NORTHSTAR ELECTRONICS INC
Form 10-Q
November 19, 2008

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

[x] QUARTERLY REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES AND EXCHANGE ACT OF 1934 For the quarterly period ended SEPTEMBER 30, 2008

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE EXCHANGE ACT For the transition period from n/a to n/a

333-90031
Commission file number

NORTHSTAR ELECTRONICS, INC.
Exact name of small business issuer as specified in its charter

DELAWARE
State or other jurisdiction of organization

#33-0803434
IRS Employee Identification #

SUITE # 1455 - 409 GRANVILLE STREET,
VANCOUVER, BRITISH COLUMBIA, CANADA V6C 1T2
Address of principal executive offices

(604) 685-0364
Issuer's telephone number

NOT APPLICABLE
Former name, former address and former fiscal year, if changed since last report

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

YES [X] No[ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

[ ]Large accelerated filer [ ]Accelerated filer [X]NON-ACCELERATED FILER

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

[ ]Yes [X]NO

Applicable only to issuers involved in bankruptcy proceedings during the preceding five years:

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [] No [] NOT APPLICABLE [X]

Applicable only to corporate issuers:

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

COMMON SHARES AS OF OCTOBER 30, 2008:27,657,081

Transitional Small Business Disclosure Format (check one):
Yes [] NO [X]

PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS -

NORTHSTAR ELECTRONICS, INC.
Consolidated Balance Sheets
U.S. Dollars

	SEPTEMBER 30 2008 UNAUDITED	DECEMBER 31 2007
ASSETS		
Current		
Cash	$56,962	$34,053
Receivables	568,321	617,284
Inventory and work in progress	100,824	62,267
Prepaid expenses	49,605	69,872
Total Current Assets	775,712	783,476
Inventories and costs relating to long term contracts in process	371,826	268,770
Intangible assets	19,969	24,783
Property and Equipment	59,805	59,756
Total Assets	$1,227,312	$1,136,785
LIABILITIES		
Current		
Accounts payable and accrued liabilities	$1,739,501	$1,044,624
Loans payable	141,616	137,294
Deferred revenue	-	125,668
Due to Cabot Management Limited	51,217	55,528
Due to Directors	824,112	566,321
Current portion of long term debt	202,616	250,289
Total Current Liabilities	2,959,062	2,179,724
Long Term Debt	1,514,285	1,551,890
Total Liabilities	4,473,347	3,731,614
STOCKHOLDERS' DEFICIT		
Common Stock		
Authorized		
100,000,000 shares of common stock with a par		

value of $0.0001 each		
20,000,000 shares of preferred stock with a par value of $0.0001 each		
Issued and outstanding		
29,573,440 shares of common stock (27,657,081 December 31, 2007)	2,958	2,766
40,000 shares of preferred series A stock	30,000	-
Additional Paid in Capital	4,918,778	4,765,743
Other Comprehensive loss	(293,913)	(460,287)
Accumulated deficit	(7,903,858)	(6,903,051)
Total Stockholders' Deficit	(3,246,035)	(2,594,829)
Total Liabilities and Stockholders' Deficit	$1,227,312	$1,136,785

The accompanying notes are an integral part of the financial statements

NORTHSTAR ELECTRONICS, INC.
Consolidated Statements of Operations
Three Months and Nine Months Ended September 30
Unaudited

U.S. Dollars

	THREE MONTHS		NINE MONTHS	
	2008	2007	2008	2007
Sales	$615,378	$682,033	$1,531,612	$1,203,500
Cost of goods sold	571,404	243,742	1,150,582	479,423
Gross margin	43,974	438,291	381,030	724,077
Other income (expense)	13	(5,832)	6,996	0
Recovery of research and development	60,758	12,027	132,006	107,462
	104,745	444,486	520,032	831,539
Operating Expenses				
Salaries	211,772	281,170	846,881	758,870
Consulting	30,000	33,533	72,650	111,753
Professional fees	22,926	30,337	49,941	29,006
Investor relations	2,114	995	23,264	35,751
Finance fees	0	13,125	49,500	22,990
Rent	39,570	39,875	102,870	71,096
Research and development	26,329	364	40,120	1,541
Office	14,942	55,749	54,512	109,460
Travel and business development	2,110	18,862	86,175	76,060
Interest on debt	66,201	9,560	132,359	23,369
Heat, light and telephone	14,690	51	44,901	24,641
Amortization	6,204	5,842	16,574	17,146
Transfer agent	491	628	1,092	3,958
Total operating expenses	437,349	490,091	1,520,839	1,285,641
Net income (loss) for the period	$(332,604)	$(45,605)	$(1,000,807)	$(454,102)
Net loss per share	$(0.01)	$(0.00)	$(0.03)	$(0.02)
Weighted average number of shares outstanding	29,094,349	26,357,944	28,615,260	25,147,299

The accompanying notes are an integral part of the financial statements

NORTHSTAR ELECTRONICS, INC.
Consolidated Statement of Changes in Stockholders' Equity (Deficit)
Nine Months Ended September 30, 2008
Unaudited
U.S. Dollars

	Shares	Amount	Additional Paid in Capital	Other Compre-hensive Income	Accumu-lated Deficit	Total Stockholder Equity (Deficit)
Balance December 31, 2007	27,657,081	$2,766	$4,765,743	$(460,287)	$(6,903,051)	$(2,594,829)
Net loss for nine months	-	-	-	-	(1,000,807)	(1,000,807)
Currency Translation adjustment	-	-	-	166,374	-	166,374
Issuance of common stock:						
- for cash	1,166,664	117	84,883	-	-	85,000
- for services	749,695	75	68,152	-	-	68,227
Balance September 30, 2008	29,573,440	$2,958	$4,918,778	$(293,913)	$(7,903,858)	$(3,276,035)
Series A shares of preferred stock - subscribed						30,000
Total stockholders' equity (deficit)						$(3,246,035)

See notes to the consolidated financial statements

NORTHSTAR ELECTRONICS, INC.
Consolidated Statements of Cash Flows
Nine Months Ended September 30, 2008
Unaudited
U.S. Dollars

	September 30 2008	2007
Operating Activities		
Net (loss)	$(1,000,807)	$(454,102)
Adjustments to reconcile net (loss) to net cash used by operating activities		
Amortization	16,224	17,146

Issuance of common stock for services	78,227	210,020
Changes in operating assets and liabilities	654,201	(229,972)
Net cash (used by) operating activities	(252,155)	(456,908)
Investing Activity		
Recovery (acquisition) of property and equipment	(18,023)	(16,466)
Financing Activities		
Issuance of common stock for cash - net	105,000	134,250
Increase of long term debt	54,644	357,751
Due to Cabot Management Limited	-	-
Advances from (repayment to) directors	267,353	27,042
Net cash provided by financing activities	426,997	519,043
Effect of foreign currency translation on cash	(133,910)	21,887
Inflow (outflow) of cash	22,909	67,556
Cash, beginning of period	34,053	24,300
Cash, end of period	$56,962	$91,856
SUPPLEMENTAL INFORMATION		
Interest paid	$132,359	$ 23,369
Shares issued for services	$ 78,227	$210,020
Corporate income taxes paid	$ 0	$ 0

The accompanying notes are an integral part of the financial statements

NORTHSTAR ELECTRONICS, INC.
Notes to Consolidated Financial Information
Nine Months Ended September 30, 2008
Unaudited
U.S. Dollars

1. NATURE OF OPERATIONS AND ABILITY TO CONTINUE AS A GOING CONCERN These consolidated financial statements include the accounts of Northstar Electronics, Inc. ("the Company") and its wholly owned subsidiaries Northstar Technical Inc. ("NTI") and Northstar Network Ltd. ("NNL"). All inter company balances and transactions are eliminated. The Company was incorporated May 11, 1998 in the State of Delaware and had no operations other than organizational activities prior to the January 2000 merger with NTI described as follows: On January 26, 2000 the Company completed the acquisition of 100% of the shares of NTI. The Company, with the former shareholders of NTI receiving a majority of the total shares then issued and outstanding, effected the merger through the issuance of 4,901,481 shares of common stock from treasury. The transaction has been accounted for as a reverse take over resulting in the consolidated financial statements including the results of operations of the acquired subsidiary prior to the merger.

The Company's business activities are conducted principally in Canada but these financial statements are prepared in accordance with accounting principles generally accepted in the United States with all figures translated into United States dollars for reporting purposes.

These unaudited consolidated interim financial statements have been prepared by management in accordance with accounting principles generally accepted in the United States for interim financial information, are condensed and do not include all disclosures required for annual financial statements. The organization and business of the Company, accounting policies followed by the Company and other information are contained in the notes to the Company's audited consolidated financial statements filed as part of the Company's December 31, 2007 Form 10-KSB and amendments.

In the opinion of the Company's management, this consolidated interim financial information reflects all adjustments necessary to present fairly the Company's consolidated financial position at September 30, 2008 and the consolidated results of operations and the consolidated cash flows for the nine months then ended. For the nine months ended September 30, 2008: 88% of the Company's revenues were generated from a contract with a subsidiary of a major US customer. The Company is continually marketing its services for follow on contracts.

The results of operations for the nine months ended September 30, 2008 are not necessarily indicative of the results to be expected for the entire fiscal year. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. During the nine months to September 30, 2008 the Company incurred a net loss of $1,000,807 (year to December 31, 2007: $778,818) and at September 30, 2008 had a working capital deficiency (an excess of current liabilities over current assets) of $2,183,350 (December 31, 2007: $1,396,248), including $202,616 of long term debt due within one year (December 31, 2007: $250,289).

Management has undertaken initiatives for the Company to continue as a going concern: for example, the Company is negotiating to secure an equity financing in the short term and is in discussions with several financing firms. The Company

also expects to increase revenues from product and contract sales. As well, the Company continues to seek manufacturing assembly contracts that will result in increased revenue. These initiatives are in recognition that the Company to continue as a going concern must generate sufficient cash flow to cover its obligations and expenses. In addition, management believes these initiatives can provide the Company with a solid base for profitable operations, positive cash flows and reasonable growth. Management is unable to predict the results of its initiatives at this time. Should management be unsuccessful in its initiative to finance its operations the Company's ability to continue as a going concern is not certain. These financial statements do not give effect to any adjustments to the amounts and classifications of assets and liabilities which might be necessary should the Company be unable to continue its operations as a going concern.

2. SHARE CAPITAL

COMMON STOCK

During the nine months ended September 30, 2008 the following shares of common stock were issued: For services: 749,695 shares fairly valued at $68,227, the market value of those services For cash: 1,166,664 shares fairly valued for cash of $85,000.

PREFERRED STOCK

For cash: 40,000 series A shares of preferred stock for $30,000. The preferred shares bear interest at 10% per annum paid semi annually not in advance and are convertible to shares of common stock of the Company after two years from receipt of funds at a 20% discount to the then current market price of the Company's common stock. The preferred shares may be converted after six months and before two years under similar terms but with a 15% discount to market. At September 30, 2008 the Company had received $30,000 for 40,000 preferred shares but had not issued the shares.

3. LONG TERM DEBT

Balance due to Atlantic Canada Opportunities Agency ("ACOA")	
December 31, 2007	$1,802,179
Increase in ACOA funding	54,644
Effect of foreign exchange on translation to US dollars	(139,922)
Balance due to ACOA September 30, 2008	1,716,901
Less current portion	(202,616)
	$1,514,285

4. REVENUE

		Nine months 2008	Nine months 2007
Revenue consists of:	NETMIND sales	$174,806	$649,570
	Contract sales	1,356,806	553,930
	Government assistance	132,006	107,462
	Other	6,996	0
		$1,670,614	$1,310,962

5. CONTINGENCIES

(i) The Company is a defendant in a lawsuit commenced against them in 1999 by their former master distributor. The former distributor has alleged that the Company interfered with the ability of the former distributor to sell products. The Company has filed a counter claim for monies owing by the former distributor to the Company. There has been no action from either side to date.

(ii) The Company is contingently liable to repay $1,997,144 in assistance received under the Atlantic Innovation Fund. The assistance is repayable annually at the rate of 5% of gross revenues from sales of products resulting from the Aquacomm research and development project. Gross revenues are to be calculated for the fiscal year immediately preceding the due date of the respective payment. Repayment is to continue until the assistance is repaid in full. At September 30, 2008 the Company has accrued $45,058 as repayable.

6. SUBSEQUENT EVENT Subsequent to September 30, 2008 the Company issued 617,500 shares of common stock for services valued at $8,225 plus cash received of $40,000.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION. The following discussion should be read in conjunction with the accompanying unaudited consolidated financial information for the three and nine month periods ended September 30, 2008 and September 30, 2007 prepared by management and the audited consolidated financial statements for the twelve months ended December

31, 2007 as presented in the Form 10K.

Although the Company has experienced a net loss this quarter, it has clearly reflected positive growth in contract sales and continues to expend effort in developing new markets, securing new contracts for the contract manufacture of military/government systems, submarine command and control consoles and precision machined parts and other components for defense systems.

The Company believes that its overall business prospects look promising and anticipates increased revenues in the near to medium future.

SPECIAL NOTE REGARDING FORWARD LOOKING STATEMENTS Certain statements in this report and elsewhere (such as in other filings by the Company with the Securities and Exchange Commission ("SEC"), press releases, presentations by the Company of its management and oral statements) may constitute "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," and "should," and variations of these words and similar expressions, are intended to identify these forward-looking statements. Actual results may materially differ from any forward-looking statements. Factors that might cause or contribute to such differences include, among others, competitive pressures and constantly changing technology and market acceptance of the Company's products and services. The Company undertakes no obligation to publicly release the result of any revisions to these forward- looking statements, which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

THE COMPANY'S SERVICES The Company, through its subsidiaries, is an underwater sonar technology developer (USTD), a defense electronics contract manufacturer (CM) and a defense systems integrator (DSI).

UNDERWATER SONAR PRODUCTS AND TECHNOLOGIES A) THE NETMIND SYSTEM The Company's first underwater sonar product based on core technology is the NETMIND system. NETMIND's market is the world's commercial fishing industry and

government oceanic research agencies. One of our largest customers has been the United States National Oceanic and Atmospheric Administration (NOAA).

NETMIND is both a conservation tool as well as an efficiency tool. Electronic sensors attached to a fishing trawl measure the height and width of the net opening, the water temperature, the depth of the net and the amount of fish caught plus other parameters. The sensor information is transmitted via a wireless communications link back to the ship.

NETMIND helps prevent over fishing and allows fishermen to catch fewer fish and still make profits. This gives regulators flexibility in reducing quotas when attempting to conserve limited fish stocks. NETMIND sales decreased from the same period last year due to a shortfall in operating capital and thereby delaying production of NETMIND orders during the quarter. Steps have been taken to make working capital available internally to rectify the situation and orders are presently moving through production. A potential and substantial market exists in Ireland, Scotland and the surrounding regions.

B) DEFENSE SONAR SYSTEMS The Company is a subcontractor on Lockheed Martin's anti terrorism Swimmer Detection System (SDS). The SDS is a wide band high frequency sonar system designed specifically to detect and classify underwater terrorist threats. The Company, in collaboration with Lockheed Martin Canada, is also involved in the design of a wide band sonar projector. The design and technology is applicable to innovative military sonar products one of which the Company is developing for Lockheed Martin.

DEFENSE CONTRACT MANUFACTURING A manufacturing contract for seven submarine command control consoles was received in March and could lead to additional similar console manufacturing contracts.

The Company's wholly owned subsidiary, Northstar Network Ltd., continued work on the Master Purchase Order for the Wing Assembly Upgrade Component for the P-3 ORION aircraft from Lockheed Martin Aeronautics totaling US$6,307,191 over five years. This work extends to the year 2012 and the Company is manufacturing components for new production service life extension kits for this Lockheed Martin Service Life Extension Program.

SYSTEMS INTEGRATION The Company is developing its approach to securing and executing large defense contracts by bringing together affiliate companies. The overall affiliate capability, which is substantial, is presented to the prime contractors. Marketing efforts continue in this area to broaden our exposure for manufacturing opportunities.

The aforementioned P3 ORION Master Purchase Order is an example of how Systems Integration works for us. In this project, six subcontractors carry out various tasks, with Northstar bringing all the component parts together for testing, quality control and delivery to the customer.

RESULTS OF OPERATIONS Comparison of the three and nine months ended September 30, 2008 with the three and nine months ended September 30, 2007: Gross revenues from sales, miscellaneous and research and development recovery for the three months ended September 30, 2008 were $676,149 compared to $688,228 in the comparative prior three month period. Gross revenues from

sales, miscellaneous income and research and development recovery for the nine months ended September 30, 2008 were $1,670,614 compared to $1,310,962 in the comparative prior nine month period.

Sales revenue for the three months ended September 30, 2008 were $676,149 compared to $682,033 of sales revenue recorded during the same period of the prior year. This comparative decrease is the result of the contracts currently in place. Sales revenue for the nine months ended September 30, 2008 was $1,531,612 comparable to $1,203,500 in the comparative prior period. The increase is attributable to the contracts commenced during the nine months. Gross margins decreased from $724,077 (60%) in the prior nine month period to $381,030 (25%) in the current period due to the increase in contract sales which generate a lower margin.

The net loss for the three months ended September 30, 2008 was $(332,604) compared to a net loss of $(45,605) for the three months ended September 30, 2007. During the quarter the Company went through the largest production and delivery under its Lockheed Martin Aeronautics contract. Material inventories increased along with increased cost for part inspections. Once First Review of parts is done it is not required again and production cost will reduce in the future. Additional resources were undertaken for future contract manufacturing opportunities. Additional bid opportunities are anticipated in the next quarter. Revenues for the coming quarter for the in-place contracts are expected to increase 25% while maintaining the existing base expenditures.

Travel and business development costs were $86,175 for the nine months ended September 30, 2008 compared to $76,060 for the period ended September 30, 2007 as the Company attempts to reduce costs but maintain its efforts to expand major contract sales.

The Company is actively pursuing contracts for its sonar capabilities in military and anti terrorist applications. As well the Company has bid on several contract manufacturing military contracts and, as previously mentioned, is working on current contracts from Lockheed Martin.

During the quarter the Company decreased expenditures on salaries and overheads during a period where NETMIND sales were significantly curtailed in the industry in part due to extraordinary fuel costs.

The Company continued on its research and development program at a reduced pace towards extending its underwater wireless communication technology into new products. Salaries increased to $846,881 for the nine months ended September 30, 2008 compared to salaries of $758,870 for the comparative prior nine months ended September 30, 2007 as work further increased on the aeronautics contract.

COMPARISON OF FINANCIAL POSITION AT SEPTEMBER 30, 2008 WITH DECEMBER 31, 2007
The Company's working capital deficiency at September 30, 2008 decreased to $2,183,350 with current liabilities of $2,959,062 in excess of current assets of $775,712. At December 31, 2007 the Company had a working capital deficiency of $1,396,248.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES We have adopted various accounting policies that govern the application of accounting principles generally accepted in the United States of America in the preparation of our financial statements. Our significant accounting policies are described in the footnotes to our financial statements at December 31, 2006. The preparation of financial statements in conformity with accounting principles

generally accepted in the United States of America requires us to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes.

Although these estimates are based on our knowledge of current events and actions it may undertake in the future, they may ultimately differ from actual results. Certain accounting policies involve significant judgments and assumptions by us which have a material impact on our financial condition and results. Management believes its critical accounting policies reflect its most significant estimates and assumptions used in the presentation of our financial statements. Our critical accounting policies include revenue recognition, accounting for stock based compensation and the evaluation of the recoverability of long lived and intangible assets. We do not have off-balance sheet arrangements, financings or other relationships with unconsolidated entities or other persons, also known as "special purpose entities".

LIQUIDITY AND CAPITAL RESOURCES The Company has increased its shareholder's deficit as a result of its efforts to increase its business activity and customer base. Cash inflow in the nine months ended September 30, 2008 was $22,909 compared to an inflow of cash of $67,556 for the nine months ended September 30, 2007. The Company received $426,997 during the nine months to September 30, 2008 ($519,043 in the prior comparative period) from financing activities and used cash of $252,155 in its operations during the nine months ended September 30, 2008 (used $456,908 in the prior comparative nine month period), leaving cash on hand at September 30, 2008 of $56,962 compared to cash on hand of $34,053 at December 31, 2007. Until the Company receives its next contract and/or increases its product sales revenue, it will be dependent upon equity and loan financings to compensate for the outflow of cash anticipated from operations.

The Company has a private placement offering pursuant to Regulations D and S with the expectation of raising capital. Any funds so raised are targeted for product development, marketing and general working capital.

ITEM 3. CONTROLS AND PROCEDURES (a) Evaluation of disclosure controls and procedures Based on the evaluation of the Company's disclosure controls and procedures (as defined in Rules 13a-14(c) and 15d-14(c) under the Securities Exchange Act of 1934) for the end of the period covered by this report, being

September 30, 2008, on Form 10-Q, our chief executive officer and chief financial officer has concluded that our disclosure controls and procedures are designed to ensure that the information we are required to disclose in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms and are operating in an effective manner.

(b) Changes in internal controls There were no changes in our internal controls or in other factors that could affect these controls subsequent to the date of their most recent evaluation.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS. No change since previous filing.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

Options Granted	Date	Exercise Price	Expiry Date
Nil	-	-	-
Warrants Issued			
Nil	-	-	-

Common Stock Issued	Date	Consideration
550,000	January, 2008	finance fees valued at $49,500
133,333	February, 2008	cash of $10,000
199,695	March, 2008	services valued at $18,727
333,332	April 15, 2008	cash of $20,000
166,666	April 28, 2008	cash of $10,000
33,333	May 26, 2008	cash of $5,000
500,000	June 3, 2008	cash of $40,000

Preferred Stock Subscribed

40,000 series A shares for cash of $30,000 and convertible to shares of common stock - proceeds were used in working capital.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.
No change since previous filing.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.
No change since previous filing.

ITEM 5. OTHER INFORMATION.
No change since previous filing

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

Exhibit 31.1 -CERTIFICATION PURSUANT TO 18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

Exhibit 32.1-CERTIFICATION PURSUANT TO 18 U.S.C. ss.1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

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

November 12, 2008 Northstar Electronics, Inc.
(Registrant)

By: /s/ Wilson Russell

Wilson Russell
PhD, President and Principal Financial Officer