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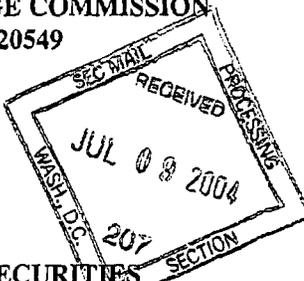
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

OMB APPROVAL
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FORM D



PROCESSED
JUL 14 2004
THOMSON
FINANCIAL

NOTICE OF SALE OF SECURITIES
PURSUANT TO REGULATION D,
SECTION 4(6), AND/OR
UNIFORM LIMITED OFFERING EXEMPTION

SEC USE ONLY	
Prefix	Serial
DATE RECEIVED	

Name of Offering ([] check if this is an amendment and name has changed, and indicate change.)

Filing Under (Check box(es) that apply): [] Rule 504 [] Rule 505 [x] Rule 506 [] Section 4(6) [] ULOE

Type of Filing: [x] New Filing [] Amendment

A. BASIC IDENTIFICATION DATA

1. Enter the information requested about the issuer

Name of Issuer ([] check if this is an amendment and name has changed, and indicate change.)

XPEL TECHNOLOGIES CORP.

Address of Executive Offices (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)

10414 Gulfdale St., San Antonio, Texas 78216-4129, USA (210) 342-7114

Address of Principal Business Operations (Number and Street, City, State, Zip Code) Telephone Number (Including Area Code)
(if different from Executive Offices)

10414 Gulfdale St., San Antonio, Texas 78216-4129, USA

(210) 342-7114

Brief Description of Business

Marketing, selling and installation of automotive protection products

Type of Business

Organization

corporation limited partnership, already formed other (please specify):
 business trust limited partnership, to be formed

Month Year

Actual or Estimated Date of Incorporation or Actual Estimated
Organization: [Oct 14, 2003] Articles of Merger dated May 21, 2004

Jurisdiction of Incorporation or Organization: (Enter two-letter U.S. Postal Service abbreviation for State:
CN for Canada; FN for other foreign jurisdiction) [N] [V]

GENERAL INSTRUCTIONS

Federal:

Who Must File: All issuers making an offering of securities in reliance on an exemption under Regulation D or Section 4(6), 17 CFR 230.501 et seq. or 15 U.S.C. 77d(6).

When to File: A notice must be filed no later than 15 days after the first sale of securities in the offering. A notice is deemed filed with the U.S. Securities and Exchange Commission (SEC) on the earlier of the date it is received by the SEC at the address given below or, if received at that address after the date on which it is due, on the date it was mailed by United States registered or certified mail to that address.

Where to File: U.S. Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549.

Copies Required: Five (5) copies of this notice must be filed with the SEC, one of which must be manually signed. Any copies not manually signed must be photocopies of manually signed copy or bear typed or printed signatures.

Information Required: A new filing must contain all information requested. Amendments need only report the name of the issuer and offering, any changes thereto, the information requested in Part C, and any material changes from the information previously supplied in Parts A and B. Part E and the Appendix need not be filed with the SEC.

Filing Fee: There is no federal filing fee.

State:

This notice shall be used to indicate reliance on the Uniform Limited Offering Exemption (ULOE) for sales of securities in those states that have adopted ULOE and that have adopted this form. Issuers relying on ULOE must file a separate notice with the Securities Administrator in each state where sales are to be, or have been made. If a state requires the payment of a fee as a precondition to the claim for the exemption, a fee in the proper amount shall accompany this form. This notice shall be filed in the appropriate states in accordance with state law. The Appendix in the notice constitutes a part of this notice and must be completed.

A. BASIC IDENTIFICATION DATA

2. Enter the information requested for the following:

- Each promoter of the issuer, if the issuer has been organized within the past five years;

- Each beneficial owner having the power to vote or dispose, or direct the vote or disposition of, 10% or more of a class of equity securities of the issuer;
- Each executive officer and director of corporate issuers and of corporate general and managing partners of partnership issuers; and
- Each general and managing partner of partnership issuers.

Check Box(es) Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner that Apply:

Full Name (Last name first, if individual)

Brunner, William Regan

Business or Residence Address (Number and Street, City, State, Zip Code)

7897 Broadway, # 1002, San Antonio, Texas, USA 78209

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Clement, Craig Kendall

Business or Residence Address (Number and Street, City, State, Zip Code)

103 Tuttle Road, San Antonio, Texas, USA 78209

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Hartt, Timothy Allen

Business or Residence Address (Number and Street, City, State, Zip Code)

1926 Slumber Pass, San Antonio, Texas, USA 78258

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Nye, Murray Ralph

Business or Residence Address (Number and Street, City, State, Zip Code)

39 Bloomer Crescent, Winnipeg, Manitoba, Canada R3R 3J2

Check Box(es) that Apply: Promoter Beneficial Owner Executive Officer Director General and/or Managing Partner

Full Name (Last name first, if individual)

Polinsky, Maxwell Alan

Business or Residence Address (Number and Street, City, State, Zip Code)

184 Oxford St., Winnipeg, Manitoba, Canada R3M 3J6

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

B. INFORMATION ABOUT OFFERING

1. Has the issuer sold, or does the issuer intend to sell, to non-accredited investors in this offering?..... Yes [] No [X]

Answer also in Appendix, Column 2, if filing under ULOE.

2. What is the minimum investment that will be accepted from any individual?..... \$ 0.00

3. Does the offering permit joint ownership of a single unit?..... Yes [X] No []

4. Enter the information requested for each person who has been or will be paid or given, directly or indirectly, any commission or similar remuneration for solicitation of purchasers in connection with sales of securities in the offering. If a person to be listed is an associated person or agent of a broker or dealer registered with the SEC and/or with a state or states, list the name of the broker or dealer. If more than five (5) persons to be listed are associated persons of such a broker or dealer, you may set forth the information for that broker or dealer only.

Full Name (Last name first, if individual)

N/A

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) [] All States

- [AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID] [IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO] [MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA] [RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) [] All States

- [AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]

[IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]
 [MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]
 [RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

Full Name (Last name first, if individual)

Business or Residence Address (Number and Street, City, State, Zip Code)

Name of Associated Broker or Dealer

States in Which Person Listed Has Solicited or Intends to Solicit Purchasers

(Check "All States" or check individual States) [] All States

[AL] [AK] [AZ] [AR] [CA] [CO] [CT] [DE] [DC] [FL] [GA] [HI] [ID]
 [IL] [IN] [IA] [KS] [KY] [LA] [ME] [MD] [MA] [MI] [MN] [MS] [MO]
 [MT] [NE] [NV] [NH] [NJ] [NM] [NY] [NC] [ND] [OH] [OK] [OR] [PA]
 [RI] [SC] [SD] [TN] [TX] [UT] [VT] [VA] [WA] [WV] [WI] [WY] [PR]

(Use blank sheet, or copy and use additional copies of this sheet, as necessary.)

C. OFFERING PRICE, NUMBER OF INVESTORS, EXPENSES AND USE OF PROCEEDS

1. Enter the aggregate offering price of securities included in this offering and the total amount already sold. Enter "0" if answer is "none" or "zero." If the transaction is an exchange offering, check this box and indicate in the columns below the amounts of the securities offered for exchange and already exchanged.

Type of Security	Aggregate Offering Price	Amount Already Sold
Debt	\$ _____	\$ _____
Equity Shares _____ <input type="checkbox"/> Common <input type="checkbox"/> Preferred	\$ _____	\$ _____
Convertible Securities (including warrants). 397,500 units of XPEL issuable upon the exercise of special warrants issued by XPEL on June 21, 2004 at a price of \$0.30 per special warrant. Each unit consists of one (1) common share of XPEL and one (1) common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one additional common share of XPEL at a price of CDN\$0.40 per share until 90 days following the date upon which a MRRS decision document is issued for XPEL's final prospectus qualifying the units issuable on the conversion of the special warrants or one year from closing, whichever comes first.	\$ 119,250.00	\$ 119,250.00
Partnership Interests	\$ _____	\$ _____
Other (Specify _____)	\$ _____	\$ _____
Total	\$ _____	\$ _____

Answer also in Appendix, Column 3, if filing under ULOE.

2. Enter the number of accredited and non-accredited investors who have purchased securities in this offering and the aggregate dollar amounts of their purchases. For offerings under Rule 504, indicate the number of persons who have purchased securities and the aggregate dollar amount of their purchases on the total lines. Enter "0" if answer is "none" or "zero."

Number Aggregate

	Investors	Dollar Amount of Purchases
Accredited Investors	62	\$ 119,250.00
Non-accredited Investors		\$ _____
Total (for filings under Rule 504 only)		\$ _____

Answer also in Appendix, Column 4, if filing under ULOE.

3. If this filing is for an offering under Rule 504 or 505, enter the information requested for all securities sold by the issuer, to date, in offerings of the types indicated, the twelve (12) months prior to the first sale of securities in this offering. Classify securities by type listed in Part C-Question 1.

Type of offering	Type of Security	Dollar Amount Sold
Rule 505	_____	\$ _____
Regulation A	_____	\$ _____
Rule 504	_____	\$ _____
Total	_____	\$ _____

4. a. Furnish a statement of all expenses in connection with the issuance and distribution of the securities in this offering. Exclude amounts relating solely to organization expenses of the issuer. The information may be given as subject to future contingencies. If the amount of an expenditure is not known, furnish an estimate and check the box to the left of the estimate.

Transfer Agent's Fees	[]	\$ _____
Printing and Engraving Costs	[✓]	\$ 100.00
Legal Fees	[✓]	\$ 1000.00
Accounting Fees	[]	\$ _____
Engineering Fees	[]	\$ _____
Sales Commissions (specify finders' fees separately)	[]	\$ _____
Other Expenses (identify)	[]	\$ _____
Total	[✓]	\$ 1100.00

b. Enter the difference between the aggregate offering price given in response to Part C - Question 1 and total expenses furnished in response to Part C - Question 4.a. This difference is the "adjusted gross proceeds to the issuer."

\$ 118,150.00

5. Indicate below the amount of the adjusted gross proceeds to the issuer used or proposed to be used for each of the purposes shown. If the amount for any purpose is not known, furnish an estimate and check the box to the left of the estimate. The total of the payments listed must equal the adjusted gross proceeds to the issuer set forth in response to Part C - Question 4.b above.

	Payments to Officers, Directors, & Affiliates	Payments To Others
Salaries and fees	[] \$ _____	[] \$ _____
Purchase of real estate	[] \$ _____	[] \$ _____
Purchase, rental or leasing and installation of machinery and equipment	[] \$ _____	[] \$ _____
Construction or leasing of plant buildings and facilities.....	[] \$ _____	[] \$ _____
Acquisition of other businesses (including the value of securities involved in this offering that may be used in exchange for the assets or securities of another issuer	[] \$ _____	[] \$ _____

pursuant to a merger)		
Repayment of indebtedness	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Working capital	<input type="checkbox"/> \$ _____	<input checked="" type="checkbox"/> \$ 118,150.00
Other (specify _____)	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
_____	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ _____
Column Totals	<input type="checkbox"/> \$ _____	<input type="checkbox"/> \$ 118,150.00
Total Payments Listed (column totals added)		<input checked="" type="checkbox"/> \$ 118,150.00

D. FEDERAL SIGNATURE

The issuer has duly caused this notice to be signed by the undersigned duly authorized person. If this notice is filed under Rule 505, the following signature constitutes an undertaking by the issuer to furnish to the U.S. Securities and Exchange Commission, upon written request of its staff, the information furnished by the issuer to any non-accredited investor pursuant to paragraph (b)(2) of Rule 502.

Issuer (Print or Type)	Signature	Date
XPEL TECHNOLOGIES CORP.		June 28, 2004
Name of Signer (Print or Type)	Title of Signer (Print or Type)	
CRAIG K. CLEMENT	CHIEF OPERATING OFFICER AND SENIOR V.P.	

ATTENTION
 Intentional misstatements or omissions of fact constitute federal criminal violations. (See 18 U.S.C. 1001.)

E. STATE SIGNATURE

1. Is any party described in 17 CFR 230.262 presently subject to any of the disqualification provisions of such rule? Yes No

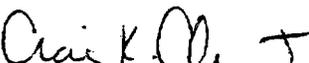
 See Appendix, Column 5, for state response.

2. The undersigned issuer hereby undertakes to furnish to any state administrator of any state in which this notice is filed, a notice on Form D (17 CFR 239,500) at such times as required by state law.

3. The undersigned issuer hereby undertakes to furnish to the state administrators, upon written request, information furnished by the issuer to offerees.

4. The undersigned issuer represents that the issuer is familiar with the conditions that must be satisfied to be entitled to the Uniform limited Offering Exemption (ULOE) of the state in which this notice is filed and understands that the issuer claiming the availability of this exemption has the burden of establishing that these conditions have been satisfied.

The issuer has read this notification and knows the contents to be true and has duly caused this notice to be signed on its behalf by the undersigned duly authorized person.

Issuer (Print or Type)	Signature	Date
XPEL TECHNOLOGIES CORP.		June 28, 2004
Name of Signer (Print or Type)	Title of Signer (Print or Type)	

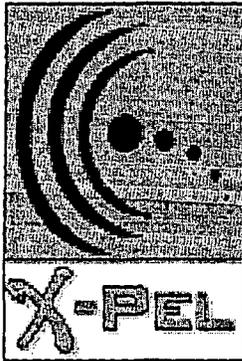
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II							
IN							
MS							
MO							✓
MT	Convertible Securities	1	\$15,000.00				
NE							
NV							
NH							✓
NJ	Convertible Securities	1	\$10,000.00				
NM							
NY							
NC							
ND							
OH							✓
OK	Convertible Securities	1	\$ 7,500.00				
OR							
PA							
RI							
SC							
SD							
TN							✓
TX	Convertible Securities	13	\$53,600.00				
UT							
VT							
VA							
WA							
WV							
WI							
WY							
PR							

This Confidential Offering Memorandum is not, and under no circumstances is to be construed as, a prospectus or advertisement or a public offering of the securities referred to herein. No securities commission or similar regulatory authority has passed on the merits of the securities offered hereunder nor has it reviewed this Offering Memorandum. Any representation to the contrary is an offence. This Offering Memorandum constitutes an offering of these securities only in those jurisdictions in which they may be lawfully offered for sale and therein only by persons permitted to sell securities.

December 31, 2003

Confidential Offering Memorandum



XPEL Technologies Corp.

\$351,000 (USD)
1,170,000 Special Warrants

XPEL Technologies Corp. (the "Company" or "XPEL") is hereby offering for sale up to 1,170,000 Special Warrants (the "Offering") at a price of \$0.30 (USD) per Special Warrant. The Offering will be made on a "best efforts" basis. (SEE: "PLAN OF DISTRIBUTION"). All dollar amounts referred to in this offering memorandum are in **United States Dollars.**

Each Special Warrant may be exchanged by the holder for one unit (a "Unit" or collectively the "Units") of the Company at any time until the first to occur (the "Expiry Date") of: (i) five business days following the date (the "Clearance Date") upon which a receipt is issued by the Ontario Securities Commission for the Company's (final) prospectus qualifying the Units and the underlying shares issuable on exercise of the Special Warrants; and (ii) the first anniversary of the Closing Date. Any Special Warrants not exercised prior to 5:00 p.m. (Toronto Time) on the Expiry Date shall be deemed to have been exercised immediately prior to that time without any further action on the part of the holder.

Each Unit is comprised of one common share (a "Common Share" or collectively the "Common Shares") and one common share purchase warrant (a "Common Share Purchase Warrant") of the Company. Each Common Share Purchase Warrant entitles the holder to purchase one common share (a "Warrant Share" or collectively the "Warrant Shares") of the Company at a price of \$0.40 per Warrant Share at any time up to 5:00 p.m. (Toronto time) on the date which is 90 days following the Clearance Date.

The Company shall use its reasonable best efforts to cause the issuance of the Common Shares and the Warrant Shares to be qualified by a prospectus and to cause the Clearance Date to occur as expeditiously as possible.

	Price to the Public →	Net Proceeds to Corporation →
Per Special Warrant	\$0.30	\$0.30
Total Offering	\$351,000	\$351,000

Notes: → Before deducting the cost of this issue estimated at \$50,000 which will include the costs of filing the Company's initial prospectus to qualify the Common Shares and the Warrant Shares. No selling or promotional expenses will be paid or incurred in connection with the offer or sale of the securities hereunder, except for professional services or for services performed by a registered dealer.

AS THERE IS NO MARKET FOR THESE SECURITIES, IT MAY BE DIFFICULT OR EVEN IMPOSSIBLE FOR THE PURCHASER TO SELL THEM.

THE SECURITIES ARE SUBJECT TO RESALE RESTRICTIONS, WHICH, ABSENT AN EXEMPTION, MAY PRECLUDE A PURCHASER FROM EVER SELLING THE SECURITIES WITHOUT FILING A PROSPECTUS.

THIS IS AN OFFERING MEMORANDUM WHICH DESCRIBES THE BUSINESS AND AFFAIRS OF THE COMPANY. THE SPECIAL WARRANTS OFFERED HEREBY WILL BE DISTRIBUTED BY WAY OF PRIVATE PLACEMENT EXEMPTIONS FROM PROSPECTUS REQUIREMENTS OF THE RELEVANT SECURITIES LEGISLATION. CONSEQUENTLY, THIS OFFER FOR SALE OF THE SECURITIES HEREIN DESCRIBED IS MADE PURSUANT TO THE TERMS AND CONDITIONS OF SUCH EXEMPTIONS.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATION NOT CONTAINED IN THIS OFFERING MEMORANDUM. IN THE EVENT OF ANY MATERIAL CHANGE IN THE AFFAIRS OF THE COMPANY, THIS OFFERING MEMORANDUM WILL BE AMENDED ACCORDINGLY. THIS OFFERING MEMORANDUM HAS BEEN PREPARED SOLELY FOR THE BENEFIT OF THE PERSONS INTERESTED IN THE PROPOSED PRIVATE OFFERING OF THE SPECIAL WARRANTS AND MAY NOT BE REPRODUCED OR USED FOR ANY OTHER PURPOSE.

THE OFFERING PRICE OF THE SECURITIES WAS ESTABLISHED BY THE DIRECTORS OF THE COMPANY BASED SOLELY ON THEIR ASSESSMENT OF THE LIKELY RECEPTION OF THE FINANCIAL MARKET TO AN OFFERING OF THE COMPANY'S SECURITIES. THE SPECIAL WARRANTS AND THE UNITS (INCLUDING THE UNDERLYING SHARES) FOR WHICH THEY WILL BE EXCHANGED ARE HIGHLY SPECULATIVE DUE TO THE NATURE OF COMPANY'S BUSINESS AND ITS FORMATIVE STAGE OF DEVELOPMENT. SUBSCRIBERS SHOULD BE PREPARED TO ACCEPT THE RISKS INHERENT IN THE BUSINESS OF THE COMPANY AND TO RISK LOSING ALL OR PART OF THEIR INVESTMENT OR TO FACE THE POSSIBILITY OF NO RETURN THEREON. (SEE: "RISK FACTORS".)

All subscribers shall enter into a Subscription Agreement and all subscriptions are subject to acceptance by the Company. (SEE: "PLAN OF DISTRIBUTION".)

The subscription price per Special Warrant exceeds the net tangible book value per Common Share by \$0.197 if the entire Offering is completed, representing dilution to investors in Special Warrants of 65.6%. (SEE: "DILUTION".) The Company has no present intention to pay dividends on its Common Shares. Subscribers must rely upon the ability, expertise, judgment, discretion, integrity and good faith of the management of the Company. (SEE: "RISK FACTORS", "DIRECTORS AND OFFICERS OF THE COMPANY" and "MANAGEMENT INTERESTS AND POTENTIAL CONFLICTS".)

The Company will use the proceeds of the Offering to pay the \$100,000 exclusivity fee required to be paid to Reflex, to pay for the cost of the Company's prospectus which it intends to file to qualify the Common Shares and Warrant Shares issuable on exercise of the Special Warrants subscribed for hereunder, marketing and development costs and for administrative and operating expenses. (SEE: "USE OF PROCEEDS".)

Subscriptions for the Special Warrants will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Subscriptions will be accepted for whole Special Warrants only. If less than the entire Offering is subscribed for at the initial closing, one or more subsequent closings may be held, subject to applicable securities commissions' regulations and policies. (SEE: "PLAN OF DISTRIBUTION".) Certificates for the Special Warrants are expected to be available for delivery at or about the time of the relevant closing.

THE SECURITIES OFFERED HEREBY ARE SPECULATIVE. (SEE: "RISK FACTORS".)

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SUMMARY

This is a summary only and is qualified in its entirety by and should be read in conjunction with the more detailed information and financial statements (and the notes thereto) appearing elsewhere in this Offering Memorandum. As this is a summary, potential investors should read the entire Offering Memorandum and should not rely only on this summary when making an investment decision.

The Company: The Company was incorporated under the *Business Corporations Act* (Nevada) pursuant to Articles of Incorporation dated October 14, 2003. By Articles of Amendment dated December 29, 2003, certain pre-emptive rights were removed from the Company's articles.

Business of the Company: XPEL has negotiated and been granted an exclusive distributorship for Manitoba and a non-exclusive distributorship for the rest of Canada from Reflex Enterprises L.L.C. ("Reflex") to manufacture, sell and distribute after-market automotive products. Currently the products include: (i) paint protection products that defend a vehicle's bumper, hood, mirrors, and wheel impact areas against frontal attacks from stones, abrasions, road salt, tar, sand, bug acids and overall weathering. Sometimes referred to as the "clear bra," these precision cut kits are made from optically clear, energy absorbent, thermoplastic urethane films developed by the likes of 3M and Avery Dennison; and (ii) headlight protection products that are designed to protect headlamps and other frontal exposed accessory lamps (e.g. fog lights), from damage sustained by road debris and the environment. These protective light shields are manufactured from an optically clear press polished, thermoplastic vinyl material. XPEL products can sustain impacts from stones of one inch (1") in diameter up to speeds of 120 mph, with absolutely no damage to the lens.

The Offering: 1,170,000 Special Warrants (\$351,000).

Price: \$0.30 per Special Warrant.

Use of Proceeds: The proceeds of this Offering will be used to pay the \$100,000 exclusivity fee required to be paid to Reflex, to pay for the cost of the Company's prospectus which it intends to file to qualify the Common Shares and Warrant Shares issuable on exercise of the Special Warrants subscribed for hereunder, marketing and development costs and for administrative and operating expenses as set out below (SEE: "USE OF PROCEEDS".)

Payment to Reflex of Exclusivity Fee	\$100,000
Marketing and Business Development	151,000
Cost of Offering and Prospectus to qualify Special Warrants	50,000
General Administration and Operating Costs	50,000
TOTAL	\$351,000

Dividend Policy: The Company's intention is to reinvest its earnings, if any, to finance the development and expansion of its business. The Company does not currently anticipate paying dividends on its Common Shares.

Dilution: Based on net tangible assets as at November 30, 2003, the allocated price per Special Warrant of \$0.30 exceeds the net tangible book value per Common Share by \$0.197 if the entire Offering is completed representing 65.6% of the Offering Price. (SEE: "DILUTION".)

Risk Factors: An investment in securities of the Company should be considered highly speculative due to the nature of the Company's business and its stage of development and should be considered only by investors who can afford the total loss of their investment.

The Company has no current operating business and has no meaningful history of operations. Accordingly, there can be no assurance that the Company will be successful or profitable.

There are certain factors which should be considered when evaluating an investment in the Company including: (i) any significant shortfall of demand in relation to expectation for the Company's products would have an adverse impact on the Company; (ii) additional financing may be required to develop the Company's products and services; (iii) the Company is experiencing competition for its products; (iv) the Company must continually upgrade and improve its product, or develop new products; (v) the Company will be negatively affected if other products similar to those of the Company with similar or superior features at lower prices become available; (vi) the Company is currently dependent upon its senior management, board of directors and consultants; (vii) the Company expects to experience significant growth in number of employees; (viii) the Company is substantially dependent on its relationship with strategic suppliers; (ix) there can be no assurance that the Company will be able to maintain or increase demand for its products; (x) the Company is susceptible to changes in exchange rates since it is supplied by a U.S. supplier; (xi) the Company does not anticipate paying dividends in the foreseeable future. (SEE: "RISK FACTORS".)

THE COMPANY

The Company was incorporated under the *Business Corporations Act* (Nevada) pursuant to Articles of Incorporation dated October 14, 2003. By Articles of Amendment dated December 29, 2003, certain pre-emptive rights were removed from the Company's articles. The Company's registered office is located at 2764 Lake Sahara Drive, Suite 111, Las Vegas, Nevada 89117, U.S.A. Its principal place of business is 406 - 138 Portage Avenue East, Winnipeg, Manitoba, R3C 0A1.

Business of the Company

XPEL has negotiated and been granted an exclusive distributorship for Manitoba and a non-exclusive distributorship for the rest of Canada from Reflex Enterprises L.L.C. ("Reflex") to manufacture, sell and distribute after-market automotive products. Reflex is located in San Antonio, Texas, and its web site is www.xpel.com. Currently the products include: (i) paint protection products that defend a vehicle's bumper, hood, mirrors, and wheel impact areas against frontal attacks from stones, abrasions, road salt, tar, sand, bug acids and overall weathering. Sometimes referred to as the "clear bra," these precision cut kits are made from optically clear, energy absorbent, thermoplastic urethane films developed by the likes of 3M and Avery Dennison; and (ii) headlight protection products that are designed to protect headlamps and other frontal exposed accessory lamps (e.g. fog lights), from damage sustained by road debris and the environment. These protective light shields are manufactured from an optically clear press polished, thermoplastic vinyl material. XPEL products can sustain impacts from stones of one inch (1") in diameter up to speeds of 120 mph, with absolutely no damage to the lens.

Distribution Agreement

Pursuant to a distributor agreement dated November 1, 2003, XPEL was granted the right to develop a distribution system to participate in the manufacture and installation of products of Reflex by utilizing Reflex's Design Access Program ("DAP") software program on an exclusive basis, in return for a \$100,000 exclusivity fee.

The agreement has an initial term of one year and is renewable for additional one year terms provided that XPEL has completely complied with its obligations. XPEL may terminate the agreement at any time without cause on 30 days notice. Reflex may terminate the agreement for a default of a material obligation on the part of XPEL with certain curative rights.

The agreement contains the usual provisions found in these types of licensing agreements, including reporting requirements and non-solicitation and non-competition provisions

XPEL is required to pay monthly access fees based upon usage with a \$300.00 minimum monthly access fee.

XPEL has chosen to concentrate within the fast growing, niche market of automotive protection products. As pressure mounts for automakers to use more environmental-friendly, softer, reformulated paints, a need is being created for paint protection products. Paint chipping has now become one of the most frequently submitted claims under warranty programs offered by new car manufacturers.¹ Additionally, the relaxed policies of regulators has allowed auto manufacturers to design more aerodynamic and aesthetically pleasing headlights components, making them more expensive. The average cost to replace a single non-High-Intensity-Discharge (HID) headlight is approximately \$417, while replacement costs of HID headlights can be as much as \$2,579 each.²

Since it is projected to be the most profitable segment of its business revenues, the Company will focus the majority of its efforts toward building a wholesale (DAP) dealer base to facilitate a means of marketing, selling and installing its products into the various market segments identified by XPEL (see "Market - Segmentation"). Through its relationship with Reflex, XPEL is able to provide the latest and most installation-friendly products, and when coupled with the Company's unique training and product distribution capabilities (see "Marketing - Distribution - Paint Protection"), consumers receive the highest standards of reliability 24 by 7.

¹ PPG Industries

² "USA Today"

Mission Statement

"Employ leading-edge technologies for the delivery of exceptional, installation-friendly automotive protection products, emphasizing quality, accessibility, reliability and affordability, while continually seeking to add value through new and innovative products and exercising extreme customer care."

Industry and Market Overview

Automobile

Canada's automotive industry is one of the most successful and competitive in the world today. The industry is fully integrated in North America and makes an important contribution to the Canadian economy, accounting for 12% of manufacturing GDP, and employing nearly 500,000 workers. The industry has a well-developed vehicle dealer network, an aftermarket organization that supplies replacement parts and accessories, and world-class distribution capabilities and service providers. Production shipments from 1991 to 2001 have shown a rising long-term trend, from \$56 billion in vehicles and parts to \$92 billion respectively. Retail vehicle sales for 2002 alone reached over \$76 billion, up from \$62 billion in 2001.³ According to Economic Research & Consulting, the demand for automobiles has slackened somewhat based on the geopolitical and economic environment. Although new motor vehicle sales rose 8.4% in May, sales were down 4.3% in the first five months of 2003 compared to the same period last year. Also, the preliminary new motor vehicle sales for June indicated a decline of 10%. However, an overall positive trend will likely resume in the industry, which will be attributed to five main factors: (i) customer incentives; (ii) lower interest rates; (iii) product quality; (iv) more efficient dealership management; and (v) dealer improvements in the car buying experience.

Specialty Automotive Equipment

Specialty Automotive Equipment industry manufacturers are typically known as a very innovative group. Companies that started out as cottage businesses based on the original founder's passion, have maintained contact with their roots, and produce passion-driven products for cars, light trucks, sport utility vehicles (SUVs) and the newer cross-utility vehicles (CUVs).

The Specialty Automotive Equipment industry is generally not recognized or understood by the general public. Individual products from the industry are known, but the industry itself remains somewhat of a mystery. For the consumer who purchases Specialty Automotive Equipment products, the issue is not really what defines the industry, but simply what performance parts and accessories make their vehicle more durable and enjoyable.

North American sales of Specialty Automotive products reached in excess of \$11.34 billion at the manufacturer level, and \$32.28 billion at the retail level. This represents an increase of 87.8% since 1990, when manufacturers' sales of specialty equipment were \$6.04 billion. That equates to an average annual growth of nearly 7.5%.⁴

Products

Due to the nature of materials used for XPEL protection products, there is no detracting from the manufacturer's intended design or change to the aerodynamic characteristics of a vehicle. Additionally, XPEL products do not harm the surface to which they are applied and are completely removable.

XPEL Paint Protection Kits

Paint protection products defend a vehicle's bumper, hood, mirrors, and wheel impact areas against frontal attacks from stones, abrasions, road salt, tar, sand, bug acids and overall weathering. Sometimes referred to as the "clear bra," these precision cut kits are made from optically clear, energy absorbent, thermoplastic urethane films developed by the likes of 3M and Avery Dennison. Once installed, the material will not crack, discolor or peel.

3 Strategis

4 Specialty Equipment Market Association

XPEL Headlight Protection Kits

Headlight protection products are designed to protect headlamps and other frontal exposed accessory lamps (e.g. fog lights), from damage sustained by road debris and the environment. These protective light shields are manufactured from an optically clear press polished, thermoplastic vinyl material. XPEL products can sustain impacts from stones of one inch (1") in diameter up to speeds of 120 mph, with absolutely no damage to the lens. Once installed, the material will not crack, discolor or peel.

Market

Segmentation

According to the CADA, there are 3,521 franchised new automobile dealerships throughout Canada, making potential demand for specialty automotive accessories exceptional. While this number represents the Company's primary target market, it is important to emphasize that cars "on the road" represent a large secondary market. As of 2002, there were nearly 18 million registered vehicles throughout Canada.⁵

The Company has identified four primary segments to be targeted. The Company believes the greatest opportunity for acceptance of its products is at the new car level. The most advantageous time to install products for maximum vehicle protection is at one of the following distribution levels:

- (i) **Auto Manufacturers/Distributors** – A vehicle is in its most protected state while in the possession of the manufacturer/distributor, where it is commonplace for accessories (grill guards, pin striping, etc.) to be installed at distribution depots or ports of entry.
- (ii) **New Car Dealerships** – A vehicle is prone to damage as soon as it leaves the dealer's lot, and consequently this level represents the largest opportunity for protection product acceptance.
- (iii) **Cars and Fleet Vehicles** - Rental car and fleet operators sell their inventory either to the public or back to manufacturers, which raises a need to protect their vehicles from the damage sustained by road debris during the rental period, minimizing or eliminating restoration expense.
- (iv) **Auto Enthusiasts** – The Auto Enthusiast embraces the freedom to make their car, light truck, SUV or CUV different - more personalized, based on lifestyle and how the vehicle is used. Additionally, the Auto Enthusiast is interested in making their vehicle more durable, more powerful, more comfortable, more efficient, more beautiful and more fun to drive, all while maintaining its value. The fourth segment is that of highly maintained vehicles defined by owner attitude and desire, despite a vehicle's age.

Needs

Consumer loyalty to a particular vehicle brand and long-standing salesman/customer relationships, can cause as many as 50% of vehicles purchased as new cars to return to the same dealership as trade-ins.⁶ Consequently, New Car Dealerships can benefit financially from the sale of protection products as an accessory item before new cars leave their lots, and save on reconditioning time and expense when those same vehicles are returned as trade-ins. Dealerships prefer their inventory be out of the restoration bays and on the lot for quicker turn of their stock. Additionally, rental car companies sell their inventory either to the public or back to manufacturers, which raises a need to protect their vehicles from the damage sustained by road debris during the rental period, minimizing or eliminating restoration expense. Typically, rental firms will allot up to \$300 per vehicle for restoration, which falls well within the XPEL range of paint kit costs.

Also, vehicle owners are looking for a durable, inexpensive and inconspicuous way to protect their investment from the damage that road debris and the environment causes.

⁵ Canadian Automobile Dealers Association

⁶ Cavender Auto Group

Paint Protection

Vinyl bras for vehicles have a tendency to (i) scratch and wear through a vehicle's paint if the protected area is not kept clean, (ii) cause uneven wear by the sun, (iii) mildew, and (iv) are highly inconvenient, as they must be removed prior to washing the vehicle. Vinyl bras do not sell well for light trucks, mainly because of a lack of cosmetic appeal. However, manufacturers have developed plastic hood protectors as an alternative product for these vehicles. For installation, these plastic protectors often require holes to be drilled through the vehicle's hood, ultimately promoting areas for rust to develop. These protectors also trap dirt and can vibrate through the paint on a vehicle. Plastic protectors break easily and significantly change the design and aerodynamic characteristics of a vehicle, sometimes causing side mirrors to vibrate.

Headlight Protection

Unprotected glass headlight and fog lenses can easily break or crack, allowing moisture to accumulate inside the capsule leading to early bulb failure. Unprotected plastic lenses become pitted, dull and hazy from constant exposure to both road debris and the elements. The average cost to replace a single non-High-Intensity-Discharge (HID) headlight is \$417, while replacement costs of HID headlights can be as much as \$2,579 each.⁷

Trends

Paint Protection

Pressure is being placed on automakers to use more environmental friendly water-borne paints, as opposed to higher polluting solvent-borne paints. By using reformulated paints, manufacturers are able to more easily comply and exceed mandated Environmental regulations (reduced VOC and HAP) standards. However, water-borne paints are softer and more susceptible to damage and chipping. Paint chipping has now become one of the most frequently submitted claims under warranty programs offered by new car manufacturers.⁸ XPEL believes this paint trend is helping create more awareness and demand for paint protection products.

Headlight Protection

Analysis shows that 1 out of 6 automobiles will require headlight replacement due to damage from road debris.⁹ Headlights were once standardized sealed beams and inexpensive to replace, but as regulators have loosened their policies, manufacturers changed their designs, making headlights more of an integral part of the aerodynamics and aesthetics of a vehicle. As a consequence, they have become "non-standardized," and very expensive.

Buying Patterns

The Company receives product requests for old, new, classic, inexpensive and expensive vehicles alike. Perception would dictate that XPEL products are accepted only by those who purchase higher-end, more expensive vehicles, which is not necessarily the case. Generally, wealthier vehicle owners have a reputation of not taking care of their vehicles, as they have the resources to trade them in more often. If Auto Manufacturers and New Car Dealerships missed the opportunity to preload protection products, the most likely purchaser is the Auto Enthusiast, one who takes great pride in the appearance and durability of their vehicle, despite its age. Fear of a more rapidly devaluing vehicle or having to replace expensive headlight parts is also a driver for product sales, especially in light of a slowing economy when consumers might be inclined to keep their vehicles longer.

The Company witnesses increased and concentrated interest for particular vehicle products after satisfied consumers post their product endorsement to Internet message boards, such as experienced with the Nissan 350Z, as well as with certain BMW, Lexus and Audi forums.

⁷ "USA Today"

⁸ PPG Industries

⁹ XPEL Field Studies

In the case of light trucks and SUVs, research indicates that up to 90% of vehicle owners will purchase aftermarket accessories averaging \$2,083 within just months of purchasing their vehicle.¹⁰

Growth

Overall, the Specialty Automotive Equipment industry is expected to continue growing at a rate of 7.5% annually, and the Company believes it is well positioned to significantly participate in the emerging niche for "clear" automotive protection products in Canada.

Paint Protection

In comparing XPEL products to other types of vehicle protection, such as vinyl bras and plastic bug shields, the potential market size can be readily established. Annually, more than 1.4 million vinyl vehicle bras and 3.3 million plastic bug shields are sold throughout North America, for a combined total of \$557 million in retail sales. Both the vinyl bra and plastic bug shield markets are expected to grow at compounded annualized rates of 3.3% and 6.7%, respectively.¹¹ Based on this, the Company believes the Canadian market for paint kits is 1 million annually or 5.6% market penetration (all Canadian registered vehicles). As awareness for clear protection products increases, the Company believes the market for paint kits can be substantially larger.

Headlight Protection

Since the market for Headlight Protection products is relatively new, it is difficult to offer a potential market size for consideration, other than to state that the broad consumer base of over 17.8 million Canadian-registered vehicles might best describe the market.

Competition and Competitive Advantages

Armourfend (www.armourfend.com) of Essex, England, StonGard (www.stongard.com) of Seattle, Washington, and Invinca-Shield (www.invinca-shield.com) of North Carolina are currently the main competitors to XPEL (www.xpel.com) in the marketplace. Beyond Armourfend, StonGard and Invinca-Shield, the competition is highly fragmented. There are a number of other companies such as Bekaert (<http://www.clearshield.com>) offering products similar in nature to XPEL, but these entities typically have limited resources, a weak Internet presence, and maintain outdated or poorly designed kits. XPEL is the only entity in the industry having access to a professionally developed a product demonstration video, which includes narrative regarding the DAP Dealer business opportunity.

XPEL offers a 4-year \$1,000 U.S. limited paint protection warranty, while StonGard offers a \$2,000 U.S. lifetime guarantee. Armourfend does not provide any sort of warranty of its product against discoloring or cracking, while Invinca-Shield does. XPEL provides a 4-year \$1,000 U.S. headlight guarantee, while StonGard offers a \$2,000 U.S. guarantee. Armourfend does not provide a headlight protection guarantee, while Invinca-Shield allows for "outdoor durability," which is defined as protection against appreciable product deterioration. XPEL, StonGard and Invinca-Shield each provide paint protection guarantees as part of the original product pricing, however, StonGard charges a fee of \$15 U.S. for its headlight protection guarantee, and neither Invinca-Shield nor Bekaert offer any headlight protection products.

XPEL has access to an expansive database of over 7,000 paint and headlight protection applications, which is a significant competitive advantage. Armourfend claims to have a large library of designs, however, there are only 5 kits shown on their European web site, of which none are North American makes and models. Additionally, Armourfend's web site states that its North American Master Distributor arrangement has been terminated due to breaches of its license agreement. StonGard and Invinca-Shield each offer pricing on their web sites, however Armourfend does not. Invinca-Shield, Clear Shield and StonGard's designs reviewed from its web site do not appear to be current, as there are very few kits available for model years 2003 and 2004.

10 Market Insights

11 Specialty Equipment Market Association

Reflex prides itself in performing the most exacting effort throughout the entire kit design process, which is unique to the industry. Extensive research is performed by Reflex on all models, sub-models and levels of vehicle trim through a set of sophisticated research, design and part entry tools, all to provide the most accurate and complete database of kits available. The company employs a web-based system to track demand for the most sought after new vehicle kits for the purpose of prioritizing design activities, which is also unique to the industry. Reflex believes its design team far surpasses the efforts of its competitors in terms of dedication, diligence, methodology, and technology.

Paint Protection

Through its relationship with Reflex, XPEL is the industry's only paint protection kit provider offering a web-enabled, client-server product distribution software utility (DAP), which is a significant advantage to those that would compete with the Company. XPEL's computer generated "pre-cut" designs are superior to certain competitors offering "hand-cut" kits, which place a vehicle's paint at risk from cutting tools.

Neither Armourfend, StonGard, Invinca-Shield nor Clear Shield's pre-cut paint protection kits are user-friendly. These company's designs increase the difficulty of installation, limiting the number of kits that can be installed on a daily basis. As installation time is reduced, sales volumes of kits can be improved significantly, for increased profitability. Due to superior installation-friendly designs, existing DAP Dealers are able to install as many as 20 kits per day (per installer), potentially generating gross daily wholesale revenues of \$2,200. XPEL kits do not require partial disassembly of the vehicle for installation, unlike with Armourfend products. Several former StonGard dealers state they are now DAP Dealers due to installation issues. XPEL believes it can convert competitor's dealers by exposing the commercial viability of pre-cut kits. XPEL DAP Dealers can instantaneously manufacture kits at their remote location, utilizing a personal computer and plotter/cutter, while the software simultaneously tracks activity for billing via the Internet. This is the most efficient and cost effective distribution system available in the industry. Armourfend's web site claims to have a functioning e-mail transfer capability for designs, however in speaking to an Armourfend installer, this has not been accomplished by the company.

Armourfend and StonGard each offer installation training. Invinca-Shield does not. StonGard charges its distributors a \$3,000 U.S. training fee and requires its dealers to pay \$2,000 U.S. in start-up and promotional fees. Armourfend charges its new distributors a \$15,000 U.S. startup fee, which includes 7 days of training. XPEL does not require any upfront software fees, but does require factory training at Reflex's corporate headquarters in San Antonio at a cost of \$495 U.S. (see "Strategy - Strategic Direction"). In addition to the training fees, XPEL Dealers must provide their own lodging and transportation.

Retail consumers have the ability to self-install XPEL kits if they so choose. Unlike the competitors, XPEL rates the installation difficulty of each of its kits. Should the consumer require installation assistance, XPEL provides (i) customer care over the phone, (ii) contact information to the closest XPEL Dealer, and (iii) written technical support (see "Sales - Customer Care").

Headlight Protection

The XPEL headlight protection kits feature many advantages over competitor products. StonGard headlight products are made from a material nearly twice as thick as the XPEL material. Research shows that additional material thickness is not needed for protection, but only serves to increase the installation difficulty and headlight heat retention, leading to early bulb and lens failure and thermal breakdown of the material itself.¹² The Armourfend products are made from a very thin (.008") material that will not withstand impacts from stones or other road debris. They do not offer a breakage guarantee.

XPEL headlight kits are also easier to install than those of its competitors due to (i) the material's flexibility, and, (ii) the superior design of each product. Additionally, XPEL kits allow for a "wet" application (rubbing alcohol and water), making positioning easier, providing superior bonding around contours, all without compromising protection. The material used is UV-stabilized and DOT-approved, while competitor materials are not. Minimal customer care is required due to ease of installation.

Strategy

Strategy Statement

"XPEL will meet the demand of its targeted market segments by understanding Customer needs, utilizing the most cost-effective and profitable product-delivery technology."

Strategic Direction

XPEL views a larger DAP Dealer base as the primary enabler to successfully execute its *growth* plan. Headlight kit patterns are also delivered via the DAP program, but are also manufactured by Reflex and drop-shipped to non-DAP Dealers, catalog companies and retail customers in the conventional manner. Non-DAP Dealers are wholesalers who have not yet embraced the DAP opportunity, but do have a base of business to sell and install paint and/or headlight kits. Until recently, Headlight kit designs were not capable of being distributed through the DAP software. Paint Kit products are distributed primarily via the DAP, but also through non-DAP wholesale Dealers. Non-DAP Dealers buy pre-cut kits directly from XPEL at a discount to suggested retail. By becoming a DAP Dealer, a participant can enjoy a discount averaging 53% of the posted wholesale product pricing for paint protection products (see "Marketing – Wholesale – Pricing"). To improve margins and the efficiency of paint kit distribution, XPEL always seeks to convert its non-DAP customers into DAP Dealers.

XPEL does not charge its DAP Dealers a fee to acquire the DAP software. DAP Dealers are charged a fee for each kit design accessed by the software, with a monthly minimum of \$300 worth of product designs. XPEL management believes the "free, but not free" pricing model helps propagate the DAP software and significantly increases the Company's product distribution capabilities, while also lowering the barrier to entry for a potential Dealer. Upon securing certain financial resources, XPEL will accelerate knowledge of the DAP Dealer Opportunity through an advertising campaign in magazines such as "Entrepreneur," and market-specific newspapers. In exchange for free software, DAP Dealers are required to attend a specialized training course at Reflex's corporate headquarters to learn: (i) installation techniques, (ii) software installation and navigation, (iii) plotter/cutter operation, and, (iv) materials handling.

By lowering barriers to entry into the protection kit business, XPEL believes it can quickly attract new DAP Dealers, accelerating penetration of the New Car Dealership and Auto Enthusiast market segments, becoming the first among its competitors to "scale up." In certain cases, New Car Dealerships will become DAP Dealers. A former dealer of an XPEL competitor, stated, "I have never been around a product or distribution method that has the open acceptance like that offered by the DAP."¹³

Management believes that broad distribution of the DAP software will heighten barriers to entry for the competition, increasing interest by competitors to join the DAP Dealer program. A pre-cut offering, coupled with a large database of new and current designs makes it difficult for those in the business not to join XPEL (see Market – Competition and Competitive Advantages").

Once XPEL obtains additional financial resources, it will advertise in specific DAP Dealer markets to raise consumer awareness of its products. The Company will also advertise in broadly circulated auto enthusiast magazines such as "Car & Driver" and "Road and Track." This will ultimately drive consumer requests and corresponding "preload" sales at the New Car Dealership level. By building and supporting its DAP Dealer base, along with educating Auto Manufacturers/Distributors, New Car Dealerships, Rental Car and Fleet

Vehicles, and Auto Enthusiasts alike as to product-specific benefits, the Company believes it can capture a large, protectable market share.

The market and channel characteristics between the paint protection film industry and the window film (tint) industry are very similar. Reflex is soon to offer a secondary line of products in the form of pre-cut window tint patterns that can also be distributed via the DAP software utility.

Additionally, the Company continually seeks strategic relationships to build product awareness, increasing product sales growth into the various market segments (see "Marketing – *Strategic Alliances*"). An example is the recent development and agreement by a large supplier to manufacture and private label a .020" film for headlight kits that will be exclusive to Reflex, and consequently XPEL during Q4 of FY2003.

Critical Success Factors

Management has identified the following as keys for success in meeting the Company's objectives:

- Remain focused on underserved market segments
- Develop a highly efficient back office system
- Improve value proposition of DAP Dealership Opportunity to rapidly expand the customer base
- Continually challenge DAP Dealer acquisition costs
- Exceed expectations for Customer Care
- Maintain price leadership
- Grow catalog channels
- Attract and retain key managerial and technical talent
- Deploy a corporate-wide MBO program
- Pursue strategic alliances to enhance segment penetration
- Obtain the necessary funding to achieve growth

Goals

Short-term (6 months – beginning October 2003)

- Hire Corporate Controller
- Develop/enhance point of purchase marketing materials (i.e. posters, car toppers, brochures, displays, etc.)
- Launch advertising campaigns highlighting DAP Dealer Opportunity
- Expand training curriculum
- Secure new DAP Dealers
- Challenge underlying costs to maintain a gross margin of 60% on wholesale sales and 75% on retail sales
- Secure financing for execution of its growth strategy

Mid-term (7 - 24 months)

- Maintain a minimum gross margin of 60% on wholesale sales and 75% on retail sales
- Grow DAP Dealer base
- Accelerate advertising campaign to build national brand recognition/product differentiation
- Sign 2 new catalog channels
- Secure additional in-house sales
- Grow annualized revenues

Long-term (25 - 60 months)

- Maintain a minimum gross margin of 60% on wholesale sales and 75% on retail sales
- Increase DAP Dealer base
- Be showcased in all major automotive catalogs in Canada
- Increase direct retail sales

Marketing

Wholesale

Primary Market Segments

Paint Protection

As previously mentioned, the market segments for paint protection products are Auto Manufacturers/Distributors, New Car Dealerships, Rental and Fleet Vehicles, and Auto Enthusiasts (see "Market"). Through internal business development efforts, XPEL will target "National Accounts" such as the Auto Manufacturers/Distributors, who embrace the benefits of preloading vehicles at their distribution depots or ports of entry (see "Marketing - *Strategic Alliances*"). The Company views a larger and continually growing DAP Dealer base as essential to effectively accomplishing the task of penetrating the New Car Dealership, Rental and Fleet Vehicles, and Auto Enthusiast segments.

In growing the DAP Dealer base, the Company will market the DAP Opportunity to (i) entities and/or individuals maintaining strong relationships with New Car Dealerships and/or having strong automotive marketing experience, and (ii) New Car Dealerships having a desire to participate directly in the protection kit business opportunity, and (iii) vehicle rental and fleet companies. Upon securing window tint patterns distributable through the DAP, XPEL will focus on the window tint shops throughout Canada for a complete offering of paint, headlight and tint kits.

As the Company secures certain financial resources, it intends to build a strong brand identity through direct and market specific advertising campaigns, as well as through marketing resources in the form of enhanced posters, car toppers, brochures, displays, etc. to support its DAP Dealers. Additionally, viral marketing or "word of mouth" between users and their spheres of influence will help drive the DAP Dealer base and product awareness.

Headlight Protection

The market segments for headlight protection products are New Car Dealerships, Rental and Fleet Vehicles, and Auto Enthusiasts. A growing DAP Dealer base will support improved distribution of these products to the market segments. The Company believes enhanced demand will stem from increased public awareness, aided by market specific advertising campaigns.

Keys to Success

- Promote DAP Dealer Opportunity and product awareness through advertising
- Establish brand recognition and product differentiation
- Provide DAP Dealers with enhanced point of purchase marketing materials (i.e. posters, car toppers, brochures, displays, etc.)
- Motivate DAP Dealers, non-DAP Dealer and catalog channel marketing activities

Tactics

Due to the clear nature of XPEL products, the Company must create awareness by educating the market segments as to product benefits. To accomplish this, XPEL must: (i) distribute corporate and product related press releases, (ii) cause Company and product articles to be written and published in automotive magazines, (iii) develop enhanced point of purchase marketing materials (i.e. posters, car toppers, brochures, displays, etc.), (iv) display and speak at industry trade shows/conferences, (v) distribute quarterly newsletters detailing installation techniques, new products, etc., (vi) deploy a market specific advertising campaign in such magazines as "Road & Track," "Car and Driver," "Motor Trend" and market specific newspapers, and, (vii) develop and maintain a superior web presence.

Improvements

Data gathered from DAP Dealers, non-DAP Dealers, catalog companies and web site channels of distribution will be incorporated into future products that come from a field of knowledge of what consumer needs dictate. Feedback from (i) trained and qualified DAP Dealers, (ii) non-DAP Dealers, (iii) catalog companies, and (iv) direct retail consumers will help identify needs and provide information that will lead customers to better decisions, allowing XPEL to manage the market.

Pricing

The average retail price of a XPEL paint kit is \$237.50, and \$70.83 for a headlight kit, exclusive of installation labor.

Under the DAP program, Dealers are charged \$20.83 for each paint kit design and \$10.42 for each headlight kit accessed from the database, with a \$417 monthly minimum. DAP Dealers enjoy a discount averaging 53% to non-DAP Dealer product pricing for paint protection kits.

Non-DAP Dealers receive favorable product pricing at 50% of XPEL's retail prices. Distributors and Mail Order catalog companies, depending on volume, can receive pricing discounts up to 70% of XPEL retail prices.

Advertising

XPEL products have never been advertised or prominently displayed in print, except through limited press releases and non-prominently placed product ratings or "new product" introductions published by Reflex in the following magazines and newspapers:

Popular Mechanics	Motor Trend
Restyling	4 Wheel Drive & Sport Utility
Truckin'	Sport Truck & SUV Accessory
Sun News	The Record
Off-Road	Auto World Weekly
The Bottom Line	Hard Hat

XPEL is planning a market specific advertising campaign to attract new DAP Dealers, and promote public awareness for its products. The Company intends to launch this program during Q4 of this fiscal year. Both the DAP Dealer Opportunity and protection products will be promoted through magazines, newspapers, press releases and direct mail. XPEL anticipates "word of mouth" will also be a component to the program's success.

Additional Products

Additional products will be phased into sales channels as they become available and are adequately tested and supported. Future protection products under consideration by the Company, of which some have already been installed on vehicles, include Motorcycle and ATV kits, Motor Home kits, Glare Reducing Headlight kits, Tractor Trailer kits, and Window Tint kits (see "Strategy").

Value Proposition

The Company's ongoing state-of-the-art design effort, extensive database of new and current products, proprietary product distribution capability, best industry pricing, superior installation training, coupled with the installation-friendly (commercially viable) nature of its products, offer (i) a significant business opportunity for the entrepreneurial-minded potential DAP Dealer, and (ii) unique and desired products for catalog and non-DAP Dealer channels of distribution.

A tide of information and trust must flow between consumers, DAP Dealers, non-DAP Dealers, catalog companies and XPEL, to create what consumers want. This flow will provide an opportunity to build

customer loyalty and serve as a data gathering system allowing XPEL to maintain its innovative and competitive edge.

Fulfillment

Utilizing the DAP software via the Internet. Dealers have instant access to the Company's secure and expansive database of kit designs for real time customer sales and service. Catalog companies submit daily orders to the Company for products via facsimile. XPEL is committed to 98% same-day shipment of products by overnight delivery dependent on customer needs.

Distribution

Paint Protection

XPEL, through its relationship with Reflex, maintains a proprietary, web-enabled, pay-per-access client server software utility (DAP), allowing its Dealers access to an encrypted database of virtual product inventory, utilizing the Internet. Dealers access desired designs and manufacture precision pre-cut paint protection kits remotely at their locations. This superior method of distribution has mitigated delayed orders, damaged goods and freight charges, and is the first of its kind offered in the protection kit industry.

Headlight Protection

Headlight protection kits can be produced remotely in the same manner as paint kits, by utilizing the DAP software utility. Additionally, sales of headlight protection kits are fulfilled through drop-shipments made from Reflex's manufacturing facilities in San Antonio, Texas.

Strategic Alliances

At the corporate level, XPEL is continually engaged in building strategic relationships to broaden exposure for its products. XPEL will continually seek to align itself with Auto Manufacturers/Distributors, as well as with parts and/or service entities that maintain significant distribution capabilities and/or large dealer bases for nationwide installation support.

Through its relationship with Reflex, XPEL has an established contact with Porsche Cars of North America (PCNA). PCNA utilizes the DAP to manufacture paint protection kits for installation at their point of entry facility for executive and dealership owned demo-vehicles. PCNA also sends to XPEL headquarters, certain vehicles in advance of their public release date (e.g. Cayenne) for paint kit design work. The PCNA alliance is aiding in advance product design and awareness, giving XPEL significant market credibility.

XPEL has also developed a direct relationship with BMW of North America, selling both paint and fog light protection kits through the BMW and Mini Cooper Accessory catalogs.

Additional potential alliances include companies like Toyota Motor Sales USA, Auto Trim Dealers Group (<http://theatdgroup.com>), Auto Trim of North America (<http://www.atna.net>), and Miracle Appearance Reconditioning Specialists (<http://marsinternational.com>), which provide automotive products and services, having nationwide and some international dealer/installation bases.

Courage-Distributing, Canada's largest distributor for Film Technologies International, Inc. (FTI), a global leader in window film, has approached XPEL for broadly distributing the Company's software utility to Courage customers, for expanding into pre-cut window tint patterns (see "Strategy - *Strategic Direction*").

Retail

Direct retail consumers order paint and headlight protection products by either accessing the Company's web site or calling XPEL during the business hours of 8:30 a.m. and 5:30 p.m. CST, Monday - Friday (excluding holidays). All web site purchases or phone orders for products are 98% fulfilled the same day

received, and sent via overnight courier.

Future

At such time as XPEL has aggressively expanded its wholesale DAP Dealer base under the aforementioned goals (see "Strategy - Goals - *Short-term, Mid-term, Long-term*"), it will move closer to the consumer, driving increased profitability. Due to the royalty nature of the Company's Dealer generated revenues, expenses do not scale proportionately with growth, allowing for improved and protectable margins.

Sales

XPEL will hire a National Sales Executive, primarily responsible for prospecting, qualifying and securing new DAP Dealers. The NSE will also be responsible for securing additional revenue producing accounts with catalog companies.

The NSE will regularly attend industry trade shows and conferences for the purpose of networking, speaking, identifying new opportunities and visiting with existing and prospective DAP Dealers and consumers.

The NSE will stay close to the customer base so as to anticipate changes in consumer, DAP Dealer, non-DAP Dealer and catalog company needs. The NSE will stay current on market trends and the market players. This will help determine appropriate pricing and be valuable for enhancing Company marketing strategies.

The NSE takes an active role in frequently visiting or calling on DAP Dealers, non-DAP Dealers and catalog accounts to ensure:

- Point-of-purchase materials are effectively displayed
- Consumers are satisfied
- Account continues selling
- Transactions with XPEL are running smoothly and issues are resolved in a timely manner

It is anticipated that retail sales will be transacted (i) through the Company's web site, and, (ii) inbound calls. As this direct retail sales trend grows, XPEL will be required to secure additional in-house sales support.

Customer Care

XPEL is dedicated to providing its DAP Dealers, non-DAP Dealers, catalog companies, and direct retail consumers with personalized attention. To accomplish this mission, all XPEL employees will be trained as Customer Care Representatives (CCR), responsible for taking care of all customer needs.

These trained employees will handle customer calls and complaints, billing questions, instructional questions, quality control issues, discrepancies, and any other related issues dealing with DAP Dealers, non-DAP Dealers, catalog companies and direct customers. Each employee is required to act professionally at all times when dealing with customers.

To assist customers with product (technical) or billing issues, each CCR is available during normal business hours of 8:30 A.M. - 5:30 P.M., Monday - Friday (excluding holidays). As product sales increase, XPEL will offer extended after-hours Customer Care. The web site will provide 24-hour support for installation and software-related issues.

The expanding base of XPEL DAP Dealers, non-DAP Dealers, catalog channels and direct retail customers, will allow XPEL an opportunity to develop knowledge about consumers that will be difficult for

competitors to duplicate. The feedback and insights obtained will be used by Marketing, Sales and Customer Care to create loyalty incentives and future product input based upon market conditions and needs.

Research and Development

XPEL relies on Reflex for all research and development. Reflex has worked with a large, multi-national company to supply XPEL with a proprietary (.020") headlight protection film that can be cut with existing DAP hardware. The Company expects to have this film delivered during Q4 FY2003 due to increasing market demand.

Suppliers

XPEL's principal suppliers provide plotter/cutter equipment, and film for both paint and headlight protection kit manufacturing. The Company purchases its equipment and materials primarily from companies, such as 3M, Avery Dennison, and Western Graphtec, Inc. Management believes there is great stability with its vendors that supply equipment and materials necessary for its ongoing operations.

Management Information Systems

The MIS capabilities will consist of application systems, information servers, workstations and network facilities, which will provide an environment supporting the Company.

Current Systems

XPEL will invest in and purchase off-the-shelf application systems. Over time, there will be a need to replace these application systems to support the business growth, and integrate order processing, finance and accounting and database query methods that support the strategies of the Company.

Financial Application Systems

The Financial application system (QuickBooks Pro) will serve as the base set of financial applications. The package consists of a General Ledger, Accounts Payable, Account Receivable and Billing.

General Ledger

The General Ledger has the ability to post and report financial transactions for XPEL.

Accounts Payable

This system provides the ability to manage cash and vendor payments. It includes functions for credit availability, preferred payment methods, multiple remit-to locations and contact information.

Accounts Receivable

This system contains information to determine credit availability, aging limits, contact names and ship-to locations. It allows the establishment of account controls and can automatically generate dunning letters.

Billing

The billing application creates and tracks invoices, cash sales receipts (credit card) and develops associated packing slips when required.

XPEL Design Access Program

This web-enabled, client server program allows DAP Dealers to manufacture paint and headlight protection kits remotely at their site, while simultaneously logging the number of designs, type of kits accessed by the Dealer, and a host of security-related data. The application system is written in visual basic utilizing a server-side SQL database. The application system has a user-friendly interface and excellent functionality, and is synchronized with the enterprise systems of the Company. Modifications are continually made to the software, significantly improving its functionality and ease of installation and use. Upon login by a Dealer, the software receives product and technological updates automatically.

Web Site

A web site is currently under construction allowing for instantaneous product updates, a postal code search for product installers, and direct retail consumers' ability to order and pay for products online through a "shopping-cart" format.

Technology

XPEL's systems will be based on a scalable hardware and software architecture. The architecture will include the handling of both documents and data. It will also allow for electronic workflow and approval. Application systems will also support multiple languages and be web-based, including secure centralized data for common corporate information.

As the back office system is implemented, data will be made available for end user query and reporting purposes. The goal is to make information self-service on a user level access basis. Decision support tools will also be implemented to provide multi-dimensional data analysis, such as revenue by product, customer and location. Also, data mining and executive information will be available.

MANAGEMENT'S DISCUSSION OF FINANCIAL POSITION AND VARIATIONS IN OPERATING RESULTS

General

The Company is a newly incorporated company established to implement the business described under the heading (SEE: "THE COMPANY – Business of the Company".) The only activities of the Company to date have been the incorporation and organization of the Company, the raising of seed capital from the founding shareholders, and the negotiating and completion of the Distributing Agreement with Reflex. The Company incurred professional fees in the amount of \$4,810 in connection with the aforesaid as at November 30, 2003.

Liquidity and Capital Resources

The Company has completed private placements of 1,900,000 common shares aggregating \$19,000 from the founding shareholders to help pay the organizational and start up costs of the Company. The sum of \$100,000 must be paid to Reflex. The Company's principal focus is to meet this requirement by completing the Offering. The Company will need to arrange further financing to undertake all of its future planned marketing and development efforts. The Company may attempt to fund such activities from an initial public offering of its common shares in conjunction with the prospectus it intends to file to qualify the shares issuable on exercise of the Special Warrants subscribed for hereunder.

The Company intends to use the proceeds of the Offering to pay the \$100,000 exclusivity fee required to be paid to Reflex, to pay for the cost of the Company's prospectus which it intends to file to qualify the Common Shares and Warrant Shares issuable on exercise of the Special Warrants subscribed for hereunder, marketing and development costs and for administrative and operating expenses. (SEE: "USE OF PROCEEDS".)

Further financings in the medium and long-terms will be provided by additional equity offerings of securities of either the Company (by way of public offering or private placement) as required and if available to the Company. The Company has no present financing commitments for any future financings. (SEE: "RISK FACTORS.")

DIRECTORS AND OFFICERS OF THE COMPANY

Directors and Officers

The names, municipalities of residence, offices or positions with the Company and principal occupations of the directors and officers of the Company (each of whom is engaged with the Company on a part-time basis only) during the last 5 years are as follows:

Name and Municipality of Residence	Position	Chief Occupation for the Past Five Years
Murray R. Nye Winnipeg, Manitoba	President and Director	<i>Murray R. Nye</i> has served as a director of the Company since its formation in June 1996. Mr. Nye also served as Chief Executive Officer and a director of ATSI-Canada from its formation in May 1994. From December 1993 until May 1994, Mr. Nye served in the same positions with Latcomm International Inc., which company amalgamated with Willingdon Resources Ltd. to form ATSI-Canada in May 1994. From 1992 to 1995, Mr. Nye served as President of Kirriemuir Oil & Gas Ltd. From 1989 until 1992, Mr. Nye was self-employed as a consultant and Mr. Nye is again currently self-employed as a consultant. Mr. Nye serves as a director of Clifton Mining Company since 1997.
Max A. Polinsky Winnipeg, Manitoba	Vice-President and Director	<i>Max A. Polinsky</i> , Chairman of the Board of Directors, was elected a member of the Board in April 2002 and is a member of our audit committee. He is a director and principal of Venbanc, Inc., an investment and merchant bank located in Winnipeg, Manitoba, Canada that he founded with a partner in 1994. Venbanc specializes in the structuring and financing of start-up companies and provides follow-up financial and management advisory assistance. It has successfully funded and taken public several companies in Canada and the United States in the past ten years. Prior to this, Mr. Polinsky was the general manager of City Machinery Ltd., a nationwide power transmission parts distributor with offices across Canada. He began his career as a stockbroker at Canarim Investment Corp. (Now Canaccord Capital) in 1982. Mr. Polinsky graduated with honors from the University of Manitoba with a degree in Business Administration, Finance Major.

Name and Municipality of Residence	Position	Chief Occupation for the Past Five Years
Craig K. Clement San Antonio, Texas, U.S.A.	Director	<i>Craig K. Clement</i> provided senior-level operating guidance and expertise, primarily in the roles of Interim CEO and COO to various entities in technology and cyber-security prior to joining the Company. Mr. Clement was formerly the Senior Vice President Corporate Development for ATSI Communications, Inc. (AMEX:AI), a provider of network services within and between the U.S. and Latin America. While at ATSI, Mr. Clement co-founded the company's successful software subsidiary, GlobalSCAPE, Inc. (OTCBB:GSCP), the owner and developer of the world's most popular FTP client utility, "CuteFTP". He holds a Bachelor of BBA/PLM degree from the University of Texas at Austin, and has over 23 years experience in assembling funding and managing various projects in the Telecommunications, Technology (software/hardware) Cyber-Security, Environmental, and Energy industries. He has a broad background in both public and private high growth entities with revenues ranging from \$1 million to \$75 million, structuring and negotiating complex public and private financings, international re-domestications, as well as mergers and acquisitions. Mr. Clement is a former board member of Panaco, Inc. (AMEX: PNO), maintains a Top Secret Security Clearance, and is also bilingual and bicultural in English and Spanish.

COMPENSATION OF DIRECTORS AND OFFICERS

Executive Officers of the Company

The Company has never paid any salary or bonus to its executive officers and has not entered into any agreements which provide for payments to an executive officer and to a company controlled by an executive officer.

Summary Compensation Table

The following table provides a summary of all annual and long term compensation paid by the Company to its Chief Executive Officer and the other executive officers of the Company whose total annual salary and bonus exceeded \$100,000 (the "Named Executive Officers") since the date of incorporation of the Company.

Name and Principal Position	Year	Annual Compensation			Long-term Compensation	All Other Compensation (\$)
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Securities Under Options Granted (Total #)	
n/a	n/a	nil	nil	nil	Nil	nil

Option Grants by the Company

The following table sets forth the options to purchase Common Shares granted to the Named Executive Officers of the Company since the date of incorporation of the Company.

Executive Officer	Securities Under Options Granted (#)	% of Total Options Granted to Directors, Officers and Employees in Financial Year	Exercise Price (\$)	Market Value of Securities Underlying Options on the Date of Grant (\$)	Expiration Date
n/a	nil	n/a	n/a	n/a	n/a

Options Exercised and Aggregate Remaining

No options were exercised by the Named Executive Officers of the Company since the date of incorporation of the Company. (For information regarding other individuals who exercised options during such period, SEE: "OPTIONS TO PURCHASE SECURITIES"). The following table sets forth information regarding options held by the Named Executive Officers of the Company since the date of incorporation of the Company and the financial year-end value of unexercised options on an aggregate basis:

Executive	Securities Acquired on Exercise (#)	Aggregate Value Realized (\$)	Unexercised Options (#)		Value of Unexercised In-the-money Options (\$)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
n/a	nil	nil	nil	nil	nil	nil

Long-term Incentive Plans

The Company currently has no long-term incentive plans, other than stock options granted from time to time by the board of directors under the provisions of the Company's stock option plan.

Compensation of Directors

No compensation was paid by the Company since the date of incorporation of the Company to its directors pursuant to any other arrangement or in lieu of any standard arrangement. The Company has, however, granted to its directors options to purchase Common Shares pursuant to the stock option plan of the Company. (SEE: "OPTIONS TO PURCHASE COMMON SHARES".) Directors who are not executives or non-executive officers did not receive compensation for board or committee meetings attended in the year (SEE: "OTHER COMPENSATION MATTERS"). All reasonable expenses incurred by directors in respect of their duties are reimbursed by the Company.

Other Compensation Matters

The board of directors determines the level of compensation in respect of the directors and officers. There were no long-term incentive awards made to any director or officer since the date of incorporation except for options granted under the Company's stock option plan. There are no pension plan benefits in place for any director or officer. In addition, there are no plans in place with respect to any director or officer regarding termination of employment or change in responsibilities.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No director or officer has been indebted to the Company since the date of incorporation of the Company.

OPTIONS TO PURCHASE SECURITIES

Stock Option Plan

The Company has in place a stock option plan (the "Plan"). Under the Plan, the board of directors may, at its discretion, grant options to purchase Common Shares to directors, officers and certain key employees of the Company or any of its subsidiaries. No options have been granted at this time.

USE OF PROCEEDS

The net proceeds of this Offering will be used to complete the payment required to be made to Reflex, to pay for the cost of the Company's prospectus which it intends to file to qualify the Common Shares issuable on exercise of the Special Warrants subscribed for hereunder and for administrative and operating expenses as set out below:

Payment to Reflex of Exclusivity Fee	\$ 100,000
Marketing and Business Development	151,000
Cost of Offering and Prospectus to Qualify Special Warrants	50,000
General Administrative and Operating Costs	50,000
TOTAL	\$351,000

DESCRIPTION OF SHARE CAPITAL

Common Stock

The Company is authorized to issue 100,000,000 shares of common stock with a par value of \$0.001 of which 1,900,000 are issued and outstanding as at the date hereof. The holders of Common Shares are entitled to one vote for each share held of record on all matters to be voted on by such holders and are entitled to receive, proportionate to their shareholdings, such dividends, if any, as may be declared by the board of directors out of funds legally available therefor and to receive proportionate to their shareholdings the remaining property of the Company on dissolution. The holders of Common Shares have no pre-emptive rights or rights of conversion. All issued Common Shares are fully paid and non-assessable.

Preferred Stock

The Company is authorized to issue 10,000,000 shares of preferred stock with a par value of \$0.001, none of which are issued and outstanding. The Board of Directors may issue such shares of preferred stock in one or more series with such voting powers, designations, preferences and rights or qualifications, limitations or restrictions thereof as shall be stated in resolutions or bylaws adopted by them.

CAPITALIZATION

The following table sets out the capitalization of the Company as at the dates indicated:

Class of Securities	Authorized	Outstanding as at November 30, 2003 (audited)	Outstanding as at December 31, 2003 (unaudited)	Outstanding as at April 30, 1998, adjusted to give effect to the Offering (unaudited)→
Common Stock	100,000,000	\$19,000 (1,900,000 shares)	\$19,000 (1,900,000 shares)	\$320,000 (3,070,000 shares)
Preferred Stock	10,000,000	nil	nil	nil
Long term debt and deficit	nil	nil	nil	nil

Notes: → Assumes completion of the entire Offering and adjusted to give effect to the costs of the Offering including the costs (estimated to be \$50,000) of the Company's prospectus which it intends to file to qualify the Common Shares issuable on exercise of the Special Warrants subscribed for hereunder. Does not give effect to the exercise of any Common Share Purchase Warrants or the issuance of any Warrant Shares pursuant thereto.

PRINCIPAL HOLDERS OF SECURITIES

To the best of the knowledge, information and belief of management of the Company, the following table sets forth the names of those persons who own or exercise control or influence over voting securities over of the Company carrying more than 10% of the voting rights attaching to all shares of the Company:

Name	Approximate Number of Voting Shares	Percentage of Voting Shares Outstanding	Percentage of Voting Shares Outstanding After Giving Effect to the Offering
2125820 Manitoba Ltd.	300,000	15.8%	9.8%
816231 Alberta Inc.	300,000	15.8%	9.8%
Faten B. N Ardakani	300,000	15.8%	9.8%
John F. O'Donnell	200,000	10.5%	6.5%
Max A. Polinsky	300,000	15.8%	9.8%
Fritz and Claudia Voelker	300,000	15.8%	9.8%

Notes: → Assumes completion of the entire Offering. Does not give effect to the exercise of any Common Share Purchase Warrants or the issuance of any Warrant Shares pursuant thereto.

DILUTION

After giving effect to the completion of the entire Offering of Special Warrants and the conversion thereof into Common Shares, the allocated price of \$0.30 per Common Share exceeds the unaudited net tangible book value per Common Share as at April 30, 1998 by \$0.21 (or 60% of the offering price) as set out below:

Offering price	\$0.30
Net tangible book value before this Offering	\$0.007
Increase in net book value attributed to this Offering	\$0.096
Net book value per Common Share after this Offering	\$0.103
Dilution to subscribers	\$0.197
Percentage of dilution in relation to offering price	65.6%

DIVIDENDS AND DIVIDEND POLICY

The Company has not paid any dividends on its Common Shares since incorporation. It is not the current intention of the board of directors to implement a policy of paying dividends. The Company intends to retain any earnings for working capital. The directors will periodically review this policy having regard to the Company's financial condition, capital expenditure requirements and financing plans.

PRIOR SALES OF SECURITIES

1,900,000 Common Shares were issued at a price of \$0.01 per share for a total of \$19,000 (SEE: "PRINCIPAL HOLDERS OF SECURITIES").

PLAN OF DISTRIBUTION

The Company is hereby offering for sale up to 1,170,000 Special Warrants at a price of \$0.30 per Special Warrant. The Offering will be made on a "best efforts" basis.

Each Special Warrant may be exchanged by the holder for one Unit at any time until the Expiry Date. Any Special Warrants not exercised prior to 5:00 p.m. (Toronto Time) on the Expiry Date shall be deemed to have been exercised immediately prior to that time without any further action on the part of the holder.

Each Unit is comprised of one Common Share and one Common Share Purchase Warrant. Each Common Share Purchase Warrant entitles the holder to purchase one Warrant Share at a price of \$0.40 per Warrant Share at any time up to the Clearance Date.

The Company shall use its reasonable best efforts to cause the issuance of the Common Shares to be qualified by a prospectus and to cause the Clearance Date to occur as expeditiously as possible.

The Special Warrants offered hereby have not been and will not be registered under the *United States Securities Act of 1933*, as amended (the "US Securities Act"). Accordingly, the Special Warrants may not be offered or sold within the United States. Except in accordance with Rule 144A under the US Securities Act, it will not offer, sell or deliver the Special Warrants offered hereby within the United States.

Further, until 40 days after the start of this Offering, any offer or sale of the Special Warrants within the United States by any dealer (whether or not participating in this Offering) may violate the registration requirements of the US Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A thereunder.

MANAGEMENT INTERESTS AND POTENTIAL CONFLICTS

The Company is subject to various conflicts of interest arising out of the interests of several of its directors and officers in other companies (SEE: "DIRECTORS AND OFFICERS OF THE COMPANY"). Potential conflicts of interests may arise which will not necessarily be able to be resolved through arms' length negotiations but will only be able to be resolved through the exercise of the director's or officer's (as the case may be) judgment consistent with his or her fiduciary responsibility to the Company.

RISK FACTORS

An investment in securities of the Company should be considered highly speculative due to the nature of the Company's business and its stage of development and should be considered only by investors who can afford the total loss of their investment.

The Company has no current operating business and has no meaningful history of operations. There can be no assurance that the Company will be successful or profitable.

There are certain factors which should be considered when evaluating an investment in the Company including: (i) any significant shortfall of demand in relation to expectation for the Company's products would have an adverse impact on the Company; (ii) additional financing may be required to develop the Company's products and services; (iii) the Company is experiencing competition for its products; (iv) the Company must continually upgrade and improve its product, or develop new products; (v) the Company will be negatively affected if other products similar to those of the Company with similar or superior features at lower prices become available; (vi) the Company is currently dependent upon its senior management, board of directors and consultants; (vii) The Company expects to experience significant growth in number of employees; (viii) the Company is substantially dependent on its relationship with strategic suppliers; (ix) there can be no assurance that the Company will be able to maintain or increase demand for its products; (x) the Company is susceptible to changes in exchange rates since it is supplied by a U.S. supplier; (xi) the Company does not anticipate paying dividends in the foreseeable future.

PROMOTERS

Max A. Polinsky, Murray R. Nye and Craig K. Clement may be considered to be promoters within the meaning of applicable securities legislation as they took the lead role in the organization of the Company's business.

MATERIAL CONTRACTS

Particulars of material contracts which have been entered into by the Company since its incorporation and as described in this Offering Memorandum, other than contracts entered into in the ordinary course of business, are as follows:

1. Distribution Agreement dated November 1, 2003.

Copies of the contracts referred to above may be inspected during normal business hours at the offices of the Company in Winnipeg during the course of this Offering and for a period of 30 days thereafter.

LEGAL MATTERS

Certain legal matters relating to this Offering will be passed upon for the Company by John F. O'Donnell, Law Chambers, Suite 2200, 181 University Avenue, Toronto, Ontario M5H 3M7.

REGISTRAR AND TRANSFER AGENT

The Company currently acts as its own registrar and transfer agent.

AUDITORS

The Company's auditors are DMCT, LLP, Chartered Accountants, Suite 2100, 20 Eglinton Avenue West, Toronto, Ontario M4R 1K8.

FINANCIAL STATEMENTS

The audited interim financial statements of the Company for the period from the date of incorporation (October 14, 2003) to November 30, 2003 (expressed in United States Dollars) are annexed hereto as an appendix and form part of this Offering Memorandum.

PURCHASERS' RIGHTS OF WITHDRAWAL, RESCISSION AND DAMAGES

The Company hereby grants to the purchasers a right of action against the Company which corresponds to the rights of action contained in all relevant securities legislation. These rights are available to purchasers of securities to whom the Offering Memorandum is delivered if the Offering Memorandum contains a misrepresentation. This is a right against the Company for rescission or damages. It may be exercised on notice to the Company for a period not exceeding 90 days after the date of payment for the securities. The rights granted correspond to the rights contained in section 130 of the *Securities Act* (Ontario). Securities legislation in several of the provinces provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendments. In several of the provinces and territories securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of his or her province or territory. In Ontario, this right of action is subject to the defence that the purchaser had knowledge of such misrepresentation. The purchaser should refer to any applicable provisions of the securities legislation of his or her province or territory for the particulars of these rights or consult with a legal advisor.

In addition to the foregoing, in the event a holder of a Special Warrant, who acquires Underlying Securities upon the exercise of the Special Warrant is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of the Final Prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of its Special Warrant(s) but also of the private placement transaction pursuant to which the Special Warrant was initially acquired, and shall be entitled in connection with such rescission to a full refund of all consideration paid to the Company, as the case may be, on the acquisition of the Special Warrant. In the event that such holder is a permitted assignee of the interest of the original Special Warrant subscriber, such permitted assignee shall be entitled to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original subscriber. The foregoing is in addition to any other right or remedy available to a holder of the Special Warrants under section 130 of the *Securities Act* (Ontario), otherwise at law.

These rights are in addition to and not in derogation from any other right or remedy available to the subscriber at law.

CERTIFICATE OF THE COMPANY

Dated: December 31, 2003

The foregoing constitutes full, true and plain disclosure of all material facts relating to the Company and the securities offered hereunder.

(Signed) "Murray R. Nye"
President

(Signed) "Max A. Polinsky"
Vice-President

(Signed) "Craig K. Clement"
Director

XPEL TECHNOLOGIES CORP.

LIST OF SUBSCRIBERS - SPECIAL WARRANTS @ US\$0.30 PER UNIT

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
1576162 Ontario Inc.		1050 Britannia Rd. E. Unit 9 Mississauga, Ontario L4W 4N9	32,000	9,600.00	Ontario	Section 2.3 of OSC Rule 45-501
Prospect Capital Corporation		10 Conrad Ave. Toronto, Ontario M6G 3G5	66,700	20,010.00	Ontario	Section 2.3 of OSC Rule 45-501
TOTAL			98,700 Units	\$29,610.00		

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Arthur	Robert F.	152 Castlegreen Close N.E. Calgary, Alberta T3J 1Y6	10,000	3,000.00	Alberta	Section 3.1 of MI 45-103
Swartzenberger	Tammy	7707-173 St. Edmonton, Alberta T5T 0T5	12,800	3,840.00	Alberta	Section 3.1 of MI 45-103
Corbett	John E.	83 Erin Cres. S.E. Calgary, Alberta T2P 3C8	7,000	2,100.00	Alberta	Section 3.1 of MI 45-103
Cugnet	Kelly	1408 Memorial Dr. N.W. Calgary, Alberta T2N 3E5	500	150.00	Alberta	Section 3.1 of MI 45-103
Cugnet	Lancy	1408 Memorial Dr. N.W. Calgary, Alberta T2N 3E5	500	150.00	Alberta	Section 3.1 of MI 45-103
Dodman	Patrick	Box 1174 Didsbury, Alberta T0M 0W0	3,000	900.00	Alberta	Section 3.1 of MI 45-103
Elia	Darren	3 Suncastle Place S.E. Calgary, Alberta T2X 2V2	1,000	300.00	Alberta	Section 3.1 of MI 45-103
Elia	Emilio	3 Suncastle Place S.E. Calgary, Alberta T2X 2V2	1,000	300.00	Alberta	Section 3.1 of MI 45-103
Ferreira	Hermينو	#7 Erin Park Close S.E. Calgary, Alberta T2B 2V5	8,400	2,520.00	Alberta	Section 3.1 of MI 45-103
Ferreira	Nuno Jose	Box 1438 Didsbury, Alberta T0M 0W0	83,400	25,020.00	Alberta	Section 3.1 of MI 45-103
Grose	Edwin	52 Elbow River Rd. Calgary, Alberta T3Z 2V2	1,000	300.00	Alberta	Section 3.1 of MI 45-103
Higgins	Bill	399 Banister Dr. Okotoks, Alberta T1S 1W2	16,700	5,010.00	Alberta	Section 3.1 of MI 45-103

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Knapfl	Selena	159-405 64 th Ave. N.E. Calgary, Alberta T2K 6J6	1,000	300.00	Alberta	Section 3.1 of MI 45-103
Nyhuis	Mike	9 Willow Park Rd. Stony Plain, Alberta T7Z 2P8	10,000	3,000.00	Alberta	Section 3.1 of MI 45-103
Reeves	Paige	31170 Elbow River Dr. Calgary, Alberta T3Z 2T8	10,000	3,000.00	Alberta	Section 3.1 of MI 45-103
N.D. Reeves in trust for Carter Reeves		31170 Elbow River Dr. Calgary, Alberta T3Z 2T8	5,000	1,500.00	Alberta	Section 3.1 of MI 45-103
N.D. Reeves in trust for Zachary Reeves		31170 Elbow River Dr. Calgary, Alberta T3Z 2T8	5,000	1,500.00	Alberta	Section 3.1 of MI 45-103
Saville	Roderick	7987 Wentworth Dr. S.W. Calgary, Alberta T3H 4P3	3,000	900.00	Alberta	Section 3.1 of MI 45-103
Simmie	Jarod	160 Brookgreen Dr. S.W. Calgary, Alberta T2W 2T8	1,000	300.00	Alberta	Section 3.1 of MI 45-103
Stolk	Jurgen	7707-173 St. Edmonton, Alberta T5T 0T5	12,800	3,840.00	Alberta	Section 3.1 of MI 45-103
Stone	Rob	124 Millrise Dr. S.W. Calgary, Alberta T2Y 2C9	16,700	5,010.00	Alberta	Section 3.1 of MI 45-103
Tanguay	Karen	52 Elbow River Rd. Calgary, Alberta T3Z 2V2	1,000	300.00	Alberta	Section 3.1 of MI 45-103
Underhill	Stuart	1131 Middleton Dr. N.E. Calgary, Alberta T2E 6C2	3,000	900.00	Alberta	Section 3.1 of MI 45-103
TOTAL			213,800 Units	\$64,140.00		

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Brahma Communications Corp.		18099-1269 56 th St. Delta, B.C. V4L 2A6	10,000	3,000.00	B.C.	Section 5.1 of MI 45-103
Duke	Dean	2441 Riverside Dr. N. Vancouver, B.C. V7H 1V8	30,000	9,000.00	B.C.	Section 5.1 of MI 45-103
First Associates Investments Inc. in trust for Alan Ashton, Account # 5A8815A		Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103
First Associates Investments Inc. in trust for Anthony J. Beruschi, Account # 5D2739A		Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103
First Associates Investments Inc. in trust for C & R Holdings, Account # 5AE161E		Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	20,000	6,000.00	B.C.	Section 5.1 of MI 45-103
First Associates Investments Inc. in trust for Drilex Resources Ltd., Account # 5AE160E		Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	20,000	6,000.00	B.C.	Section 5.1 of MI 45-103
First Associates Investments Inc. in trust for Fraser Hindson, Account # 5C9565A		Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	10,000	3,000.00	B.C.	Section 5.1 of MI 45-103
First Associates Investments Inc. in trust for Matthew Jong, Account # 5C6188A		Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	25,000	7,500.00	B.C.	Section 5.1 of MI 45-103
First Associates Investments Inc. in trust for Ford Nicholson, Account # 5D4554A		Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
	First Associates Investments Inc. in trust for Obelisk International Ltd., Account # 5A8761A	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103
	First Associates Investments Inc. in trust for Bill Sahota, Account # 5A5147A	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103
	First Associates Investments Inc. in trust for Ken Swaisland, Account # 5A8321A	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103
	First Associates Investments Inc. in trust for Adam Vorberg, Account # 5AE157E	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	20,000	6,000.00	B.C.	Section 5.1 of MI 45-103
	First Associates Investments Inc. in trust for Carol Vorberg, Account # 5AE158L	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	100,000	30,000.00	B.C.	Section 5.1 of MI 45-103
	First Associates Investments Inc. in trust for Chris Vorberg, Account # 5C1257E	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	100,000	30,000.00	B.C.	Section 5.1 of MI 45-103
	First Associates Investments Inc. in trust for Ramona Vorberg, Account # 5D5555A	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	3,000	900.00	B.C.	Section 5.1 of MI 45-103
	First Associates Investments Inc. in trust for Stewart Vorberg, Account # 5AE156A	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103
	First Associates Investments Inc. in trust for W M Technologies Inc., Account # 5E1205E	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
	First Associates Investments Inc. in trust for Woodburn Holdings Ltd., Account # 5A8713B	Suite 500, Bentall Five 550 Burrard St. Vancouver, B.C. V6C 2B5	2,000	600.00	B.C.	Section 5.1 of MI 45-103
Seeton	Ed	934 Cherry Pt. Rd. Cobble Hill, B.C. V0R 1L0	26,000	7,800.00	B.C.	Section 3.1 of MI 45-103
Seeton	Tim	934 Cherry Pt. Rd. Cobble Hill, B.C. V0R 1L0	4,000	1,200.00	B.C.	Section 3.1 of MI 45-103
Setynski	Suzanne	1810 W. 61 st Ave. Vancouver, B.C. V6P 2C4	3,000	900.00	B.C.	Section 3.1 of MI 45-103
Shewchuk	Carol	6216 Alington Rd. Duncan, B.C. V9L 2E9	20,000	6,000.00	B.C.	Section 3.1 of MI 45-103
Swan	Brendan	1810 W. 61 st Ave. Vancouver, B.C. V6P 2C4	22,000	6,600.00	B.C.	Section 3.1 of MI 45-103
Weidman	Jacob	33 E. 47 th Ave. Vancouver, B.C. V5W 2A4	1,000	300.00	B.C.	Section 3.1 of MI 45-103
Weidman	Joshua	33 E. 47 th Ave. Vancouver, B.C. V5W 2A4	1,000	300.00	B.C.	Section 3.1 of MI 45-103
Weidman	Leah	33 E. 47 th Ave. Vancouver, B.C. V5W 2A4	1,000	300.00	B.C.	Section 3.1 of MI 45-103
Weidman	Lisa	33 E. 47 th Ave. Vancouver, B.C. V5W 2A4	1,000	300.00	B.C.	Section 3.1 of MI 45-103
Weidman	Richard	33 E. 47 th Ave. Vancouver, B.C. V5W 2A4	1,000	300.00	B.C.	Section 3.1 of MI 45-103
TOTAL			436,000 Units	\$130,800.00		

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Averbach	Jay	#29-126 Portsmouth Blvd. Winnipeg, Manitoba R3P 1B6	1,500	450.00	Manitoba	Section 3.1 of MI 45-103
Belluz	A. A.	295 Aldine St. Winnipeg, Manitoba R3J 3A9	2,000	600.00	Manitoba	Section 3.1 of MI 45-103
Belluz	Anthony	295 Aldine St. Winnipeg, Manitoba R3J 3A9	14,000	4,200.00	Manitoba	Section 3.1 of MI 45-103
Bobrowski	Deryl	7 Finchurst Cres. Winnipeg, Manitoba R3K 1Y8	2,500	750.00	Manitoba	Section 3.1 of MI 45-103
Briscoe	Debbie	174 Ferndale Ave. Winnipeg, Manitoba R2H 1V5	1,000	300.00	Manitoba	Section 3.1 of MI 45-103
Gerry Caplap or Nancy Caplap		10 Woodcroft Bay Winnipeg, Manitoba R2R 1C7	4,000	1,200.00	Manitoba	Section 3.1 of MI 45-103
Chiappetta	Michael	1700A Waverly St. Winnipeg, Manitoba R3T 5V7	7,500	2,250.00	Manitoba	Section 3.1 of MI 45-103
Collyer	Don	Lot 3, Block 4 P.O. Box 108 Onanole, Manitoba R0J 1N0	1,000	300.00	Manitoba	Section 3.1 of MI 45-103
Collyer	Rhys	Lot 3, Block 4 P.O. Box 108 Onanole, Manitoba R0J 1N0	1,000	300.00	Manitoba	Section 3.1 of MI 45-103
Danyluk	David A.	1010-3063 Portage Ave. Winnipeg, Manitoba R3K 1Z2	10,000	3,000.00	Manitoba	Section 3.1 of MI 45-103
Danyluk	David John	190 Home St. Winnipeg, Manitoba R3G 1X1	4,500	1,350.00	Manitoba	Section 3.1 of MI 45-103

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Elcombe	Adam	110 Shoreline Dr. Winnipeg, Manitoba R3P 2E8	500	150.00	Manitoba	Section 3.1 of MI 45-103
Elcombe	Cayley	110 Shoreline Dr. Winnipeg, Manitoba R3P 2E8	500	150.00	Manitoba	Section 3.1 of MI 45-103
Farrell	Jim	2-929 Corydon Ave. Winnipeg, Manitoba R3M 0W8	5,000	1,500.00	Manitoba	Section 3.1 of MI 45-103
Foden	Les	280 Glencairn Rd. Winnipeg, Manitoba R2V 4V9	7,500	2,250.00	Manitoba	Section 3.1 of MI 45-103
Guttman	David A.	39 Carlyle Bay Winnipeg, Manitoba R3K 0H2	4,000	1,200.00	Manitoba	Section 3.1 of MI 45-103
James	Keith	652 Kingsway Winnipeg, Manitoba R3N 0H2	1,000	300.00	Manitoba	Section 3.1 of MI 45-103
Kingston	Alfred J.	394 Nightingale Rd. Winnipeg, Manitoba R3J 3G8	10,000	3,000.00	Manitoba	Section 3.1 of MI 45-103
Koslovsky	Mark	1655 Inkster Blvd. Winnipeg, Manitoba R2X 2W7	7,500	2,250.00	Manitoba	Section 3.1 of MI 45-103
Koslovsky	Sheldon	1655 Inkster Blvd. Winnipeg, Manitoba R2X 2W7	7,500	2,250.00	Manitoba	Section 3.1 of MI 45-103
Kuch	Hans	295 Aldine St. Winnipeg, Manitoba R3J 3A9	7,000	2,100.00	Manitoba	Section 3.1 of MI 45-103
Lasko	Lorraine	7 Harwick Lane Winnipeg, Manitoba R2J 3H2	1,000	300.00	Manitoba	Section 3.1 of MI 45-103

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Lasko	Paul	7 Harwick Lane Winnipeg, Manitoba R2J 3H2	3,000	900.00	Manitoba	Section 3.1 of MI 45-103
Mackinnon	Duncan	39 Bloomer Cres. Winnipeg, Manitoba R3R 3V3	4,500	1,350.00	Manitoba	Section 3.1 of MI 45-103
Martin	W. A.	1501-1710 Portage Ave. Winnipeg, Manitoba R3J 0E2	10,000	3,000.00	Manitoba	Section 3.1 of MI 45-103
Maycher	David	155 Elm St. Winnipeg, Manitoba R3M 3N4	5,000	1,500.00	Manitoba	Section 3.1 of MI 45-103
Milne	Gary	84 Kenville Cres. Winnipeg, Manitoba R2P 0X7	5,000	1,500.00	Manitoba	Section 3.1 of MI 45-103
Mitchell	Gaye	295 Aldine St. Winnipeg, Manitoba R3J 3A9	2,000	600.00	Manitoba	Section 3.1 of MI 45-103
Mitchell	Karen	39 Bloomer Cres. Winnipeg, Manitoba R3R 3V3	5,000	1,500.00	Manitoba	Section 3.1 of MI 45-103
Moss	Aaron	39 Envoy Cres. Winnipeg, Manitoba R2V 3K5	1,750	525.00	Manitoba	Section 3.1 of MI 45-103
Moss	Arnie	39 Envoy Cres. Winnipeg, Manitoba R2V 3K5	3,500	1,050.00	Manitoba	Section 3.1 of MI 45-103
Moss	Marly	39 Envoy Cres. Winnipeg, Manitoba R2V 3K5	1,750	525.00	Manitoba	Section 3.1 of MI 45-103
Nye	Debbie	Lot 3, Block 4 P.O. Box 108 Onanole, Manitoba R0J 1N0	1,000	300.00	Manitoba	Section 3.1 of MI 45-103
Pancoe	David	74 Glencagles Rd. Winnipeg, Manitoba R2J 2Y2	3,000	900.00	Manitoba	Section 3.1 of MI 45-103

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Philman Exchange Ltd.		528 Bower Blvd. Winnipeg, Manitoba R3P 0L8	11,500	3,450.00	Manitoba	Section 3.1 of MI 45-103
Phylron Enterprises Ltd.		428 Boreham Blvd. Winnipeg, Manitoba R3P 0J8	25,000	7,500.00	Manitoba	Section 3.1 of MI 45-103
Poitras	Neil	46 Magenta Cres. Winnipeg, Manitoba R2P 0B5	500	150.00	Manitoba	Section 3.1 of MI 45-103
Promislow	Norm	31 Carmarthen Blvd. Winnipeg, Manitoba R3P 0B3	30,000	9,000.00	Manitoba	Section 3.1 of MI 45-103
Sanders	John	162 Parkville Dr. Winnipeg, Manitoba R2M 2J1	5,100	1,530.00	Manitoba	Section 3.1 of MI 45-103
Silver	Michael	617 Park Blvd. E. Winnipeg, Manitoba R3P 0T7	33,400	10,020.00	Manitoba	Section 3.1 of MI 45-103
Smith	Jeffery	B-120 Wilmot Place Winnipeg, Manitoba R1A 2Z8	4,000	1,200.00	Manitoba	Section 3.1 of MI 45-103
Sodomsy	Sean	7 Frederick Ave. Winnipeg, Manitoba R2M 1E4	2,500	750.00	Manitoba	Section 3.1 of MI 45-103
Stewin	Stan	51 Shakespeare Bay Winnipeg, Manitoba R3K 0M5	5,000	1,500.00	Manitoba	Section 3.1 of MI 45-103
Verbrugge	Brigitte	10 Inman Ave. Winnipeg, Manitoba R2M 0R5	1,000	300.00	Manitoba	Section 3.1 of MI 45-103
Verbrugge	Gary	10 Inman Ave. Winnipeg, Manitoba R2M 0R5	23,500	7,050.00	Manitoba	Section 3.1 of MI 45-103
Weidman	Lois	1 Dunbar Cres. Winnipeg, Manitoba R3P 0W6	7,500	2,250.00	Manitoba	Section 3.1 of MI 45-103

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Whyte	Darrell	806-130 Bellevue Rd. Winnipeg, Manitoba R2M 1S7	10,000	3,000.00	Manitoba	Section 3.1 of MI 45-103
Whyte	Jessica	26 Cummings Cres. Winnipeg, Manitoba R2N 3P3	500	150.00	Manitoba	Section 3.1 of MI 45-103
Whyte	Joan A.	806-130 Bellevue Rd. Winnipeg, Manitoba R2M 1S7	1,000	300.00	Manitoba	Section 3.1 of MI 45-103
Whyte	Ryan	26 Cummings Cres. Winnipeg, Manitoba R2N 3P3	500	150.00	Manitoba	Section 3.1 of MI 45-103
Wiebe	Cliff	116-1039 Beaverhill Blvd. Winnipeg, Manitoba R2J 3R2	2,000	600.00	Manitoba	Section 3.1 of MI 45-103
TOTAL			309,000 Units	\$92,700.00		

Name		Address	# of Units	Purchase Price	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Acesthetic Surgery & Dermatology of Cherry Creek P.C.		210 University #460 Denver, CO U.S.A. 80206	2,000	600.00	Colorado (CO)	Rule 506 of Regulation D
Anduri	Myron	P.O. Box 1051 Fairplay, CO U.S.A. 80440	10,000	3,000.00	Colorado	Rule 506 of Regulation D
Boyle	Daniel F.	833 Race Denver, CO U.S.A. 80206	7,000	2,100.00	Colorado	Rule 506 of Regulation D
Boyle	Hailec E.	833 Race Denver, CO U.S.A. 80206	2,000	600.00	Colorado	Rule 506 of Regulation D
Boyle	Ian R.	833 Race Denver, CO U.S.A. 80206	2,000	600.00	Colorado	Rule 506 of Regulation D
Boyle	Stewart F.	833 Race Denver, CO U.S.A. 80206	2,000	600.00	Colorado	Rule 506 of Regulation D
Christmas Cove Corporation LLC		1755 Central "T" Denver, CO U.S.A. 80211	7,000	2,100.00	Colorado	Rule 506 of Regulation D
Greenbaum	Bradley R	590 Wyoming Circle Golden, CO U.S.A. 80403	2,000	600.00	Colorado	Rule 506 of Regulation D
Greenbaum	Forrest T.	590 Wyoming Circle Golden, CO U.S.A. 80403	2,000	600.00	Colorado	Rule 506 of Regulation D

Name		Address	# of Units	Purchase Price	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Greenbaum	Nathan	590 Wyoming Circle Golden, CO U.S.A. 80403	2,000	600.00	Colorado	Rule 506 of Regulation D
Greenbaum	Shannan	590 Wyoming Circle Golden, CO U.S.A. 80403	2,500	750.00	Colorado	Rule 506 of Regulation D
Lisenby	Benny R.	9035 W. Arizona Dr. Lakewood, CO U.S.A. 80232	2,500	750.00	Colorado	Rule 506 of Regulation D
Lisenby	Shirley	9035 W. Arizona Dr. Lakewood, CO U.S.A. 80232	2,500	750.00	Colorado	Rule 506 of Regulation D
Lucky	Wayne	1755 Central "I" Denver, CO U.S.A. 80211	1,667	500.00	Colorado	Rule 506 of Regulation D
Stewart	Adrienne E.	833 Race Denver, CO U.S.A. 80206	7,000	2,100.00	Colorado	Rule 506 of Regulation D
Richard Stubbs and Fritz Voelker JT COMMON		1755 Central "I" Denver, CO U.S.A. 80211	2,000	600.00	Colorado	Rule 506 of Regulation D
Stubbo Partners LLC		1755 Central "I" Denver, CO U.S.A. 80211	2,333	700.00	Colorado	Rule 506 of Regulation D
Venturebanc, Inc.		1755 Central "I" Denver, CO U.S.A. 80211	7,000	2,100.00	Colorado	Rule 506 of Regulation D

Name		Address	# of Units	Purchase Price	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Voelker	Claudia	1755 Central "I" Denver, CO U.S.A. 80211	3,000	900.00	Colorado	Rule 506 of Regulation D
Voelker Family Limited Partnership		1755 Central "I" Denver, CO U.S.A. 80211	7,000	2,100.00	Colorado	Rule 506 of Regulation D
Voelker	Frederich C.	1755 Central "I" Denver, CO U.S.A. 80211	7,000	2,100.00	Colorado	Rule 506 of Regulation D
TOTAL			82,500 Units	\$24,750.00		

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Withorn	Melissa D.	c/o Mohawk Ind. P.O. Box 12069 Calhoun GA U.S.A. 30703	1,000	300.00	Georgia (GA)	Rule 506 of Regulation D
Withorn	Taylor N.	c/o Mohawk Ind. P.O. Box 12069 Calhoun GA U.S.A. 30703	1,000	300.00	Georgia	Rule 506 of Regulation D
Withorn	Thomas J., III	c/o Mohawk Ind. P.O. Box 12069 Calhoun GA U.S.A. 30703	1,000	300.00	Georgia	Rule 506 of Regulation D
TOTAL			3,000 Units	\$900.00		

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Reider	Phil	155 Wailea Ike Place, #91 Kihei, HI U.S.A. 96753	25,000 Units	\$7,500.00	Hawaii (HI)	Rule 506 of Regulation D

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Casey	Douglas	c/o Bruce Meadows 629 Helena Ave. Helena, MT U.S.A. 89601	50,000 Units	\$15,000.00	Montana (MT)	Rule 506 of Regulation D

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Sertner	Stacey	33 Loman Court Cresskill, N.J. U.S.A. 07626	33,333 Units	\$10,000.00	New Jersey (NJ)	Rule 506 of Regulation D

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Brunner	Ross	1901 Cloverleaf Dr. Ardmore, Oklahoma U.S.A. 73401	25,000 Units	\$7,500.00	Oklahoma (OK)	Rule 506 of Regulation D

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Barnes	William F.	258 Glomin Lane Pottsboro, Texas U.S.A. 75076	10,000	\$3,000.00	Texas (TX)	Rule 506 of Regulation D
Brunner	R. D.	550 W. Texas Ave., Suite 110 Midland, Texas U.S.A. 79701	50,000	15,000.00	Texas	Rule 506 of Regulation D
Burchell	Sean	3007 Whisper Lark San Antonio, Texas U.S.A. 78230	10,000	3,000.00	Texas	Rule 506 of Regulation D
Constantine	John	1506 Hartford Austin, Texas U.S.A. 78703	6,667	2,000.00	Texas	Rule 506 of Regulation D
Creede Exploration, Inc.		1604 Panther Lane College Station, Texas U.S.A. 77840	5,000	1,500.00	Texas	Rule 506 of Regulation D
Etlinger	John	1303 McCullough 542 San Antonio, Texas U.S.A. 78212	5,000	1,500.00	Texas	Rule 506 of Regulation D
Hutton	Brian Philip	3904 Old Place Rd. Arlington, Texas U.S.A. 76016	3,334	1,000.00	Texas	Rule 506 of Regulation D
Hutton	Glenn C., Jr.	2815 Texas Dr. Arlington, Texas U.S.A. 76015	16,667	5,000.00	Texas	Rule 506 of Regulation D
Hutton	Robert Glenn	3904 Old Place Rd. Arlington, Texas U.S.A. 76016	3,334	1,000.00	Texas	Rule 506 of Regulation D

Name		Address	# of Units	Purchase Price (\$)	Jurisdiction	Category of Investor
Last	First, Middle Initial, Title					
Miller	Ivan Jack, Jr.	P.O. Box 2501 Ft. Worth, Texas U.S.A. 76113	33,333	10,000.00	Texas	Rule 506 of Regulation D
Taylor	Thomas	21216 Mockingbird Lane Spicewood, Texas U.S.A. 78669	2,000	600.00	Texas	Rule 506 of Regulation D
	Whitney Brunner Trust, The (DTD 8/19/88)	P.O. Box 6191 San Antonio, Texas U.S.A. 78209	16,666	5,000.00	Texas	Rule 506 of Regulation D
	William Brunner Jr. Trust, The (DTD 8/19/88)	P.O. Box 6191 San Antonio, Texas U.S.A. 78209	16,666	5,000.00	Texas	Rule 506 of Regulation D
TOTAL			178,667 Units	\$53,600.00		
GRAND TOTAL			1,455,000 Units	\$436,500.00		

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