldog Nevada, combined.

In September 2005, Bulldog BC incorporated a wholly owned subsidiary in Mexico, Bulldog Technologies Mexico, S.A. de C.V., to conduct business in Mexico. As at February 28, 2006 Bulldog Technologies Mexico, S.A. de C.V. was inactive.

Note 2 Summary of Significant Accounting Policies

Principles of Consolidation and Ability to Continue as Going Concern

The consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States of America, and include the accounts of the Company and its subsidiaries, Bulldog Technologies (BC) Inc. and Bulldog Technologies Mexico, S.A. de C.V. All significant inter-company transactions have been eliminated on consolidation. The Company is currently in the development stage and presents its financial statements in accordance with Statement of Financial Accounting Standard ("SFAS") No. 7, "Accounting and Reporting by Development Stage Enterprises".

These accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. As at February 28, 2006, the Company has accumulated consolidated operating losses since inception of $9,937,351. The continuation of the Company is dependent upon the successful completion of development and marketing of its security systems, the continuing support of creditors and stockholders as well as achieving a profitable level of operations. At February 28, 2006, the Company has entered into agreements with ten investors to raise $2.0 million through the issuance of convertible notes. Management anticipates that it requires approximately $4.59 million over the next twelve months to continue operations. To the extent that cash needs are not achieved from operating cash flow and existing cash on hand, the Company plans to raise necessary cash through equity issuances and/or debt financing. Amounts raised will be used to continue the development of the Company's products, roll out the Company's products to market and for general working capital purposes.

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These conditions raise substantial doubt about the Company's ability to continue as a going concern. Although there are no assurances that management's plans will be realized, management believes that the Company will be able to continue operations in the future. The financial statements do not include any adjustments relating to the recoverability and classification of recorded assets or the amounts of and classification of liabilities that might be necessary in the event the Company cannot continue in existence.

Interim Financial Statements

The interim financial statements included herein have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management, are necessary for fair presentation of the information contained therein. It is suggested that these interim financial statements be read in conjunction with the audited financial statements of the Company for the years ended August 31, 2005 and 2004 included in the Company's 10-KSB Annual Report. The Company follows the same accounting policies in the preparation of interim reports.

Results of operations for the interim periods are not indicative of annual results.

Revenue Recognition

Revenue from the sale of products is recognized when products are shipped, the title and risk of loss has passed to the customer, the sales price is fixed or determinable and collectibility is reasonable assured. Revenue generated through the provision of consulting services is recognized as the services are provided.

Stock Option Compensation

The Company has adopted SFAS No. 123, "Accounting for Stock-Based Compensation" to account for stock options granted to non-employees using the fair value based method prescribed in SFAS 123. Stock option compensation for non-employees is re-measured on each balance sheet date until options vest.

The Company has elected to continue to measure compensation cost for employees under Accounting Principles Board ("APB") Opinion No. 25, including interpretations provided in Interpretation ("FIN") No. 44. Generally, under APB No. 25 compensation expense is recognized for options granted to employees and directors (for their services as directors) only if the option price is less than the market price of the underlying common stock on the date of the grant.

SFAS No. 123 requires the Company to provide pro forma information regarding net loss and loss per share as if compensation cost for the Company's stock options granted to employees had been determined in accordance with the fair value based method prescribed in SFAS 123.

The Company has not adopted the fair value method of accounting under SFAS No. 148 for stock-based compensation to employees. Consequently, related pro forma information as required under SFAS No. 123 has been disclosed below in accordance with SFAS No. 148.

	Three months ended February 28		Six months ended February 28	
	2006	2005	2006	2005
Net loss, as reported	$ (1,805,389)	$ (736,449)	$ (3,742,748)	$ (1,876,634)
Deduct: Total stock-based employee compensation expense determined under fair-value based method	(760,520)	(771,811)	(1,220,612)	(1,262,844)
Pro-forma net loss	$ (2,565,909)	$ (1,508,260)	$ (4,963,360)	$ (3,139,478)
Loss per share:				
Basic and diluted as reported	$ (0.08)	$ (0.03)	$ (0.16)	$ (0.08)
Basic and diluted pro-forma	$ (0.11)	$ (0.06)	$ (0.21)	$ (0.13)

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During the six-month period ended February 28, 2006 the Company granted 1,360,000 options to fourteen employees at a weighted average exercise price of $1.48 per option. The options expire between December 1, 2010 and December 26, 2010. The weighted average fair value of the options granted was $1.36 per option estimated using the Black Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 186%, risk free rate of 4.5% and an expected life of 5 years. Such amount is being amortized on a straight-line basis over the vesting periods of 36 months.

The weighted average fair value of the options granted during the previous year ended August 31, 2005 to employees was $1.60 per option estimated using the Black-Scholes option pricing model with the following assumptions: dividend yield of 0%, expected volatility of 186%, risk-free rate of 4.18% - 4.40% and an expected life of 5 years. Such amount is being amortized on a straight-line basis over the vesting periods ranging from 10 to 36 months.

New Accounting Pronouncements

On December 16, 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (revised 2004), "Share-Based Payment". SFAS No. 123(R) would require the Company to measure all employee stock-based compensation awards using a fair value method and record such expense in its consolidated financial statements. In addition, SFAS No. 123(R) will require additional accounting related to the income tax effects and additional disclosure regarding the cash flow effects resulting from share-based payment arrangements. For public entities that file as a small business issuer, SFAS No. 123(R) is effective for the first annual reporting period beginning after December 15, 2005.

In February 2006, FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments - an Amendment of FASB Statements No. 133 and 140". Among other things, the SFAS No. 155 permits the election of fair value remeasurement for certain hybrid financial instruments that would otherwise require bifurcation under Statement 133, Accounting for Derivative Instruments and Hedging Activities. These hybrid financial instruments would include both assets and liabilities. SFAS No. 155 is

effective for fiscal years beginning after September 15, 2006.

In September 2005, the FASB ratified the consensus reached by the EITF on Issue 05-7, Accounting for Modifications to Conversion Options Embedded in Debt Instruments and Related Issues ("EITF 05-7"). According to EITF Issue 96-19 , "Debtor's Accounting for a Modification or Exchange of Debt Instruments," an exchange of debt instruments having substantially different terms (or a substantial modification of the terms of existing debt) is deemed tantamount to a debt extinguishment. In EITF 05-7, the Task Force provides the following additional guidance in the application of EITF 96-19 :

In determining whether a substantial modification has been made to a convertible debt instrument (and thus whether an extinguishment has occurred), the change in fair value of the related embedded conversion option should be included in the EITF96-19 analysis, with such change calculated as the difference between the fair values of the option immediately before and after the modification. The modification of a convertible debt instrument should affect subsequent recognition of interest expense with respect to changes in the fair value of the embedded conversion option. A new beneficial conversion feature should not be recognized nor should an existing one be reassessed upon modification to a convertible debt instrument (i.e., the only value associated with the modification of the embedded conversion option to be accounted for should be the change in its fair value). The foregoing consensus is effective for future modifications of debt instruments beginning in the first interim or annual reporting period commencing after December 15, 2005, with early application permitted

The Company has not yet determined the effect of future implementation of these new standards on its consolidated financial statements.

Note 3 Recapitalization

In November 2003, the Company closed an agreement with the stockholders of Bulldog BC and Bulldog Nevada (companies under common control) whereby the Company acquired the issued and outstanding shares of Bulldog BC and Bulldog Nevada on a one-for-one basis in exchange for 710,000 and 9,081,500 shares of the Company's common stock, respectively. At the acquisition date, all of Bulldog Nevada's shares had been exchanged while 695,800 of Bulldog BC's common shares had been exchanged leaving 14,200 common shares of Bulldog BC still to be exchanged. As at August 31, 2005, only 2,000 shares still had to be exchanged.

The acquisition was accounted for using the purchase method of accounting as applicable to reverse acquisition because the former stockholders of Bulldog BC and Bulldog Nevada controlled approximately 51% of the Company's common stock immediately upon conclusion of the transaction and the continuing business is that of Bulldog BC and Bulldog Nevada. Under reverse acquisition accounting, the post-acquisition entity is accounted for as a recapitalization of Bulldog BC and Bulldog Nevada.

Note 4 Short-term Investments

Short-term investments consist of amounts held under guaranteed investment certificates of the Royal Bank of Canada and bearing interest at rates ranging from 3.3% to 4.0% per annum, maturing on various dates through March 2006.

Note 5 Inventory

		As at February 28, 2006		As at August 31, 2005
Components	$	151,640	$	154,289
Work in progress		37,047		63,940
Finished goods		488,786		111,236
	$	677,473	$	329,465

Note 6 Bank Loan

The Company had a demand operating line of credit of approximately $385,637 (CDN$450,000) (August 31, 2005 - $379,075 (CDN$450,000)) which bore interest at 5% per annum and was payable monthly. The Company's line of credit agreement was collateralized by short-term investments. The Company had not previously used this credit facility. In January 2006, the Company terminated the operating line of credit.

Note 7 Related Party Transactions

Related party transactions not disclosed elsewhere in these consolidated financial statements are as follows:

The Company entered into agreements with two directors for services commencing November 17, 2003 whereby the Company agreed to issue an aggregate of 275,000 shares of common stock vesting monthly of which 23,000 shares were issued in November 2003 and 69,000 shares were issued in June 2004. The remaining 183,000 shares were issued during the year ended August 31, 2005. The Company has recorded, as compensation expense, $102,000 for the six month period ended February 28, 2005 (February 28,2006 - $Nil) in respect of shares earned by the directors during the year ended August 31, 2005 under these agreements based on the quoted market price of $1.50 per share of common stock on the agreement date. At February 28, 2006, accounts payable and accrued liabilities are $ Nil (August 31, 2005 - $ Nil) as all common shares have been issued to the directors of the Company.

Related party transactions were recorded at the exchange amount, being the amount established and agreed to by the related parties.

Note 8 Capital Stock

(a) In April 2004, the Company completed a private placement and issued 2,219,611 units for gross proceeds of $4,994,125. Each unit consisted of one common share, 1/4 Series A share purchase warrant and 1/2 Series B share purchase warrant. The Company issued 554,902 Series A share purchase warrants exercisable at $3.50 per share for a period of five years (repriced to $1.25 per share in September 2005 Note 9) and 1,109,806 Series B share purchase warrants exercisable at $2.25 per share until the earlier of fourteen months after April 14, 2004 or eight months after a registration statement is declared effective (June 2, 2004). As part of the private placement, the Company paid a placement fee of $299,657. Additionally the Company has accrued and paid 6% of any monies received on the exercise of these warrants. The Series B share purchase warrants expired on February 2, 2005.

In accordance with the Registration Rights Agreement executed in conjunction with the Securities Purchase Agreement dated April 2004, August 29 2005 (Note 10(a)) and February 24, 2006 (Note 10(b)), the Company was required to use its best efforts to file and cause the registration statement of the Company's common stock to be declared effective under the Securities Act of 1933, as amended, as promptly as possible, but in any event, no later than the earlier of the 90th calendar day following the closing date of the agreement and the fifth trading day following the date on which the Company is notified by the Securities and Exchange Commission that the registration statement will not be reviewed or is no longer subject to further review and comments (the "Effective Date"). The Company is also required to keep the registration statement continuously effective for a period of two years from the Effective Date in respect of April 2004 and August 2005 agreements, and for five years in respect of the February 2006 agreement.

Consequently, the warrants issued in connection with these private placements are deemed to require net-cash settlement and are classified as liabilities in accordance with Emerging Issues Task Force ("EITF") Issue No. 00-19. Accordingly, the Company initially recorded the fair value of these warrants as a liability. Subsequently, such amount is being re-measured on each balance sheet date based on the then fair value of the warrants with the adjustment charged to the Consolidated Statement of Operations.

As at February 28, 2006 the Company has 4,308,817 share purchase warrants outstanding (Note 9). The liability for the fair value of the warrants of $4,632,862 (August 31, 2005 - $499,026) was recorded on the balance sheet and $720,192 (six-month period ended February 28, 2005 Gain of $411,197) was recorded as loss on revaluation of liability for warrants subject to registration rights in the Consolidated Statement of Operations for the six-month period ended February 28, 2006.

The fair value of the warrants was estimated using the Black-Scholes option pricing model with the following weighted average assumptions as at February 28, 2006: dividend yield of 0% (August 31, 2005 - 0%), expected volatility of 186% (August 31, 2005 186%), weighted average risk-free interest rate of 4.48% (August 31, 2005 3.95%) and an expected life of 3.1 to 5.0 years (August 31, 2005 3.62 years) for the warrants.

Upon the exercise, cancellation or lapsing of obligations under the Registration Rights Agreement, a pro-rata amount of the liability will be reclassified to Stockholders' Equity using the Black-Scholes value as of that date.

(b) On May 4, 2004 the Company entered into an employment agreement with an employee, to issue 150,000 shares of the Company's common stock as compensation, of which 75,000 shares were issued on November 29, 2004 and another 75,000 shares were issued to him on March 11, 2005. The value attributed to the common stock issued to the employee was $324,000 based on the quoted market value of the Company's common stock of $2.16 per share on the agreement date of May 4, 2004. At February 28, 2006 prepaid expenses includes $36,000 (August 31, 2005 - $90,000) in respect of common shares issued to the employee but not yet earned by the employee under this agreement based on the quoted market price of $2.16 per share of common stock on the agreement date.

(c) On November 5, 2004, holders of the Series B share purchase warrants exercised 309,806 of those warrants for gross proceeds of $588,605. The Company paid a placement fee in cash of $35,317, 6% of the gross proceeds as required under the original private placement agreement to the placement agent who originally identified the investors in April 2004. As an inducement to early exercise, the Company temporarily reduced the exercise price of the Series B share purchase warrants to $1.90 per share if exercised on or before November 5, 2004. All other terms and conditions of the warrants remained unchanged. As at November 5, 2004, $292,738 was recorded as additional paid-in capital on revaluation of the liability for warrants subject to registration rights. This balance represented the prorated amount of the liability on exercise date of November 5, 2004. The fair value of the warrants was estimated using the Black-Scholes option pricing model at that date with the following assumptions: dividend yield of 0%, expected volatility of 186%, risk-free interest rate of 3.51% and an expected life of 10 months for the exercised Series B warrants.

(d) In July 2004, the Company entered into a six-month service agreement to issue 5,000 shares per month for a total of 30,000 shares to be issued. Upon expiry the Company extended the original agreement on a month-to-month basis under the original terms. During August 2004, the Company issued 15,000 shares pursuant to the agreement. The value attributed to the common stock was $25,350 based on the quoted market price of the Company's common stock of $1.69 per share at the agreement date. The Company issued a further 30,000 shares of common stock during the year ended August 31, 2005 based on the weighted average market price of $1.24 for services rendered up to the date of termination of the contract. The agreement was terminated during the 2005 fiscal year.

(e) On November 25, 2005 an investor converted $225,000 of convertible notes (Note 10) into 212,264 shares of common stock at the conversion price of $1.06 per share.

(f) On December 7, 2005, an investor exercised Series A warrants at the exercise price of $1.25 per share to purchase 12,500 shares of our common stock for net proceeds of $15,612.

(g) On December 6 and 13, 2005, an investor converted $371,000 of convertible notes (Note 10) to 350,000 shares of common stock at the conversion price of $1.06 per share.

(h) On December 13, 2005, the Company issued 3,200 shares to a supplier as part-settlement of a debt. The value attributed to the common stock was $3,426 based on the quoted market price of the Company s common stock of $1.07 per share at the settlement date.

(i) On December 1, 2005, the Company issued 30,007 common shares to the holders of the convertible notes as payment for interest. The value attributed to the common stock was $41,709 based on the quoted market price of the Company s common stock of $1.39 per share at the settlement date.

Note 9 Stock Options and Warrants

Stock Options to Non-Employees

The Company follows SFAS No. 123, "Accounting for Stock-Based Compensation", which requires compensation costs associated with stock options granted to non-employees to be recognized based on the fair value of the stock options using the Black-Scholes option pricing model. Stock-based compensation for non-employees is re-measured on each balance sheet date until such options vest. Compensation expense is recognized immediately for past services and pro-rata for future services over the option-vesting period. Unvested stock options are re-measured on each balance sheet date for the purpose of determining stock option compensation, and are amortised on a straight-line basis over the vesting period of 10 months.

As at February 28, 2006, the fair value of these options using the Black-Scholes option pricing model was based on the following weighted average assumptions:

	As at February 28, 2006	As at February 28, 2005
Dividend yield	Nil %	Nil%
Risk-free interest rate	4.54%	3.53%
Expected volatility of the market price of the Company's common stock	186%	186%
Expected life of the options	5 years	5 years

The compensation expense arising from options issued to consultants in both the 2004 and 2005 year is amortized over the vesting period of the options and for the six-month period ended February 28, 2006, expenses totalling $64,332 (six-month period ended February 28, 2005 - $226,685) were included in consulting fees in the Consolidated Statement of Operations.

The following table summarizes the stock option transactions and the weighted average exercise prices thereof:

	Number of Options		Weighted Average Exercise Price
Outstanding at September 1, 2003	-	$	-
Granted	3,885,000	$	1.63
Outstanding at August 31, 2004	3,885,000	$	1.63
Granted	2,830,000	$	1.62
Forfeited	(650,000)	$	1.65
Outstanding at August 31, 2005	6,065,000	$	1.60

Granted	1,560,000	$	1.46
Forfeited	(2,090,000)	$	1.59
Outstanding at February 28, 2006	5,535,000	$	1.57
Exercisable at February 28, 2006	2,557,071	$	1.59
Exercisable at August 31, 2005	2,056,667	$	1.59

During the year ended August 31, 2005, the Company granted 2,580,000 stock options to employees and 250,000 stock options to non-employees. The weighted average fair value per option granted (based on the value determined at the respective grant dates) was $1.60.

During the six months ended February 28, 2006, the Company granted 1,360,000 options to fourteen employees at a weighted average exercise price of $1.48 per option. The options expire between December 1, 2010 and December 26, 2010. The Company granted a further 100,000 stock options to a director at the exercise price of $1.30 per share, and granted 50,000 stock options each to two advisory board members at the exercise price of $1.25 per share. The options expire on December 6, 2010, October 19, 2010 and

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December 20, 2010 respectively. The weighted average fair value per option granted based on the value determined at the respective grant dates was $1.57.

A summary of the common share options exercisable and outstanding at February 28, 2006 was as follows:

Outstanding			Exercisable
Number	Exercise Price	Expiry Date	Number
125,000	$0.50	February 25, 2009	125,000
150,000	$2.20	May 4, 2009	150,000
50,000	$2.20	May 14, 2009	50,000
50,000	$2.42	July 16, 2009	50,000
2,310,000	$1.60	August 5, 2009	1,230,000
50,000	$1.64	August 5, 2009	50,000
700,000	$1.60	December 16, 2009	333,333
100,000	$1.60	December 22, 2009	100,000
390,000	$1.70	January 25, 2010	145,833
50,000	$1.15	March 14, 2010	50,000
50,000	$1.25	October 19, 2010	20,000
460,000	$1.25	December 1, 2010	87,776
795,000	$1.60	December 1, 2010	117,213
100,000	$1.30	December 6, 2010	30,000
45,000	$1.60	December 12, 2010	1,250
30,000	$1.60	December 19, 2010	833
50,000	$1.25	December 20, 2010	15,000
30,000	$1.60	December 26, 2010	833
5,535,000			2,557,071

Employee Stock Option Plan

No compensation expense was recorded for options granted to employees under the intrinsic method of accounting in the reporting periods as the exercise prices equal or exceed the fair market values of the Company's common stock on the respective dates of grant.

In March 2004, the Board of Directors approved the Company's 2004 Stock Option Plan ("the 2004 Plan"). The 2004 Plan provides for the granting of stock options to key employees, directors and consultants to purchase up to 5,000,000 common shares of the Company. Under the 2004 Plan, the granting of incentive and non-qualified stock options, exercise prices and terms are determined by the Board of Directors. For incentive options, the exercise price shall not be less than the fair market value of the Company's common stock on the grant date. (In the case of options granted to an employee who owns stock possessing more than 10% of the voting power of all classes of the Company's stock on the date of grant, the option price must not be less than 110% of the fair market value of common stock on the grant date.) Options granted are not to exceed terms beyond ten years (5 years in the case of an incentive stock option granted to a holder of 10 percent of the Company's common stock). Unless otherwise specified by the Board of Directors, stock options shall vest at the rate of 25% per year starting one year following the granting of options.

The 2004 Stock Option Plan was amended and effective November 17, 2004 authorized the issuance of a maximum of 7,000,000 shares of common stock to eligible employees, directors, officers and employees of the company or its subsidiaries.

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Warrants

The following table summarizes the fully exercisable warrant transactions during the six-months ended and the balance outstanding as at February 28, 2006:

	Number of Warrants		Weighted Average Exercise Price
Balance, September 1, 2003	-	$	-
Issued	2,184,708	$	2.27
Balance, August 31, 2004	2,184,708	$	2.27
Exercised	(520,000)	$	1.00
Exercised	(309,806)	$	1.90
Expired	(800,000)	$	2.25
Balance, August 31, 2005	554,902	$	1.25
Exercised	(12,500)	$	1.25
Issued (Note 10 (a))	166,415	$	1.15
Issued (Note 10 (a))	792,453	$	1.15
Issued (Note 10 (b))	2,807,547 [3]	$	1.15
Balance, February 28, 2006	4,308,817	$	1.17

A summary of share purchase warrants outstanding at February 28, 2006 was as follows:

Number	Exercise Price	Expiry Date	Warrant Type
542,402	$1.25[1]	April 15, 2009	Series A warrants
958,868	$1.15[2]	August 29, 2010	Warrants
2,807,547[3]	$1.15	February 24, 2011	Warrants
4,308,817			

[1] In September 2005, the Company agreed to revise the exercise price of all the Series A warrants issued to unrelated parties to $1.25 per share (previously $3.50).

[2] In February 2006, the Company agreed to revise the exercise price of all the warrants issued to the note holders of the August 2005 convertible debt to $1.15 per share (previously $1.25).

[3] In March 2006, the Company issued another 500,000 warrants to two note holders of the February 2006 convertible debt on same terms and conditions.

Note 10 Convertible Notes

(a) In August 2005, the Company entered into an agreement with four accredited investors to sell an aggregate of $2,100,000 of 6% convertible notes which entitle the investors to convert all or any part of the principal outstanding under the convertible notes into common shares at $1.06 per share (reduced to $1.00 per share on February 24, 2006), subject to adjustment according to the terms of the note agreement. Net proceeds were received on September 2, 2005 totalling $1,974,000 (after deducting the agent's fee of $126,000). In addition, the Company incurred legal and accounting expenses of $90,550 related to the issuance. The interest payable on the principal amount outstanding under the convertible notes is payable quarterly in cash or common shares, at the option of the Company, with the number of shares to be determined by dividing the interest payable by the market price as defined in the note agreement. The Company may elect to make the quarterly interest payments in shares of common stock at a conversion price equal to the then current market price, which is equal to the closing sale price of our company's common stock (or if no closing sale prices are reported, the average of the closing bid and ask prices) for the 20 day period immediately prior to the date of the interest payment.

As part of the private placement, each investor also received detachable share purchase warrants. Each share purchase warrant entitles the investor to purchase one share of common stock and is exercisable for a period of five years, at an exercise price per warrant of $1.25 (re-priced to $1.15 on February 28, 2006), subject to adjustment in accordance with the terms of the warrant. The Company issued 792,453 warrants to the four investors on August 29, 2005 and an additional 166,415 warrants to a placement agent on the same terms. As discussed in Note 8, these warrants were recorded as liabilities based on their fair value and were re-measured on each balance sheet date with adjustment charged to the Consolidated Statement of Operations for that period, in accordance with EITF 00-19.

The convertible notes will mature on August 29, 2010.

The proceeds of the convertible notes have been allocated to the notes, warrants and beneficial conversion option in accordance with EITF 00-27, "Application of Issue No. 98-5 to Certain Convertible Instruments" (EITF 0027). Accordingly, $447,735 was allocated to the notes and $836,038 was allocated to the embedded conversion option and $816,227 was allocated to the detachable warrants. The issuance cost of the convertible notes amounted to $387,957 (inclusive of the fair value of $171,407 related to 166,415 warrants issued to the placement agent, the agent fees paid in cash and the legal and accounting expenses incurred as described above) is recognized on the Consolidated Balance Sheet as deferred financing costs and is amortized on a straight-line basis over the term of debt. The amount allocated to the embedded conversion option is also amortized on a straight-line basis over the term of debt. The fair value of the warrants was calculated as described in Note 8(a).

As a result of the February 28, 2006 change in conversion price noted above, an additional amount had been allocated to the embedded conversion option of $125,000.

(b) On February 24, 2006, the Company entered into an agreement with ten investors to sell an aggregate of $2,000,000 of convertible notes which entitle the investors to convert all or any part of the principal outstanding under the convertible notes into common shares at $1.00 per share, subject to adjustment according to the terms of the note agreement. The convertible notes bear interest on the outstanding principal amount until the convertible notes are paid in full at an annual rate of the greater of six percent (6%) or LIBOR plus 300 basis points (7.98% at February 28, 2006). Pursuant to the terms of the note agreement, the notes are convertible into shares of our common stock. The total principal of $2,000,000 is to be repaid in 14 monthly installments commencing on June 24, 2006. These repayments may be payable in cash or in shares of common stock at the market price (as defined in the note). Interest accrues on the unpaid balance of the principal amount of each note, is payable on a quarterly basis commencing on March 31, 2006 and may be payable in cash or in shares of common stock at the market price at the option of the Company. Market price is defined in the note to equal 90% of the volume weighted average trading price per share for the 20 day period immediately prior to the date the principal repayment or the interest payment is due. The Company may not make a principal repayment or interest payment in shares of common stock unless the closing price on the day the principal repayment or interest is due, as the case may be, is greater than the volume weighted average trading price for the 20 trading days preceding such principal repayment or interest payment date. All principal and interest on the convertible notes shall be due on August 24, 2007.

As at February 28, 2006, the net proceeds received from the issuance amounted to $1,470,000 (after deducting the fee of $30,000 for legal fees). In addition the Company incurred other legal expenses and agent s fees of $96,056 related to the issuance. As at February 28, 2006, two of the investors had committed to funding $500,000 towards the convertible debt, but the Company did not received the proceeds until March 3, 2006.

In connection with the issuance of our convertible notes, each investor also received detachable share purchase warrants. Each share purchase warrant entitles the investor to purchase one share of common stock and is exercisable for a period of five years, at an exercise price per warrant of $1.15, subject to adjustment in accordance with the terms of the warrant. The Company issued 1,500,000 share purchase warrants to the ten investors as at February 28, 2006. In March 2006 the remaining 500,000 share purchase warrants were issued.

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In consideration of the four investors of the convertible notes issued on August 29, 2005 (Note 10(a)) participating in the purchase of the convertible notes issued on February 24, 2006, the Company agreed to issue additional 1,307,547 share purchase warrants to these investors, pro rated based on the principal amount of notes held by the respective investor on February 24, 2006. The warrants have an exercise price of $1.15, subject to adjustment in accordance with the terms of the warrant and are exercisable for a period of 5 years.

The proceeds of the February 24, 2006 convertible notes of $1.5 million received as at February 28, 2006 have been allocated to the notes, warrants and beneficial conversion option in accordance with EITF 00-27. Accordingly, $ Nil was allocated to the notes and $591,850 was allocated to the embedded conversion option and $908,150 was allocated to the 1,500,000 detachable warrants. The issuance cost of the convertible notes which amounted to $1,645,927 (inclusive of the fair value related to the 1,307,547 additional warrants of $1,519,871, the agent fees, legal and accounting expenses incurred as described above) is recognized on the Consolidated Balance Sheet as deferred financing costs and is amortized on a straight line basis over the term of debt. The amount allocated to the embedded conversion option is also amortized on a straight-line basis over the term of debt. The fair value of the warrants was calculated as described in Note 8(a).

The convertible notes and deferred financing costs are summarized as follows:

	Convertible Debt Face Value	Allocated to: Convertible Debt	Beneficial Conversion option	Original Warrants Value	Deferred Financing Costs
Issuance in September 2005 (a)	$ 2,100,000	$ 447,735	$ 836,038	$ 816,227	$ 387,957
Conversion of note (Note 8)	(351,468)	(101,747)	(249,721)	-	-
Issuance in February 2006 (b)	1,500,000	-	591,850	908,150	1,645,927
Incremental increase to beneficial conversion option	-	(125,000)	125,000	-	-
Amortization of beneficial conversion option	-	75,264	(75,264)	-	-
Amortization of deferred financing costs	-		-	-	(38,794)
	$ 3,248,532	$ 296,252	$ 1,227,903	$ 1,724,377	$ 1,995,090

As collateral for payment and satisfaction of all of Company s obligations under the notes issued on February 24, 2006 and August 2005, the Company granted a continuing first priority security interest in and to all of its assets (presently owned and those that are to be acquired in the future) to the holders of the notes.

Note 11 Contingent Liabilities

During the normal course of business activity, the Company was involved in litigation proceedings, certain lawsuits and other claims at February 28, 2006. While the outcome of these matters is subject to future resolution, management's evaluation and analysis of such matters indicates that, individually and in the aggregate, the probable ultimate resolution of such matters will not have a material adverse effect on the Company's consolidated financial statements. The outcome of these matters is presently indeterminable. Any settlement resulting from resolution of these contingencies will be accounted for in the period of settlement.

Note 12 Subsequent Events

On March 2, 2006 the Company issued 20,499 shares to the investors of the Convertible Notes dated August 29, 2005 for $23,019 of interest accrued on the convertible notes issued August 2005.

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In March 2006, an investor converted $229,000 convertible notes to 229,000 shares of common stock at the conversion price of $1.00 per share.

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 Section 27A of the United States Securities Act of 1933 and Section 21E of the United States Securities Exchange Act of 1934. 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 consolidated financial statements are stated in United States dollars and are prepared in accordance with United States generally accepted accounting principles. The following discussion should be read in conjunction with our consolidated financial statements and the related notes that appear elsewhere in this quarterly report.

In this quarterly report, unless otherwise specified, all dollar amounts are expressed in United States dollars. All references to "CDN$" refer to Canadian dollars and all references to "common shares" refer to the common shares in our capital stock.

As used in this quarterly report, the terms "we", "us" and "our" mean Bulldog Technologies Inc., formerly Northward Ventures, Inc., the term "Bulldog BC" refers to Bulldog Technologies (BC) Inc., a British Columbia, Canada corporation, and the term "Bulldog Nevada" refers to Bulldog Technologies Inc., a Nevada corporation.

Overview

We were incorporated under the laws of the State of Nevada on June 18, 2002. Until we effected the acquisition of Bulldog BC and the merger with Bulldog Nevada, our focus was on the exploration of a mineral claim known as the North Manchester Property, located in the Sudbury Mining Division, Province of Ontario, Canada. To date, we have not undertaken any exploration activity on the North Manchester Property and we do not intend on expending any more funds on this property.

On November 10, 2003, we completed the acquisition of 695,800, or 98%, of the shares of Bulldog BC in exchange for issuing 695,800 shares of our common stock. The stockholders of Bulldog BC were entitled to receive one share of our common stock for each share of Bulldog BC. After the acquisition closed on November 10, 2003, Bulldog BC became our subsidiary.

The merger of Bulldog Nevada and Bulldog Acquisition Corp. was completed effective as of November 10, 2003. As a result of the merger, we acquired 9,081,500 issued and outstanding shares in Bulldog Nevada in exchange for agreeing to issue 9,081,500 shares of our common stock to the stockholders of Bulldog Nevada. The stockholders of Bulldog Nevada were entitled to receive one share of our common stock for each share of Bulldog Nevada. After the merger closed on November 10, 2003, Bulldog Nevada became our wholly-owned subsidiary. After completion of this merger, we merged Bulldog Acquisition Corp. with our company. As part of this merger, we changed our name from "Northward Ventures, Inc." to "Bulldog Technologies Inc." to reflect our newly acquired business.

Our business involves the development, manufacture and sale of the Bulldog Online Security System, which is commonly referred to as "BOSS", designed to prevent cargo theft from cargo containers, tractor-trailers, cargo vans, tanker trucks, storage yard containers and other transportation and storage equipment.

We are still in our infancy as a viable commercial entity, and consequently our focus has been on the identification of market needs, the development of products and services to meet these needs, and the branding of our company and our services. We anticipate that the expected growth in revenues will assist us in attracting additional financing to allow us to add the needed resources in order to further support the growth of our operations. Despite our expectations, there are no assurances that an increase in our revenues can be achieved, or that we will be able to attract additional financing on acceptable terms, if at all. Should we be unable to achieve the anticipated revenue growth or to attract additional financing on acceptable terms, our ongoing business and future success may be adversely affected.

General - Explanation of Comparative Periods

As discussed above, we acquired Bulldog BC and Bulldog Nevada effective on November 10, 2003. The acquisition was accounted for using the purchase method of accounting as applicable to reverse acquisitions because the former stockholders of Bulldog BC and Bulldog Nevada controlled approximately 51% of our common stock immediately upon conclusion of the transaction (including the private placement completed in connection with this transaction) and the continuing business is that of Bulldog BC and Bulldog Nevada. Under reverse acquisition accounting, the post-acquisition entity is accounted for as a recapitalization of Bulldog BC and Bulldog Nevada.

Accordingly, the historical financial statements and financial information presented in this quarterly report prior to the share exchange are those of Bulldog BC and Bulldog Nevada.

General - Explanation of Plan of Operations

To date, we have not generated any significant revenues, and all revenue prior to the revenues generated in the three month period ended February 28, 2006 were derived from incidental consulting services. As a result, we have included a discussion of our plan of operations for the twelve month period ending February 28, 2007 as such discussion is more informative to our shareholders.

PLAN OF OPERATION AND CASH REQUIREMENTS

We anticipate that we will expend approximately $4.59 million on our BOSS™ product business during the next twelve-month period to secure initial product orders, build market channels, support customer trials, complete independent product evaluations, recruit senior engineers and marketing staff, conduct continued research and development on our new products, launch a marketing program, ramp up our manufacturing capabilities, and purchase plant and machinery. The estimated expenditures are in tandem with our business plan to generate sales of our products in the United States, Mexico and Latin America. These expenditures are broken down as follows:

Estimated Expenditures Required During the Next Twelve Month Period

Operating expenses		
Sales and Marketing	$	640,000
Research and Development		500,000
Manufacturing and Engineering		300,000
General and Administrative		700,000
Salaries and Wages		2,250,000
Total Operating Expenses		4,390,000
Capital expenditures		200,000
Total	$	4,590,000

Sales and Marketing

We are targeting four major primary markets: (i) retail, (ii) pharmaceutical, (iii) high technology, and (iv) government. We are focused on selling our products to the manufacturers of goods in three of those commercial markets. Government sales will be handled through a value added reseller. Currently, we are working on business opportunities in the United States of America, Latin America and Canada. We are promoting our products through multiple channels, namely industry trade shows, distributors, security consultants and our own sales team. We currently have distributors covering markets in the United States of America, Latin America and the Middle East, and anticipate engaging new distributors, resellers and sales agents. We have made significant inroads into the market in Mexico through the appointment of a Value Added Reseller in Mexico. There has been significant interest in our products, especially for the RoadBoss, which will be able to ease the flow of containers through the borders between Mexico and the United States.

We are currently negotiating with several potential customers for the sale of our MiniBoss and RoadBoss products for a pilot programme. We anticipate that we will expend approximately $640,000 during the next twelve-month period on sales and marketing activities such as trade shows, conducting pilot projects, advertising and other marketing activities.

Research and Development

We have commercialized our MiniBoss product line for commercial deployment and are in the process of commercial deployment for our new RoadBoss II line. At the same time we are also improving the product features and components with the intention of upgrading their performance. We are expending a significant amount of resources in developing our own proprietary AVL software and radio frequency design. We are planning to continue our research and development on the following new products:

- Commercial Vehicle/Cargo tracking. We have completed the integration of the hybrid global positioning system (GPSOne) protocol into our existing security systems, but the hybrid global positioning system (GPSOne) is currently only available on Sprint's North American network. We are also working with various GSM based Assisted global positioning system (GPS) capabilities as well. GSM is the globally deployed cellular technology, and by completing this technology development, we will open global markets to our products, as well as continue to reduce cost and improve functionality.

- Automated Vehicle Location, (AVL) software. We have completed the initial development of our new asset management and security monitoring application, and we will continue to improve the functionality of this software offering as well.
- Asset management products. We have commenced the commercial deployment of our integrated long range radio frequency identification products, and will continue the research and development effort to support emerging wireless communication standards, such as Zigbee which will allow our security systems to be operationally combined with asset management systems with the view to providing increased functionality and a better return on investment model.
- Tanker Security System. We are planning on continuing additional functionality development on our tanker security system, which allows for the monitoring of liquids transported in industrial tanker trucks.
- Sensor Monitoring Products. We have leveraged our design competencies in radio frequency identification with the standardization of Zigbee to create asset monitoring tags which can give our customers the ability to monitor asset location, temperature, and other valuable sensor information with our monitoring infrastructure.

We anticipate expending approximately $500,000 during the next twelve-month period on research and development activities on our BOSS product line.

Manufacturing and Engineering

We expect to spend $300,000 in the next twelve-month period on materials, moulds and engineering services in ramping up the manufacturing process and in improving our engineering capabilities. We will incur costs in the development and commercialization of our new models of the Mini BOSS™ and Road BOSS™.

We are currently ramping up manufacturing for the RoadBoss II which is expected to be in production in the third quarter of this financial year.

General and Administrative Expenses

We expect to spend $700,000 during the next twelve-month period on general and administrative expenses including legal and auditing fees, insurance, investor relations, rent, office equipment and other administrative related expenses. These expenses relate to operating costs of our offices in Richmond, British Columbia and Bellingham, Washington. Our office in Bellingham provides technical support for provisioning our products onto the Sprint network for air-time services related to the MiniBoss. We have set up computer servers for the air-time services.

We have incurred $48,000 in patent fees to protect our patents in eight countries that we have or intend to have business interests. Our company has been granted a patent in the United States, and has filed an international application claiming priority from the United States patent with the International Bureau of the World Intellectual Property Organization under the Patent Co-operation Treaty (PCT), for the invention of our continuous feedback security system for cargo containers. The PCT patent application is in good standing and is currently pending.

Capital Expenditure

We intend to invest $200,000 during the next twelve-month period in laboratory and testing equipment, computer software, and manufacturing equipment.

Employees

We expect that we will spend $2.25 million in salaries during the next twelve months. Our company currently employs 36 employees. We are adequately staffed in operations and engineering but intend to increase our sales force in the United States to expand our customer base for our products.

Future Operations

We have incurred accumulated losses of approximately $9.9 million from inception on September 23, 1998 through February 28, 2006.

As noted above, management of our company projects that we require approximately $4.59 million to fund our ongoing operating expenses, and working capital requirements for the next twelve-month period. As at February 28, 2006, we have entered into agreements to issue $2.0 million of convertible notes to ten investors. As such, we will require additional financing to bring our products into commercial operation, finance working capital and pay for operating expenses and capital requirements until we achieve a positive operating cash flow generated through substantial sales. Although we commenced generating revenues from the sale of our BOSS™ systems during the three months ended February 28, 2006, we will be unable to generate sufficient sales revenues to meet our operating expenses for the foreseeable future. We will require additional external financing to bring our products into commercial operation, finance working capital and pay for operating expenses and capital requirements. We intend to raise additional funds through the issuance of equity or convertible debt. However, there can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, if and when it is needed, we will be forced to scale down or perhaps even cease the operation of our business.

Our ability to continue as a going concern and the continuation of our business is dependent upon successful and sufficient market acceptance of our current product offerings and any new product offerings that we may introduce, the continuing successful development of our products and related technologies, and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

These circumstances raise substantial doubt about our ability to continue as a going concern, as described in the explanatory paragraph to our independent auditors' report on the August 31, 2005 consolidated financial statements in our Form 10-KSB filed with the Securities and Exchange Commission on November 29, 2005. The consolidated financial statements do not include any adjustments that might result from the outcome of the uncertainty.

NEW ACCOUNTING PRONOUNCEMENTS

On December 16, 2004, the Financial Accounting Standards Board ("FASB") issued SFAS No. 123 (revised 2004), "Share-Based Payment". SFAS No. 123(R) would require our company to measure all employee stock-based compensation awards using a fair value method and record such expense in its consolidated financial statements. In addition, SFAS No. 123(R) will require additional accounting related to the income tax effects and additional disclosure regarding the cash flow effects resulting from share-based payment arrangements. For public entities that file as a small business issuer, SFAS No. 123(R) is effective for the first annual reporting period beginning after December 15, 2005.

In February 2006, FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments - an Amendment of FASB Statements No. 133 and 140". Among other things, the SFAS No. 155 permits the election of fair value remeasurement for certain hybrid financial instruments that would otherwise require bifurcation under Statement 133, Accounting for Derivative Instruments and Hedging Activities. These hybrid financial instruments would include both assets and liabilities. SFAS No. 155 is effective for fiscal years beginning after September 15, 2006.

In September 2005, the FASB ratified the consensus reached by the EITF on Issue 05-7, Accounting for Modifications to Conversion Options Embedded in Debt Instruments and Related Issues ("EITF 05-7"). According to EITF Issue 96-19 , "Debtor's Accounting for a Modification or Exchange of Debt Instruments," an exchange of debt instruments having substantially different terms (or a substantial modification of the terms of existing debt) is deemed tantamount to a debt extinguishment. In EITF 05-7, the Task Force provides the following additional guidance in the application of EITF 96-19 :

In determining whether a substantial modification has been made to a convertible debt instrument (and thus whether an extinguishment has occurred), the change in fair value of the related embedded conversion option should be included in the EITF96-19 analysis, with such change calculated as the difference between the fair values of the option immediately before and after the modification. The modification of a convertible debt instrument should affect subsequent recognition of interest expense with respect to changes in the fair value of the embedded conversion option. A new beneficial conversion feature should not be recognized nor should an existing one be reassessed upon modification to a convertible debt instrument (i.e., the only value associated with the modification of the embedded conversion option to be accounted for should be the change in its fair value). The foregoing consensus is effective for future modifications of debt instruments beginning in the first interim or annual reporting period commencing after December 15, 2005, with early application permitted

Our company has not yet determined the effect of future implementation of these new standards on our consolidated financial statements.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Our financial statements have been prepared on a going concern basis. We have accumulated a deficit of approximately of $9.9 million from the inception of Bulldog Technologies (BC) to February 28, 2006. In the long-term, our ability to continue as a going concern is dependent upon our ability to generate profitable operations in the future and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. The outcome of these matters cannot be predicted with any certainty at this time. We have historically satisfied our working capital needs primarily by issuing equity and debt securities. As at February 28, 2006, we had cash and short-term investments of $1.4 million (excluding $500,000 which was received in March 2006 from the issuance of convertible notes).. We intend to raise additional capital by issuing equity or debt securities for business operations. These financial statements do not include any adjustments to the amount and classification of assets and liabilities that may be necessary should we be unable to continue as a going concern.

Research and development

All costs pertaining to research and development are charged to expense as incurred.

Revenue Recognition

Revenue from the sale of products is recognized when products are shipped, the title and risk of loss has passed to the customer, the sales price is fixed or determinable and collectibility is reasonable assured. Revenue generated through the provision of consulting services is recognized as the services are provided.

Stock Compensation

Prior to recent financings, to conserve cash, we previously engaged in a number of transactions where we have used our common stock as consideration for services or in settlement of debt and payables. In such situations, the value attributable to the service or debt settlement is largely determined based on the quoted market price of our common stock around the respective agreement dates. To the extent we may offer stock to consultants at a discount to the quoted market price in settlement of debt, a loss is recognized in our Statement of Operations.

Stock Options

We apply Accounting Principles Board ("APB") Opinion 25, "Accounting for Stock Issued to Employees," and related Interpretations in accounting for all stock option plans. Under APB Opinion 25, compensation cost has been recognized for stock options granted to employees when the option price is less than the market price of the underlying common stock on the date of grant.

SFAS No. 123, "Accounting for Stock-Based Compensation," and SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and disclosure," requires our company to provide pro forma information regarding net

income as if compensation cost for our stock option plans had been determined in accordance with the fair value based method prescribed in SFAS No. 123. To provide the required pro forma information, we estimate the fair value of each stock option at the grant date by using the Black-Scholes option-pricing model. We have elected to continue to account for stock based compensation to employees under APB No. 25.

We apply SFAS No. 123 in valuing options granted to consultants and estimate the fair value of such options using the Black-Scholes option-pricing model. The fair value is recorded as consulting expense as services are provided. Options granted to consultants for which vesting is contingent based on future performance are measured at their then current fair value at each period end, until vested.

The Black-Scholes calculation uses assumptions and estimates, the determination of which is subject to management's judgment. Such assumptions upon which the calculation is based are disclosed in the notes to our consolidated financial statements.

Warrants issued with Registration Rights

We issued warrants subject to registration rights as part of our 2006 and 2005 private placements of convertible notes and the 2004 private placement of shares in our common stock. In accordance with Emerging Issues Task Force Issue ("EITF") 00-19, the value attributable to such warrants are to be presented as a liability on our balance sheet until the earlier of the date the subject warrants are exercised, expired or the date which is two years following the effective date of the respective registration statements covering the 2005 and 2004 private placements.

We value the warrants using the Black-Scholes pricing model based on expected fair value at the issuance date. On a quarterly basis, the warrants are revalued with the resultant change in value being reflected as a gain or loss on our statement of operations. At February 28, 2006, the value recorded on our consolidated balance sheet in respect of the warrants was $4,632,862 . Upon exercise or cancellation of the warrants, a pro rata amount of the liability will be reclassified to equity at the Black-Scholes value on that date.

As discussed above, the Black-Scholes calculation uses assumptions and estimates, the determination of which is subject to management's judgment. Such assumptions upon which the calculation is based are disclosed in the notes to our consolidated financial statements.

The valuation of the warrants and stock options is calculated using the Black Scholes option pricing model which is sensitive to the volatility and market price of the shares. The variables used in the Black Scholes option pricing model as at February 28, 2006 are the risk free rate: 4.40%; volatility: 186%; dividend rate : 0%; and expected life of 5 years.

Property, Plant and Equipment and Depreciation

Property, plant and equipment are stated at cost. Depreciation is computed over the estimated useful life using the straight-line and declining-balance methods. Long-lived assets used by our company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. We continuously evaluate the recoverability of our long-lived assets based on estimated future cash flows and the estimated fair value of such long-lived assets, and provide for impairment if such undiscounted cash flows are insufficient to recover the carrying amount of the long-lived asset.

RISK FACTORS

Much of the information included in this quarterly report includes or is based upon estimates, projections or other "forward-looking statements". Such forward-looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein. We undertake no obligation to update forward-looking statements to reflect events or circumstances occurring after the date of such statements.

Such estimates, projections or other "forward-looking statements" involve various risks and uncertainties as outlined below. We caution readers of this quarterly report that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other "forward-looking statements". In evaluating us, our business and any investment in our business, readers should carefully consider the following factors.

Our new business operations will be subject to a number of risks and uncertainties, including those set forth below:

We have issued convertible notes and share purchase warrants, and our obligations under the convertible notes and the warrants pose risks to the price of our common stock and our continuing operations.

We issued convertible notes, in the aggregate principal amount of $2,000,000, which mature on August 24, 2007. We also issued convertible notes, in the aggregate principal amount of $2,100,000, which will mature on August 29, 2010. The convertible notes provide that the holder of the notes may convert the outstanding principal and accrued interest into shares of our common stock. We also have the option of paying interest on the notes in shares of our common stock. The purchasers of the convertible notes also hold an aggregate of 4,100,000 share purchase warrants. The placement agent received 166,415 share purchase warrants in connection with the private placement on August 29, 2005. In addition, we agreed to issue additional warrants to purchase an aggregate of 1,307,547 of our common stock to the four accredited investors who participated in the private placement on August 29, 2005.

The terms and conditions of the convertible notes and the share purchase warrants pose unique and special risks to our continuing operations and the price of our common stock. Some of those risks are outlined below.

The holders of the convertible notes have the option of converting the convertible notes into shares of our common stock, and we may elect to make principal repayments and/or interest payments under the convertible notes in shares of our common stock. The holders of the convertible notes may also exercise their common share purchase warrants. If the convertible notes are converted or the share purchase warrants are exercised, there will be dilution of your shares of our common stock.

The issuance of shares of our common stock upon conversion, as principal repayments on or as interest payments on the convertible notes and upon exercise of the share purchase warrants will result in dilution to the interests of other holders of our common stock, since the holders of the convertible notes may sell all of the resulting shares into the public market.

The principal amount of the convertible notes may be converted at the option of the holders into shares of our common stock at a set price of $1.00 per share, subject to adjustment pursuant to the anti-dilution provisions as set forth in each of the convertible notes. In addition, we may elect to make principal repayments on the convertible notes issued on February 24, 2006 or interest payments on all of the convertible notes in shares of our common stock at a conversion price equal to the then current market price, which is equal to 90% of the closing sale price of our company's common stock for the 20 day period immediately prior to the date of the principal repayment or interest payment for the notes issued on February 24, 2006 and the closing sale price of our company s common stock (or if no closing sale prices are reported, the average of the closing bid and ask prices) for the 20 day period immediately prior to the date of the interest payment for the notes issued on August 29, 2005.

Each convertible note and each share purchase warrant is subject to anti-dilution protection upon the occurrence of certain events. If, among other things, we offer, sell or otherwise dispose of or issue any of our common stock (or any equity, debt or other instrument that is at any time over its life convertible into or exchangeable for our common stock) at an effective price per share that is less than the conversion price of the convertible note or the exercise price of the share purchase warrant, the conversion price of the convertible notes or the exercise price of the warrants will be reduced to a price which is equal to that lower effective price.

The convertible notes provide for various events of default that would entitle the holders to require us to immediately repay the outstanding principal amount, plus accrued and unpaid interest, in cash. If an event of default occurs, we may be unable to immediately repay the amount owed, and any repayment may leave us with little or no working capital in our business.

We will be considered in default of the convertible notes if any of the following events, among others, occurs:

Notes Issued on August 29, 2005

- we fail to pay any amount due under any of the convertible notes within fifteen (15) days of any notice sent to us by the holder of the convertible note that we are in default of our obligation to pay;

- we fail to comply with any of the other agreements contained in the convertible notes or other related agreements after we are given ten (10) days written notice of such non-compliance;

- any representation, warranty, certificate or other statement (financial or otherwise) made or furnished by or on behalf of our company in connection with the convertible note is false, incorrect, incomplete or misleading in any material respect;

- we (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian over our company or our assets; (ii) are unable to pay our debts as they mature; (iii) make a general assignment for the benefit of our creditors; (iv) are dissolved or liquidated in whole or in part; or (v) we or someone else commences a bankruptcy, insolvency or reorganization proceeding;

- we breach any of our obligations under any other bond, debenture, note or other evidence of indebtedness involving an amount exceeding $1,000,000; or

- one or more judgments for the payment of money in an amount in excess of $1,500,000 are rendered against our company, which judgments shall remain undischarged for a period of thirty (30) days;

Notes Issued on February 24, 2006

- we fail to pay any amount due under any of the convertible notes immediately;

- we fail to comply with any of the other agreements contained in the convertible notes or other related agreements after we are given twenty (20) days notice of such non-compliance;

- any representation, warranty, certificate or other statement (financial or otherwise) made or furnished by or on behalf of our company in connection with the convertible note is false, incorrect, incomplete or misleading in any material respect;

- we (i) apply for or consent to the appointment of a receiver, trustee, liquidator or custodian over our company or our assets; (ii) are unable to pay our debts as they mature; (iii) make a general assignment for the benefit of our creditors; (iv) are dissolved or liquidated in whole or in part; or (v) we or someone else commences a bankruptcy, insolvency or reorganization proceeding;

- we breach any of our obligations under any other bond, debenture, note or other evidence of indebtedness involving an amount exceeding $500,000;

- our common stock is not listed or quoted on a trading market for five or more trading days;

- we fail to deliver a share certificate within five trading days after delivery of such certificate is required;

- we fail to have a sufficient number of authorized but unissued and unreserved shares available to issue upon conversion of the notes;

- we effect or publicly announce our intentions to effect any exchange recapitalization or other transaction that effectively rewards or requires physical delivery of share certificates; or

- the effectiveness of the registration statement required to be filed in connection with the notes issued on February 24, 2006 lapses for five or more trading days.

If an event of default occurs, the holders of the convertible notes can elect to require us to pay all of the outstanding principal amount, plus all other accrued and unpaid amounts under the convertible notes.

Some of the events of default include matters over which we may have some, little or no control. If a default occurs and we cannot pay the amounts payable under any of the convertible notes in cash (including any interest on such amounts and any applicable late fees under the convertible notes), the holders of the notes may protect and enforce their rights or remedies either by suit in equity or by action at law, or both, whether for the specific performance of any covenant, agreement or other provision contained in the convertible notes, in the related securities purchase agreement or in any document or instrument delivered in connection with or pursuant to the convertible notes, or to enforce the payment of the outstanding convertible notes or any other legal or equitable right or remedy. This would have an adverse effect on our continuing operations.

All of our assets are secured and consequently if we default on the convertible notes, our continued operation will be adversely affected.

We are financing our operations primarily through the issuance of the equity and debt securities, including the convertible notes. The convertible notes have been secured primarily by all of our assets. If we default on any of these convertible notes, the holders would be entitled to seize all of our assets and take control of our business which events would have a material adverse effect on our business.

Any significant downward pressure on the price of our common stock could encourage short sales by the holders of the convertible notes or by others. Such short sales may in turn place additional downward pressure on the market price of our common stock.

The convertible notes do not contain any restrictions on short selling. Accordingly, any significant downward pressure on the price of our common stock as the noteholders sell shares of our common stock could encourage short sales by them or others, subject to applicable securities laws. In turn, sales of a substantial number of shares of our common stock by way of short sales could further depress the market price of our stock.

In an ordinary or "uncovered" short sale, a selling stockholder causes his or her executing broker to borrow the shares to be delivered at the completion of the sale from another broker, subject to an agreement to return them upon request, thereby avoiding the need to deliver any shares actually owned by the selling stockholder on the settlement date for the sale. Since the selling stockholder does not own the shares that are sold, the selling stockholder must subsequently purchase an equivalent number of shares in the market to complete or "cover" the transaction. The selling stockholder will realize a profit if the market price of the shares declines after the time of the short sale, but will incur a loss if the market price rises and he or she is forced to buy the replacement shares at a higher price. Accordingly, a declining trend in the market price of our common stock may stimulate short sales.

Assuming that the holders of the convertible notes and share purchase warrants convert their convertible notes or exercise their share purchase warrants, there will be substantial dilution of your shares of our common stock.

As disclosed above, the holders of the convertible notes may ultimately convert the full amount of the convertible notes and exercise all of their outstanding share purchase warrants and we may elect to pay the quarterly interest payments in shares of our common stock. They may then sell all of the resulting shares of common stock into the public market. This will result in dilution to the interests of other holders of our common stock.

Sales of a substantial number of shares of our common stock into the public market by the selling security holders may result in significant downward pressure on the price of our common stock and could affect the ability of our stockholders to realize the current trading price of our common stock.

Sales of a substantial number of shares of our common stock in the public market could cause a reduction in the market price of our common stock. We had 24,655,288 shares of common stock issued and outstanding as of March 1, 2006. When this registration statement is declared effective, the selling security holders may convert their convertible notes and exercise their share purchase warrants. Under such circumstances, up to 8,325,318 shares will be added to the number of issued and outstanding shares of our company, not including any shares of common stock that may be issued as interest payments on the convertible notes and not including additional shares which may be issuable as a result of any adjustments that may be made to the conversion price of the notes or the exercise price of the warrants. As a result of this registration statement, a substantial number of our shares of common stock may be issued and may be available for resale, which could have an adverse effect on the price of our common stock.

To the extent any of the selling security holders convert any of their convertible notes or exercise any of their share purchase warrants, and then resell the shares of common stock issued to them upon such conversion or exercise, as applicable, the price of our common stock may decrease due to the additional shares of common stock in the market.

Any significant downward pressure on the price of our common stock as the selling security holders sell the shares of our common stock could encourage short sales by the selling security holders or others. Any such short sales could place further downward pressure on the price of our common stock.

We have had negative cash flows from operations. Our business operations may fail if our actual cash requirements exceed our estimates, and we are not able to obtain further financing.

Our company has had negative cash flows from operations as we have not yet generated significant revenues. To date, we have incurred significant expenses in product development and administration in order to ready our products for market. Our business plan calls for additional significant expenses necessary to bring our Bulldog Online Security Systems to market. We have estimated that we will require approximately $4.59 million to carry out our business plan during the next twelve month period. As at February 28, 2006 we received gross proceeds of $1,500,000 from the sale of convertible notes dated February 24, 2006 and the remaining $500,000 was received in early March 2006. As a result, we believe we have sufficient funds to satisfy our cash requirements to complete the development, commercialization and marketing of our main products, including the RB600, MiniBoss™, YardBoss™ and the TankerBoss™. Our company intends to raise further equity or debt financing to expand our business activities, although we have not identified any sources of such financing. However, there is no assurance that actual cash requirements will not exceed our estimates, in which case we will require additional financing to bring our products into commercial operation, finance working capital and pay for operating expenses and capital requirements until we achieve a positive cash flow. In particular, additional capital may be required in the event that:

- we incur unexpected costs in completing the development of our technology or encounter any unexpected technical or other difficulties;
- we incur delays and additional expenses as a result of technology failure;
- we are unable to create a substantial market for our product and services; or
- we incur any significant unanticipated expenses.

We may not be able to obtain additional equity or debt financing on acceptable terms if and when we need it. Even if financing is available it may not be available on terms that are favourable to us or in sufficient amounts to satisfy our requirements. If we require, but are unable to obtain, additional financing in the future, we may be unable to implement our business plan and our growth strategies, respond to changing business or economic conditions, withstand adverse operating results, and compete effectively. More importantly, if we are unable to raise further financing when required, our continued operations may have to be scaled down or even ceased and our ability to generate revenues would be negatively affected.

A decline in the price of our common stock could affect our ability to raise further working capital and adversely impact our operations.

A prolonged decline in the price of our common stock could result in a reduction in the liquidity of our common stock and a reduction in our ability to raise capital. Because our operations have been primarily financed through the sale of equity securities, a decline in the price of our common stock could be especially detrimental to our liquidity and our continued operations. Any reduction in our ability to raise equity capital in the future would force us to reallocate funds from other planned uses and would have a significant negative effect on our business plans and operations, including our ability to develop new products, implement our marketing plans and continue our current operations. If the stock price declines, there can be no assurance that we can raise additional capital or generate funds from operations sufficient to meet our obligations and as a result we may be forced to scale down or even cease our operations.

If we issue additional shares in the future this may result in dilution to our existing stockholders.

Our Certificate of Incorporation authorizes the issuance of 100,000,000 shares of common stock and 10,000,000 shares of preferred stock. Our board of directors has the authority to issue additional shares up to the authorized capital stated in the certificate of incorporation. Our board of directors may choose to issue some or all of such shares to acquire one or more businesses or to obtain additional financing in the future. The issuance of any such shares may result in a reduction of the book value or market price of the outstanding shares of our common stock. It will also cause a reduction in the proportionate ownership and voting power of all other stockholders. Further, any such issuance may result in a change of control of our corporation.

There is a high risk of business failure due to the fact that we have not commenced significant commercial operations.

Although we are in the initial stages of production of the Bulldog Online Security Systems, there is no assurance that we will be able to successfully develop sales of our systems. Thus we have no way of evaluating whether we will be able to operate the business successfully, and there is no assurance that we will be able to achieve profitable operations.

Potential investors should be aware of the difficulties normally encountered in developing and commercializing new industrial products and the high rate of failure of such enterprises. The likelihood of success must be considered in light of the problems, expenses, difficulties, complications and delays encountered in connection with the commercialization process that we plan to undertake. These potential problems include, but are not limited to, unanticipated problems relating to development, manufacture and financing of the Bulldog Online Security Systems products. If we are unsuccessful in addressing these risks, our business will most likely fail.

We have a history of losses and negative cash flows, which is likely to continue unless our products gain sufficient market acceptance to generate a commercially viable level of sales.

From inception through February 28, 2006, we have incurred aggregate net losses of $9.9 million, including a loss incurred for the six month period ended February 28, 2006 of $3.74 million and for the year ended August 31, 2005 of $3.6 million. There is no assurance that we will operate profitably or will generate positive cash flow in the future. In addition, our operating results in the future may be subject to significant fluctuations due to many factors not within our control, such as market acceptance of our products, the unpredictability of when customers will order products, the size of customers' orders, the demand for our products, and the level of competition and general economic conditions.

To date, we have not yet generated any significant revenues. We have generated limited revenues from the sales of our products during the three month period ended February 28, 2006 as well as revenues in fiscal year 2005 derived from incidental consulting services. We ceased our consulting services upon the closure of our office in Boulder, Colorado. If our revenues from sales increase, we expect to incur an increase in development and operating costs. Consequently, we expect to incur operating losses and net cash outflow unless and until our existing products, and/or any new products that we may develop, gain market acceptance sufficient to generate a commercially viable and sustainable level of sales.

These circumstances raise substantial doubt about our ability to continue as a going concern, as described in the explanatory paragraph to our independent auditors' report on the August 31, 2005 consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of the uncertainty.

Unless we can establish significant sales of our current products, our potential revenues may be significantly reduced.

Our future revenue will be derived from the sale of our BOSS™ security products. The successful introduction and broad market acceptance of our BOSS™ products - as well as the development, introduction and market acceptance of any future enhancements - are, therefore, critical to our future success and our ability to generate revenues. Unfortunately, there can be no assurance that we will be successful in marketing our current product offerings, or any new product offerings, applications or enhancements. Failure to achieve broad market acceptance of our security products, as a result of competition, technological change, or otherwise, would significantly harm our business.

Substantially all our assets and all of our directors and officers are located outside the United States, with the result that it may be difficult for investors to enforce within the United States any judgments obtained against us or any of our directors or officers.

Substantially all of our assets are held by our subsidiary, Bulldog Technologies (BC), a company incorporated in British Columbia, Canada. Consequently, most of our officers are nationals and/or residents of countries other than the United States, and all or a substantial portion of such persons' assets are located outside the United States. As a result, it may be difficult for investors to enforce within the United States any judgments obtained against us or our officers, including judgments predicated upon the civil liability provisions of the securities laws of the United States or any state thereof. Consequently, you may be effectively prevented from pursuing remedies under United States federal securities laws against our officers.

We operate in a highly competitive industry and our failure to compete effectively may adversely affect our ability to generate revenue.

There are companies offering products which may compete directly with Bulldog Online Security Systems, and it is anticipated that larger, better-financed companies will develop products similar or superior to the Bulldog Online Security Systems. Such competition will potentially affect our chances of achieving profitability, and ultimately adversely affect our ability to continue as a going concern.

We could lose our competitive advantages if we are not able to protect any proprietary technology and intellectual property rights against infringement, and any related litigation could be time-consuming and costly.

Our success and ability to compete depends to a significant degree on our proprietary technology incorporated in our online security system. Our company has been granted a patent in the United States, and has filed an international application claiming priority from the United States patent with the International Bureau of the World Intellectual Property Organization under the Patent Co-operation Treaty (PCT), for the invention of our continuous feedback security system for cargo containers. The PCT patent application is in good standing and is currently pending. We also own the domain name www.bulldog-tech.com. We have not taken any other action to protect our proprietary technology and proprietary computer software. If any of our competitors copies or otherwise gains access to our proprietary technology or software or develops similar technologies independently, we would not be able to compete as effectively.

We also consider our trademarks invaluable to our ability to continue to develop and maintain the goodwill and recognition associated with our brand. We are planning to register the trademarks "Bulldog Technologies", "Road BOSS" and "Yard BOSS" in Canada and in the United States.

These and any other measures that we may take to protect our intellectual property rights, which presently are based upon a combination of copyright, trade secret and trademark laws, may not be adequate to prevent their unauthorised use. Further, the laws of foreign countries may provide inadequate protection of such intellectual property rights. We may need to bring legal claims to enforce or protect such intellectual property rights. Any litigation, whether successful or unsuccessful, could result in substantial costs and diversions of resources. In addition, notwithstanding any rights we have secured in our intellectual property, other persons may bring claims against us that we have infringed on their intellectual property rights, including claims based upon the content we license from third parties or claims that our intellectual property right interests are not valid. Any claims against us, with or without merit, could be time consuming and costly to defend or litigate, divert our attention and resources, result in the loss of goodwill associated with our service marks or require us to make changes to our website or other of our technologies.

Our products may become obsolete and unmarketable if we are unable to respond adequately to rapidly changing technology and customer demands.

Our industry is characterized by rapid changes in technology, evolving industry standards and customer demands. As a result, our products may quickly become obsolete and unmarketable. The introduction of products embodying new technologies and the emergence of new industry standards can render existing products obsolete and unmarketable, including ours. Our future success will depend on our ability to adapt to technological advances, anticipate customer demands, develop new products and enhance our current products on a timely and cost-effective basis. Further, our products must remain competitive with those of other companies with substantially greater resources. We may experience technical or other difficulties that could delay or prevent the development, introduction or marketing of new products or enhanced versions of existing products. Also, we may not be able to adapt new or enhanced services to emerging industry standards, and our new products may not be favourably received. If we are not able to adapt our current products to technological advances or to develop and introduce new products, our business, financial condition and results of operations could be adversely affected.

If we fail to effectively manage our growth our future business results could be harmed and our managerial and operational resources may be strained.

As we proceed with the commercialization and sale of our products, we expect to experience significant and rapid growth in the scope and complexity of our business. We will need to add staff to market our services, manage operations, handle sales and marketing efforts and perform finance and accounting functions. We will be required to hire a broad range of additional personnel in order to successfully advance our operations. This growth is likely to place a strain on our management and operational resources. The failure to develop and implement effective systems, or to hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage our potential business, or the failure to manage growth effectively, could have a material adverse effect on our business and financial condition.

Trading on the OTC Bulletin Board may be volatile and sporadic, which could depress the market price of our common stock and make it difficult for our stockholders to resell their shares.

Our common stock is quoted on the OTC Bulletin Board service of the National Association of Securities Dealers. Trading in stock quoted on the OTC Bulletin Board is often thin and characterized by wide fluctuations in trading prices, due to many factors that may have little to do with the company's operations or business prospects. This volatility could depress the market price of our common stock for reasons unrelated to operating performance. Moreover, the OTC Bulletin Board is not a stock exchange, and trading of securities on the OTC Bulletin Board is often more sporadic than the trading of securities listed on a quotation system like Nasdaq or a stock exchange like Amex. Accordingly, shareholders may have difficulty reselling any of the shares.

Trading of our stock may be restricted by the Securities and Exchange Commission's penny stock regulations, which may limit a stockholder's ability to buy and sell our stock.

The Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than $5.00 per share or an exercise price of less than $5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of $5,000,000 or individuals with a net worth in excess of $1,000,000 or annual income exceeding $200,000 or $300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

NASD sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, the NASD (National Association of Securities Dealers Inc.) has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, the NASD believes that there is a high probability that speculative low priced securities will not be suitable for at least some customers. The NASD requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for its shares.

Item 3. Controls and Procedures.

As required by Rule 13a-15 under the Securities Exchange Act of 1934, we have carried out an evaluation of the effectiveness of the design and operation of our company's disclosure controls and procedures as of the end of the period covered by this quarterly report, being February 28, 2006. This evaluation was carried out under the supervision and with the participation of our company's management, including our company's Chief Executive Officer and our Chief Financial Officer. Based upon that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that our company's disclosure controls and procedures are effective. There have been no changes in our internal controls over financial reporting that occurred during the period covered by this report that have materially affected, or are reasonably likely to materially affect our internal controls over financial reporting.

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our company's reports filed or submitted under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in our company's reports filed under the Securities Exchange Act of 1934 is accumulated and communicated to management, including our company's Chief

Executive Officer and Chief Financial Officer as appropriate, to allow timely decisions regarding required disclosure.

Part II - OTHER INFORMATION

Item 1. Legal Proceedings.

Other than as set forth below, we know of no material, active or pending legal proceedings against our company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered or beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

On June 21, 2001, Reliability Engineering Associates Limited commenced a lawsuit in the Supreme Court of British Columbia (Vancouver Registry No. S013516) against Bulldog Technologies (BC) Inc. claiming CDN$85,600 (for a design fee of CDN$80,000 plus goods and services tax), $12,198 (on account of delay costs), general damages, special damages, court ordered interest and costs for services performed pursuant to a written agreement dated for reference October 30, 2000. On October 17, 2001, Bulldog Technologies (BC) filed a Statement of Defence and Counterclaim. Bulldog Technologies (BC)'s defence alleges that the services were not performed or were performed negligently or inadequately and as a result no monies are owing to Reliability. We believe that there is no substantive merit to the claims made by Reliability and we intend to vigorously defend the action. Bulldog Technologies (BC)'s counterclaim alleges that since Reliability did not provide the services contracted for, it should return 200,000 shares that we issued to Reliability in advance towards payment. Accordingly, we are seeking an order that Reliability return 200,000 shares of our common stock or, alternatively, that the shares be cancelled; in the alternative, damages for breach of contract; costs and court ordered interest.

On April 8, 2004, we commenced an action in the Supreme Court of British Columbia (Vancouver Registry No. S042363) against Reidar Ostensen and Stargate Industries Ltd. We claim: (i) damages arising from the breach of an agreement made in or about February 2000 between Bulldog Technologies (Nevada) Inc. and Reidar Ostensen, whereby Reidar Ostensen promised, among other things, to provide certain services to Bulldog Technologies (Nevada), including but not limited to serving as an officer and director of Bulldog Technologies (Nevada), in exchange for receiving 150,000 shares of common stock of Bulldog Technologies (Nevada); (ii) conversion of certain property belonging to Bulldog Technologies (Nevada) by Reidar Ostensen to his own use; and (iii) defamation. A Statement of Defence and Counterclaim was filed on July 23, 2004. The Statement of Defence alleges that the defendants were entitled to the shares, along with other shares issued by Bulldog Technologies (Nevada) to Reidar Ostensen in the name of Roseg Management Ltd., and that representations were made by Bulldog Technologies (Nevada) that the defendants would be entitled to an exchange of their shares of Bulldog Technologies (Nevada) for shares of our company upon completion of the merger between Bulldog Technologies (Nevada) and our company and that the defendants consented to the merger in reliance of that representation. The Counterclaim of the defendants alleges that our company is in breach of the merger agreement and has caused loss and damage to the defendants. We filed a Statement of Defence to the Counterclaim on August 25, 2004. We believe that there is no substantive merit to the claims made by the defendants and we intend to vigorously defend the action.

In early May 2004, Ronald G. Cranfield put our company on notice that he is contemplating measures to enforce an oral agreement that he claims he has entered into with us. Mr. Cranfield commenced an action against Bulldog BC and its President, John Cockburn, in the Supreme Court of British Columbia, New Westminster Registry File Number S95050, on October 25, 2005. Mr. Cranfield alleges breach of a written contract dated June 11, 2001, and subsequent addenda dated December 11, 2001, March 25, 2002, June 11, 2002, October 11, 2002, January 10, 2003 and January 13, 2003. Mr. Cranfield is seeking, among other things, issuance to himself of 82,000 shares in the capital stock of our company and grant to his company, R.G.C. & Associates Travel Ltd., of exclusive distribution rights of our company s products in Japan and Korea. On February 1, 2006, a Consent Dismissal Order was granted dismissing the action against John Cockburn, as a prior agreement between the parties bars an action against Mr. Cockburn. Our company has filed an Appearance to the action and on January 17, 2006 filed a Statement of Defence and Counterclaim. In our Counterclaim, we seek damages for breach of contract by Mr. Cranfield, for failing to provide fundraising services to our company. We believe that there is no substantive merit to the claims made by Mr. Cranfield and intend to vigorously defend the action. A trial of the action is currently scheduled for May 10 and 11, 2006.

On December 20, 2004, 635002 B.C. Ltd. commenced an action against our company in the Provincial Court of British Columbia (Small Claims Court), Richmond Registry File Number 204-18983. 635002 B.C. alleges breach of contract in connection with a Display Rental Agreement dated May 19, 2000 between Sign-O-Lite, Division of 32262 B.C. Ltd. and our company, which agreement was assigned by Sign-O-Lite to 635002 B.C. 635002 B.C. is suing for a total debt of $1,443. We filed a Reply to the Notice of Claim on January 4, 2005. The trial was originally scheduled to be heard on November 29, 2005; however, the trial had to be adjourned at the request of the claimant. We paid $749 to the claimant to settle the action on March 27, 2006.

On February 8, 2005, Reliability commenced a lawsuit in the Supreme Court of British Columbia (Vancouver Registry No. S050718) against our company claiming damages for conversion and punitive damages for failing to deliver the shares that form the subject matter of the lawsuit filed in the Supreme Court of British Columbia under Vancouver Registry No. S013516. We believe that there is no substantive merit to the claims made by Reliability and intend to vigorously defend the action.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

On December 1, 2005, we issued 12,500 shares of common stock to an accredited investor upon the investor's exercise of warrants at $1.25 per share. We issued the shares to an accredited investor (as that term is defined in Regulation D under the Securities Act of 1933) relying on Rule 506 of Regulation D and/or Section 4(2) or 4(6) of the Securities Act of 1933.

On December 1, 2005, we issued 150,000 shares of common stock to an investor upon the investor's conversion of $159,000 of a $600,000 convertible note. We issued the shares relying on Section 3(a)(9) of the Securities Act of 1933.

On December 2, 2005, we issued 30,007 shares of common stock to four accredited investors as interest payments on convertible notes issued on August 29, 2005. We issued the shares to accredited investors (as that term is defined in Regulation D under the Securities Act of 1933) relying on Rule 506 of Regulation D and/or Section 4(2) or 4(6) of the Securities Act of 1933.

On December 6, 2005, we issued 200,000 shares of common stock to an investor upon the investor's conversion of $212,000 of a $600,000 convertible note. We issued the shares relying on Section 3(a)(9) of the Securities Act of 1933.

On December 13, 2005, we issued 3,200 shares of common stock to one of our suppliers in consideration of services rendered to our company. We issued the shares in an offshore transaction to one non-U.S. person (as that term is defined in Regulation S under the Securities Act of 1933) relying on Regulation S promulgated under the Securities Act of 1933.

On March 1, 2006, we issued 20,499 shares of common stock to four accredited investors as interest payments on convertible notes issued on August 29, 2005. We issued the shares to accredited investors (as that term is defined in Regulation D under the Securities Act of 1933) relying on Rule 506 of Regulation D and/or Section 4(2) or 4(6) of the Securities Act of 1933.

On March 3, 2006, we issued 100,000 shares of common stock to an investor upon the investor s conversion of $100,000 of a $600,000 convertible note. We issued the shares relying on Section 3(a)(9) of the Securities Act of 1933.

On March 8, 2006, we issued 129,000 shares of common stock to an investor upon the investor s conversion of $129,000 of a $600,000 convertible note. We issued the shares relying on Section 3(a)(9) of the Securities Act of 1933.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits

Exhibits required by Item 601 of Regulation S-B

Exhibit Number	Description
2.1(1)	Agreement and Plan of Merger dated October 28, 2003 between Northward Ventures Inc., Bulldog Technologies Inc., a Nevada corporation, Bulldog Acquisition Corp. and John Cockburn
2.2(1)	Share Purchase Agreement dated October 28, 2003 between Northward Ventures Inc., Bulldog Technologies Inc., a British Columbia company, John Cockburn and the remaining shareholders of Bulldog Technologies Inc., a British Columbia company
3.1(2)	Articles of Incorporation
3.2(2)	Bylaws
3.3(3)	Articles of Merger between Bulldog Acquisition Corp. and Northward Ventures, Inc.
10.1(2)	Option Agreement dated July 29, 2002
10.2(4)	Option amendment dated July 15, 2003
10.3(5)	Export Finance Facility Agreement, dated July 10, 2001, between I Trade Finance Inc. and Bulldog Technologies Inc., a British Columbia company
10.4(5)	Agreement, dated June 11, 2001, between Ronald Cranfield, Bulldog Technologies Inc., a British Columbia company and John Cockburn
10.5(5)	Addendum, dated December 11, 2001, to Agreement, dated June 11, 2001, between Ronald Cranfield, Bulldog Technologies Inc., a British Columbia company and John Cockburn
10.6(5)	Subscription Agreement, dated November 7, 2003, between Antares Investment Ltd. and Northward Ventures, Inc.
10.7(5)	Investor Registration Rights Agreement, dated November 7, 2003, between Antares Investment Ltd. and Northward Ventures, Inc.
10.8(5)	Lease Agreement dated June 16, 2003, between Ace Fire Prevention Ltd. and Bulldog Technologies Inc., a British Columbia company

10.9[3]	Director Services Agreement, dated November 17, 2003, between Bulldog Technologies Inc. and Boo Jock Chong
10.10[3]	Director Services Agreement, dated November 17, 2003, between Bulldog Technologies Inc. and James McMillan
10.11[3]	Employment Agreement, dated November 17, 2003 between Bulldog Technologies Inc. and Samuel Raich
10.12[3]	Employment Agreement, dated December 1, 2003, between Bulldog Technologies Inc. and Alexander Potter
10.13[3]	Employment Agreement, dated December 24, 2003, between Bulldog Technologies Inc. and John Cockburn
10.14[6]	Subscription Agreement, dated December 23, 2003, between Bulldog Technologies Inc. and Greg Burnett
10.15[6]	Subscription Agreement, dated December 23, 2003, between Bulldog Technologies Inc. and Raymond Irvine
10.16[6]	Packet Data Terminal 100 Distribution Agreement, dated January 27, 2004 Bulldog Technologies Inc. and EMS Technologies Canada, Ltd.
10.17[6]	Distribution Agreement, dated March 3, 2004 between Bulldog Technologies Inc. and Nettel S.A.
10.18[7]	Distribution Agreement, dated March 20, 2004 between Bulldog Technologies Inc. and Energy Control Systems Corp.
10.19[7]	Development Agreement, dated March 20, 2004 between Bulldog Technologies Inc. and Energy Control Systems Corp.
10.20[7]	Form of Securities Purchase Agreement with the following: Alexandra Global Master Fund Ltd. Otape Investments LLC AS Capital Partners, LLC SRG Capital, LLC Spectra Capital Management, LLC Basso Equity Opportunity Holding Fund Ltd. Basso Multi-Strategy Holding Fund Ltd. Truk Opportunity Fund, LLC F. Berdon Co. LP

10.21[7]	Form of Registration Rights Agreement with the following: Alexandra Global Master Fund Ltd. Otape Investments LLC AS Capital Partners, LLC SRG Capital, LLC Spectra Capital Management, LLC Basso Equity Opportunity Holding Fund Ltd. Basso Multi-Strategy Holding Fund Ltd. Truk Opportunity Fund, LLC F. Berdon Co. LP
10.22[8]	Amendment Agreement No. 1 dated May 1, 2004 between Bulldog Technologies Inc. and John Cockburn
10.23[8]	Employment Agreement dated May 1, 2004 with Matthew S.K. Yoon
10.24[8]	Assignment Agreement dated May 6, 2004 between Impact Capital Partners Limited, Pacificwave Partners Limited and Bulldog Technologies Inc.
10.25[8]	Employment Agreement dated May 10, 2004 between Bulldog Technologies Inc. and Robin Wald
10.26[8]	Release and Settlement Agreement dated May 28, 2004 with Jerzy Babkowski
10.27[9]	Employment Agreement dated July 7, 2004 with James McMillan
10.28[9]	Employment Agreement dated July 7, 2004 with Darrel Huskey
10.29[9]	Employment Agreement dated July 14, 2004 with Pat Donohue
10.30[9]	Form of Stock Option and Subscription Agreement with the following:

Name	Number of Options
Brett Millar	50,000
Charles Miller	50,000
Darrel Huskey	450,000
Pat Donohue	300,000

10.31[9]	Consulting Agreement dated July 23, 2004 with Aurelius Consulting Group, Inc.
10.32[9]	Form of Stock Option and Subscription Agreement with the following:

Name	Number of Options
John Cockburn	825,000
James McMillan	600,000
Heetor Robin Wald	300,000
Jan Roscovich	300,000
Matthew Yoon	150,000
Valery Krutov	180,000
Volodmymyr Lyaskalo	75,000
Sam Raich	180,000

10.33[9]	Amendment Agreement dated August 1, 2004 with James McMillan
10.34[9]	Amendment Agreement dated August 1, 2004 with Darrel Huskey
10.35[9]	Amendment Agreement No. 2 dated August 1, 2004 with John Cockburn
10.36[9]	Amendment Agreement dated August 1, 2004 with Matthew Yoon
10.37[9]	Amendment Agreement dated August 8, 2004 with Pat Donohue
10.38[9]	Commission Fee and Agency Agreement dated October 4, 2004 with Charles Hiltzheimer
10.39[9]	Distribution Agreement dated September 27, 2004 with Metro One Loss Prevention Services Group (Investigation LP Division), Inc.
10.40[9]	Distribution Agreement dated September 24, 2004 with Phase II Financial
10.41[9]	Employment Agreement dated October 28, 2004 with Mark Stoochnoff
10.42[10]	Employment Agreement dated November 15, 2004 with Richard Booth
10.43[10]	Employment Agreement dated November 15, 2004 with Gordon Hardman
10.44[10]	Employment Agreement dated November 15, 2004 with Michael Carpenter
10.45[10]	Employment Agreement dated November 15, 2004 with John Pyne
10.46[10]	Form of Stock Option and Subscription Agreement with the following:

Name	Number of Options
Denis Beaudoin	300,000
Richard Booth	300,000
Gordon Hardman	300,000
Michael Carpenter	300,000
John Pyne	300,000
Brett Millar	50,000
Boo Jock Chong	50,000
Alan Atkinson	300,000
Jose Rueda	150,000

10.47[10] Form of Stock Option and Subscription Agreement with the following:

Name	Number of Options
Michael Molina	50,000
Steven Flores	100,000

10.48[11] Engineering service agreement dated January 11, 2005 with Goliath Solutions, LLC

10.49[11] Form of Stock Option and Subscription Agreement with the following:

Name	Number of Options
Alexander Lashkov	80,000

	Robert Dierker	50,000
	Aaron Hei Ying Mak	100,000
	Renato Kwan	50,000
	Jessica Glass	30,000
	Jerald M. Quadros	60,000
	Mark Stoochnoff(1)	300,000
	Kristina Beach	20,000
10.50[11]	Form of Stock Option and Subscription Agreement with the following:	
	Name	**Number of Options**
	Laura Baun(1)	30,000
	Jon Garcia(1)	30,000
	Joe C. Martinez(1)	30,000
10.51[11]	Stock option and subscription agreement dated March 14, 2005 with Armand Fortin	
10.52[11]	Commission fee and Agency agreement dated March 31, 2005 with Armand Fortin	
10.53[11]	Option cancellation agreement dated April 4, 2005 with Jose Rueda	
10.54[12]	Termination agreement dated April 27, 2005 with James McMillan	
10.55[12]	Settlement agreement dated April 15, 2005 with Alexander Potter	
10.56[12]	Mutual Termination Agreement dated June 24, 2005 with Goliath Solutions LLC	
10.57[13]	Convertible Note and Warrant Purchase Agreement dated August 29, 2005, with Omicron Master Trust, Nite Capital, LP, RHP Master Fund, Ltd. and Iroquois Master Fund Ltd.	
10.58[13]	Form of Convertible Note	
10.59[13]	Form of Warrant Certificate	
10.60[14]	Stock Option Agreement with Bertrand Huchberger	
10.61[14]	Form of Stock Option Agreement with the following:	
	Name	**Number of Options**
	Stephen Ware	60,000
	Michael Slocik	375,000
10.62[14]	Form of Stock Option Agreement with the following:	
	Name	**Number of Options**
	Joanne Beach	20,000
	Alex Chen	30,000
	Jose de Sequera	45,000
	Ron Dormiz	30,000
	Phil Evans	60,000
	Raymond Fung	30,000
	Kelly Legros	20,000

	Jose Rivero	80,000
	Charles Seaman	100,000
	Douglas Stevens	50,000
	Heather Thomson	60,000
	Jan Roscovich	400,000
10.63[15]	Director Services Agreement dated December 6, 2005 with Scott H. Smith	
10.64[15]	Form of Stock Option Agreement with Scott H. Smith	
10.65[16]	Form of Stock Option Agreement with George Landis	
10.66[17]	Securities Purchase Agreement dated February 24, 2006, among the Company and Nite Capital, LP, RHP Master Fund, Ltd., Iroquois Master Fund Ltd., Omicron Master Trust, Otto W. Hoernig, III, RAQ, LLC, Alpha Capital AG, Enable Growth Partners LP, Enable Opportunity Partners LP and Pierce Diversified Strategy Master Fund LLC	
10.67[17]	Form of Convertible Note with the following:	
	Name	**Principal of Note**
	Nite Capital, LP	$250,000
	RHP Master Fund, Ltd.	$250,000
	Iroquois Master Fund Ltd.	$350,000
	Omicron Master Trust	$250,000
	Otto W. Hoernig, III	$250,000
	RAQ, LLC	$150,000
	Alpha Capital AG	$250,000
	Enable Growth Partners LP	$182,500
	Enable Opportunity Partners LP	$30,000
	Pierce Diversified Strategy Master Fund LLC	$37,500
10.68[17]	Form of Warrant Certificate with the following:	
	Name	**Number of Warrants**
	Nite Capital, LP	405,660
	RHP Master Fund, Ltd.	716,981
	Iroquois Master Fund Ltd.	723,585
	Omicron Master Trust	561,321
	Otto W. Hoernig, III	250,000
	RAQ, LLC	150,000
	Alpha Capital AG	250,000
	Enable Growth Partners LP	182,500
	Enable Opportunity Partners LP	30,000
	Pierce Diversified Strategy Master Fund LLC	37,500
10.69[17]	Security Agreement dated February 24, 2006, among the Company and Nite Capital, LP, RHP Master Fund, Ltd., Iroquois Master Fund Ltd., Omicron Master Trust, Otto W. Hoernig, III, RAQ, LLC, Alpha Capital AG, Enable Growth Partners LP, Enable Opportunity Partners LP and Pierce Diversified Strategy Master Fund LLC	

10.70[17]	Pledge Agreement dated February 24, 2006, among the Company and Nite Capital, LP, RHP Master Fund, Ltd., Iroquois Master Fund Ltd., Omicron Master Trust, Otto W. Hoernig, III, RAQ, LLC, Alpha Capital AG, Enable Growth Partners LP, Enable Opportunity Partners LP and Pierce Diversified Strategy Master Fund LLC
21.1*	Subsidiaries of Bulldog Technologies Inc.
	Bulldog Technologies (BC) Inc. (incorporated in British Columbia)
	Bulldog Technologies Mexico, S.A. DE C.V. (incorporated in Mexico)
(31)	**302 Certifications**
31.1*	Certification of Principal Executive Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer filed pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
(32)	**906 Certifications**
32.1*	Certification of Principal Executive Officer and Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

*filed herewith

(1) Previously submitted with our Current Report on Form 8-K filed on November 4, 2003.
(2) Previously submitted with our Form SB-2 that was originally filed with the commission on September 28, 2002.

(3) Previously submitted with our Quarterly Report on Form 10-QSB filed on January 21, 2004.

(4) Previously submitted with our Annual Report on Form 10-KSB filed on October 24, 2003.

(5) Previously submitted with our Current Report on Form 8-K filed on November 20, 2003, as amended on November 24, 2003.

(6) Previously submitted with our Quarterly Report on Form 10-QSB filed on April 19, 2004.

(7) Previously submitted with our SB-2 Registration Statement filed on May 27, 2004.

(8) Previously submitted with our Quarterly Report on Form 10-QSB filed on July 15, 2004.

(9) Previously submitted with our Annual Report on Form 10-KSB filed on November 29, 2004.

(10) Previously submitted with our Quarterly Report on Form 10-QSB filed on January 14, 2005.

(11) Previously submitted with our Quarterly Report on Form 10-QSB filed on April 15, 2005.

(12) Previously submitted with our Quarterly Report on Form 10-QSB filed on July 15, 2005.
(13) Previously submitted with our Current Report on Form 8-K filed on September 7, 2005.

(14) Previously submitted with our Current Report on Form 8-K filed on December 1, 2005.
(15) Previously submitted with our Current Report on Form 8-K filed on December 9, 2005.
(16) Previously submitted with our Current Report on Form 8-K filed on December 30, 2005.
(17) Previously submitted with our Current Report on Form 8-K filed on February 28, 2006.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ John Cockburn

John Cockburn, President and Chief Executive Officer

(Principal Executive Officer)

Date: April 19, 2006

By: /s/ Matthew S.K. Yoon

Matthew S.K. Yoon, Chief Financial Officer and Treasurer

(Principal Financial Officer and Principal Accounting Officer)

Date: April 19, 2006