

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-QSB

(Mark one)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2005

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 001-05996

DATAJUNGLE SOFTWARE INC.

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

Nevada

(State or other jurisdiction of
incorporation or organization)

91-0835748

(IRS Employer Identification
Number)

1 Hines Road, Suite 202, Ottawa, Ontario, Canada, K2K 3C7

(Address of principal executive offices)

Registrant's Telephone Number, Including Area Code: (613) 254-7246

Common Stock

Title of each class

(None)

Name and exchange on which registered

Check whether the issuer (1) has filed all reports required to be filed by Section 13 or 15(D) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period as the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days.

Yes ☒ No ☐

At May 13, 2005, 17,281,173 shares of the registrant's common stock were outstanding.

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

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PART 1

ITEM 1. CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

DATAJUNGLE SOFTWARE INC.

Three months ended March 31, 2005 and 2004

DATAJUNGLE SOFTWARE INC.

Consolidated Condensed Balance Sheets

March 31, 2005 and December 31, 2004
(In U.S. dollars)

	March 31, 2005	December 31, 2004
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 5,374	\$ 10,056
Accounts receivable	59,334	83,405
Investment tax credits receivable	48,937	42,563
Prepaid expenses (note 8(b))	333,400	9,688
	447,045	145,712
Deferred consulting services (note 8(b))	657,693	-
Property and equipment	13,799	15,181
	\$ 1,118,537	\$ 160,893
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Accounts payable (note 4)	\$ 122,720	\$ 130,865
Accrued liabilities	253,493	219,115
Promissory notes payable (note 5)	372,000	196,000
Promissory note payable to related party (note 6)	454,034	456,905
Deferred revenue	8,051	4,161
	1,210,298	1,007,046
Stockholders' deficiency (note 8):		
Common stock, \$0.001 par value. Authorized 300,000,000; issued and outstanding 17,281,173 shares at March 31, 2005 and at December 31, 2004	17,281	17,281
Share subscriptions received	50,000	35,000
Additional paid-in capital	3,086,923	2,122,346
Accumulated other comprehensive loss	(180,307)	(183,180)
Deficit	(3,065,658)	(2,837,600)
	(91,761)	(846,153)
Basis of presentation (note 2(a))		
Guarantees (note 11)		
Subsequent events (note 14)		
	\$ 1,118,537	\$ 160,893

See accompanying notes to unaudited interim period consolidated condensed financial statements.

DATAJUNGLE SOFTWARE INC.

Consolidated Condensed Statements of Operations

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

	Three months ended March 31, 2005	Three months ended March 31, 2004
	(Unaudited)	(Unaudited)
Revenues:		
Products	\$ 16,923	\$ 54,405
Services	44,673	1,341
	61,596	55,746
Cost of revenues:		
Cost of products	1,077	35,140
Cost of services	7,057	645
	8,134	35,785
Gross profit	53,462	19,961
Expenses:		
General and administrative	153,392	55,405
Research and development (note 9)	2,648	117,223
Sales and marketing	110,638	47,361
Depreciation of property and equipment	4,883	2,926
	271,561	222,915
	(218,099)	(202,954)
Other income (expenses):		
Interest income	-	3,265
Interest expense	(7,738)	(1,907)
Foreign exchange loss	(2,221)	(1,702)
	(9,959)	(344)
Net loss	\$ (228,058)	\$ (203,298)
Loss per common share - basic and diluted (note 10)	\$ 0.01	\$ 0.01
Weighted-average common shares outstanding	17,281,173	15,190,946

See accompanying notes to unaudited interim period consolidated condensed financial statements.

DATAJUNGLE SOFTWARE INC.

Consolidated Condensed Statements of Cash Flows

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

	Three months ended March 31, 2005	Three months ended March 31, 2004
	(Unaudited)	(Unaudited)
Cash flows from operating activities:		
Net loss	\$ (228,058)	\$ (203,298)
Items not involving cash:		
Depreciation of property and equipment	4,883	2,926
Interest expense	6,419	1,661
Compensation expense (recovery)	(133,621)	34,660
Consulting fees	104,226	—
Change in non-cash operating working capital	54,267	81,765
Net cash used in operating activities	(191,884)	(82,286)
Cash flows from investing activities:		
Purchase of property and equipment	(3,595)	—
Cash flows from financing activities:		
Proceeds from promissory notes	234,000	30,000
Payments of promissory notes	(58,000)	(33,209)
Share issuance costs	(300)	(10,500)
Share subscriptions received	15,000	105,000
Net cash provided by financing activities	190,700	91,291
Effects of exchange rates on cash and cash equivalents	97	1,311
Net increase (decrease) in cash and cash equivalents	(4,682)	10,316
Cash and cash equivalents, beginning of period	10,056	46,558
Cash and cash equivalents, end of period	\$ 5,374	\$ 56,874

Supplemental information to Consolidated Condensed Statements of Cash Flows:

For the three months ended March 31, 2005, the Company paid \$1,319 in interest expense (Three months ended March 31, 2004 - \$3,040).

See accompanying notes to unaudited interim period consolidated condensed financial statements.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

1. General:

DataJungle Software Inc. (the "Company") was incorporated in the State of Washington on June 5, 1968 as Quad Metals Corporation ("Quad"). Quad became a Nevada incorporated company on December 11, 2002 when it merged with its wholly-owned subsidiary. The Company was renamed to DataJungle Software Inc. on November 18, 2003. The Company is a developer of web-based enterprise-class business intelligence software solutions that translate business data into interactive tables, charts and maps. These solutions consist of modules of functionality that can be assembled to the specific requirements of the customer and customized to the needs of each user class within the customer's business.

2. Summary of significant accounting policies:

(a) Basis of presentation:

These consolidated condensed financial statements are prepared in accordance with generally accepted accounting principles in the United States of America and include the accounts of DataJungle Software Inc. and its wholly-owned subsidiary, DataJungle Ltd. All significant intercompany balances and transactions have been eliminated in consolidation. The accounting policies are consistent with the policies outlined in the Company's audited financial statements at and for the year ended December 31, 2004.

The condensed financial statements included herein are unaudited but, in the opinion of management, include all adjustments (consisting only of normal recurring entries) necessary for fair presentation of the consolidated condensed financial position and results of operations of the Company for the periods presented. The results of operations for the three months ended March 31, 2005 are not necessarily representative of the operating results expected for the full fiscal year ending December 31, 2005. Moreover, these consolidated condensed financial statements do not purport to contain complete disclosure in conformity with generally accepted accounting principles used in the United States of America and should be read in conjunction with the Company's audited consolidated financial statements at and for the year ended December 31, 2004.

The consolidated condensed financial statements have been prepared assuming that the Company will continue as a going concern. The Company has minimal revenues, negative working capital of \$763,253 as at March 31, 2005 and has incurred a loss of \$228,058 for the three months then ended. As of March 31, 2005, the Company has an accumulated deficit of \$3,065,658 which results in a stockholders' deficiency of \$91,761. In addition, the Company expects to continue to incur operating losses for the foreseeable future and has no lines of credit or other financing facilities in place. To date, the Company has been able to finance its operations on a month-to-month basis from investors who recognize the advancement of the Company's activities.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 2

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

2. Summary of significant accounting policies (continued):

(a) Basis of presentation (continued):

All of the factors above raise substantial doubt about the Company's ability to continue as a going concern. Management's plans to address these issues include raising capital through the private placement of equity and renegotiating the repayment terms of accounts payable, accrued liabilities and promissory notes payable. The Company's ability to continue as a going concern is subject to management's ability to successfully implement the above plans. Failure to implement these plans could have a material adverse effect on the Company's financial position and or results of operations and may result in ceasing operations. The consolidated condensed statements do not include adjustments that would be required if the assets are not realized and the liabilities settled in the normal course of operations. Even if successful in obtaining financing in the near term, the Company cannot be certain that cash generated from its future operations will be sufficient to satisfy its liquidity requirements in the longer term and it may need to continue to raise capital by selling additional equity or by obtaining credit facilities.

The Company's future capital requirements will depend on many factors, including, but not limited to, the market acceptance of its products, the level of its promotional activities and advertising required to generate product sales. No assurance can be given that any such additional funding will be available or that, if available, it can be obtained on terms favorable to the Company.

(b) Foreign currency translation:

The consolidated condensed financial statements of the Company include the accounts of the Company in U.S. dollars and the accounts of its wholly-owned subsidiary, translated into U.S. dollars using Financial Accounting Standards Board's Statement No. 52, "Foreign Currency Translation" for the translation of foreign currency operations. The financial statements of the Company's subsidiary are measured using the Canadian dollar as its functional currency. Assets and liabilities have been translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Revenues and expenses have been translated into U.S. dollars using the average exchange rate for the period. Gains and losses have been reported as a separate component of accumulated other comprehensive loss.

(c) Revenue recognition:

For contracts requiring significant services or customization, the Company recognizes revenue using the completed contract method in accordance with the guidance in Statement of Position 81-1, "Accounting for Performance of Construction-Type and Certain Production-Type Contracts". Under the completed contract method, revenue is recognized in the period when all substantial obligations of the Company under the terms and conditions of a contract have been satisfied. Cash receipts received in advance of the recognition of revenue and rights to advance payments are recorded in the consolidated condensed balance sheet as deferred revenue. Labor costs associated with a contract that has not been recognized as revenue are capitalized in the consolidated condensed balance sheet as contracts in process. A provision for contract losses is recognized as soon as the losses become evident.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 3

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

2. Summary of significant accounting policies (continued):

(c) Revenue recognition (continued):

For sales of product licenses, the Company recognizes revenue in accordance with Statement of Position 97-2, "Software Revenue Recognition" ("SOP 97-2"), as amended by Statement of Position 98-9, "Software Revenue Recognition with Respect to Certain Transactions", issued by the American Institute of Certified Public Accountants. Revenue from sale of product licenses is recognized when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectibility is probable.

Revenue from product support contracts is recognized ratably over the life of the contract. Revenue from services is recognized at the time such services are rendered.

For contracts with multiple elements such as product licenses, product support and services, the Company follows the residual method whereby revenue is recognized when Company-specific objective evidence of fair value exists for all of the undelivered elements in the arrangement, but does not exist for one of the delivered elements in the arrangement. The Company allocates revenue to each undelivered element in a multiple element arrangement based on its respective fair value, with the fair value determined by the price charged when that element is sold separately. The Company defers revenue for the fair value of its undelivered elements (e.g., professional services and maintenance) and recognizes revenue for the remainder of the arrangement fee attributable to the delivered elements (i.e., software product) when the basic criteria in SOP 97-2 have been met.

(d) Stock-based compensation:

The Company applies the intrinsic value-based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations including FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation an interpretation of APB Opinion No. 25", to account for its stock options for employees. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" and SFAS No. 148, "Accounting for Stock- Based Compensation – Transition and Disclosure, an amendment of FASB Statement No. 123," established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As permitted by existing accounting standards, the Company has elected to continue to apply the intrinsic-value based method of accounting described above, and has adopted only the disclosure requirements of SFAS 123, as amended.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 4

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

2. Summary of significant accounting policies (continued):

(d) Stock-based compensation:

The following table illustrates the effect on net loss if the fair value-based method had been applied to all outstanding and unvested awards in each period.

	Three months ended March 31, 2005	Three months ended March 31, 2004
Net loss, as reported	\$ (228,058)	\$ (203,298)
Add (deduct) stock-based employee compensation expense included in reported net loss	(135,230)	32,721
Add (deduct) total stock-based employee compensation expense determined under fair value-based method for all awards	(187,809)	16,905
Pro forma net loss	\$ (551,097)	\$ (153,672)

Earnings per share:		
Basic and diluted – as reported	\$ 0.01	\$ 0.01
Basic and diluted – pro forma	0.03	0.01

(e) Deferred consulting services:

Deferred consulting services represent the portion of prepaid non-cash consulting fees for services to be rendered in periods in excess of twelve months from the balance sheet date. Prepaid non-cash consulting fees related to services to be rendered within twelve months are included in prepaid expenses on the balance sheet. These costs will be charged to expenses as the services are rendered. If for any reason circumstances arise which would indicate that the services will not be performed in the future, these prepaid non-cash consulting fees will be charged to expenses immediately.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 5

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

3. Comprehensive loss:

Comprehensive loss includes the net loss and other comprehensive loss ("OCL"). OCL refers to changes in net assets from transactions and other events and circumstances other than transactions with stockholders. These changes are recorded directly as a separate component of stockholders' deficiency and excluded from net loss. The only comprehensive loss item for the Company relates to foreign currency translation adjustments pertaining to the translation of the financial statements of the Company's subsidiary, from Canadian dollars, the functional currency of the subsidiary, to U.S. dollars, the reporting and functional currency of the Company.

	Three months ended March 31, 2005	Three months ended March 31, 2004
Net loss	\$ (228,058)	\$ (203,298)
Other comprehensive income (loss):		
Currency translation adjustment	(2,873)	5,832
Comprehensive loss	\$ (230,931)	\$ (197,466)

4. Related parties transactions:

Included in accounts payable is \$26,538 due to a corporation controlled by an officer and director of the Company for consulting services rendered during the three months ended June 30, 2004.

5. Promissory notes payable:

	March 31, 2005	December 31, 2004
Promissory notes, payable on demand, bearing interest at 12% per annum, secured by an assignment of accounts receivable (note 5(a))	\$ 372,000	\$ 196,000
	\$ 372,000	\$ 196,000

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 6

Nine months ended September 30, 2004 and 2003
(In U.S. dollars)

5. Promissory notes payable (continued):

Additional terms and conditions related to the promissory notes are as follows:

- (a) During the three months ended March 31, 2005, the Company received cash consideration of \$234,000 in exchange for 12% promissory notes and repaid \$58,000 to the lender. Accrued interest of \$8,493 (December 31, 2004 - \$2,074) has been included in accrued liabilities at March 31, 2005.

6. Promissory note payable to related party:

	March 31, 2005	December 31, 2004
Promissory note, payable in Canadian dollars on seven days notice, no fixed repayment terms, bearing interest at 10% per annum compounded semi-annually until September 16, 2003 and non-interest bearing thereafter, convertible at the option of the holder into common stock of the Company at any time and secured by a general security agreement representing a first floating charge on all assets of the Company	\$ 454,034	\$ 456,905

Additional terms and conditions related to the promissory note payable to related party are as follows:

Under the terms of the promissory note, the Company can repay all amounts of principal and interest at any time without penalty or bonus. The promissory note is denominated in Canadian dollars. In accordance with the terms of a Memorandum of Agreement dated February 21, 2003, the lender has a right to convert all amounts of principal and interest to common stock of the Company at the rate of one common share for each \$0.15 Canadian of debt converted or at such lower rate paid by any third party dealing at arm's length with the Company. In addition, as long as at least \$100,000 Canadian of principal and interest is outstanding, the lender has certain rights related to management and direction of the Company. Included in accrued liabilities is \$80,353 (December 31, 2004 - \$80,861) in accrued interest on this note. The lender has agreed that the promissory note together with accrued interest would be convertible, at the lender's option, into 4,309,302 common shares of the Company.

7. Stock option plan:

Under the Company's Stock Option Plan (the "Plan") up to 5,000,000 shares of authorized but unissued common stock of the Company can be granted to officers, employees and consultants. Options are granted with an exercise price equal to or greater than the stock's fair market value at the date of grant, vest over a period of time as determined by the Board of Directors and expire no later than ten years from the date of vesting.

At March 31, 2005, there were 1,821,548 additional shares available for grant under the Plan.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 7

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

7. Stock option plan (continued):

During the three months ended March 31, 2005, there were 60,000 stock options granted to employees. The per share weighted-average fair value of stock options granted to employees under the Plan during the three months ended March 31, 2005 was \$0.51 on the date of grant using the Black Scholes option-pricing model with the following weighted-average assumptions: expected dividend yield 0%, risk-free interest rate of 4.09%, volatility rate of 135%, and an expected life of 5.8 years.

As a result of modifications to stock options in prior years, the Company is required to account for modified options using variable accounting as prescribed by APB 25. For the three months ended March 31, 2005, non-cash compensation expense (recovery) of \$(83,867), \$(45,010) and \$(6,353) has been included in research and development, general and administrative and sales and marketing expenses, respectively relating to these modifications. For the three months ended March 31, 2004, non-cash compensation expense of \$23,908, \$7,235 and \$1,578 has been included in research and development, general and administrative and sales and marketing expenses, respectively.

During the three months ended March 31, 2005, there were 25,000 stock options granted to non-employees. The per share weighted-average fair value of stock options granted to non-employees under the Plan during the three months ended March 31, 2005 was \$0.48 on the date of grant using the Black Scholes option-pricing model with the following weighted-average assumptions: expected dividend yield 0%, risk-free interest rate of 3.94%, volatility rate of 139%, and an expected life of 6.7 years.

For the three months ended March 31, 2005, non-cash compensation expense of \$1,609 (three months ended March 31, 2004 - \$1,939 was included in general and administrative expenses) has been included in sales and marketing expenses with respect to stock options granted to non-employees and modification of options issued to non-employees.

8. Stockholders' deficiency:

(a) Common stock subscriptions:

During the three months ended March 31, 2005, the Company received \$15,000 from investors pursuant to subscription agreements to purchase 50,000 shares of common stock at \$0.30 per share. Share issuance costs (recovery) of \$(1,324) were incurred and recorded as a credit to additional paid-in capital.

(b) Warrants and common stock pursuant to consulting agreements:

On November 22, 2004, the Company entered into a consulting agreement with an unrelated party to provide investor relations services to the Company for the period from November 22, 2004 to December 31, 2008. As compensation for these services, the Company agreed to issue 3,000,000 warrants for the purchase of common stock at \$0.50 per share expiring on December 31, 2009. On January 17, 2005, the Company issued 1,500,000 Series A warrants and 1,500,000 Series B warrants pursuant to this consulting agreement.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 8

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

8. Stockholders' deficiency (continued):

(b) Warrants and common stock pursuant to consulting agreements:

The Series A warrants can be exercised at any time on or before December 31, 2009 at an exercise price of \$0.50 per share or by means of a cashless exercise provision if there is no effective registration statement registering the resale of the underlying shares. The fair value of the Series A warrants was calculated as \$982,198 using the Black Scholes option pricing model with the following weighted average assumptions: expected dividend yield 0%; risk-free interest rate of 3.6%; expected volatility of 145%, and an expected life of 5.11 years. Of this amount \$60,057 has been included in general and administrative expenses for the three months ended March 31, 2005 (March 31, 2004 - \$Nil). \$239,161 and \$657,693 have been included in prepaid expenses and deferred consulting services as at March 31, 2005, respectively. These amounts will be recognized as an expense on a straight-line basis as services are rendered from April 1, 2005 to December 31, 2008.

The Series B warrants can be exercised at any time after July 31, 2006 at an exercise price of \$0.50 per share or by means of a cashless exercise provision if there is no registration statement registering the resale of the underlying shares, and expire on December 31, 2009. The Series B warrants can be exercised prior to July 31, 2006 if the Company has not terminated the consulting agreement and the Company has received at least \$2,000,000 of investment from any and all sources during the period from July 1, 2004 to July 31, 2006. In accordance with EITF 96-18 "Accounting for Equity Instruments that are Issued to other than Employees for Acquiring, or in Conjunction with Selling, Goods or Services", the lowest aggregate fair value of the Series B warrants is used for recognition purposes. At March 31, 2005, no services have yet been rendered.

Effective January 1, 2005, the Company entered into a Consulting Agreement with an unrelated party to provide investor communication and public relations services to the Company for the period from January 1, 2005 to December 31, 2005. As compensation for these services, the Company agreed to issue 200,000 shares of common stock and 200,000 Series A warrants for the purchase of common stock at \$0.50 per share expiring on December 31, 2009. The fair value of the 200,000 shares of common stock has been estimated at \$62,000 as at March 31, 2005. Of this amount, the Company has included \$15,500 in general and administrative expenses for the three months ended March 31, 2005 and accrued liabilities as at March 31, 2005. The balance of \$46,500 will be recognized as an expense on a straight-line basis as services are rendered from April 1, 2005 to December 31, 2005. The fair value of the 200,000 Series A warrants was calculated as \$114,677 using the Black Scholes option pricing model with the following weighted average assumptions: expected dividend yield 0%; risk-free interest rate of 3.69%; expected volatility of 142%, and an expected life of 5 years. Of this amount, \$28,669 has been included in general and administrative expenses for the three months ended March 31, 2005 and \$86,008 has been included in prepaid expenses as at March 31, 2005. The \$86,008 will be recognized as an expense on a straight-line basis as services are rendered from April 1, 2005 to December 31, 2005.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 9

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

9. Research and development:

	Three months ended March 31, 2005	Three months ended March 31, 2004
Costs incurred	\$ 9,198	\$ 123,440
Investment tax credits	(6,550)	(6,217)
	<hr/> \$ 2,648	<hr/> \$ 117,223

10. Net loss per share:

As the Company incurred a net loss during the three months ended March 31, 2005 and 2004, the loss per common share is based on the weighted-average common shares outstanding. The following outstanding instruments could potentially dilute loss per share for the periods presented:

	Three months ended March 31, 2005	Three months ended March 31, 2004
Number of shares issued upon:		
Exercise of options to purchase common stock	3,178,452	760,300
Conversion of promissory notes	4,309,302	4,309,302
Subscriptions to purchase common stock	166,667	581,500
Common stock to be issued pursuant to a consulting agreement	200,000	-

11. Guarantees:

The Company has entered into agreements that contain features which meet the definition of a guarantee under FASB Interpretation No. 45 ("FIN 45"). FIN 45 defines a guarantee to be a contract that contingently requires the Company to make payments (either in cash, financial instruments, other assets, common shares of the Company or through provision of services) to a third party based on changes in an underlying economic characteristic (such as interest rates or market value) that is related to an asset, liability or an equity security of the other party. The Company has the following guarantees which are subject to the disclosure requirements of FIN 45.

Product warranties

As part of the normal sale of software products, the Company has provided certain of its customers with product warranties of 30 days from date of sale. Based on management's best estimate of probable liability under its product warranties, no product warranty accrual was recorded as of March 31, 2005 and December 31, 2004.

DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Condensed Financial Statements, page 10

Three months ended March 31, 2005 and 2004
(In U.S. dollars)

12. Segmented reporting:

The Company operates in one dominant industry segment, which involves providing web-based software solutions that translate data into tables, charts and maps. The Company's solutions can extend the functionality of business intelligence software packages from other vendors by adding pre-built software objects on top of those vendor's solutions. Alternatively, the Company's pre-built software objects can be assembled and bundled with data from major data vendors to provide functionality and enhanced presentation capabilities.

External revenues attributable to geographic areas based on the location of the customer are as follows:

	Three months ended March 31, 2005	Three months ended March 31, 2004
United States	\$ 61,596	\$ 55,746

The Company's assets are located as follows:

	March 31, 2005	December 31, 2004
Canada	\$ 135,499	\$ 160,716
United States	983,038	177

13. Economic dependence:

Two of the Company's customers account for 98% of revenue for the three months ended March 31, 2005 (March 31, 2004 – two customers account for 100%).

14. Subsequent events:

Subsequent to March 31, 2005, the Company issued 12% demand promissory notes for a total obligation of \$80,923.

ITEM 2 MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

We caution readers that certain important factors may affect our actual results and could cause such results to differ materially from any forward-looking statements that we make in this report. For this purpose, any statements that are not statements of historical fact may be deemed to be forward-looking statements.

We caution readers that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties. In fact, actual results most likely will differ materially from those projected in the forward-looking statements as a result of various factors. Some factors that could adversely affect actual results and performance include:

- * our limited operating history;
- * our minimal sales to date;
- * our future requirements for additional capital funding;
- * the failure of our technology and products to perform as specified;
- * the discontinuance of growth in the use of the Internet;
- * the enactment of new adverse government regulations; and
- * the development of better technology and products by others.

You should carefully consider and evaluate all of these factors. In addition, we do not undertake to update forward-looking statements after we file this report with the SEC, even if new information, future events or other circumstances have made them incorrect or misleading.

Critical Accounting Policies

The financial statements of the Company are prepared in accordance with generally accepted accounting principles in the United States of America. The following accounting policies are considered to be critical to an understanding of the financial position and results of operations for the Company. Additional accounting policies for the Company have been disclosed in the audited consolidated financial statements at and for the year ended December 31, 2004.

(a) Revenue recognition

The following policy on revenue recognition was adopted in prior years and continues to be applicable in the current year:

For contracts requiring significant customization or services, the Company recognizes revenue using the completed contract method in accordance with the guidance in Statement of Position 81-1, "Accounting for Performance of Construction-Type and Certain Production-Type Contracts". Under the completed contract method, revenue is recognized in the period when all substantial obligations of the Company under the terms and conditions of a contract have been satisfied. Cash receipts received in advance of the recognition of revenue and rights to advance payments are recorded in the balance sheet as deferred revenue. Labor costs associated with a contract that has not been recognized as revenue are capitalized in the balance sheet as contracts in process. A provision for contract losses is recognized as soon as the losses become evident.

During the year-ended December 31, 2004, the Company made its initial sales of product licenses. As a consequence, the following policy on revenue recognition was adopted in the year-ended December 31, 2004:

For sales of product licenses, the Company recognizes revenue in accordance with Statement of Position 97-2, "Software Revenue Recognition" ("SOP 97-2"), as amended by Statement of Position 98-9, "Software Revenue Recognition with Respect to Certain Transactions", issued by the American Institute of Certified Public Accountants. Revenue from sale of product licenses is recognized when all of the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the fee is fixed or determinable and collectibility is probable.

Revenue from product support contracts is recognized ratably over the life of the contract. Revenue from services is recognized at the time such services are rendered.

For contracts with multiple elements such as product licenses, product support and services, the Company follows the residual method whereby revenue is recognized when Company-specific objective evidence of fair value exists for all of the undelivered elements in the arrangement, but does not exist for one of the delivered elements in the arrangement. The Company allocates revenue to each of the undelivered elements in a multiple element arrangement based on their respective fair value, with the fair value determined by the price charged when that element is sold separately. The Company defers revenue for the fair value of its undelivered elements (e.g., professional services and maintenance) and recognizes revenue for the remainder of the arrangement fee attributable to the delivered elements (i.e., software product) when the basic criteria in SOP 97-2 have been met.

(b) Stock-based compensation:

The Company applies the intrinsic value-based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations including FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation an interpretation of APB Opinion No. 25", to account for its stock options for employees. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" and SFAS No. 148, "Accounting for Stock- Based Compensation – Transition and Disclosure, an amendment of FASB Statement No. 123," established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As permitted by existing accounting standards, the Company has elected to continue to apply the intrinsic-value based method of accounting described above, and has adopted only the disclosure requirements of SFAS 123, as amended.

(c) Deferred consulting services:

During the three months ended March 31, 2005, the Company adopted the following policy related to deferred consulting services:

Deferred consulting services, which arose on the issuance of stock-based compensation, represent the portion of prepaid non-cash consulting fees for services to be rendered in periods in excess of twelve months from the balance sheet date. Prepaid non-cash consulting fees related to services to be rendered within twelve months are included in prepaid expenses on the balance sheet. These costs will be charged to expenses as the services are rendered. If for any reason circumstances arise which would indicate that the services will not be performed in the future, these prepaid non-cash consulting fees will be charged to expenses immediately.

Results of Operations

For the three month period ended March 31 2005 compared to the three month period ended March 31, 2004

Revenue: Revenues for the three months ended March 31, 2005 were \$61,596 compared to \$55,746 for the three months ended March 31, 2004. In each of the three month periods ended March 31, 2005 and 2004, the Company completed one contract for services and one contract for product.

Gross margin: Gross margin for the three months ended March 31, 2005 was \$53,462 (87% of revenue) compared to \$19,961 (36% of revenue) for the three months ended March 31, 2004. In 2005, the contract for products was for license fees and required minimal cost to complete. In 2004, the contract for product was expected to result in lower margin as it included a significant labor component.

General and administrative expenses: General and administrative expenses for the three months ended March 31, 2005 were \$153,392 compared to \$55,405 for the three months ended March 31, 2004. The increase in costs of approximately \$98,000 includes the following significant items:

- Increase in compensation related costs of approximately \$26,000 due to an increase in the level of full-time staffing.
- Decrease in stock related compensation expense of approximately \$54,000 resulting from a net reduction in the intrinsic value of certain stock options of the Company accounted for using variable accounting due to a decrease in the price of Company common stock.
- Increase in consulting expense of approximately \$104,000 as a result of the issuance of 3,200,000 warrants to purchase common stock and an agreement to issue 200,000 shares of common stock in exchange for investor relations and public relations services.
- Increase of approximately \$13,000 in professional fees due to the current regulatory environment.
- Increase of approximately \$6,000 in financing fees due to an increase in the level of debt required to fund on-going operations.

Sales and marketing expenses: Sales and marketing expenses for the three months ended March 31, 2005 were \$110,638 compared to \$47,361 for the three months ended March 31, 2004. The increase in costs of approximately \$63,000 includes the following significant items:

- Increase in compensation related costs of approximately \$64,000 due to hiring of two full-time sales representatives and a sales consultant.
- Decrease in stock related compensation expense of approximately \$6,000 resulting from a net reduction in the intrinsic value of certain stock options of the Company accounted for using variable accounting due to a decrease in the price of Company common stock.
- Increase of approximately \$3,000 in the costs of on-line demonstrations of our products and services due to the increase in staffing.

Research and development expenses: Research and development expenses for the three months ended March 31, 2005 were \$2,648 compared to \$117,223 for the three months ended March 31, 2004. The decrease in costs of approximately \$115,000 includes the following significant items:

- Decrease in compensation related costs of approximately \$21,000 due to a decrease in the level of staffing.
- Decrease in stock related compensation expense of approximately \$108,000 resulting from a net reduction in the intrinsic value of certain stock options of the Company accounted for using variable accounting due to a decrease in the price of Company common stock.
- Increase in consulting fees of approximately \$4,000 due to sub-contracting work in 2005 as a result of the decrease in staffing.
- Increase in other costs of approximately \$3,000 resulting from fees for a technology partner program.
- Net decrease of approximately \$5,000 in the amount of research and development costs transferred to contracts-in-process and cost of sales.

Depreciation: Depreciation increased from \$2,926 for the three months ended March 31, 2004 to \$4,883 for the three months ended March 31, 2005.

Interest expense: Interest expense increased from \$1,907 for the three months ended March 31, 2004 to \$7,738 for the three months ended March 31, 2005 as a result of an increase in the level of debt.

Foreign exchange: Foreign exchange expense increased from \$1,702 for the three months ended March 31, 2004 to \$2,221 for the three months ended March 31, 2005.

Net loss: Net loss was \$228,058 (\$0.01 per share) for the three months ended March 31, 2005 compared to \$203,298 (\$0.01 per share) for the three months ended March 31, 2004. Our revenues and future profitability and future rate of growth are substantially dependent upon our ability to:

- * license our software applications to a sufficient number of clients
- * modify the successful software applications, over time, to provide enhanced benefits to existing users; and
- * successfully develop related software applications.

Financial Condition and Liquidity

General: At March 31, 2005 working capital was a negative \$763,253 compared to negative working capital of \$861,334 at December 31, 2004. The Company had \$5,374 in cash at March 31, 2005 compared to \$10,056 at December 31, 2004.

During the period from April 1, 2005 to May 13, 2005, the Company issued 12% demand promissory notes in exchange for cash consideration of \$80,923. The net resources raised are not sufficient to fund ongoing operations. Consequently, the Company will require additional capital and the ability to operate on a profitable basis. The Company cannot be certain that sufficient resources will be available or that, if available, resources can be obtained on terms favorable to the Company.

All of the factors above raise substantial doubt about the Company's ability to continue as a going concern. Management's plans to address these issues include raising capital through the private placement of equity and renegotiating the repayment terms of accounts payable, accrued liabilities and promissory notes payable. The Company's ability to continue as a going concern is subject to management's ability to successfully implement the above plans. Failure to implement these plans could have a material adverse effect on the Company's position and or results of operations and may result in ceasing operations. Even if successful in obtaining financing in the near term, the Company cannot be certain that cash generated from its future operations will be sufficient to satisfy its liquidity requirements in the longer term and it may need to continue to raise capital by selling additional equity or by obtaining credit facilities.

Net cash used in operating activities: During the three months ended March 31, 2005, the Company used \$191,884 in cash in operations compared to a use of cash in operations of \$82,286 for the three months ended March 31, 2004. The use of cash in operations for the three months ended March 31, 2005 resulted from a loss of \$228,058 for the period and a recovery in compensation expense of \$133,621 offset by non-cash consulting fees of \$104,226, depreciation expense of \$4,883, non-cash interest expense of \$6,419 and a net change in non-cash working capital of \$54,267. The use of cash for the three months ended March 31, 2004 resulted from a loss of \$203,298 offset by non-cash compensation expense of \$34,660, a net change in non-cash working capital of \$81,765, depreciation expense of \$2,926 and non-cash interest expense of \$1,661.

Net cash used in investing activities: During the three months ended March 31, 2005, the Company purchased property and equipment of \$3,595 compared to purchases of \$Nil for the three month period ended March 31, 2004.

Net cash provided by financing activities: During the three months ended March 31, 2005, the Company raised \$176,000 (net of repayments of \$58,000) by issuing 12% promissory notes and \$15,000 from subscriptions to purchase 50,000 shares of common stock at \$0.30 per share offset by \$300 in share related issuance costs.

ITEM 3 CONTROLS AND PROCEDURES

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, or the Exchange Act. This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission.

In connection with the review of the Company's consolidated financial statements for the three months period ended March 31, 2005, the Company's independent registered public accounting firm advised the Board of Directors and management of certain significant internal control deficiencies that they considered to be, in the aggregate, a material weakness. These consist of, inadequate staffing and supervision leading to the untimely identification and resolution of certain accounting and disclosure matters and failure to perform timely and effective reviews. The independent registered public accounting firm indicated that they considered these deficiencies to be reportable conditions as that term is defined under standards established by the American Institute of Certified Public Accountants. A material weakness is a significant deficiency in one or more of the internal control components that alone or in the aggregate precludes our internal controls from reducing to an appropriately low level of risk that material misstatements in our financial statements will not be

prevented or detected on a timely basis. The Company considered these matters in connection with the period-end closing of accounts and preparation of related consolidated financial statements and determined that no prior period financial statements were materially affected by such matters.

The size of the Company has prevented us from being able to employ sufficient resources at this time to enable us to have an adequate level of supervision and segregation of duties within our internal control system. We will continue to monitor and assess the costs and benefits of additional staffing within the Company.

As required by the SEC rules, we have evaluated the effectiveness of the design and operation of the Company's disclosure controls and procedures as of the end of the period covered by this Quarterly Report. This evaluation was performed under the supervision and with the participation of the Company's management, including the President & Chief Executive Officer and Vice President Finance, Secretary and Treasurer. Based upon that evaluation, our President & Chief Executive Officer and Vice President Finance, Secretary and Treasurer have concluded that the Company's controls and procedures were not effective as of the end of the period covered by this Quarterly Report due to inadequate supervision and segregation of duties.

PART II

ITEM 1. LEGAL PROCEEDINGS

NONE

ITEM 2. CHANGES IN SECURITIES

During the three months ended March 31, 2005, the Company issued the following:

- \$234,000 of 12% promissory notes and repaid \$58,000 of these promissory notes;
- 3,000,000 stock purchase warrants to purchase 3,000,000 common shares at an exercise price of \$0.50 per share expiring on December 31, 2009 to an unrelated party pursuant to a consulting agreement for investor relations services to December 31, 2008. 1,500,000 of these warrants can be cancelled by the Company prior to July 31, 2006 if we cancel the consulting agreement and have not received at least \$2,000,000 in investment from any and all sources during the period from July 1, 2004 to July 31, 2006;
- 200,000 stock purchase warrants to purchase 200,000 common shares at an exercise price of \$0.50 per share expiring on December 31, 2009 to an unrelated party pursuant to a consulting agreement for investor communication and public relations services to December 31, 2005. In addition, the Company agreed to issue 200,000 shares of common stock pursuant to this agreement;
- 85,000 stock purchase options to purchase 85,000 common shares at exercise prices between \$0.43 and \$0.75 expiring at various dates to January 18, 2013;
- Received \$15,000 in subscriptions to purchase 50,000 shares of common stock at \$0.30 per share.

During the period from April 1, 2005 to May 13, 2005, the Company issued the following:

- 12% demand promissory notes in exchange for cash consideration of \$80,923.

The foregoing securities were issued in reliance upon the exemption provided by Section 4(2) under the Securities Act of 1933 and the rules promulgated thereunder.

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 AND REPORTS ON FORM 8-K

a) Exhibits

- 31.a Certification of President & Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.b Certification of Vice President Finance, Secretary & Treasurer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.a Certification of President & Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.b Certification of Vice President Finance, Secretary & Treasurer pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

b) Reports on Form 8-K

None

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.

DATAJUNGLE SOFTWARE INC.

By: /s/ Edward Munden
Edward Munden
President and Chief Executive Officer

Dated: May 16, 2005

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the small business issuer and in the capacities and on the dates indicated.

/s/ Edward Munden
Edward Munden
President, Chief Executive Officer
(principal executive officer)

Dated: May 16, 2005

/s/ Larry Bruce
Larry Bruce
Vice President Finance, Secretary and Treasurer
(principal financial officer)

Dated: May 16, 2005

Exhibit 31.a

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Edward Munden, President & Chief Executive Officer of DataJungle Software Inc., certify that:

- (1) I have reviewed this report on Form 10-QSB of DataJungle Software Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operation and cash flows of the small business issuer as of, and for, the periods represented in this report;
- (4) The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

/s/Edward Munden
Edward Munden
President & Chief Executive Officer
Date: May 16, 2005

Exhibit 31.b

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Larry Bruce, Vice President Finance, Secretary and Treasurer of DataJungle Software Inc., certify that:

- (1) I have reviewed this report on Form 10-QSB of DataJungle Software Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operation and cash flows of the small business issuer as of, and for, the periods represented in this report;
- (4) The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the small business issuer and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonable likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the small business issuer's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

/s/Larry Bruce

Larry Bruce
Vice President Finance,
Secretary and Treasurer
Date: May 16, 2005

Exhibit 32.a

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of DataJungle Software Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Report on Form 10-QSB for the three months ended March 31, 2005 (the "Form 10-QSB") of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-QSB.

Dated: May 16, 2005

/s/Edward Munden
Edward Munden
President & Chief Executive Officer

The foregoing certification is being furnished as an exhibit to the Form 10-QSB pursuant to Item 601(b)(32) of Regulation S-B and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-QSB for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

Exhibit 32.b

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of DataJungle Software Inc. (the "Company"), does hereby certify, to such officer's knowledge, that:

The Report on Form 10-QSB for the three months ended March 31, 2005 (the "Form 10-QSB") of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-QSB fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-QSB.

Dated: May 16, 2005

/s/Larry Bruce

Larry Bruce

Vice President Finance, Secretary and Treasurer

The foregoing certification is being furnished as an exhibit to the Form 10-QSB pursuant to Item 601(b)(32) of Regulation S-B and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-QSB for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.