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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-KSB

[X] ANNUAL REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE YEAR ENDED DECEMBER 31, 2005

or

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

DATAJUNGLE SOFTWARE INC.

(Name of small business issuer in its charter)

NEVADA	**001-05996**	**91-0835748**
(State or other jurisdiction of incorporation or organization)	Commission File No.	(I.R.S. Employer Identification Number)

1 Hines Road, Suite 202, Ottawa, Ontario, Canada	**K2K 3C7**
(Address of principal executive offices)	(Zip Code)

Issuer's telephone number: 613-254-7246

Securities registered under Section 12(b) of the Exchange Act: none
Securities registered under Section 12(g) of the Exchange Act: Common Stock, par value $.001 per share

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 [ ]

Indicate by check mark whether the registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act.)
[ ] Yes **[X] No**

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. **[X]**

State issuer's revenues for its most recent fiscal period: **$588,209**

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the closing price of the issuer's Common Stock as of March 17, 2006, was $6,660,284, based upon the closing price ($0.40) multiplied by the 16,650,709 shares of the issuer's common stock held by non-affiliates. (In computing this number, issuer has assumed all record holders of greater than 5% of the common equity and all directors and officers are affiliates of the issuer.)

The number of shares outstanding of each of the issuer's classes of common equity as of March 17, 2006: 25,237,809.

DOCUMENTS INCORPORATED BY REFERENCE: See Item 13, Exhibits, page 62.

Transitional Small Business Disclosure Format: Yes [ ] No [X]

SEC 2337 (9-05)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

DATAJUNGLE SOFTWARE INC.
Form 10-KSB
December 31, 2005

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PART I

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. This report contains statements that constitute "forward-looking statements." These forward-looking statements can be identified by the use of predictive, future-tense or forward-looking terminology, such as "believes," "anticipates," "expects," "estimates," "plans," "may," "will," or similar terms. These statements appear in a number of places in this report and include statements regarding our intent, belief or current expectations with respect to many things. Some of these things are:

- trends affecting our financial condition or results of operations for our limited history;
- our business and growth strategies;
- our technology;
- the Internet; and
- our financing plans.

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 level of 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.

The information contained in the following sections of this report identify important additional factors that could materially adversely affect actual results and performance:

"Part I. Item 1. Description of Business" especially the disclosures set out under the heading "Risk Factors"; and

"Part II. Item 6. Management's Discussion and Analysis or Plan of Operation"

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.

Item 1. <u>Description of Business.</u>

Overview

DataJungle Software Inc. ("DataJungle" or "Company") develops enterprise business intelligence ("BI") front-end applications that integrate with both of the back-end infrastructure platforms of Microsoft Corporation ("Microsoft") and Cognos Corporation ("Cognos"), two of the leading BI infrastructure companies. Our products translate raw business data into highly visual and interactive tabular and graphical displays of information. DataJungle's flagship product, Matrix™ presents itself as information dashboards or front-end solutions to the BI and relational database server infrastructures that are widely utilized by businesses worldwide.

DataJungle is uniquely positioned to exploit:

- The emergence of information dashboards as a top information technology ("IT") priority;
- The rapidly accelerating market growth for Microsoft-based BI solutions, and
- Microsoft's aggressive promotion of its BI solutions.

Some of the world's leading businesses rely on DataJungle software to deliver business information to key decision makers. DataJungle has a number of large enterprise customers and a growing list of prominent partners and resellers, including Microsoft and Cognos.

DataJungle operates through a wholly owned Canadian subsidiary located in Ottawa, Ontario, Canada.

Our Products

Matrix™ is a powerful, zero footprint Web-based product that allows end-users to create highly visual dashboard-like "live" business views on top of their existing relational and OLAP data sources. It has been specifically designed to provide maximum flexibility and user independence from corporate IT departments and from specialized report authors or programmers. Matrix™ brings together, in one integrated application, all of the key BI capabilities required by the broadest range of user classes in an organization – these include: dashboarding, analysis, scorecarding, wireless alerting, and collaboration.

Matrix™ can be deployed out-of-the-box or can be readily customized to create virtually any type of interface and BI application.

With Matrix™, end users can define personal dashboard views that allow them to understand the status of their key performance indicators at a glance and to drill in for additional detail or to perform further exploration where a deeper understanding and action is warranted. Scorecards and user-defined alerts provide indicators when there has been a change in performance status or important thresholds have been broken.

Matrix™ also provides unmatched flexibility in how it is deployed. It can run in its own application framework, or individual views can be readily ported to any Microsoft SharePoint portal or Web page, while retaining full connectivity to the backend data source. Matrix™ also provides maximum customizability in terms of presentation and the functionality that is exposed to various user classes.

Matrix™ integrates with the key Microsoft business intelligence technologies — including: Analysis Services (OLAP, ROLAP, and HOLAP), Reporting Services, SQL Server and SharePoint. Views based on Cognos PowerPlay cubes can also be included in Matrix™ dashboards. Matrix™ provides an easy and fast path for customers to extract value from their Microsoft SQL Server/Business Intelligence platform. Matrix™ can support a mixed environment of both the Microsoft and Cognos platforms in one end user BI application.

In cases where users need to track metrics in real time, Matrix™ includes an integrated wireless alerting component (Matrix™ Mobile), which presents the same metrics and alerts that users define in their dashboard. This wireless module works with most wireless devices such as the RIM Blackberry or any WAP 2-0 enabled cell phone.

Our Markets

DataJungle targets the business intelligence software market and the business data market with the same core technology and products.

> **Business Intelligence Software Market:** This market includes a variety of tools and applications focused on helping knowledge workers and business managers to access and analyze key business data and performance metrics. The intention of these products is primarily to help companies make better and faster business decisions.
>
> Existing products in this market provide powerful server technology but are limited in flexibility, user functionality and interactivity. They also provide little or no integration between the different types of application servers. The vendors in the business intelligence software market have products that are either too complex or inflexible for the typical user of the data.
>
> **Business Data Market:** This market includes companies that are in the business of selling industry and market research data. These vendors typically do not provide software reporting tools to allow users of the data to extract the full value of the data.
>
> The vendors in the business data market have not been able to develop commercial quality software and many continue to deliver data in raw format, paper reports or in basic electronic formats. DataJungle can provide the interactivity and flexibility required for these users.

Our Market Positioning

DataJungle is positioned to exploit a growing opportunity on the Microsoft BI platform. DataJungle entered the Microsoft-based BI market in June of 2005. Microsoft released SQL Server 2005 in December (its first major release in five years). The SQL Server 2005 release is important to Microsoft's strategic thrust in the BI infrastructure market. However, Microsoft itself does not have a Web based front-end solution for its SQL Server nor one that integrates with both of the Microsoft and Cognos platforms. This represents an enormous opportunity for DataJungle to work with Microsoft in the business intelligence market.

Our Sales and Distribution

DataJungle reaches its market through its own direct sales team and through the use of its growing network of partners.

The direct sales approach entails our management and sales representatives making contacts within the organizations of target customers to present the benefits and competitive advantages of our products and services. Leads to such presentations are generated primarily through existing contacts of management and our sales representatives.

Partners include both Matrix™ resellers and OEM software companies, which embed Matrix™ as the front end to their own software solutions. In addition, DataJungle works closely with Microsoft and Cognos both as technical partners and to develop market opportunities. With the growing emergence of Microsoft as a dominant BI player, DataJungle will increasingly rely on the well-established Microsoft partner channel, because it is the fastest and most effective way of reaching the mass Microsoft market.

The territory where most potential clients reside is expected to be in the U.S. In addition to the partners and resellers described above, four individuals within the company are focused primarily on sales and marketing efforts.

We anticipate that the main expense factors for continuing marketing efforts will be for:

- Additional personnel
- Direct marketing to potential customers
- Participation in trade shows
- Travel and living expense
- Preparation of collateral material to support sales and distribution efforts
- Training and support of resellers

Our Competition and Product Differentiation

There are few significant packaged software competitors to DataJungle on the Microsoft platform. Although these companies are successful, they still only account for a tiny share of the overall opportunity and tend to focus on a narrower, more specialized class of users, whereas DataJungle is focused on the much broader market of information workers who demand ease-of-use, independence from the IT department, and a range of BI capabilities.

DataJungle Matrix™ represents a new class of BI product that was designed to provide both an optimal end-user experience and virtually immediate ROI for customers. It is differentiated in a number of important ways.

- *All key functional modules in a single product* — Matrix™ encompasses dashboarding, analysis, scorecarding, reporting, annotation, collaboration, and wireless alerting.
- *Maximum flexibility* — Matrix™ provides virtually unlimited customizability
- *User independence and ease-of-use* — Matrix™ allows end-users to design highly enriched, personalized dashboards without the need to rely on the IT department or specialized report authors.
- *Enriched user experience* — Matrix™ is unmatched in terms of its interactivity and visual impact.

- *Support for multiple platforms* — A single Matrix™ dashboard can integrate with Microsoft SQL Server/Analysis Services, Microsoft Reporting Services, Microsoft SharePoint portal, Cognos data sources, and other relational data sources.

Although DataJungle products are not intended to directly compete with the products offered by vendors in the business intelligence software market or the business data market, our products do overlap with products and services offered by these vendors. Some of these vendors have considerably more resources than DataJungle and may be developing capabilities competitive with DataJungle. In addition, we cannot assure that competitive products do not currently exist or will not be developed or that our products will be saleable in the marketplace on a profitable basis.

Economic Dependence

For the year ended December 31, 2005, four customers accounted for 95% of our revenues. A small customer base is expected to account for a significant portion of our revenues until our products receive wider market recognition through efforts of our sales representatives and resellers.

Research and Development

We spent the following amounts during the periods mentioned on research and development activities prior to the recovery of related tax credits from various levels of government:

Twelve Months December 31, 2005	Twelve Months December 31, 2004
$ 273,428	$ 401,421

During 2005, we spent approximately 7,800 hours (2004 – approximately 8,100 hours) on research and development activities.

For more information, see: "Part II. Item 6. Management's Discussion and Analysis or Plan of Operation; Plan of Operations."

Intellectual Property Protection

We rely on trade secrets, reseller agreements and confidentiality agreements. We claim copyright in specific software products and various elements of the core technology. In addition, we claim the rights to certain trade names and trademarks. However, we have not registered trademarks, patents or copyrights in any jurisdiction to cover specific products described herein or any of the core technology. We believe, but we cannot assure, that our technology and its implementation may be eligible for patent protection.

We cannot assure that we will be able to obtain or maintain protection of our intellectual property. We also cannot assure that our technology does not infringe upon the intellectual property rights of others. In the event that we are unable to obtain the foregoing protection or our technology infringes intellectual property rights of others, our business and results of operations could be materially and adversely affected. For more information please see "Risk Factors" below.

Employees

As of March 17, 2006, DataJungle had 14 personnel, including 4 executive officers (2 responsible for sales and marketing and product development and 2 in administration), 7 software developers and programmers, 1 in sales field support and 2 in direct sales. All of our personnel are located in Ottawa, Canada. In addition, we engage technical consultants and independent contractors to provide specific advice or to perform certain administrative or technical functions as required.

Risk Factors

Our business operations and our securities are subject to a number of substantial risks, including those described below. If any of these or other risks actually occur, our business, financial condition and operating results, as well as the trading price or value of our securities could be materially adversely affected.

Our limited operating history makes evaluating our business and prospects difficult.

Our limited operating history makes it difficult to evaluate our current business and prospects or to accurately predict our future revenues or results of operations. Our ability to consistently generate revenue on a profitable basis is unproven, and our business plan is constantly evolving. The Internet is constantly changing and software technology is constantly improving, therefore we may need to continue to modify our business plan to adapt to these changes. As a result of our limited operating history, we are more vulnerable to risks, uncertainties, expenses and difficulties than more established companies. As a result, we may never achieve profitability and we may not be able to continue operations if we cannot successfully address the risks associated with our operations.

We have a history of operating losses and we anticipate losses and negative cash flow for the foreseeable future. Unless we are able to generate profits and positive cash flow we may not be able to continue operations.

We incurred a net loss of $1,105,663 and negative cash flow from operations of $588,491 during the year ended December 31, 2005. During the year ended December 31, 2004, we incurred a net loss of $881,466 and negative cash flow from operations of $601,847. We expect operating losses and negative cash flow from operations to continue for the foreseeable future and to possibly increase from current levels as we increase expenditures for:

- sales and marketing;
- technology;
- research and development; and
- general business enhancement.

With increased on-going operating expenses, we will need to generate significant revenues to achieve profitability. Consequently, we may never achieve profitability. Even if we do achieve profitability, we may not sustain or increase profitability on a quarterly or annual basis in the future. If we are unable to achieve or sustain profitability in the future, we may be unable to continue our operations.

We may require additional capital to proceed with our long-term business plan. If we are unable to obtain such capital in future years, we may be unable to proceed with our long-term business plan and we may be forced to limit or curtail our future operations.

We require additional working capital to proceed with our long-term business plan. If we are unable to raise additional financing, we may be unable to grow or to implement our long-term business plan and, in fact, we may be forced to limit or curtail our future operations.

The loss of any of our key personnel would likely have an adverse effect on our business.

Our future success depends, to a significant extent, on the continued services of our key personnel. Our loss of any of these key personnel most likely would have an adverse effect on our business. In addition, competition for personnel throughout the industry is intense and we may be unable to retain our current personnel or attract, integrate or retain other highly qualified personnel in the future. If we do not succeed in retaining our current personnel or in attracting and motivating new personnel, our business could be materially adversely affected.

The business environment is highly competitive and, if we do not compete effectively, we may experience material adverse effects on our operations.

The market for business intelligence products and services is intensely competitive and we expect competition to increase in the future. We compete with large and small companies that provide products and services that are similar in some aspects to our products and services. Our competitors may develop new technologies in the future that are perceived as more effective or cost efficient than the technologies developed by us.

Some of our competitors have longer operating histories, greater name recognition, access to larger customer bases and significantly greater financial, technical and marketing resources than we do. As a result, they may be able to adapt more quickly to new or emerging technologies and changes in customer requirements or to devote greater resources to the promotion and sale of their products than we will. In addition, our competitors may have established or may establish financial or strategic relationships among themselves, with existing or potential customers, resellers or other third parties and rapidly acquire significant market share. If we cannot compete effectively, we may experience future price reductions, reduced gross margins and loss of market share, any of which will materially adversely affect our business, operating results and financial condition.

If we are unable to develop brand recognition, we may be unable to generate significant revenues and our results of operations may be materially adversely affected.

To attract customers we may have to develop a brand identity and increase awareness of our technology and products. To increase brand awareness, we expect to significantly increase our expenditures for marketing initiatives. However, these activities may not result in significant revenue and, even if they do, any revenue may not offset the expenses incurred in building brand recognition. Moreover, despite these efforts, we may not be able to increase awareness of our brands, which would have a material adverse effect on our results of operations.

If we are unable to respond to rapid technological change and improve our products and services, our business could be materially adversely affected.

The business intelligence software industry is characterized by technological advances, changes in customer requirements, frequent new product introductions and enhancements and evolving industry standards in computer hardware and software technology. As a result, we must continually change and improve our products in response to changes in operating systems, application software, computer and communications hardware, networking software, programming tools and computer language technology. The introduction of products embodying new technologies and the emergence of new industry standards may render existing products obsolete or unmarketable. Our future operating results will depend upon our ability to enhance our current products and to develop and introduce new products on a timely basis that address the increasingly sophisticated needs of our customers and that keep pace with technological developments, new competitive product offerings and emerging industry standards. If we do not respond adequately to the need to develop and introduce new products or enhancements of existing products in a timely manner in response to changing market conditions or customer requirements, our operating results may be materially diminished.

We may not be able to protect and enforce our intellectual property rights, which could result in the loss of our rights, loss of business or increased costs.

Our success depends to a significant degree upon the protection of our software and other proprietary technology. The unauthorized reproduction or other misappropriation of our proprietary technology would enable third parties to benefit from our technology without paying us for it. We depend upon a combination of copyright laws, license agreements and non-disclosure and other contractual provisions to protect proprietary and distribution rights of our products. We have not registered trademarks, copyrights or patents in any jurisdiction. Although we have taken certain steps to protect our proprietary technology, they may be inadequate and the unauthorized use thereof could have a material adverse effect on our business, results of operations and financial condition. Existing copyright laws and the other steps that we have taken offer only limited protection. Moreover, the laws of other countries in which we plan to market our products may afford little or no effective protection of our intellectual property. If we resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome and expensive, even if we were to prevail.

Claims by third parties that we infringe upon their proprietary technology could hurt our financial condition.

If we discover that any of our products or technology we license from third parties violate third party proprietary rights, we may not be able to reengineer our product or obtain a license on commercially reasonable terms to continue offering the product without substantial reengineering. In addition, product development is inherently uncertain in a rapidly evolving technology environment in which there may be numerous patent applications pending for similar technologies, many of which are confidential when filed. Although we sometimes may be indemnified by third parties against claims that licensed third party technology infringes proprietary rights of others, indemnity may be limited, unavailable or, where the third party lacks sufficient assets or insurance, ineffective. We currently do not have liability insurance to protect against the risk that our technology or future licensed third party technology infringes the proprietary rights of others. Any claim of infringement, even if invalid, could cause us to incur substantial costs defending against the claim and could distract our management from our business. Furthermore, a party making such a claim could secure a judgment that requires us to pay substantial damages. A judgment could also include an injunction or other court order that could prevent us from selling our products. Any of these events could have a material adverse effect on our business, operating results and financial condition.

If security were breached, our business would be materially adversely affected.

A key element of our technology and products is the ability to access business information using the Internet, either through facilities of our customers or hosted by us. If anyone was able to circumvent security measures, they could misappropriate proprietary information or cause interruptions or problems with our hardware and software or customers using our products. Any such security breaches could significantly damage our business and our reputation. In addition, we could be liable to our customers for the damages caused by such breaches or we could incur substantial costs as a result of defending claims for those damages. We may need to expend significant capital and other resources to protect against such security breaches or to address problems caused by such breaches. Security measures taken by us may not prevent disruptions or security breaches. In the event that future events or developments result in a compromise or breach of the technology we use to protect a customer's personal information, our financial condition and business could be materially adversely affected.

Our operating results may prove unpredictable and may fluctuate significantly.

Our operating results are likely to fluctuate significantly in the future due to a variety of factors, many of which are outside of our control. Factors which may cause operating results to fluctuate significantly include the following:

- new technology or products introduced by us or by our competitors;
- the timing and uncertainty of sales cycles and any seasonal declines in sales;
- our success in marketing and market acceptance of our products and services by our existing customers and by new customers;
- a decrease in the level of spending for information technology-related products and services by our existing and potential customers; and
- general economic conditions as well as economic conditions specific to users of our products and technology.

Our operating results may be volatile and difficult to predict. As such, future operating results may fall below the expectations of securities analysts and investors. In this event, the trading price of our common stock may fall significantly.

We expect to generate the majority of revenues in U.S. dollars and incur significant expenses in Canadian dollars. If applicable currency exchange rates fluctuate our revenues and results of operations may be materially and adversely affected.

We expect that a majority of our revenues will be based on sales provided in United States dollars and currency other than the Canadian dollar. In addition, we expect that a significant portion of our operating expenses will be incurred in Canada. As a result, our financial performance will be affected by fluctuations in the value of the U.S. dollar and other currencies to the Canadian dollar. At the present time, we have no plan or policy to utilize forward contracts or currency options to minimize this exposure, and even if these measures are implemented there can be no assurance that such arrangements will be available, be cost effective or be able to fully offset such future currency risks.

Other risks associated with international operations could adversely affect our business operations and our results of operations.

There are certain risks inherent in doing business on an international level, such as:

- unexpected changes in regulatory requirements, export and import restrictions;
- legal uncertainty regarding liability and compliance with foreign laws;
- competition with foreign companies or other domestic companies entering into the foreign markets in which we operate;
- tariffs and other trade barriers and restrictions;
- difficulties in staffing and managing foreign operations;
- longer sales and payment cycles;
- problems in collecting accounts receivable;
- political instability;
- fluctuations in currency exchange rates;
- software piracy;
- seasonal reductions in business activity; and
- potentially adverse tax consequences.

Any of these factors could adversely impact the success of our international operations. One or more of such factors may impair our future international operations and our overall financial condition and business prospects.

Our common stock price may be volatile.

The market prices of securities of technology companies are extremely volatile and sometimes reach unsustainable levels that bear no relationship to the past or present operating performance of such companies. Factors that may contribute to the volatility of the trading price of our common stock include, among others:

- our quarterly results of operations;
- the variance between our actual quarterly results of operations and predictions by stock analysts and investors;
- financial predictions and recommendations by stock analysts concerning technology companies and companies competing in our market in general, and concerning us in particular;
- public announcements of technical innovations relating to our business, new products or technology by us or our competitors or acquisitions or strategic alliances by us or our competitors;
- public reports concerning our products or technology or those of our competitors; and
- the operating and stock price performance of other companies that investors or stock analysts may deem comparable to us.

In addition to the foregoing factors, the trading prices for equity securities in the stock market in general, and technology companies in particular, have been subject to wide fluctuations that may be unrelated to the operating performance of the particular company affected by such fluctuations. Consequently, broad market fluctuations may have an adverse effect on the trading price of our common stock regardless of our results of operations.

There is a limited market for our common stock. If a substantial and sustained market for our common stock does not develop, our shareholders' ability to sell their shares may be materially and adversely affected.

Our common stock is tradable in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol of DJSW. Many institutional and other investors refuse to invest in stocks that are traded at levels below the Nasdaq Small Cap Market which could make our efforts to raise capital more difficult. In addition, the firms that make a market for our common stock could discontinue that role. OTC Bulletin Board stocks are often lightly traded or not traded at all on any given day. We cannot predict whether a more active market for our common stock will develop in the future. In the absence of an active trading market:

- investors may have difficulty buying and selling or obtaining market quotations;
- market visibility for our common stock may be limited; and
- a lack of visibility for our common stock may have a depressive effect on the market price for our common stock.

Shares issuable upon the exercise of options, exercise of stock purchase warrants and the conversion of convertible debentures or under anti-dilution provisions in certain agreements could dilute stock holdings and adversely affect our stock price.

We have issued options and may issue additional options in the future to acquire common stock to our employees and certain other persons at various prices, some of which have, or may in the future have, exercise prices at or below the market price of our stock. As of March 17, 2006 we have outstanding options to purchase a total of 3,802,452 shares of our common stock. Of these options, 1,881,271 have exercise prices below the recent market price of $0.40 per share (as of March 17, 2006). If exercised, these options will cause immediate dilution to our stockholders. Our existing stock option plan has 1,197,548 shares remaining for issuance as of March 17, 2006. Future options issued under the plan may have further dilutive effects.

A holder of a promissory note had the option of converting outstanding principal plus interest thereon into 4,309,302 shares of our common stock based on a rate of one common share for each $0.15 CAD of debt converted. On January 24, 2006, the holder’s assignees exercised the option and converted the outstanding principal and interest thereon into 4,309,302 shares of our common stock. The 4,309,302 shares of common stock were issued by our transfer agent on February 23, 2006.

At December 31, 2005, we had 3,200,000 stock purchase warrants outstanding pursuant to consulting agreements which would allow the holders to acquire up to 3,200,000 shares of our common stock at an exercise price of $0.50 per share expiring on December 31, 2009. On January 24, 2006, we cancelled one of the consulting agreements and cancelled 3,000,000 of the stock purchase warrants. As consideration for cancellation of the stock purchase warrants, we agreed to issue 305,000 shares of our common stock (which were issued by our transfer agent on February 23, 2006). Issuance of stock pursuant to the remaining 200,000 warrants would have a dilutive effect on stockholders.

On January 24, 2006, a lender or its assignees agreed to convert $680,370 of 12% promissory notes and accrued interest thereon to January 15, 2006 to 2,973,167 shares of our common stock (which were issued by our transfer agent on February 23, 2006) and 2,973,167 warrants to purchase 2,973,167 shares of our common stock. The warrants are exercisable at $0.30 per share and expire on December 31, 2010. Issuance of stock pursuant to the warrants would have a dilutive effect on stockholders.

During 2005, we received $105,000 in exchange for the issuance of 12% promissory notes. The promissory notes and accrued interest are convertible, at the lenders option, to shares of our common stock at a price of $0.20 per share plus a warrant for the purchase of the number of shares equal to 50% of the number of shares purchased by the lender. The warrants are exercisable at $0.30 per share and expire on December 31, 2010. Issuance of stock pursuant to the conversion of the promissory notes and exercise of the warrants would have a dilutive effect on stockholders.

Subsequent to December 31, 2005, we received $95,000 from investors pursuant to demand promissory notes bearing interest at 12% per annum. These promissory notes are convertible into 475,000 shares of common stock and 475,000 stock purchase warrants to purchase 475,000 shares of common stock at $0.30 per share. The warrants expire on December 31, 2010.

Issuance of shares pursuant to the exercise of options, exercise of stock purchase warrants, anti-dilution provisions or the conversion of promissory notes could lead to subsequent sales of the shares in the public market which could depress the market price of our stock by creating an excess in supply of shares for sale. Issuance of these shares and sale of these shares in the public market could also impair our ability to raise capital by selling equity securities.

A large number of shares will be eligible for future sale and may depress our stock price.

As of March 17, 2006, we had outstanding 25,237,809 shares of common stock of which approximately 20,584,874 shares were "restricted securities" as that term is defined under Rule 144 promulgated under the Securities Act of 1933. These restricted shares are eligible for sale under Rule 144 at various times. No prediction can be made as to the effect, if any, that sales of shares of common stock or the availability of such shares for sale will have on the market prices prevailing from time to time. Nevertheless, the possibility that substantial amounts of our common stock may be sold in the public market may adversely affect prevailing market prices for the common stock and could impair our ability to raise capital through the sale of our equity securities.

We do not intend to pay dividends in the near future.

Our board of directors determines whether to pay dividends on our issued and outstanding shares. The declaration of dividends will depend upon our future earnings, our capital requirements, our financial condition and other relevant factors. Our board does not intend to declare any dividends on our shares for the foreseeable future.

Our common stock may be deemed to be a "penny stock." As a result, trading of our shares may be subject to special requirements that could impede our shareholders' ability to resell their shares.

Our common stock is a "penny stock" as that term is defined in Rule 3a51-1 of the Securities and Exchange Commission because it is selling at a price below five dollars per share. In the future, if we are unable to list our common stock on NASDAQ or a national securities exchange, or the per share sale price is not at least $5.00, our common stock may continue to be deemed to be a "penny stock". Penny stocks are stocks:

- with a price of less than five dollars per share;
- that are not traded on a recognized national securities exchange;
- whose prices are not quoted on the NASDAQ automated quotation system; or
- of issuers with net tangible assets less than
    - $2,000,000 if the issuer has been in continuous operation for at least three years; or
    - $5,000,000 if in continuous operation for less than three years; or
- of issuers with average revenues of less than $6,000,000 for the last three years.

Section 15(g) of the Exchange Act and Rule 15g-2 of the Securities and Exchange Commission require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Moreover, Rule 15g-9 of the Securities and Exchange Commission requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer:

- to obtain information from the investor concerning his or her financial situation, investment experience and investment objectives;
- to determine based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions;
- to provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination referred to immediately above; and
- to receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives.

Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third parties or to otherwise dispose of them.

Our current and former executive officers, directors and major shareholders own a significant percentage of our voting stock. As a result, they exercise significant control over our business affairs and policy.

As of March 17, 2006, our current and former executive officers, directors and holders of 5% or more of our outstanding common stock together beneficially owned approximately 41% of the outstanding common stock if they were eligible to exercise all of the options held by them. These shareholders are able to significantly influence all matters requiring approval by shareholders, including the election of directors and the approval of significant corporate transactions. This concentration of ownership may also have the effect of delaying, deterring or preventing a change in control and may make some transactions more difficult or impossible to complete without the support of these shareholders.

Our articles of incorporation contain provisions that could discourage an acquisition or change of control of our company.

Our articles of incorporation authorize our board of directors to issue preferred stock without stockholder approval. Provisions of our articles of incorporation, such as the provision allowing our board of directors to issue preferred stock with rights more favorable than our common stock, could make it more difficult for a third party to acquire control of us, even if that change of control might benefit our stockholders.

Our Corporate History

Quad Metals Corporation, a Washington company incorporated on June 5, 1968 and Quad Metals Corporation, a wholly owned Nevada subsidiary incorporated on June 20, 2002 merged on December 11, 2002 to form Quad Metals Corporation, a Nevada corporation ("Quad"). Pursuant to a Share Exchange Agreement which was effective October 1, 2003, Quad acquired all of the issued and outstanding common stock of DataJungle Ltd., a Canadian company (formed on August 15, 2001 as a merger of DataJungle, Inc., a Delaware company incorporated on August 4, 2000 and 3853021 Canada Inc., a Canadian company incorporated on July 27, 2001). Effective November 18, 2003, Quad changed its name to DataJungle Software Inc.

Item 2. Description of Properties.

Our head office is located at 1 Hines Road, Suite 202, Ottawa, Ontario, Canada, K2K 3C7. The telephone number is 613-254-7246.

Our office is leased from a non-affiliated party based on a sublease agreement for 5,692 sq. ft. of space until December 31, 2007.

Item 3. Legal Proceedings.

We are not presently a party to any litigation.

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

None

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

(a) Market Information -- The principal U.S. market in which our common stock, all of which are of one class, $.001 par value per share, is traded is in the over-the-counter market. Our stock is quoted on the OTC Bulletin Board under the symbol "DJSW".

The following table sets forth the range of high and low bid quotes of our common stock per quarter in 2004 and 2005, as reported by the OTC Bulletin Board. These quotes reflect inter-dealer prices without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

MARKET PRICE OF COMMON STOCK

Quarter Ending	**BID High**	**BID Low**
2004		
January 1 to March 31	0.70	0.51
April 1 to June 30	0.89	0.35
July 1 to September 30	0.98	0.60
October 1 to December 31	0.82	0.46
2005		
January 1 to March 31	0.76	0.31
April 1 to June 30	0.51	0.22
July 1 to September 30	0.30	0.21
October 1 to December 31	0.29	0.13

On March 17, 2006, the closing price of our common stock was $0.40 per share.

(b) Holders -- There were approximately 1,038 holders of record of our common stock as of March 17, 2006, inclusive of those brokerage firms and/or clearing houses holding our securities for their clientele, with each such brokerage house and/or clearing house being considered as one holder. The aggregate number of shares of common stock outstanding as of March 17, 2006 was 25,237,809 shares.

(c) Dividends -- We have not paid or declared any dividends upon our common stock since inception and, by reason of our present financial status and our contemplated financial requirements, we do not contemplate or anticipate paying any dividends in the foreseeable future.

(d) Securities Authorized for Issuance Under Equity Compensation Plans--The following table sets forth details regarding our common stock authorized for issuance under equity compensation plans as at December 31, 2005:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	--	--	--
Equity compensation plans not approved by security holders	2,432,452	$ 0.43	2,567,548
Total	2,432,452	$ 0.43	2,567,548

We have granted options to purchase an aggregate of 83,700 shares of our common stock to non-employees in consideration for consulting services rendered. These options entitle the holders to purchase shares of common stock at an exercise price of $0.40 per share. All of these were vested at December 31, 2005 and are exercisable at various dates until February 28, 2013. These options were granted pursuant to our Share Option Plan, which was adopted by our board of directors and became effective on April 16, 2004. The plan has not been approved by our stockholders. The plan authorizes a committee of our board of directors, which administers the plan, to grant stock options and stock appreciation rights to our officers, employees and consultants. A total of 5,000,000 shares of common stock were reserved for issuance under the terms of the Share Option Plan. In the event of certain mergers, sales of assets, reorganizations, consolidations, recapitalizations, stock dividends or other changes in corporate structure affecting our common stock, the committee administering the plan must make an equitable substitution or adjustment in the aggregate number of shares reserved for issuance under the plan and in the number of shares exercisable under, and the exercise price of, outstanding options under the plan.

(e) Sales of Unregistered Securities

During the three months ended December 31, 2005, we had the following transactions:

- Issued $41,000 of 10% promissory notes to an unrelated party;
- Issued $105,000 of 12% promissory notes to unrelated parties. These promissory notes are convertible to shares of our common stock at a price of $0.20 per share plus a warrant for the purchase of the number of common shares equal to 50% of the number of common shares purchased by the lender. The warrants are exercisable at $0.30 per share and expire on December 31, 2010;
- Issued $41,122 of 10% promissory notes to a related party and repaid $53,745 to the lender.

During the period from January 1, 2006 to March 17, 2006, we had the following transactions:

- Repaid $41,000 of 10% promissory notes to an unrelated party;
- Issued 4,309,302 shares of our common stock on conversion of promissory notes and accrued interest payable to a related party;
- Issued 2,973,167 shares of our common stock on conversion of $680,370 of 12% promissory notes and accrued interest. In addition, we issued 2,973,167 warrants to purchase 2,973,167 shares of our common stock. These warrants are exercisable at $0.30 per share and expire on December 31, 2010;
- Cancelled 1,500,000 Series A warrants and 1,500,000 Series B warrants. As consideration for cancellation of the Series A warrants, we agreed to issue 305,000 shares of our common stock;
- Granted 1,100,000 stock purchase options to officers and directors to purchase 1,100,000 shares of our common shock at an exercise price of $0.25 and expiring at various dates to January 31, 2013;
- Granted 270,000 stock purchase options to employees to purchase 270,000 shares of our common stock at an exercise price of $0.25 and expiring at various dates to February 1, 2013;
- Received $95,000 from investors pursuant to demand promissory notes bearing interest at 12% per annum. These promissory notes are convertible into 475,000 shares of common stock and 475,000 stock purchase warrants to purchase 475,000 shares of common stock at $0.30 per share. The warrants expire on December 31, 2010.

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 6. Management's Discussion and Analysis or Plan of Operations.

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 discussed in this section. Additional accounting policies for the Company have been disclosed in the audited consolidated financial statements at and for the year ended December 31, 2005 included in this report.

(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. Direct 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 that year:

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. Under this method, the total fair value of the undelivered elements of the contract, as indicated by vendor specific objective evidence, is deferred and subsequently recognized in accordance with the provisions of SOP 97-2. The difference between the total contract fee and the amount deferred for the undelivered elements is recognized as revenue related to the delivered elements. Vendor specific objective evidence for support and consulting services is obtained from contracts where these elements have been sold separately. Where the Company cannot determine the fair value of all the obligations, the revenue is deferred until such time as it can be determined or the element is delivered.

(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:

The Company adopted the following policy related to deferred consulting services during the year-ended December 31, 2005:

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.

Plan of Operations

Due to our limited operating history, our historical results of operations are unlikely to provide a meaningful understanding of the activities expected to take place during the period through December 31, 2006. In addition, our plans for 2006 are dependent upon obtaining additional capital and achieving our sales objectives. Our major initiatives through December 31, 2006 are:

- furthering the development of our products; and
- increasing commercial sales of our products, and continuing our current marketing program.

For more information, please see "Part 1. Item 1: Description of Business; Our Products."

Marketing Plans:

In addition to partner arrangements with Microsoft and Cognos, DataJungle has entered into 19 reseller agreements and 3 original equipment manufacturer ("OEM") agreements in North America and

Europe. Efforts to increase our customer base were increased in calendar 2005. At March 17, 2006, we had 2 full-time sales representatives in Ottawa, Canada and 2 of our executive officers spending significant efforts to further increase our customer base. Their current focus is to expand the number of leads and to continue to identify resellers and partners in the U.S., Western Europe and Asia.

Marketing leads are being developed by direct identification of potential customers, a limited amount of advertising and through trade shows, personal contacts of management and our sales representatives.

Our sales representatives, who are compensated on a salary and commission basis, will continue to follow up these leads, with the objective of more fully explaining the products and their benefits to potential customers. In addition, we expect to hire additional sales representatives and support related staff.

Developing and Improving Our Products:

While we will direct a considerable portion of our activities and budget to marketing, we will continue developing the core functions of our products and additional products. For more information please see "Part I. Item 1. Description of Business; Our Products."

We will improve and further develop our products based upon responses from potential customers. The cost associated with this development is primarily a function of the activity currently planned and thus will be subject to a high degree of control. The Company may expend additional resources on product development on a cost recovery basis through pilot projects with customers.

Other Initiatives in 2006:

In addition, we expect to increase general and administrative staff in 2006 in order to improve our segregation of duties and controls over financial reporting.

Until such time as we generate sufficient revenues from our products and services, we will continue to be dependent on raising substantial amounts of additional capital through any one of a combination of debt offerings or equity offerings, including but not limited to:

- debt instruments, including demand notes and convertible debentures similar to those discussed below in "Liquidity and Capital Resources";
- private placements of common stock;
- exercise of stock options at an average exercise price of $0.43 per share; and
- funding from potential clientele or future industry partners.

During the period from January 1, 2006 to March 17, 2006, we raised $95,000 through a private placement to issue 475,000 shares of common stock at $0.20 per share and 475,000 stock purchase warrants to purchase 475,000 shares of common stock at $0.30 per share. The warrants expire on December 31, 2010. These funds are not sufficient to satisfy the requirements of our plan of operations. Consequently, there will be an ongoing requirement for funding as described above. However, there can be no assurance that any future financings can be obtained, should they be required. In this regard, please see "Risk Factors" in Item 1 above.

Selected Financial Data

The selected financial data set forth below with respect to our consolidated statements of operations for the years ended December 31, 2005 and 2004 and with respect to the consolidated balance sheets as at December 31, 2005 and 2004, are derived from our audited consolidated financial statements included in Item 7. The following selected financial data should be read in conjunction with our consolidated financial statements and the notes thereto.

	Year Ended December 31, 2005	Year Ended December 31, 2004
Operations Data	**$**	**$**
Revenues	588,209	601,128
Gross profit	537,574	334,222
General and administrative	850,831	344,702
Sales and marketing	465,230	313,371
Research and development	242,188	381,494
Depreciation of property and equipment	13,773	15,967
Interest expense	61,251	7,516
Net loss	1,105,663	881,466
Cash Flow Data		
Net cash used in operations	(588,491)	(601,847)
Net cash used in investing activities	(6,503)	(8,586)
Net cash from financing activities	686,192	581,868
Effects of exchange rates on cash	(15,452)	(7,937)
Net increase (decrease) in cash	75,746	(36,502)
Balance Sheet Data		
Cash	85,802	10,056
Accounts and investment tax credits receivable	260,057	125,968
Contracts-in-process	5,677	-
Prepaid expenses	249,126	9,688
Total current assets	600,662	145,712
Deferred consulting services	478,322	-
Property and equipment	7,970	15,181
Total assets	1,086,954	160,893
Accounts payable and accrued liabilities	604,462	349,980
Promissory notes and other obligations	815,295	196,000
Promissory notes to related party	513,500	456,905
Deferred revenue	34,284	4,161
Total current liabilities	1,967,541	1,007,046
Stockholders' deficiency	(880,587)	(846,153)

Results of Operations

In this section, we discuss our earnings for the years ended December 31, 2005 and 2004 and the factors affecting them that resulted in changes from one year to the other.

Our financial statements have been prepared in accordance with U.S. GAAP and presented in U.S. dollars for purposes of this report.

The year ended December 31, 2005 compared to the year ended December 31, 2004

Revenue: Revenues for the year ended December 31, 2005 were $588,209 compared to $601,128 for the year ended December 31, 2004. In the December 31, 2005 period, the Company completed six contracts for products totaling $314,599 (2004 – six contracts for $190,663) and two contracts for services for $273,610 (2004 – two contracts for $410,465). Of the total revenues of $601,128 for the year ended December 31, 2004, $307,176 had been recorded on the balance sheet of the Company as deferred revenue as at December 31, 2003 representing payments received from customers prior to that date. As at December 31, 2005, the Company was completing one contract for which revenue had not been recognized at December 31, 2005.

Gross profit: Gross profit for the year ended December 31, 2005 was $537,574 (91% of revenue). For the year ended December 31, 2004, the gross profit was $334,222 (56% of revenue). For the year ended December 31, 2005, the gross profit on product sales was $309,437 (98% of product revenue) and $228,137 on services (83% of services revenue). For the year ended December 31, 2004, the gross profit on product sales was $93,658 (49% of product revenue) and $240,564 on services (59% of services revenue). The projects completed in 2005 had gross profit ranging from 77% to 100%. The contracts completed in 2004 had gross profit ranging from 5% for a project that was expected to have minimal gross profit to 100% for a software license sale that was completed without any direct costs. The improvement in product gross profit in 2005 compared to 2004 is the result of improvements to our product offerings and our ability to deploy products with minimal direct costs. The improvement in services gross profit in 2005 compared to 2004 is primarily attributed to a project with recurring revenue that requires minimal ongoing direct costs to deliver.

General and administrative expenses: General and administrative expenses consist primarily of personnel costs, professional fees, consulting fees, occupancy related costs, financing related costs and other miscellaneous costs associated with supporting our research and development and sales and marketing activities. During the year ended December 31, 2005, we incurred $850,831 in expenses compared to $344,702 during the year ended December 31, 2004. The net increase of approximately $506,000 results primarily from the following:

- Increase in consulting fees of approximately $499,000. This increase relates primarily to the impact of issuing warrants and stock to unrelated parties in consideration for investor relations and communications services performed in 2005.
- Increase in professional fees of approximately $51,000. In 2005, we incurred additional accounting related costs due to the current regulatory environment and costs for preparation of tax related filings. In addition, we outsourced certain accounting related activities in the last quarter of 2005 due to the resignation of our Vice President Finance on September 30, 2005.
- Increase in bank charges and financing fees of approximately $18,000 due to increased levels of debt incurred in 2005 and arrears in certain tax related obligations.
- Increase in personnel related costs of approximately $5,000. In 2005, an increase in personnel related costs due to having a full-time President and an increase in benefit costs was partially offset by a decrease in personnel related costs due to the resignation of our Vice President Finance.
- Decrease in stock compensation costs of approximately $60,000. This decrease results from a reduction in the intrinsic value of certain stock options accounted for using variable accounting

due to a decline in the price of our common stock from $0.63 at December 31, 2004 to $0.22 at December 31, 2005.
- Decrease in travel costs of approximately $17,000. In 2004, costs were incurred related to presentations for financing purposes. There was no significant amount of travel in 2005.
- Increase in various other costs of approximately $10,000 due primarily to general price increases in 2005.

Sales and marketing: Sales and marketing expenses consist primarily of personnel costs, costs related to demonstrations of our product and travel. During the year ended December 31, 2005, we incurred $465,230 in expenses compared to $313,371 during the year ended December 31, 2004. The net increase of approximately $152,000 results from the following:

- Increase in personnel related costs of approximately $162,000. This increase includes the following:
    - Salary increase and sales commissions to two of our executives.
    - Cost of a sales support engineer hired at the beginning of 2005.
    - Cost of a sales representative for the full year in 2005 compared to six months in 2004.
    - Increase in benefits related to the personnel described above partially offset by a decrease in compensation resulting from termination of a sales representative and sales consultant in 2005 who were hired in 2004.
- Decrease in stock compensation costs of approximately $28,000. This decrease results from a reduction in the intrinsic value of certain stock options accounted for using variable accounting due to a decline in the price of our common stock from $0.63 at December 31, 2004 to $0.22 at December 31, 2005.
- Increase in the costs of doing demonstrations of our product, travel and other expenses of approximately $18,000 resulting from the increase in sales related activities.

Research and development expenses: Research and development expenses consist primarily of personnel costs and consulting expenses directly associated with the development of our software applications plus an applicable allocation of rent for space occupied by research and development personnel. For the year ended December 31, 2005, we incurred $242,188 in expenses compared to $381,494 during the year ended December 31, 2004. The net decrease of approximately $139,000 results from the following:

- Decrease in stock compensation costs of approximately $162,000. This decrease results from a reduction in the intrinsic value of certain stock options accounted for using variable accounting due to a decline in the price of our common stock from $0.63 at December 31, 2004 to $0.22 at December 31, 2005.
- Decrease of approximately $8,000 relating to a reduction in consulting costs for support of our computer network.
- Increase of approximately $9,000 due to costs associated with a technology program for the full year in 2005 compared to part of the year in 2004, costs related to testing of our product for certification by Microsoft and travel costs related to training at Microsoft facilities in the U.S.
- Increase in personnel related costs and consultants of approximately $24,000 due primarily to salary increases.
- Net decrease of approximately $2,000 in various other costs.

Amortization: Amortization expense was $13,773 during the year ended December 31, 2005 compared to $15,967 for the year ended December 31, 2004.

Net Loss: We incurred a loss of $1,105,663 ($0.06 per share) for the year ended December 31, 2005, compared to a loss of $881,466 ($0.06 per share) for the year ended December 31, 2004. Our revenues and future profitability and future rate of growth are substantially dependent on 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.

Liquidity and Capital Resources

At December 31, 2005, we had negative working capital of $1,366,879, compared to negative working capital of $861,334 at December 31, 2004. This decrease in working capital of approximately $506,000 occurred primarily as a result of increases in demand promissory notes required to finance ongoing operations of $676,000, accounts payable and accrued liabilities of $254,000 and $30,000 of deferred revenue. These increases were offset by increases in accounts receivable and investment tax credits receivable of $134,000, prepaid expenses of $239,000 and contracts-in-process of $6,000. Cash increased by $76,000 in 2005. Our cash balance at December 31, 2005 was approximately $86,000 compared to approximately $10,000 at December 31, 2004.

During the period from January 1, 2006 to March 17, 2006, we raised $95,000 pursuant to demand promissory notes bearing interest at 12% per annum. These promissory notes are convertible into 475,000 shares of common stock and 475,000 stock purchase warrants to purchase 475,000 shares of common stock at $0.30 per share. The warrants expire on December 31, 2010. These resources are not sufficient to fund ongoing operations. Consequently, the Company will require additional capital and increases to revenue on a profitable basis. The Company cannot be certain that sufficient resources will be available to satisfy its liquidity requirements.

Net Cash Flow from Operations: During the year ended December 31, 2005, we used $588,491 in operations, compared to using $601,847 during the year ended December 31, 2004. The use of cash in operations during the year ended December 31, 2005 resulted primarily from a net loss of $1,105,663 or $1,285,739 excluding a recovery of non-cash compensation expense of $180,076 and then partially offset by depreciation of $13,773, non-cash interest expense of $59,235, non-cash consulting fees of $511,105 and net change in non-cash working capital of $113,135. During the year ended December 31, 2004, the use of cash in operations resulted from a net loss of $881,466 partially offset by depreciation of $15,967, non-cash interest of $7,002, non-cash compensation expense of $69,807, loss on extinguishment of debt of $147,050, non-cash consulting fees of $38,337 and a net change in non-cash working operating capital of $1,456.

Net Cash Used in Investing Activities: During the year ended December 31, 2005, we invested $6,503 in property and equipment, compared to $8,586 invested during the year ended December 31, 2004.

Net Cash From Financing Activities: During the year ended December 31, 2005, net cash provided by financing activities was $686,192 compared to $581,868 for the year ended December 31, 2004. During the year ended December 31, 2005, we raised $671,492 from the issuance of promissory notes (net of repayments of $111,745) and $14,700 in proceeds net of cash-based issuance costs for common stock. During the year ended December 31, 2004, we raised $192,791 from the issuance of promissory notes (net of repayments of $79,209) and $389,077 in proceeds net of cash-based issuance costs for common stock. For information concerning our capital requirements see "Plan of Operations" above.

During the period from January 1, 2006 to March 17, 2006, we raised $95,000 pursuant to demand promissory notes bearing interest at 12% per annum. These promissory notes are convertible into 475,000 shares of common stock and 475,000 stock purchase warrants to purchase 475,000 shares of common stock at $0.30 per share. The warrants expire on December 31, 2010.

Commitments: The Company has entered into an operating lease agreement for office space that expires on December 31, 2007. The future minimum lease payments including operating costs are as follows:

Year	Amount
2006	$98,766
2007	90,536
Total	$189,302

Item 7. Financial Statements.

Consolidated Financial Statements of

DATAJUNGLE SOFTWARE INC.

Years ended December 31, 2005 and 2004

KPMG LLP
Chartered Accountants
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Canada

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders

DataJungle Software Inc.

We have audited the accompanying consolidated balance sheets of DataJungle Software Inc. and subsidiaries as of December 31, 2005 and 2004, and the related consolidated statements of operations, stockholders' deficiency and comprehensive loss and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DataJungle Software Inc. and subsidiaries as of December 31, 2005 and 2004, and the results of their operations and their cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 2(a) to the consolidated financial statements, the Company has negative working capital at December 31, 2005 and has incurred recurring losses, as well as recurring negative cash flow from operating activities. The Company has an accumulated deficit which results in a deficiency in stockholders' equity. Its economic viability is dependent on its ability to generate additional sales and finance operational expenses which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 2(a). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

KPMG LLP

Chartered Accountants

Ottawa, Canada
March 3, 2006

DATAJUNGLE SOFTWARE INC.

Consolidated Balance Sheets

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

	2005	2004
Assets		
Current assets:		
Cash and cash equivalents	$ 85,802	$ 10,056
Accounts receivable (note 3)	183,622	83,405
Investment tax credits receivable	76,435	42,563
Contracts-in-process	5,677	–
Prepaid expenses (notes 10(b) and 19)	249,126	9,688
	600,662	145,712
Deferred consulting services (notes 10(b) and 19)	478,322	–
Property and equipment (note 4)	7,970	15,181
	$ 1,086,954	$ 160,893
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Accounts payable (notes 5 and 7)	$ 183,871	$ 130,865
Accrued liabilities (note 6)	420,591	219,115
Promissory notes payable (note 8)	815,295	196,000
Promissory notes payable to a related party (note 9)	513,500	456,905
Deferred revenue	34,284	4,161
	1,967,541	1,007,046
Stockholders' deficiency (note 10):		
Preferred stock, $0.001 par value. Authorized 10,000,000 shares; issued and outstanding Nil shares at December 31, 2005 and December 31, 2004	–	–
Common stock, $0.001 par value. Authorized 300,000,000; issued and outstanding 17,650,340 shares at December 31, 2005 and 17,281,173 shares at December 31, 2004	17,651	17,281
Share subscriptions received	–	35,000
Common stock to be issued for services (note 10(a))	31,000	–
Additional paid-in capital	3,227,784	2,122,346
Accumulated other comprehensive loss	(213,759)	(183,180)
Deficit	(3,943,263)	(2,837,600)
	(880,587)	(846,153)
Basis of presentation (note 2(a))		
Guarantees and commitments (note 14)		
Subsequent events (notes 8, 9, 10 and 19)		
	$ 1,086,954	$ 160,893

See accompanying notes to consolidated financial statements.

DATAJUNGLE SOFTWARE INC.

Consolidated Statements of Operations

For the years ended December 31, 2005 and 2004
(In U.S. dollars)

	2005	2004
Revenues:		
Products	$ 314,599	$ 190,663
Services	273,610	410,465
	588,209	601,128
Cost of revenues:		
Cost of products	5,162	97,005
Cost of services	45,473	169,901
	50,635	266,906
Gross profit	537,574	334,222
Expenses:		
General and administrative (note 7)	850,831	344,702
Research and development (note 11)	242,188	381,494
Sales and marketing	465,230	313,371
Depreciation of property and equipment	13,773	15,967
	1,572,022	1,055,534
	(1,034,448)	(721,312)
Other income (expenses):		
Interest expense	(61,251)	(7,516)
Interest income	–	4,243
Loss on extinguishment of debt (note 8)	–	(147,050)
Foreign exchange loss	(9,964)	(9,831)
	(71,215)	(160,154)
Net loss	$(1,105,663)	$ (881,466)
Loss per common share - basic and diluted (note 13)	$ (0.06)	$ (0.06)
Weighted average common shares outstanding	17,389,394	15,935,410

See accompanying notes to consolidated financial statements.

DATAJUNGLE SOFTWARE INC.

Consolidated Statements of Changes in Stockholders' Deficiency and Comprehensive Loss

For the years ended December 31, 2005 and 2004
(In U.S. dollars)

	Number	Common stock amount	Share subscriptions received	Common stock to be issued for services	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total
Balances at January 1, 2004	15,190,946	$ 15,191	$ 69,450	$ –	$ 1,394,350	$(1,956,134)	$ (143,184)	$(620,327)
Issued for cash at $0.30 per share	1,291,669	1,292	–	–	386,208	–	–	387,500
Issued at $0.30 per share for subscriptions received in prior year	231,500	231	(69,450)	–	69,219	–	–	–
Issued at $0.87 per share on extinguishment of debt (note 8)	257,983	258	–	–	224,187	–	–	224,445
Issued at $0.87 per share for services	309,075	309	–	–	268,586	–	–	268,895
Subscriptions for 116,667 shares of common stock at $0.30 per share	–	–	35,000	–	–	–	–	35,000
Share issuance costs	–	–	–	–	(290,011)	–	–	(290,011)
Stock options issued to employees and modification of options issued to employees (note 10)	–	–	–	–	67,868	–	–	67,868
Stock options issued to non-employees and modification of options issued to non-employees (note 10)	–	–	–	–	1,939	–	–	1,939
Comprehensive loss:								
Net loss	–	–	–	–	–	(881,466)	–	(881,466)
Currency translation adjustment	–	–	–	–	–	–	(39,996)	(39,996)
Comprehensive loss								(921,462)
Balances at December 31, 2004	17,281,173	17,281	35,000	–	2,122,346	(2,837,600)	(183,180)	(846,153)

DATAJUNGLE SOFTWARE INC.

Consolidated Statements of Changes in Stockholders' Deficiency and Comprehensive Loss (continued)

For the years ended December 31, 2005 and 2004
(In U.S. dollars)

	Number	Common stock amount	Share subscriptions received	Common stock to be issued for services	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total
Balances at December 31, 2004	17,281,173	$ 17,281	$ 35,000	$ –	$ 2,122,346	$ (2,837,600)	$ (183,180)	(846,153)
Issued at $0.30 per share for subscriptions received in prior year	116,667	117	(35,000)	–	34,883	–	–	–
Issued for cash at $0.30 per share	50,000	50	–	–	14,950	–	–	15,000
Issued at $0.63 per share for services (note 10)	200,000	200	–	–	125,800	–	–	126,000
Issued at $0.30 per share for services (note 10)	2,500	3	–	–	747	–	–	750
Recovery of share issuance costs	–	–	–	–	1,184	–	–	1,184
Issuance of 200,000 Series A warrants (note 10)	–	–	–	–	114,677	–	–	114,677
Issuance of 1,500,000 Series A warrants (note 10)	–	–	–	–	982,198	–	–	982,198
100,000 common shares to be issued for services (note 10)	–	–	–	31,000	–	–	–	31,000
Stock options issued to employees and modification of options issued to employees (note 10)	–	–	–	–	(180,076)	–	–	(180,076)
Intrinsic value of beneficial conversion feature on promissory notes payable (note 8)	–	–	–	–	11,075	–	–	11,075
Comprehensive loss:								
Net loss	–	–	–	–	–	(1,105,663)	–	(1,105,663)
Currency translation adjustment	–	–	–	–	–	–	(30,579)	(30,579)
Comprehensive loss								(1,136,242)
Balances at December 31, 2005	17,650,340	$ 17,651	$ –	$ 31,000	$3,227,784	$ (3,943,263)	$ (213,759)	$ (880,587)

See accompanying notes to consolidated financial statements.

DATAJUNGLE SOFTWARE INC.

Consolidated Statements of Cash Flows

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

	2005	2004
Cash flows from operating activities:		
Net loss	$(1,105,663)	$ (881,466)
Items not involving cash:		
Depreciation of property and equipment	13,773	15,967
Interest expense	59,235	7,002
Compensation expense (recovery)	(180,076)	69,807
Consulting fees	511,105	38,337
Loss on extinguishment of debt	–	147,050
Change in non-cash operating working capital (note 17)	113,135	1,456
Net cash used in operating activities	(588,491)	(601,847)
Cash flows from investing activities:		
Purchase of property and equipment	(6,503)	(8,586)
Cash flows from financing activities:		
Proceeds from promissory notes payable	688,370	272,000
Payments of promissory notes payable	(58,000)	(79,209)
Proceeds from promissory notes payable to a related party	94,867	–
Payments of promissory notes payable to a related party	(53,745)	–
Issuance of common stock for cash	15,000	387,500
Share issuance costs	(300)	(33,423)
Share subscriptions received	–	35,000
Net cash provided by financing activities	686,192	581,868
Effects of exchange rates on cash and cash equivalents	(15,452)	(7,937)
Net increase (decrease) in cash and cash equivalents	75,746	(36,502)
Cash and cash equivalents, beginning of year	10,056	46,558
Cash and cash equivalents, end of year	$ 85,802	$ 10,056
Supplemental cash flow information:		
Interest paid	$ 2,016	$ 3,555

See accompanying notes to consolidated financial statements.

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 it’s 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 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 consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has minimal revenues, negative working capital of $1,366,879 as at December 31, 2005, and has incurred a loss of $1,105,663 and negative cash flow from operations of $588,491 for the year then ended. As of December 31, 2005, the Company has an accumulated deficit of $3,943,263 which results in a stockholders’ deficiency of $880,587. 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.

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 financial statements do not include adjustments that would be required if the going concern assumption was not appropriate and consequently that the assets are not realized and the liabilities settled in the normal course of operations.

2. Summary of significant accounting policies (continued):

(a) Basis of presentation (continued):

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 favourable to the Company.

(b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates.

Significant management estimates include assumptions used in assessing the recoverability of accounts receivable, calculating share-based compensation and estimating investment tax credits receivable. Receipt of investment tax credits is dependent on review and acceptance of the eligibility of expenditures by taxing authorities in Canada.

(c) 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.

2. Summary of significant accounting policies (continued):

(d) Foreign currency translation:

The consolidated 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 are reported as a separate component of accumulated other comprehensive loss.

(e) Revenue recognition:

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. Direct 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.

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.

2. Summary of significant accounting policies (continued):

(e) Revenue recognition (continued):

For contracts with multiple elements such as product licenses, product support and services, the Company follows the residual method. Under this method, the total fair value of the undelivered elements of the contract, as indicated by vendor specific objective evidence, is deferred and subsequently recognized in accordance with the provisions of SOP 97-2. The difference between the total contract fee and the amount deferred for the undelivered elements is recognized as revenue related to the delivered elements. Vendor specific objective evidence for support and consulting services is obtained from contracts where these elements have been sold separately. Where the Company cannot determine the fair value of all the obligations, the revenue is deferred until such time as it can be determined or the element is delivered.

(f) Cash equivalents:

The Company considers cash equivalents to be highly liquid investments with original maturities of three months or less and restricted cash as it is available for use for current purposes.

(g) Property and equipment:

Property and equipment is stated at cost less accumulated depreciation. Property under capital lease is initially recorded at the present value of the minimum lease payments at the inception of the lease. Depreciation is provided over the estimated useful lives of the underlying assets on a straight-line basis using the following annual rates:

Asset	Useful life
Office equipment	3 years
Computer hardware	3 years
Computer software	2 years

(h) Leases:

Leases are classified as either capital or operating in nature. Capital leases are those which substantially transfer the benefits and risk of ownership to the Company. Assets acquired under capital leases are depreciated at the same rates as those described in note 2(g). Obligations recorded under capital leases are reduced by the principal portion of lease payments. The imputed interest portion of lease payments is charged to expense.

2. Summary of significant accounting policies (continued):

(i) Research and development:

Costs related to research, design and development of software products are charged to research and development expense as incurred unless they meet generally accepted criteria for deferral and amortization. Software development costs incurred prior to the establishment of technological feasibility do not meet these criteria and are expensed as incurred. Research costs are expensed as incurred. To date, the Company has not capitalized any software development costs.

(j) Investment tax credits:

Investment tax credits are accounted for using the cost reduction approach whereby they are recorded as a reduction of the related expense or the cost of the assets acquired when there is reasonable assurance that they will be realized.

(k) Government assistance:

Government assistance is recorded as a reduction of the related expense or the cost of the assets acquired. Government assistance is recorded in the accounts when reasonable assurance exists that the Company has complied with the terms and conditions of the approved grant program.

(l) Advertising:

Advertising costs are expensed as incurred. Advertising costs amounted to $2,161 for the year ended December 31, 2005 (2004 - $Nil).

(m) Income taxes:

Deferred income taxes are determined using the asset and liability method, whereby deferred income tax is recognized on temporary differences using enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Temporary differences between the carrying values of assets or liabilities used for tax purposes and those used for financial reporting purposes arise in one period and reverse in one or more subsequent periods. In assessing the realizability of deferred tax assets, management considers known and anticipated factors impacting whether some portion or all of the deferred tax assets will not be realized. To the extent that the realization of deferred tax assets is not considered to be more likely than not, a valuation allowance is provided.

(In U.S. dollars)

2. Summary of significant accounting policies (continued):

(n) 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.

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.

	2005	2004
Net loss, as reported	$(1,105,663)	$ (881,466)
Add (deduct) stock-based employee compensation expense (recovery) included in reported net loss	(180,076)	67,868
Deduct total stock-based employee compensation expense determined under fair-value-based method for all awards	(378,819)	(429,536)
Pro forma net loss	$(1,664,558)	$(1,243,134)
Loss per share:		
Basic and diluted – as reported	$ (0.06)	$ (0.06)
Basic and diluted – pro forma	(0.10)	(0.08)

2. Summary of significant accounting policies (continued):

(o) 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 (note 19(e)).

(p) Impairment or disposal of long-lived assets:

The Company accounts for impairment or disposal of long-lived assets in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This Statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its undiscounted estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

(q) Recently issued accounting pronouncements:

Share-based compensation:

In December 2004, the FASB issued Statement of Financial Accounting Standards No. 123R "Share-based Payment" ("SFAS 123R"). The new Statement is effective for fiscal years beginning on or after December 15, 2005. FAS 123R addresses the accounting for transactions in which an enterprise receives services in exchange for (a) equity instruments of the enterprise or (b) liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. This Statement eliminates the ability to account for share-based compensation transactions using APB Opinion No. 25 and requires that such transactions be accounted for using a fair-value based method. As required by FAS 123R, the Company will be required to recognize an expense for compensation cost related to share-based payment arrangements including stock options and compensatory employee stock purchase plans. The new rules will be effective for the Company beginning January 1, 2006. The Company is currently evaluating option valuation methodologies and assumptions in light of the evolving accounting standards related to share-based payments, and also the impact of other aspects of FAS 123R, including transitional adoption alternatives.

2. Summary of significant accounting policies (continued):

(q) Recently issued accounting pronouncements (continued):

Share-based compensation (compensation):

The impact of applying one of the fair-value based methods of accounting for stock options, the Black Scholes method, over the periods presented is disclosed in note 2(n).

3. Accounts receivable:

	2005	2004
Trade accounts receivable	$ 177,615	$ 82,037
Other	6,007	1,368
	$ 183,622	$ 83,405

All trade accounts receivable are due in U.S. dollars.

4. Property and equipment:

	Cost	Accumulated depreciation	2005 Net book value
Office equipment	$ 7,367	$ 6,580	$ 787
Computer hardware	37,177	31,472	5,705
Computer software	10,864	9,386	1,478
	$ 55,408	$ 47,438	$ 7,970

	Cost	Accumulated depreciation	2004 Net book value
Office equipment	$ 6,171	$ 4,765	$ 1,406
Computer hardware	30,966	21,706	9,260
Computer software	9,956	5,441	4,515
	$ 47,093	$ 31,912	$ 15,181

(In U.S. dollars)

5. Accounts payable:

	2005	2004
Trade accounts payable	$ 18,935	$ 16,659
Professional fees	86,332	56,002
Advertising fees	5,187	4,000
Employee related payables	33,285	37,738
Other	40,132	16,466
	$ 183,871	$ 130,865

6. Accrued liabilities:

	2005	2004
Employee related accruals	$ 217,501	$ 56,200
Interest	144,885	82,937
Professional fees	38,693	42,338
Consulting fees	–	25,287
Financing fees	3,726	6,248
Rent	15,555	6,105
Other	231	–
	$ 420,591	$ 219,115

7. Related parties transactions:

Included in accounts payable is $27,601 due to a corporation controlled by an officer and director of the Company for consulting services. For the year ended December 31, 2005, $Nil (2004 - $26,705) has been included in general and administrative expenses.

(In U.S. dollars)

8. Promissory notes payable:

	2005	2004
Promissory notes, payable on demand, bearing interest at 12% per annum, secured by an assignment of accounts receivable (note 8(a))	$ 680,370	$ 196,000
Promissory note, payable on demand, bearing interest at 10% per annum, secured by an assignment of accounts receivable (note 8(b))	41,000	–
Promissory notes, payable on March 31, 2006, bearing interest at 12% per annum, secured by an assignment of accounts receivable (note 8(c))	93,925	–
	$ 815,295	$ 196,000

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

(a) During 2005, the Company received cash consideration of $542,370 (2004 - $242,000) in exchange for the issuance of 12% promissory notes and repaid $58,000 (2004 - $46,000) to the lender.

Accrued interest of $59,675 (2004 - $2,074) has been included in accrued liabilities at December 31, 2005.

On January 24, 2006, the lender or its assignees agreed to convert the $680,370 of promissory notes together with accrued interest to January 15, 2006 of $62,922 into 2,973,167 shares of common stock of the Company and 2,973,167 warrants to purchase 2,973,167 shares of common stock of the Company. The warrants are exercisable at $0.30 per share and expire on December 31, 2010.

(b) During 2005, the Company received cash consideration of $41,000 in exchange for the issuance of a 10% promissory note.

Accrued interest of $504 has been included in accrued liabilities at December 31, 2005.

On January 9, 2006, the Company repaid $41,000 to the lender together with $625 in accrued interest.

(In U.S. dollars)

8. Promissory notes payable (continued):

(c) During 2005, the Company received cash consideration of $105,000 in exchange for the issuance of 12% promissory notes. The promissory notes and accrued interest are convertible, at the lenders' option, into shares of common stock of the Company at a price of $0.20 per share plus a warrant for the purchase of the number of shares equal to 50% of the number of shares received by the lender on conversion. The warrant is exercisable at $0.30 per share and expires on December 31, 2010.

Accrued interest of $782 has been included in accrued liabilities at December 31, 2005.

At the date of issuance, the conversion feature of some of the promissory notes was "in-the-money". The intrinsic value of this beneficial conversion feature was $11,075. In accordance with EITF 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios" and EITF 00-27, "Application of Issue No. 98-5 to Certain Convertible Instruments", this amount was recorded as additional paid-in capital.

The promissory notes will be accreted to their face value through periodic charges to interest expense over the term of the notes.

(d) In August 2004, the Company issued 257,983 shares of common stock at $0.87 per share in exchange for $72,000 advanced under a promissory note and accrued interest of $5,395. The Company incurred a loss of $147,050 on the extinguishment of this debt.

9. Promissory notes payable to a related party:

	2005	2004
Promissory note, payable 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 (note 9(a))	$ 472,227	$ 456,905
Promissory notes, payable on demand, bearing interest at 10% per annum, secured by an assignment of accounts receivable (note 9(b))	41,273	–
	$ 513,500	$ 456,905

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

9. Promissory notes payable to a related party (continued):

(a) 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 at December 31, 2005 is $83,573 (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.

During 2005, the Company received cash consideration of $12,385 from the lender pursuant to the promissory note and repaid $12,385 to the lender.

On January 24, 2006, the lender assigned $182,180 of the promissory note and accrued interest to a director of the Company and a corporation controlled by a director of the Company and assigned the balance of the promissory note and accrued interest of $373,620 to unrelated parties. Subsequent to the assignment of the promissory note and accrued interest, the director and the corporation controlled by a director converted the $182,180 to 1,412,504 common shares of the Company and the unrelated parties converted the $373,620 to 2,896,798 common shares of the Company.

(b) During 2005, the Company received cash consideration of $41,122 in exchange for the issuance of 10% promissory notes. Accrued interest of $351 has been included in accrued liabilities at December 31, 2005.

(c) During 2005, the Company received cash consideration of $41,360 in exchange for the issuance of a 12% promissory note and repaid $41,360 to the lender.

10. Stockholders' deficiency:

(a) Common stock transactions:

During 2005, the Company issued 50,000 shares of common stock at $0.30 per share in exchange for cash consideration of $15,000. During 2005, the Company also issued 116,667 shares of common stock at $0.30 per share in exchange for share subscriptions of $35,000 received during 2004 and 200,000 shares of common stock at $0.63 per share in exchange for previous commitments to issue shares (note 10(b)). In addition, the Company issued 2,500 shares of common stock at $0.30 per share to settle an obligation in the amount of $750 with respect to share issuance costs.

At December 31, 2005, $31,000 remains as a credit in stockholders' deficiency with respect to an obligation to issue 100,000 shares of common stock at $0.31 per share for services rendered in 2005. $31,000 was included in general and administrative expenses in 2005.

During 2005, a recovery of share issuance costs of $1,184 was recorded as a credit to additional paid-in capital. The recovery of $1,184 is net of share issuance costs of $1,344, of which $300 was paid in cash.

During 2004, the Company received $422,500 from investors pursuant to subscription agreements to purchase 1,408,336 shares of common stock at $0.30 per share and issued 1,291,669 common shares. At December 31, 2004, $35,000 remained in share subscriptions received within stockholders' deficiency pursuant to subscriptions to issue 116,667 shares of common stock at $0.30 per share. Share issuance costs of $290,011, of which $33,423 were paid in cash and $256,588 were paid through the issuance of 294,075 common shares, were incurred and recorded as a debit to additional paid-in capital.

During 2004, the Company issued 231,500 common shares in exchange for $69,450 of share subscriptions received during 2003.

In addition, in August, 2004, the Company issued 257,983 shares of common stock at $0.87 per share in exchange for a promissory note in the amount of $72,000 and accrued interest of $5,395. The Company incurred a loss of $147,050 on the extinguishment of this debt.

During 2004, the Company issued 15,000 common shares in exchange for consulting services rendered. $13,050 was included in general and administrative expenses in 2004. In addition, the Company issued 294,075 common shares in exchange for financing fees.

(b) Warrants:

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.

10. Stockholders' deficiency (continued):

(b) Warrants (continued):

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 $239,428 has been included in general and administrative expenses for the year ended December 31, 2005 (December 31, 2004 - $25,287). $239,161 and $478,322 have been included in prepaid expenses and deferred consulting services as at December 31, 2005, respectively. These amounts will be recognized as an expense on a straight-line basis as services are rendered from January 1, 2006 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 December 31, 2005, no services have yet been rendered.

On January 24, 2006, the Company terminated the consulting agreement and cancelled the Series B warrants. As compensation for cancellation of the Series A warrants, the Company agreed to issue 305,000 shares of common stock (note 19(e)).

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 issued 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 was $126,000 and has been included in common stock and additional paid-in capital at December 31, 2005. The Company has included $126,000 in general and administrative expenses for the year ended 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. $114,677 has been included in general and administrative expenses for the year ended December 31, 2005.

(In U.S. dollars)

10. Stockholders' deficiency (continued):

(c) Stock option plan:

Under the Company's Share 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 unless approved otherwise by the Board of Directors, 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 December 31, 2005, there were 2,567,548 additional shares available for grant under the Plan. The per share weighted average fair value of stock options granted under the Plan for the year ended December 31, 2005 was $0.38 using the Black Scholes option-pricing model with the following weighted average assumptions: expected dividend yield 0%, risk-free rate of 4.0%, volatility of 134%, and an expected life of 6 years. The per share weighted average fair value of stock options granted under the Plan for the year ended December 31, 2004 was $0.49 using the Black Scholes option-pricing model with the following weighted average assumptions: expected dividend yield 0%, risk-free rate of 4.3%, volatility of 140%, and an expected life of 7 years.

A summary of the status of the stock options at December 31, 2005 and 2004 is as follows:

	2005		2004	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Options outstanding, beginning of year	3,093,452	$ 0.45	1,138,848	$ 0.25
Granted	185,000	0.42	2,625,000	0.52
Forfeited	(846,000)	0.50	(670,396)	0.37
Options outstanding, end of year	2,432,452	$ 0.43	3,093,452	$ 0.45
Options exercisable, end of year	1,100,452	$ 0.35	523,452	$ 0.14

(In U.S. dollars)

10. Stockholders' deficiency (continued):

(c) Stock option plan (continued):

The following table summarizes information about stock options outstanding at December 31, 2005:

	Options outstanding			Options exercisable	
Exercise price	Number outstanding at 12/31/05	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable at 12/31/05	Weighted average exercise price
$ 0.009	180,150	2.7 years	$ 0.009	180,150	$0.009
0.129	231,121	2.7 years	0.129	231,121	0.129
0.31	100,000	5.5 years	0.31	–	–
0.40	86,181	5.4 years	0.40	86,181	0.40
0.43	35,000	5.2 years	0.43	–	–
0.51	1,600,000	5.5 years	0.51	535,000	0.51
0.60	125,000	5.3 years	0.60	51,000	0.60
0.65	50,000	5.2 years	0.65	17,000	0.65
0.75	25,000	5.0 years	0.75	–	–
	2,432,452	5.0 years	$ 0.43	1,100,452	$ 0.35

During the years ended June 30, 2003 and 2002, the Company modified the terms of certain stock options granted to employees to reduce the exercise price and/or extend the expiry date and to allow them to retain the award upon a change in status from employee to non-employee. For the year ended December 31, 2005, a recovery of non-cash compensation expense of $111,965, $57,770 and $10,341 has been included in research and development, general and administrative and sales and marketing expenses, respectively (2004 – non-compensation expense of $50,376, $128 and $17,364). For the year ended December 31, 2005, non-cash compensation expense of $Nil (2004 - $1,939) has been included in general and administrative expenses with respect to stock options granted to non-employees and modification of options issued to non-employees.

11. Research and development:

	2005	2004
Incurred during the year	$ 273,428	$ 401,421
Less: investment tax credits	(31,240)	(19,927)
	$ 242,188	$ 381,494

(In U.S. dollars)

12. Income taxes:

Deferred income taxes reflect the impact of temporary differences between amounts of assets and liabilities as reported for financial reporting purposes and such amounts as measured by tax laws. The tax effects of temporary differences that gave rise to significant portions of the deferred tax asset and deferred tax liability are as follows:

	2005	2004
Deferred tax asset:		
Net operating loss carry forwards	$ 1,055,200	$ 645,800
Investment tax credit carry forwards	157,300	107,800
Unclaimed scientific research and experimental development	290,200	194,500
Property and equipment and other	20,400	19,500
Total gross deferred tax asset	1,523,100	967,600
Valuation allowance	(1,523,100)	(967,600)
Net deferred taxes	$ –	$ –

Income tax expense varies from the amount that would be computed by applying the enacted U.S. federal income tax rate to the net loss as a result of the following:

	2005	2004
Expected tax rate	34%	34%
Expected tax recovery	$ (375,925)	$ (299,698)
Increase (decrease) in taxes resulting from:		
Change in valuation allowance	555,500	323,100
Compensation expense (recovery)	(65,000)	25,200
Investment tax credit carry forwards	(49,600)	(56,600)
Loss on extinguishment of debt	–	50,000
Difference between U.S. and Canadian tax rates	(9,800)	(13,700)
Canadian provincial differences	(4,400)	(3,000)
Foreign exchange	(27,400)	(44,400)
Other	(23,375)	19,098
	$ –	$ –

(In U.S. dollars)

12. Income taxes (continued):

The Company has net operating loss carry forwards available to be applied against Canadian taxable income and which expire as follows:

2008	$ 222,300
2009	323,000
2010	400,200
2014	407,700
2015	713,000
2016	113,100
	$ 2,179,300

The Company has net operating loss carry forwards which are significantly restricted and are not considered to be available to be applied against U.S. taxable income. The Company has other losses which can be applied against U.S. taxable income and which expire as follows:

2023	$ 26,600
2024	86,300
2025	644,100
	$ 757,000

13. Net loss per share:

As the Company incurred a net loss during the years ended December 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:

Number of shares issued upon:	2005	2004
Exercise of options to purchase common stock	2,432,452	3,093,452
Conversion of promissory notes	4,309,302	4,309,302
Subscriptions to purchase common stock	–	116,667
Exercise of Series A warrants	1,700,000	–
Exercise of Series B warrants	1,500,000	–
Common stock to be issued pursuant to consulting agreements	100,000	–

14. Guarantees and commitments:

(a) 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 the date of sale. Based on management's best estimate of probable liability under its product warranties, no product warranty accrual was recognized as of December 31, 2005 and 2004.

(b) Commitments:

Operating lease
The Company has entered into an operating lease agreement for office space that expires on December 31, 2007. The future minimum lease payments, including operating costs, are approximately as follows: 2006 - $98,766 and 2007 - $90,536.

Rent expense for operating leases for the years ended December 31, 2005 and 2004 was $88,314 and $83,458, respectively.

15. Financial instruments:

The carrying value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, promissory notes payable and promissory note payable to a related party approximate fair value due to the short term to maturity of these instruments.

16. Segment 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.

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

16. Segment reporting (continued):

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

	2005	2004
United States	$ 552,256	$ 583,055
Canada	35,953	8,197
Asia	–	9,876

The Company's assets are located as follows:

	2005	2004
Canada	$ 346,329	$ 160,716
United States	740,625	177

17. Statement of cash flows:

Change in non-cash operating working capital:

	2005	2004
Accounts receivable	$ (100,217)	$ (27,509)
Investment tax credits receivable	(33,872)	131,873
Contracts-in-process	(5,677)	203,617
Prepaid expenses	(277)	(2,876)
Accounts payable	53,006	37,975
Accrued liabilities	170,049	(38,609)
Deferred revenue	30,123	(303,015)
	$ 113,135	$ 1,456

18. Economic dependence:

For the year ended December 31, 2005, four customers account for 95% of revenue (2004 - four customers account for 93% of revenue).

19. Subsequent events:

(a) Subsequent to December 31, 2005, the Company received $95,000 pursuant to demand promissory notes bearing interest at 12% per annum. These promissory notes are convertible into 475,000 shares of common stock at $0.20 per share and 475,000 stock purchase warrants to purchase 475,000 shares of common stock at $0.30 per share. The warrants expire on December 31, 2010.

(b) On January 9, 2006, the Company repaid $41,000 pursuant to a demand promissory note bearing interest at 10% per annum (note 8(b)).

(c) On January 24, 2006, $182,180 of the promissory notes payable to a related party and accrued interest thereon were assigned to a director of the Company and a corporation controlled by a director of the Company. The balance of the promissory notes payable to a related party and accrued interest of $373,620 were assigned to unrelated parties. Subsequent to the assignment of the promissory notes payable to a related party and accrued interest, the director and the corporation controlled by a director of the Company converted the $182,180 to 1,412,504 shares of common stock of the Company and the unrelated parties converted the $373,620 to 2,896,798 shares of common stock of the Company.

(d) On January 24, 2006, $680,370 of promissory notes payable together with accrued interest to January 15, 2006 of $62,922 were assigned to a number of unrelated parties. Subsequent to the assignment, the promissory notes and accrued interest were converted to 2,973,167 shares of common stock of the Company and 2,973,167 warrants to purchase 2,973,167 shares of common stock of the Company. The warrants are exercisable at $0.30 per share and expire on December 31, 2010.

(e) On January 24, 2006, the Company cancelled the consulting agreement to provide investor communication and public relations services to the Company and the 1,500,000 Series B warrants. In addition, the consultant agreed to cancellation of the 1,500,000 Series A warrants (notes 2(o) and 10(b)). As consideration for cancellation of the 1,500,000 Series A warrants, the Company agreed to issue 305,000 shares of common stock to the consultants or its assignees.

(f) On February 23, 2006, the Company issued 7,587,469 shares of common stock pursuant to the transactions described in (c), (d) and (e) above.

(g) In January and February 2006, the Company granted 1,100,000 options to officers and directors and 270,000 options to employees to purchase 1,370,000 shares of common stock of the Company at an exercise price of $0.25 per share with various expiry dates up to February 1, 2013.

20. Comparative figures:

Certain comparative figures have been reclassified to conform to the presentation adopted in the current year.

Item 8. Changes in and Disagreements with Accountants on Accounting and Financial Disclosures.

None

Item 8A. Controls and Procedures

For purposes of this section, the term disclosure controls and procedures as defined in Rules 13a – 15(e) and 15d – 15(e) of the Securities Exchange Act of 1934 or the Exchange Act means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In connection with the audit of our consolidated financial statements for the year ended December 31, 2005, our 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. In particular, our independent registered public accounting firm identified the following weaknesses in our internal control system: (1) a lack of segregation of duties and (2) a lack of formal procedures relating to financial reporting including a lack of review by management. In connection with the review of the consolidated financial statements for the period ended September 30, 2005, our independent registered public accounting firm advised the Board of Directors and management of an additional significant internal control deficiency that they considered to be a material weakness. In particular, during the quarter ended September 30, 2005, our Vice President Finance, Secretary and Treasurer resigned, further evidencing the lack of segregation of duties. 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 the related consolidated financial statements and determined that no prior period financial statements were materially affected by such matters. Notwithstanding the material weaknesses identified by our independent registered public accountants, we believe that 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 Company as of, and for, the periods represented in this report.

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. Set forth below is a discussion of the significant internal control deficiencies that had not been remediated as of the beginning of the period covered by this report.

Lack of segregation of duties. Our size has prevented us from being able to employ sufficient resources to enable us to have an adequate level of supervision and segregation of duties within our internal control system. There is one person involved in processing of transactions**.** Therefore, it is difficult to effectively segregate accounting duties. While we strive to segregate duties as much as practicable, there is insufficient volume of transactions to justify additional full time staff. We are currently seeking, but cannot be assured that we will be able to find, a qualified part time person to perform routine, month end accounting procedures. As a result, this significant internal control deficiency had not been remediated as of the end of the period covered by this report, nor do we know if we will be able to remediate this weakness in the foreseeable future. However, we will continue to monitor and assess the costs and benefits of additional staffing.

Lack of formal procedures relating to all areas of financial reporting including a lack of review by management. Due to the size of our Company, and as a consequence of the lack segregation of duties, we do not have formal month end closing procedures. As a result, there is a lack of timely review of the financial statements. This significant internal control deficiency has not been remediated as of the end of the period covered by this report.

Resignation of our Vice President Finance, Secretary and Treasurer. During the quarter ended September 30, 2005 our Vice President, Finance, Secretary and Treasurer resigned. During the period from October 1, 2005 to February 3, 2006, the finance activities of the Corporation were continued by the remaining executives with the assistance of temporary, part-time help. Effective February 6, 2006, the Company hired a Chief Financial Officer. The Chief Financial Officer was our Vice President Finance for the period from October, 2000 to September 30, 2005.

If we are unable to remediate the identified material weaknesses, there is a more than remote likelihood that a material misstatement to our SEC reports will not be prevented or detected, in which case investors could lose confidence in the accuracy and completeness of our financial reports, which could have an adverse effect on our ability to raise additional capital and could also have an adverse effect on our stock price.

As required by the SEC rules, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this Report. This evaluation was performed under the supervision and with the participation of our management, including the President and Chief Executive Officer and Chief Financial Officer. Based upon that evaluation, our President and Chief Executive Officer and Chief Financial Officer have concluded that our controls and procedures were not effective as of the end of the period covered by this report due to the existence of the significant internal control deficiencies described above.

Item 8B. <u>Other Information</u>

None.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.

The following table sets forth certain information concerning our directors and executive officers:

Name	Age	Position
Edward Munden	**55**	**Director, Chairman, President and Chief Executive Officer**

Edward Munden was appointed Director, Chairman, President and Chief Executive Officer of the Company in October 2003. He is a Director of Capital House Corporation ("Capital House"), which he co-founded in February 1989 as an Ottawa based private boutique investment banking organization that has provided and/or arranged early and mid stage venture capital and hands-on managerial assistance to a portfolio of technology, software, energy and mining companies. In 1994, Mr. Munden co-founded DevX Energy, Inc. ("DevX") as a Dallas based independent NASDAQ-traded public energy company engaged in the exploration, development and acquisition of oil and natural gas properties. Mr. Munden held senior level positions with DevX including Director, Chairman, President and CEO until it was sold to Comstock Resources, Inc. in December 2001. Prior to his involvement with the Company, Capital House and DevX, Mr. Munden held positions in the mining industry with Eldorado Nuclear Limited from 1980 to 1989, the manufacturing industry with Proctor and Gamble Company of Canada from 1978 to 1980, and the oil and natural gas industry with Union Oil of Canada Limited from 1974 to 1976. Mr. Munden is also a director of Mustang Minerals Corporation and of JML Resources Limited, both mineral exploration companies whose shares are traded on the TSX Venture Exchange in Canada. Mr. Munden is a professional engineer and holds a Bachelor of Science degree in Engineering and a Masters of Business Administration from Queens University in Kingston, Canada.

Denes Bartakovich	**50**	**Director, Chief Operating Officer & Executive Vice President**

Prior to co-founding DataJungle in 2000, Mr. Bartakovich spent 9 years with Cognos in a variety of management positions. His most recent position at Cognos was Director of Internet Marketing. In this capacity he launched the first Cognos Web site and assumed all responsibilities related to leveraging the Web as a business medium and sales engine. Mr. Bartakovich's team included Web application developers and his role included the advancement of Cognos Web technologies. While at Cognos, Mr. Bartakovich pioneered the idea of reaching a mass business audience over the Web by bundling business intelligence software with data from leading data vendors. These data solutions have been featured on CNBC, in Fortune magazine, and many other broadcast and print media outlets. Mr. Bartakovich holds a B.A. (Hons.) from Carleton University and an M.B.A. from the University of Toronto.

Don Carter	**55**	**Director, Vice President**

Prior to joining DataJungle, Mr. Carter was a Vice President with Nesbitt Burns in Ottawa where he acted as an investment advisor for 12 years. Mr. Carter has deep expertise in the financial services sector as well as extensive contacts in that sector. Prior to Nesbitt Burns, he held a number of positions with the Government of Canada. Mr. Carter holds a B.Sc. from McGill University.

Thomas Parkinson	**46**	**Director**

Mr. Parkinson is currently Senior Vice President and Chief Technology Officer for Peapod, Inc., an on-line grocery store, which was sold to Royal Ahold. Mr. Parkinson co-founded Peapod in 1989. Prior to Peapod, he was co-founder of Resource Control Systems, a Unix relational database company and in sales management with Procter & Gamble. Mr. Parkinson holds a Master in Industrial Design from the Pratt Institute and a B. A. from Wesleyan University.

Larry Bruce	**47**	**Chief Financial Officer, Secretary & Treasurer**

With the exception of the period from September 30, 2005 to February 3, 2006, Mr. Bruce has been with DataJungle since 2000. Prior to joining DataJungle, Mr. Bruce spent 11 years as Vice President Finance of a diverse group of real estate companies with operations in Ottawa and Washington and investments in various other companies including high-technology. He was one of the original investors in Autoskill International Inc., an Ottawa based developer of educational software. Mr. Bruce was also a manager in the Entrepreneurial Services Group of Ernst & Young and has over 5 years of public accounting experience in both the Ottawa and Toronto offices handling a diverse client base ranging from owner managed business to public companies. Mr. Bruce is a Chartered Accountant, Certified Management Accountant and Certified Public Accountant (Illinois) and holds a B.B.A. (Hons.) from Bishop's University.

Robert Poole	**43**	**Senior Vice President Business Development and Sales**

Prior to co-founding DataJungle in 2000, Mr. Poole was with Cognos. While at Cognos, he was instrumental in establishing key partnerships with the Nasdaq Stock Market, Thomson Financial and Fortune magazine. Prior to joining Cognos, he co-founded an online information service. Mr. Poole is a Chartered Accountant and has extensive experience in the development of financial models and the processes of translating raw data into business reporting solutions. He holds a B.Sc. and a B.Comm., both from the University of Ottawa.

Each of our officers serves a term of one year or until his successor is appointed.

Audit Committee Financial Expert

The SEC has adopted rules to implement certain requirements of the Sarbanes-Oxley Act of 2002 pertaining to public company audit committees. One of the rules adopted by the SEC requires a company to disclose whether it has an "audit committee financial expert" serving on its audit committee. Our board of directors has not yet established an audit committee. As such, our board has not yet appointed an audit committee financial expert. At this time, our board of directors believes it would be desirable to have an audit committee, and for the audit committee to have an audit committee financial expert serving on the committee. While informal discussions as to potential candidates have occurred, at this time no formal search process has commenced.

Code of Ethics Policy

We have not yet adopted a code of ethics policy because of the early stages of operations. We intend to adopt a code of ethics policy in the future.

Compliance with Section 16(a) of The Securities Exchange Act of 1934

As of the date of this Form 10-KSB, to our knowledge, based solely on a review of such materials as are required by the Securities and Exchange Commission, all of our officers, directors or beneficial holders of more than ten percent of our issued and outstanding shares of common stock have filed with the Securities and Exchange Commission forms or reports required to be so filed pursuant to Section 16(a) of the Securities Exchange Act of 1934.

Item 10. Executive Compensation.

The following table shows all the cash compensation paid or to be paid by us or our subsidiaries, as well as certain other compensation paid or accrued, during the fiscal years indicated, to our president and chief executive officer and two of our other officers. Other than presented below, there were no other executive officers whose total annual salary and bonus exceeded $100,000 in all capacities in which the person served.

Summary Compensation Table

	Annual Compensation				Long Term Compensation			
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensa-tion ($)	Restricted Stock Award ($)	Securities Underlying Options/ SARs	LTIP Payouts ($)	All Other Compensa-Tion ($)
Munden, Edward	2005	$74,333	0	0	0	0	0	0
Director, Chairman,	2004	$41,173	0	0	0	500,000	0	$26,705
President and Chief Executive Officer *	2003	0	0	0	0	0	0	0
Bartakovich, Denes, Director, Chief Operating Officer and Executive VP	2005	$99,240	$12,786	0	0	0	0	0
Poole, Robert, Senior VP Business Development and Sales	2005	$99,240	$12,786	0	0	0	0	0

* Became Director, President & Chief Executive Officer in October, 2003. The $26,705 in other compensation in 2004 is for consulting fees billed by a corporation controlled by Mr. Munden. 50% of Mr. Munden's salary of $74,333 in 2005 was paid in cash and 50% of the salary was unpaid at December 31, 2005.

The following table sets forth information with respect to the executive officer listed above, concerning the grants of options and Stock Appreciation Rights ("SAR") during the past fiscal year:

Option/SAR Grants In Last Fiscal Year

Name	Number of Securities Underlying Options/SARs Granted (1)	Percent of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price ($/Sh)	Expiration Date
Munden, Edward	0	0	0	0
Bartakovich, Denes	0	0	0	0
Poole, Robert	0	0	0	0

(1) Subsequent to December 31, 2005, Mr. Munden, Mr. Bartakovich and Mr. Poole were each granted 250,000 stock options to purchase 250,000 shares of our common stock at $0.25 per share with various expiry dates to January 31, 2013.

The following table sets forth information with respect to those executive officers listed above, concerning exercise of options during the last fiscal year and unexercised options and SARs held as of the end of the fiscal year:

Aggregated Option/SAR Exercises and Fiscal Year-End Option/SAR Values

Name	Shares Acquired on Exercise (#)	Value Realized ($)	Number of Securities Underlying Unexercised Options/SARs at FY-End (#) Exercisable/Unexercisable	Value of Unexercised In-The-Money Options/SARs at FY-End ($) Exercisable/Unexercisable
Munden, Edward	0	0	500,000	0
Bartakovich, Denes	0	0	500,000	0
Poole, Robert	0	0	500,000	0

The following table sets forth information with respect to our chief executive officer concerning awards under long term incentive plans during the last fiscal year:

Long-Term Incentive Plans – Awards In Last Fiscal Year

Name	Number of Shares, Units or Other Rights (#)	Performance or Other Period Until Maturation or Payout	Estimated Future Payouts under Non-Stock Price Based Plans.		
			Threshold ($ or #)	Target ($ or #)	Maximum ($ or #)
Munden, Edward	0	0	0	0	0
Bartakovich, Denes	0	0	0	0	0
Poole, Robert	0	0	0	0	0

Directors are not compensated for acting in their capacity as directors. Directors are awarded options to purchase common shares in the Company. As at December 31, 2005, Directors held a total of 1,100,000 stock options. Subsequent to December 31, 2005, Directors were awarded 600,000 stock options to purchase 600,000 shares of our common stock at $0.25 per share with various expiry dates to January 31, 2013. Directors are reimbursed for their accountable expenses incurred in attending meetings and conducting their duties.

There is no employment agreement between us and our other executive officers. See “Part 1. Item 1. Description of Business; Risk Factors-Dependence on Key Personnel.”

Item 11. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The following table sets forth information as of March 17, 2006, with respect to any person known by us to own beneficially more than 5% of our common stock; common stock beneficially owned by each of our officers and directors named in Item 10; and the amount of common stock beneficially owned by our officers and directors as a group.

Name & Address of Beneficial Owner	Number of Shares Beneficially Owned	Approximate Percent of Common Stock Outstanding (1)
Edward Munden (2,3,4) 30 Metcalfe Street, Suite 620 Ottawa, Ontario, K1P 5L4	1,942,945	7.5%
Denes Bartakovich (2,3,8) 92 Blackshire Circle Ottawa, Ontario, K2J 3M5	2,667,483	10.3%
Larry Bruce (3,5) 75 Stinson Avenue Nepean, Ontario, K2H 6N6	825,613	3.2%
Don Carter (2,3,6) 37 Marble Arch Crescent Nepean, Ontario, K2G 5S7	1,121,033	4.4%
Robert Poole (3,9) 941 Black Road Oxford Station, Ontario, K0G1T0	2,653,953	10.2%
Warren Ponvert Junior 5704 Gloster Road Bethesda, MD, 20816	1,963,573	7.8%
Thomas Parkinson (2,7) 211 Birch Street Winnetka, IL, 60093	232,500	0.9%
All executive officers and Directors as a group	9,443,527	33.7%

Notes:

1. Based on 25,237,809 shares of common stock issued and outstanding as at March 17, 2006 and includes for each person, the shares issuable upon exercise of options.
2. Director.
3. Executive Officer.
4. Includes 94,301 shares of common stock held by spouse, 1,098,644 shares of common stock held by a corporation controlled by Mr. Munden and 750,000 options to purchase common stock.
5. Includes 370,000 options to purchase common stock and 240,000 shares of common stock held by family members.
6. Includes 757,173 shares of common stock held by a family trust and 50,000 options to purchase shares of common stock.
7. Includes 150,000 options to purchase common stock.
8. Includes 1,917,483 shares held by a family trust and 750,000 options to purchase common stock.
9. Includes 1,903,953 shares held by a family trust and 750,000 options to purchase common stock.

Item 12. Certain Relationships and Related Transactions.

During the year ended December 31, 2004, the Company incurred $26,705 in expenses for services rendered by a corporation controlled by an officer and director of the Company.

Item 13. Exhibits.

Exhibit No.	Document Description
3.1	Articles of Incorporation (1)
3.2	Amendment to Articles of Incorporation (1)
3.3	By-Laws (1)
4.1	Form of 12% Promissory Note (2)
4.2	Form of Convertible Debenture (2)
4.3	Form of Common Stock Purchase Warrant – Series A (2)
4.4	Form of Common Stock Purchase Warrant – Series B (2)
4.5	Form of Common Stock Purchase Warrant – Series C
4.6	Form of 12% Series A Promissory Note
10.1	Share Option Plan (1)
10.2	Consulting Agreement dated November 22, 2004 (2)
10.3	Consulting Agreement dated January 1, 2005 (2)
10.4	Cancellation of Consulting Agreement dated November 22, 2004
21	List of Subsidiaries (1)
31.1	Certification of President & Chief Executive Officer Pursuant to Section 302
31.2	Certification of Chief Financial Officer, Secretary & Treasurer Pursuant to Section 302
32.1	Certification of President & Chief Executive Officer Pursuant to Section 906
32.2	Certification of Chief Financial Officer, Secretary & Treasurer Pursuant to Section 906

(1) Previously filed as an Exhibit to our Annual Report on Form 10-KSB for the six months ended December 31, 2003, SEC file 001-05996, filed on April 30, 2004 and incorporated herein by reference

(2) Previously filed as an Exhibit to our Annual Report on Form 10-KSB for the year ended December 31, 2004, SEC file 001-05996, filed on March 31, 2005 and incorporated herein by reference

Item 14. <u>Principal Accountant Fees and Services</u>

The Company's board of directors reviews and approves audit and permissible non-audit services performed by the authorized independent public accountants as well as fees charged by the independent public accountants for such services. In its review of non-audit service fees and its appointment of the authorized independent public accountants as the Company's independent accountants, the board of directors considered whether the provision of such services is compatible with maintaining the authorized independent public accountants independence. All of the services provided and the fees charged by the independent public accountants in 2005 and 2004 were pre-approved by the board of directors. The following table sets out fees billed by the Company's independent public accountants for each of the previous two fiscal periods:

Description of services	Fees billed for 12 months ended December 31, 2005	Fees billed for 12 months ended December 31, 2004
Audit Fees (1)	$75,594	$ 52,413
Audit-related Fees (2)	-	-
Tax Fees (3)	$25,165	$12,063
All Other Fees (4)	-	-

Notes:

1. Includes the aggregate fees billed by the authorized independent public accountants for professional services for the audit of the annual financial statements of the Company and the reviews of the financial statements included in the Company's quarterly reports on Form 10-QSB.
2. There were no other fees billed by the authorized independent public accountants for assurance and related services that were reasonably related to the performance of the audit or review of the Company's financial statements and not reported under "Audit Fees" above.
3. Includes the aggregate fees billed by the authorized independent public accountants for professional services rendered by the authorized independent public accountants for tax compliance services.
4. There were no other fees billed by the authorized independent public accountants for products and services provided by the authorized independent public accountants.

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the small business issuer has duly 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: March 30, 2006

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 and Director
(principal executive officer)

Dated: March 30, 2006

/s/ Larry Bruce
Larry Bruce
Chief Financial Officer, Secretary & Treasurer
(principal financial officer)

Dated: March 30, 2006

Exhibit 4.5

THIS WARRANT HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, (THE "ACT") OR ANY STATE SECURITIES LAW, AND MAY NOT BE OFFERED FOR SALE, SOLD OR TRANSFERRED UNLESS A REGISTRATION STATEMENT UNDER SUCH ACT AND APPLICABLE STATE SECURITIES LAWS SHALL BE EFFECTIVE WITH RESPECT THERETO, OR AN OPINION OF COUNSEL, IN FORM AND SUBSTANCE REASONABLY ACCEPTABLE TO THE COMPANY, THAT AN EXEMPTION FROM REGISTRATION UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS IS AVAILABLE OR UNLESS SOLD PURSUANT TO RULE 144 UNDER THE SAID ACT.

DATAJUNGLE SOFTWARE INC.

COMMON STOCK PURCHASE WARRANT

Warrant No.: __ **Number of Warrant Shares: ______**
Series C
Date of Issuance: January 24, 2006

DataJungle Software Inc., a Nevada corporation (the **"Company"**), hereby certifies that, for value received, **_____________________** (the "**Holder**") is entitled, subject to the terms set forth below, to purchase from the Company upon surrender of this Warrant, at any time or times on or after the date hereof, but not after 11:59 P.M. Eastern Time on the Expiration Date (as defined herein) **_______** fully paid nonassessable shares of Common Stock (as defined in Section 1(a)) of the Company (the **"Warrant Shares"**) at the purchase price per share provided in Section 1(a) below (the **"Exercise Price"**); provided, however, that in no event shall the Holder be entitled to exercise this Warrant for a number of Warrant Shares in excess of that number of Warrant Shares which, upon giving effect to such exercise, would cause the aggregate number of shares of Common Stock beneficially owned by the Holder and its affiliates to exceed 4.99% of the outstanding shares of the Common Stock following such exercise. For purposes of the foregoing proviso, the aggregate number of shares of Common Stock beneficially owned by the Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such proviso is being made, but shall exclude shares of Common Stock which would be issuable upon (i) exercise of the remaining, unexercised Warrants beneficially owned by the Holder and its affiliates and (ii) exercise or conversion of the unexercised or unconverted portion of any Other Securities of the Company beneficially owned by the Holder and its affiliates (including, without limitation, any convertible notes, convertible preferred stock, warrants or rights to receive shares of Common Stock) subject to a limitation on conversion or exercise analogous to the limitation contained herein. Except as set forth in the preceding sentence, for purposes of this paragraph, beneficial ownership shall be calculated in accordance with Section 13(d) of the Securities Exchange Act of 1934, as amended. The Holder may waive the foregoing limitations by written notice to the Company upon not less than 61 days prior notice (with such waiver taking effect only upon the expiration of such 61 day notice period).

Section 1.

(a) Definitions. The following words and terms as used in this Warrant shall have the following meanings:

"Business Day" means any day except Saturday, Sunday and any day which is designated in the State of New York as a legal holiday or a day on which banking institutions are authorized or legally required by other government action to close.

"**Common Stock**" means (i) the Company's common stock, par value $.001 per share, and (ii) any capital stock into which such Common Stock shall have been changed or any capital stock resulting from a reclassification of such Common Stock.

"**Escrow Agent**" means Alan R. Turem, P.C. having an office at 4651 Roswell Road, Suite B-105 Atlanta, Georgia 30342.

"**Exercise Price**" shall be $0.30 USD, subject to adjustment as hereinafter provided.

"**Expiration Date**" means December 31, 2010.

"**Holder**" includes the Person in whose name this Warrant has been issued or any transferee or assignee provided that such transferee or assignee has become a Holder in accordance with the provisions of this Warrant.

"**Other Securities**" means (i) those securities, convertible securities, options and warrants of the Company issued prior to, and outstanding on, the date of issuance of this Warrant, (ii) shares of Common Stock, and warrants or other securities that are convertible into or exchangeable for shares of Common Stock, issuable in connection with the subsequent acquisitions by the Company.

"**Person**" means an individual, a limited liability company, a partnership, a joint venture, a corporation, a trust, an unincorporated organization, a government or any department or agency thereof, or any other entity or organization.

"**Securities Act**" means the Securities Act of 1933, as amended.

"**Warrant**" means this Warrant and all Warrants issued in exchange, transfer or replacement thereof.

"**Warrant Shares**" means the shares of Common Stock issuable upon the exercise of this Warrant.

(b) Other Definitional Provisions.

(i) Except as otherwise specified herein, all references herein (A) to the Company shall be deemed to include the Company's successors and (B) to any applicable law defined or referred to herein, shall be deemed references to such applicable law as the same may have been or may be amended or supplemented from time to time.

(ii) When used in this Warrant, the words **"herein," "hereof,"** and **"hereunder,"** and words of similar import, shall refer to this Warrant as a whole and not to any provision of this Warrant, and the words **"Section," "Schedule,"** and **"Exhibit"** shall refer to Sections of, and Schedules and Exhibits to, this Warrant unless otherwise specified.

(iii) Whenever the context so requires, the neuter gender includes the masculine or feminine, and the singular number includes the plural, and vice versa.

Section 2. Exercise of Warrant.

(a) Exercise may be done at any time during normal business hours on any Business Day on or after the opening of business on the date hereof and prior to 11:59 P.M. Eastern Time on the Expiration Date by delivery to the Escrow Agent and the Company in the manner specified below of (i) a written notice of such Holder's election to exercise this Warrant which notice shall be in the form attached as

Exhibit A hereto, (the "**Exercise Notice**"), and shall specify the number of Warrant Shares to be purchased and the other information set out therein, (ii) payment to the Company of an amount equal to the Exercise Price multiplied by the number of Warrant Shares as to which the Warrant is being exercised (the **"Aggregate Exercise Price"**) in cash or by check or wire transfer payable to the Company in immediately available funds, and (iii) the surrender of this Warrant. Provided, that if such Warrant Shares are to be issued in any name other than that of the registered Holder of this Warrant, such issuance shall be deemed a transfer and the provisions of Section 7 shall be applicable and the Exercise Notice shall be accompanied by such additional documentation as may be required by that Section. Such Exercise Notice, payment, Warrant and other documentation required for exercise shall be delivered to the Escrow Agent at the address set out in Section 1 with a copy of the Exercise Notice being delivered simultaneously to the Company.

(b) In the event of any exercise of the rights represented by this Warrant in compliance with Section 2(a), a certificate or certificates for the Warrant Shares so purchased, in such denominations as may be requested by the Holder hereof and registered in the name of, or as directed by, the Holder, shall be delivered at the Company's expense to, or as directed by, such Holder as soon as practicable after such rights shall have been so exercised, and in any event no later than five (5) Business Days after delivery of the Exercise Notice to the Escrow Agent. In the case of a dispute as to the determination of the Exercise Price of a security or the arithmetic calculation of the Warrant Shares, the Company shall promptly issue to the Holder the number of shares of Common Stock that is not disputed and shall submit the disputed determinations or arithmetic calculations to the Holder via facsimile within one Business Day of receipt of the Holder's Exercise Notice. If the Holder and the Company are unable to agree upon the determination of the Exercise Price or arithmetic calculation of the Warrant Shares within one day of such disputed determination or arithmetic calculation being submitted to the Holder, then the Company shall immediately submit via facsimile (i) the disputed determination of the Exercise Price to an independent, reputable investment banking firm or (ii) the disputed arithmetic calculation of the Warrant Shares to its independent, outside accountant. The Company shall cause the investment banking firm or the accountant, as the case may be, to perform the determinations or calculations and notify the Company and the Holder of the results no later than two (2) Business Days from receipt of the disputed determinations or calculations. Such investment banking firm's or accountant's determination or calculation, as the case may be, shall be deemed conclusive absent manifest error.

(c) Unless the rights represented by this Warrant shall have expired or shall have been fully exercised, the Company shall, as soon as practicable and in no event later than five Business Days after any exercise and at its own expense, issue a new Warrant identical in all respects to the Warrant exercised except (i) it shall represent rights to purchase the number of Warrant Shares purchasable immediately prior to such exercise under the Warrant exercised, less the number of Warrant Shares with respect to which such Warrant is exercised, and (ii) the Holder thereof shall be deemed for all corporate purposes to have become the Holder of record of such Warrant Shares immediately prior to the close of business on the date on which the Warrant is surrendered and payment of the amount due in respect of such exercise and any applicable taxes is made, irrespective of the date of delivery of certificates evidencing such Warrant Shares, except that, if the date of such surrender and payment is a date when the stock transfer books of the Company are properly closed, such Person shall be deemed to have become the Holder of such Warrant Shares at the opening of business on the next succeeding date on which the stock transfer books are open.

(d) No fractional shares of Common Stock are to be issued upon the exercise of this Warrant, but rather the number of shares of Common Stock issued upon exercise of this Warrant shall be rounded up or down to the nearest whole number.

(e) The Holder shall not have the right to exercise any portion of this Warrant, pursuant to Section 2(a) or otherwise, to the extent that after giving effect to such issuance after exercise, the Holder (together with the Holder's affiliates), as set forth on the applicable Excercise Notice, would beneficially own in excess of 4.99% of the number of shares of the Common Stock outstanding immediately after giving effect to such issuance. For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by the Holder and its affiliates shall include the number of shares of Common Stock issuable upon exercise of this Warrant with respect to which the determination of such sentence is being made, but shall exclude the number of shares of Common Stock which would be issuable upon (A) exercise of the remaining, nonexercised portion of this Warrant beneficially owned by the Holder or any of its affiliates and (B) exercise or conversion of the unexercised or nonconverted portion of any other securities of the Company (including, without limitation, any other Warrants) subject to a limitation on conversion or exercise analogous to the limitation contained herein beneficially owned by the Holder or any of its affiliates. Except as set forth in the preceding sentence, for purposes of this Section 2(e), beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, it being acknowledged by Holder that the Company is not representing to Holder that such calculation is in compliance with Section 13(d) of the Exchange Act and Holder is solely responsible for any schedules required to be filed in accordance therewith. To the extent that the limitation contained in this Section 2(e) applies, the determination of whether this Warrant is exercisable (in relation to other securities owned by the Holder) and of which a portion of this Warrant is exercisable shall be in the sole discretion of such Holder, and the submission of a Excercise Notice shall be deemed to be such Holder's determination of whether this Warrant is exercisable (in relation to other securities owned by such Holder) and of which portion of this Warrant is exercisable, in each case subject to such aggregate percentage limitation, and the Company shall have no obligation to verify or confirm the accuracy of such determination. For purposes of this Section 2(e), in determining the number of outstanding shares of Common Stock, the Holder may rely on the number of outstanding shares of Common Stock as reflected in (x) the Company's most recent Form 10-QSB or Form 10-KSB, as the case may be, (y) a more recent public announcement by the Company or (z) any other notice by the Company or the Company's Transfer Agent setting forth the number of shares of Common Stock outstanding. Upon the written or oral request of the Holder, the Company shall within two Trading Days confirm orally and in writing to the Holder the number of shares of Common Stock then outstanding. In any case, the number of outstanding shares of Common Stock shall be determined after giving effect to the conversion or exercise of securities of the Company, including this Warrant, by the Holder or its affiliates since the date as of which such number of outstanding shares of Common Stock was reported.

(f) If at any time from the date of issuance of this Warrant there is no effective registration statement registering the resale of the Warrant Shares by the Holder at such time, this Warrant may also be exercised at such time by means of a "cashless exercise" in which the Holder shall be entitled to receive a certificate for the number of Warrant Shares equal to the quotient obtained by dividing [(A-B) (X)] by (A), where:

(A) = the VWAP, as defined below, on a trading day from 9:30 a.m. to 4:02 p.m. Eastern Time ("Trading Day") immediately preceding the date of such election;

(B) = the Exercise Price of this Warrant, as adjusted; and

(X) = the number of Warrant Shares issuable upon exercise of this Warrant in accordance with the terms of this Warrant by means of a cash exercise rather than a cashless exercise.

"VWAP" means, for any date, the price determined by the first of the following clauses that applies: (a) if the Common Stock is then listed or quoted on Nasdaq, Amex or the N.Y. Stock Exchange (a "Principal Market"), the daily volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the Principal Market on which the Common Stock is then listed or quoted as reported by Bloomberg Financial L.P.; (b) if the Common Stock is not then listed or quoted on a Principal Market and if prices for the Common Stock are then quoted on the OTC Bulletin Board, the volume weighted average price of the Common Stock for such date (or the nearest preceding date) on the OTC Bulletin Board; (c) if the Common Stock is not then listed or quoted on a Principal Market and if prices for the Common Stock are then reported in the "Pink Sheets" published by the National Quotation Bureau Incorporated (or a similar organization or agency succeeding to its functions of reporting prices), the most recent bid price per share of the Common Stock so reported; or (d) in all other cases, the fair market value of a share of Common Stock as determined by a nationally recognized-independent appraiser selected in good faith by shareholders holding a majority of the principal amount of shares of Common Stock of the Company then outstanding.

Section 3. Covenants as to Common Stock; Certain Registrations. The Company hereby covenants and agrees as follows:

(a) This Warrant is, and any Common Stock Warrants issued in substitution for or replacement of this Warrant will upon issuance be, duly authorized and validly issued.

(b) All Warrant Shares which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be validly issued, fully paid and nonassessable and free from all taxes, liens and charges with respect to the issue thereof.

(c) During the period within which the rights represented by this Warrant may be exercised, the Company will at all times have authorized and reserved at least 100% of the number of shares of Common Stock needed to provide for the exercise of the rights then represented by this Warrant and the par value of said shares will at all times be less than or equal to the applicable Exercise Price.

(d) The Company will not, by amendment of its charter or through any reorganization, transfer of assets, consolidation, merger, dissolution, issue or sale of securities, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed by it hereunder, but will at all times in good faith assist in the carrying out of all the provisions of this Warrant. Without limiting the generality of the foregoing, the Company (i) will not increase the par value of any shares of Common Stock receivable upon the exercise of this Warrant above the Exercise Price then in effect, and (ii) will take all such actions as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable shares of Common Stock upon the exercise of this Warrant.

(e) This Warrant will be binding upon any entity succeeding to the Company by merger, consolidation or acquisition of all or substantially all of the Company's assets.

Section 4. Taxes. The Company shall pay any and all issue or transfer taxes or other incidental expenses (but not including any income or capital taxes) which may be payable with respect to the issuance and delivery of Warrant Shares upon exercise of this Warrant.

Section 5. Warrant Holder Deemed Not a Stock Holder. Except as otherwise specifically provided herein, no Holder, as such, of this Warrant shall be entitled to vote or receive dividends or be deemed the Holder of shares of the Company for any purpose, nor shall anything contained in this Warrant be construed to confer upon the Holder hereof, as such, any of the rights of a stockholder of the Company or any right to vote, give or withhold consent to any corporate action (whether any reorganization, issue of stock, reclassification of stock, consolidation, merger, conveyance or otherwise), receive notice of meetings, receive dividends or subscription rights, or otherwise, prior to the issuance to the Holder of this Warrant of the Warrant Shares which he or she is then entitled to receive upon the due exercise of this Warrant. In addition, nothing contained in this Warrant shall be construed as imposing any liabilities on such Holder to purchase any securities or as a stockholder of the Company, whether such liabilities are asserted by the Company or by creditors of the Company. Notwithstanding this Section 5, the Company will provide the Holder of this Warrant with copies of the same notices and other information given to the stockholders of the Company generally, contemporaneously with the giving thereof to the stockholders.

Section 6. Representations of Holder. The Holder of this Warrant, by the acceptance hereof, represents that it is acquiring this Warrant and the Warrant Shares for its own account for investment and not with a view to, or for sale in connection with, any distribution hereof or of any of the shares of Common Stock or other securities issuable upon the exercise thereof, and not with any present intention of distributing any of the same. The Holder of this Warrant further represents, by acceptance hereof, that, as of this date, such Holder is an accredited investor as such term is defined in Rule 501(a) of Regulation D promulgated by the Securities and Exchange Commission under the Securities Act (an **"Accredited Investor"**). Upon exercise of this Warrant, the Holder shall, if requested by the Company, confirm in writing, in a form satisfactory to the Company, that the Warrant Shares so purchased are being acquired solely for the Holder's own account and not as a nominee for any other party, for investment, and not with a view toward distribution or resale other than pursuant to an effective registration statement or an exemption under the Securities Act and that such Holder is an Accredited Investor. Notwithstanding the foregoing, by making the representations herein, the Holder does not agree to hold the Warrant or the Warrant Shares for any minimum or other specified term and reserves the right to dispose of the Warrant and the Warrant Shares at any time in accordance with or pursuant to a registration statement or an exemption under the Securities Act. If such Holder cannot make such representations because they would be factually incorrect, it shall be a condition to such Holder's exercise of the Warrant that the Company receive such other representations as the Company considers reasonably necessary to assure the Company that the issuance of its securities upon exercise of the Warrant shall not violate any United States or state securities laws.

Section 7. Ownership and Transfer.

(a) The Company shall maintain at its principal executive offices (or such other office or agency of the Company as it may designate by notice to the Holder hereof), a register for this Warrant, in which the Company shall record the name and address of the Person in whose name this Warrant has been issued, as well as the name and address of each transferee. The Company may treat the Person in whose name any Warrant is registered on the register as the owner and Holder thereof for all purposes, notwithstanding any notice to the contrary, but in all events recognizing any transfers made in accordance with the terms of this Warrant.

(b) The Holder of this Warrant understands that this Warrant has not been and is not expected to be, registered under the Securities Act or any state securities laws, and may not be offered for sale, sold, assigned or transferred unless (a) subsequently registered thereunder, or (b) such Holder shall have delivered to the Company an opinion of counsel, reasonably satisfactory in form, scope and substance to the Company, to the effect that the securities to be sold, assigned or transferred may be sold, assigned or transferred pursuant to an exemption from such registration; provided that (i) any sale of such securities made in reliance on Rule 144 promulgated under the Securities Act may be made only in accordance with the terms of said Rule and further, if said Rule is not applicable, any resale of such securities under circumstances in which the seller (or the Person through whom the sale is made) may be deemed to be an underwriter (as that term is defined in the Securities Act) may require compliance with some other exemption under the Securities Act or the rules and regulations of the Securities and Exchange Commission thereunder; and (ii) except as provided below, neither the Company nor any other Person is under any obligation to register the Common Stock Warrants under the Securities Act or any state securities laws or to comply with the terms and conditions of any exemption thereunder except as may be expressly set out herein.

(c) Subject to compliance with any applicable securities laws and the conditions set forth in Section 7 hereof, this Warrant and all rights hereunder are transferable, in whole or in part, upon surrender of this Warrant at the principal office of the Company, together with a written assignment of this Warrant substantially in the form attached hereto as Exhibit B duly executed by the Holder or its agent or attorney and funds sufficient to pay any transfer taxes payable upon the making of such transfer. Upon such surrender and, if required, such payment, the Company shall execute and deliver a new Warrant or Warrants in the name of the assignee or assignees and in the denomination or denominations specified in such instrument of assignment, and shall issue to the assignor a new Warrant evidencing the portion of this Warrant not so assigned, and this Warrant shall promptly be cancelled. A Warrant, if properly assigned, may be exercised by a new Holder for the purchase of Warrant Shares without having a new Warrant issued.

(d) This Warrant may be divided or combined with other Warrants upon presentation hereof at the aforesaid office of the Company, together with a written notice specifying the names and denominations in which new Warrants are to be issued, signed by the Holder or its agent or attorney. Subject to compliance with Section 7, as to any transfer which may be involved in such division or combination, the Company shall execute and deliver a new Warrant or Warrants in exchange for the Warrant or Warrants to be divided or combined in accordance with such notice.

(e) The Company shall prepare, issue and deliver at its own expense (other than transfer taxes) the new Warrant or Warrants under this Section 7.

(f) The Company agrees to maintain, at its aforesaid office, books for the registration and the registration of transfers of the Warrants.

(g) If**,** at the time of the surrender of this Warrant in connection with any transfer of this Warrant, the transfer of this Warrant shall not be registered pursuant to an effective registration statement under the Securities Act and under applicable state securities or blue sky laws, the Company may require, as a condition of allowing such transfer (i) that the Holder or transferee of this Warrant, as the case may be, furnish to the Company a written opinion of counsel (which opinion shall be in form, substance and scope customary for opinions of counsel in comparable transactions) to the effect that such transfer may be made without registration under the Securities Act and under applicable state securities or blue sky laws, and/or (ii) that the Holder or transferee execute and deliver to the Company an investment letter in form and substance acceptable to the Company and/or (iii) that the transferee be an "accredited investor" as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7), or (a)(8) promulgated under the Securities Act or a qualified institutional buyer as defined in Rule 144A(a) under the Securities Act**.**

Section 8. Adjustment of Exercise Price and Number of Shares. In order to prevent dilution of the rights granted under this Warrant, the Exercise Price and the number of shares of Common Stock issuable upon exercise of this Warrant shall be adjusted from time to time as follows:

(a) Adjustment of Exercise Price upon Subdivision or Combination of Common Stock. If the Company at any time after the date of issuance of this Warrant subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into a greater number of shares, the Exercise Price in effect immediately prior to such subdivision will be proportionately reduced and the number of shares of Common Stock obtainable upon exercise of this Warrant will be proportionately increased. If the Company at any time after the date of issuance of this Warrant combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the Exercise Price in effect immediately prior to such combination will be proportionately increased and the number of shares of Common Stock obtainable upon exercise of this Warrant will be proportionately decreased.

(b) Reorganization, Reclassification, Consolidation, Merger or Sale. Any recapitalization, reorganization, reclassification, consolidation, merger, sale of all or substantially all of the Company's assets to another Person (as defined in Section 1(a)) or other transaction which is effected in such a way that Holders of Common Stock are entitled to receive (either directly or upon subsequent liquidation) stock, securities or assets with respect to or in exchange for Common Stock is referred to herein as **"Organic Change."** Prior to the consummation of any Organic Change, the Company will make appropriate provision to ensure that each of the Holders of the Common Stock Warrants will thereafter have the right to acquire and receive in lieu of or addition to (as the case may be) the shares of Common

Stock immediately theretofore acquirable and receivable upon the exercise of such Holder's Common Stock Warrants, such shares of stock, securities or assets as may be issued or payable in the Organic Change with respect to or in exchange for the number of shares of Common Stock immediately theretofore acquirable and receivable upon the exercise of such Holder's Common Stock Warrants had such Organic Change not taken place (without taking into account any limitations or restrictions on exercise). In any such case, the Company will make appropriate provision with respect to such Holders' rights and interests to insure that the provisions of this Section 8 will thereafter be applicable to the Common Stock Warrants (including, in the case of any such consolidation, merger or sale in which the successor entity or purchasing entity is other than the Company, an immediate adjustment of the Exercise Price to the value for the Common Stock reflected by the terms of such consolidation, merger or sale, and a corresponding immediate adjustment in the number of shares of Common Stock acquirable and receivable upon exercise of the Common Stock Warrants, if the value so reflected is less than the Exercise Price in effect immediately prior to such consolidation, merger or sale). The terms of any documents evidencing an Organic Change shall include such terms as to give effect to the tenor of this provision and evidencing the obligation to deliver to each Holder of Common Stock Warrants such shares of stock, securities or assets as, in accordance with the foregoing provisions, such Holder may be entitled to acquire.

(c) Distribution of Assets. If the Company shall declare or make any distribution of its assets (or rights to acquire its assets) to the Company's stockholders as a partial liquidating dividend, by way or return of capital or otherwise (including any dividend or distribution to the Company's stockholders of cash or shares (or rights to acquire shares) of capital stock of a subsidiary) (a "**Distribution**"), at any time after the issuance of this Warrant, then the Holder of this Warrant shall be entitled upon exercise of this Warrant for the purchase of any or all of the shares of Common Stock subject hereto, after the record date for determining shareholders entitled to receive such Distribution, to receive the amount of such assets (or rights) which would have been payable to the Holder had such Holder been the Holder of such shares of Common Stock on the record date for determination of stockholders entitled to such Distribution.

(d) Notices.

(i) Immediately upon any adjustment of the Exercise Price, the Company will give written notice thereof to the Holder of this Warrant, setting forth in reasonable detail and certifying the calculation of such adjustment.

(ii) The Company will give written notice to the Holder of this Warrant prior to the date on which the Company closes its books or takes a record (A) with respect to any dividend or distribution upon the Common Stock, (B) with respect to any pro rata subscription offer to Holders of Common Stock or (C) for determining rights to vote with respect to any Organic Change, dissolution or liquidation and in no event shall such notice be provided to such Holder prior to such information being made known to the public.

(iii) The Company will also give written notice to the Holder of this Warrant prior to the date on which any Organic Change, dissolution or liquidation will take place and in no event shall such notice be provided to such Holder prior to such information being made known to the public.

Section 9. Lost, Stolen, Mutilated or Destroyed Warrant. If this Warrant is lost, stolen, mutilated or destroyed, the Company shall, on receipt of an indemnification undertaking, issue a new Warrant of like denomination and tenor as the Warrant so lost, stolen, mutilated or destroyed.

Section 10. Notice. Any notices, consents, waivers or other communications required or permitted to be given under the terms of this Warrant must be in writing and will be deemed to have been delivered (i) upon receipt, when delivered personally; (ii) upon receipt, when sent by facsimile (provided confirmation of transmission is mechanically or electronically generated and kept on file by the sending party); or (iii) upon receipt, when delivered by a delivery service, in each case properly addressed to the party to receive the same. The addresses and facsimile numbers for such communications shall be:

If to the Company:

DataJungle Software Inc.
1 Hines Road
Suite 202
Ottawa, Canada K2K 3C7
Telephone: (613) 254-7246
Telefax: (613) 254-7250

If to the Holder of this Warrant:

____

Each party shall provide five days' prior written notice to the other party of any change in address or facsimile number.

Section 11. Miscellaneous.

(a) No Voting Rights; Limitation of Liability - Prior to exercise, this Warrant will not entitle the Holder to any voting rights or other rights as a stockholder of the Company. No provision hereof, in the absence of affirmative action by the Holder to exercise this Warrant, and no enumeration herein of the rights or privileges of the Holder, shall give rise to any liability of the Holder for the purchase price of the Warrant Shares pursuant to the exercise hereof.

(b) Waiver and Modification This Warrant and any term hereof may be changed, waived, discharged, or terminated only by an instrument in writing signed by the party or Holder hereof against which enforcement of such change, waiver, discharge or termination is sought.

(c) Headings - The headings in this Warrant are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(d) Governing Law - THIS WARRANT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEVADA. The Holder hereby submits to the jurisdiction of the State of Nevada and agrees that service of all writs, process and summonses in any such suit, action or proceeding brought in the United States against the Company may be made upon the Escrow Agent and shall be governed by and interpreted under the laws of the State of Nevada without regard to principles of conflicts of law thereof.

IN WITNESS WHEREOF, the Company has caused this Warrant to be executed by its officer thereunto duly authorized.

Dated: January 24, 2006

DATAJUNGLE SOFTWARE INC.

By:____
Name: Edward J. Munden
Title: President & CEO

By:____
Name: Larry Bruce
Title: CFO

EXHIBIT A

EXERCISE NOTICE

To: DataJungle Software Inc.

(1) The undersigned hereby elects to purchase ________ Warrant Shares of the Company pursuant to the terms of the attached Warrant (only if exercised in full), and tenders herewith payment of the exercise price in full, together with all applicable transfer taxes, if any.

(2) Payment shall take the form of (check applicable box):

[ ] in lawful money of the United States; or

[ ] the cancellation of such number of Warrant Shares as is necessary, in accordance with the formula set forth in subsection 2(f), to exercise this Warrant with respect to the maximum number of Warrant Shares purchasable pursuant to the cashless exercise procedure set forth in subsection 2(f).

(3) Please issue a certificate or certificates representing said Warrant Shares in the name of the undersigned or in such other name as is specified below:

____

The Warrant Shares shall be delivered to the following:

____

____

____

(4) Accredited Investor. The undersigned is an "accredited investor" as defined in Regulation D under the Securities Act of 1933, as amended.

[PURCHASER]

By: ______________________
Name:
Title:

Dated: ___________________

EXHIBIT B

ASSIGNMENT FORM

(To assign the foregoing Warrant, execute
this form and supply required information.
Do not use this form to exercise the Warrant.)

FOR VALUE RECEIVED, the foregoing Warrant for the purchase of ____________ Warrant Shares of Common stock of DataJungle Software Inc. and all rights evidenced thereby are hereby assigned to

____ whose address is

____.

A new Warrant for the balance of the Warrant Shares not assigned is to be reissued to the Holder.

Dated: ______________, _______

Holder's Signature: _____________________________

Holder's Address: _____________________________

____

Signature Guaranteed or Notarized: ____

NOTE: The signature to this Assignment Form must correspond with the name as it appears on the face of the Warrant, without alteration or enlargement or any change whatsoever, and must be guaranteed by a bank or trust company. Officers of corporations and those acting in a fiduciary or other representative capacity should file proper evidence of authority to assign the foregoing Warrant.

Exhibit 4.6

DATAJUNGLE SOFTWARE INC.
SERIES A PROMISSORY NOTE

Number ____ ____________, 2005

For value received, DataJungle Software Inc. (hereinafter referred to as the "Borrower") promises to pay to the order of _______ (hereinafter referred to as the "Lender") in the City of Atlanta, Georgia or at such other place as the holder hereof may, from time to time designated in writing, the sum of $_______ USD (collectively the "Loan") made by the Lender to the Borrower, in legal and lawful money of the United States of America, with interest on the principal outstanding from time to time until paid, both before and after maturity, at the rate of twelve percent (12%) per annum.

The principal and interest of this Note is due and payable on March 31, 2006 and is advanced to Borrower under the following conditions:

a. The Loan together with any other obligations owing to Lender in accordance with this Note is secured by and repayable in full from receipt by Borrower or Borrower's wholly owned subsidiary, DataJungle Ltd., of proceeds from the present and future accounts receivables due to Borrower or DataJungle Ltd.

b. The Loan together with any other obligations owing to Lender in accordance with this Note is unconditionally guaranteed by DataJungle Ltd.

Upon 5 days written notice, the Borrower may pay all or part of any of principal and/or interest, unless converted into equity by the Lender, before maturity at any time without penalty or bonus and any subsequent interest shall be calculated only on any remaining outstanding balance.

In the event this Note, or any part hereof, is collected through Bankruptcy or other judicial proceedings by an attorney or is placed in the hands of an attorney for collection after maturity, then the Borrower agrees and promises to pay a reasonable attorney's fee for collection.

The Borrower expressly requires notice of all demands for payment, presentation for payment, protest and notice of protest, as to this Note but the Lender, payee or other holder of this Note may at any time, from time to time and upon notice in writing to the Borrower, extend the terms of payment or date of maturity hereof.

This Note may be assigned, pledged or hypothecated by the Lender or holder upon notice to the Borrower and is made without recourse to any director, officer or employee of the Borrower.

Prior to maturity, the Lender or Holder may at any time and from time to time on notice to the Company require that all or any portion of the outstanding principal and accrued interest be converted into shares of Common Stock, plus warrants for shares of Common Stock, of the Company at the conversion rate of $0.20 per share plus a Warrant exercisable for the number of shares of Common Stock equal to fifty percent (50%) of the number of shares of Common Stock purchased by the Investor. The Warrant will be exercisable until December 31, 2010 and will have an exercise price equal to $0.30 per share.

.

Any notice, demand or request relating to any matter set forth in this Note shall be given in writing.

This Note shall be governed by and construed in accordance with the laws of the State of Georgia, U.S.A..

IN WITNESS WHEREOF, DataJungle Software Inc. has caused this Note to be duly executed on its behalf by its officers duly authorized thereunto.

DataJungle Software Inc.

Per:______________________
Edward J. Munden
President & CEO

Per:__________________
Denes Bartakovich
COO

Acknowledged by DataJungle Ltd. and unconditionally guaranteed by DataJungle Ltd.

DataJungle Ltd.

Per:______________________
Edward J. Munden
President & CEO

Per:__________________
Denes Bartakovich
COO

Exhibit 10.4

January 24, 2006

Insight Corporation
4651 Roswell Road, Suite B-106
Atlanta, Georgia 30356

Dear Sirs,

RE: Consulting Agreement dated November 22, 2004 (the "Agreement")

Pursuant to paragraph 3 of the Agreement and the instructions of Insight Corporation ("Insight"), DataJungle Software Inc. ("DataJungle" or the "Company") issued warrants as follows:

Series A	Asian Development Consortium, Inc.	750,000
Series A	Pacific Management Services, LLC	750,000
Series B	Synergistic Affiliates, Inc.	750,000
Series B	Windstar Corporation	750,000

Pursuant to paragraph 12 of the Agreement, we hereby serve notice of our intention to terminate the Agreement, effective immediately, and to retract and to cancel the 1,500,000 Series B warrants issued.

As consideration for arranging for the immediate forfeiture and cancellation of the 1,500,000 Series A warrants, DataJungle shall pay to Insight a total of 305,000 shares of restricted common stock of the Company. These shares have not been registered under the Securities Act of 1933 (the "Act"), and accordingly are "restricted securities" within the meaning of Rule 144 of the Act.

If you are in agreement with the above terms and conditions, please:

1. sign a copy of this letter and return it to us:
2. execute the attached Subscription Agreement and return it to us; and
3. immediately return all of the Series A and Series B warrants for cancellation.

Upon receipt of the above we will immediately provide instructions to our transfer agent to issue the appropriate shares to Insight.

Yours truly,
DataJungle Software Inc.

/s/ Edward J. Munden	/s/ Larry Bruce
Name: Edward J. Munden	Name: Larry Bruce
Title: President and CEO	Title: CFO

We hereby accept the terms and conditions of this letter on this 24th day of January 2006.

Insight Corporation

____
Name: /s/ Lynette Laser
Title: Vice President

Asian Development Consortium, Inc.

____
Name: /s/ Lynette Laser
Title: Vice President

Pacific Management Services, LLC

____
Name: /s/ Lynette Laser
Title: Managing Director

Synergistic Affiliates, Inc.

____
Name: /s/ Lynette Laser
Title: Vice President

Windstar Corporation

____
Name: /s/ Lynette Laser
Title: Vice President

Exhibit 31.1

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, certify that:

(1) I have reviewed this report on Form 10-KSB 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: March 30, 2006

Exhibit 31.2

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, certify that:

(1) I have reviewed this report on Form 10-KSB 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 registrant 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
Chief Financial Officer, Secretary & Treasurer

Date: March 30, 2006

Exhibit 32.1

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 Annual Report on Form 10-KSB for the year ended December 31, 2005 (the “Form 10-KSB”) 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-KSB 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-KSB.

Dated: March 30, 2006

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

The foregoing certification is being furnished as an exhibit to the Form 10-KSB 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-KSB 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 32.2

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-KSB for the year ended December 31, 2005 (the "Form 10-KSB") 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-KSB 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-KSB.

Dated: March 30, 2006

/s/Larry Bruce
Larry Bruce
Chief Financial Officer, Secretary
& Treasurer

The foregoing certification is being furnished as an exhibit to the Form 10-KSB 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-KSB 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.