

**iGAMING CORPORATION  
(FORMERLY DPC BIOSCIENCES CORPORATION)  
CONSOLIDATED FINANCIAL STATEMENTS  
NOVEMBER 30, 2006 and 2005**

# ***Vellmer & Chang***

**Chartered Accountants \***

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\* denotes a firm of incorporated professionals

## AUDITORS' REPORT

**To the Shareholders of  
IGAMING CORPORATION**  
(formerly DPC Biosciences Corporation)

We have audited the consolidated balance sheet of iGaming Corporation (formerly DPC Biosciences Corporation) as at November 30, 2006 and the consolidated statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at November 30, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at November 30, 2005 and for the year then ended were audited by other auditors who expressed an opinion without reservation in their issued report dated December 19, 2005.

Vancouver, Canada  
March 30, 2007

***"Vellmer & Chang"***  
Chartered Accountants

**iGAMING CORPORATION**  
**(Formerly DPC Biosciences Corporation)**  
**Consolidated Balance Sheets**  
**As at November 30, 2006 and 2005**  
**(Expressed in Canadian Dollars)**

	<b>2006</b>	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,139,046	\$
Accounts Receivable (Note 5)	122,769	
Cash Merchant Reserves (Note 3)	872,165	
Prepaid expenses and deposits	89,312	
Promissory note receivable – current (Note 6)	30,841	
	<u>4,254,133</u>	
Property and Equipment (Note 7)	1,342,496	
Intangible Assets (Note 8)	2,186,227	
Promissory note receivable - non current (Note 6)	8,632	
Restricted Cash (Note 3)	113,430	
	<u>7,904,918</u>	<u>\$</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Bank Loan (Note 10)	\$ 250,184	\$
Accounts Payable and Accrued Liabilities (Note 9)	646,110	2
Commission and Chargeback Reserves (Note 3)	76,733	
Current portion of long-term debt	-	
Due to related parties (Note 11)	461,925	
Deferred revenue - current	2,770,354	
	<u>4,205,306</u>	<u>3</u>
Deferred Revenue – non current	92,150	
	<u>4,297,456</u>	<u>\$ 3</u>
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>		
Share Capital (Note 12)	\$ 11,108,560	\$ 5,6
Contributed Surplus (Note 12)	2,260,407	1,9
Deficit	(9,761,505)	(7,91
	<u>3,607,462</u>	<u>(31</u>
<b>Total Liabilities and Shareholders' Equity</b>	<u>\$ 7,904,918</u>	<u>\$</u>

Signed **“Christopher Kape”**, Chief Executive Officer

Signed **“Robert Manis”**, Chief Financial Officer”

**iGAMING CORPORATION**

(Formerly DPC Biosciences Corporation)

**Consolidated Statements of Operations and Deficit**

For the years ended November 30, 2006 and 2005

(Canadian Dollars)

	<b>2006</b>	<b>2005</b>
<b>Income</b>		
Revenues	\$ 2,456,035	\$ -
Interest	84,132	-
	2,540,167	-
<b>Direct Costs (schedule A)</b>	200,423	
<b>Selling Expenses (schedule A)</b>	2,446,585	-
<b>Administrative Expenses (schedule A)</b>	1,551,077	44,490
<b>Amortization of property and equipment</b>	111,574	
<b>Amortization of intangible assets</b>	150,932	
<b>Stock based compensation expense</b>	268,632	-
<b>Loss Before under-noted items</b>	(2,189,056)	(44,490)
Foreign currency translation gain	22,920	-
Gain on sale of equipment	-	6,147
	22,920	6,147
<b>Net Loss from continued operations</b>	(2,166,136)	(38,343)
<b>Net Income from discontinued operations (Note 13)</b>	322,690	-
<b>Net Loss for the year</b>	(1,843,446)	(38,343)
<b>Deficit, Beginning of Year</b>	(7,918,059)	(7,879,716)
<b>Deficit, End of Year</b>	\$ (9,761,505)	\$ (7,918,059)
<b>Basic and diluted net loss per common share</b>		
- Net loss from continued operations	\$ (0.065)	\$ (0.002)
- Net income (loss) from discontinued operations	\$ 0.010	\$ -
- Net income (loss) for the year	\$ (0.055)	\$ (0.002)
<b>Weighted average number of common shares outstanding</b>		
- Basic and Diluted	33,488,814	19,527,081

**iGAMING CORPORATION**  
**(Formerly DPC Biosciences Corporation)**  
**Consolidated Statements of Cash Flows**  
**For the years ended November 30, 2006 and 2005**  
**(Canadian dollar)**

	2006	2005
<b>Cash provided by (used in) Operating Activities</b>		
Net income (loss) for the year	\$ (1,843,446)	\$ (38,343)
Net income from discontinued operations	(322,690)	-
Net income (loss) from continued operations	(2,166,136)	(38,343)
Items not involving cash		
Amortization	262,506	-
Stock based compensation expense	268,632	-
Gain on disposal of capital assets	-	(6,147)
Foreign exchange gain/loss	27,792	-
	(1,607,206)	(44,490)
<b>Changes in Non-Cash Working Capital</b>		
(Increase) decrease in accounts receivable	91,049	(3,216)
(Increase) decrease in merchant reserves	2,688	-
(Increase) decrease in prepaid expenses and deposits	105,739	-
Increase (decrease) in accounts payable and accrued liabilities	213,710	-
Increase (decrease) in commission and chargeback reserves	20,979	-
Increase (decrease) in deferred revenue	513,340	-
	947,505	(3,216)
<b>Net Cash provided by (used in) Operating Activities</b>	(659,701)	(47,706)
<b>Cash provided by (used in) Financing Activities</b>		
Common shares issued, net	4,394,289	41,951
Increase (decrease) in bank loan payable	(13,817)	-
(Increase) decrease in promissory note receivable	(15,031)	(1,040)
(Increase) decrease in due to/from related party	(54,844)	-
<b>Net Cash provided by (used) in Financing Activities</b>	4,310,597	40,911
<b>Cash provided by (used in) Investing Activities</b>		
Acquisitions of property and equipment	(34,607)	-
Acquisition of intangible assets	(576,537)	-
Increase (decrease) in cash from assets acquisition	86,461	-
Disposal of capital assets	-	6,147
Proceeds from Disposition of Subsidiary	10	-
<b>Net Cash provided by (used in) Investing Activities</b>	(524,673)	6,147
<b>Net increase (decrease) in Cash</b>	3,126,223	(648)
<b>Cash and cash equivalents, Beginning of Year</b>	12,823	13,471
<b>Cash and cash equivalents, End of Year</b>	\$ 3,139,046	\$ 12,823
<b>Supplementary Information</b>		
<b>Interest Paid</b>	\$ 4,531	\$ 146

**iGAMING CORPORATION**  
**(Formerly DPC Biosciences Corporation)**  
**Notes to Consolidated Financial Statements**  
**November 30, 2006 and 2005**

**Note 1 - Nature of Operations**

The Corporation previously carried on business under the name DPC Biosciences Corporation. Together with its wholly-owned subsidiary, DPC Biosciences Inc., it was engaged in the field of biotechnology. Both corporations ceased active operations in 2001 and remained relatively inactive until February, 2006 whereupon a reactivation process was commenced. The Corporation changed its name from DPC Biosciences Corporation to iGaming Corporation (“The “Corporation”). In September, 2006 the Corporation was reactivated as a company involved in the sale of fact-based and opinion-oriented information relevant to the gaming industry. The fact-based information relates to scores, statistics and other live information pertaining to sports contests carried on primarily in North America. The opinion-oriented information consists primarily of handicapping services provided in relation to the same sports contests.

The Corporation carries on its business operations via two wholly-owned subsidiaries, IGC Entertainment Corporation, a resident of British Columbia, Canada and National Sports Services (IGC), Inc., a resident of Nevada, USA.

**Note 2 - Business Asset Acquisitions**

a) Effective September 1, 2006, the Corporation, via its wholly-owned subsidiary, IGC Entertainment Corporation, purchased certain intangible assets from Global Marketing Focus Inc. (“Global”) that are used to generate revenue from the sale of fact-based and opinion-oriented information relevant to the North American sports industry. The total consideration payable for the assets as set forth in the agreement of purchase and sale was \$1,800,000. The consideration is payable as to \$500,000 in cash and as to 6,500,000 in the form of common shares of the Corporation issuable at a price of \$0.20 per share. Included in the 6,500,000 common shares is 1,000,000 common shares having a value of \$200,000 that is contingent on the acquired assets meeting certain defined revenue targets in the year following the year of purchase. Given that the likelihood of the revenue target being met was not ascertainable as at the Corporation’s fiscal year end of November 30, 2006, the contingent consideration was not accrued. In addition, legal and audit expenses of \$60,285 were incurred in connection with the asset acquisition and accordingly such costs were capitalized as part of acquisition cost. In aggregate, the total acquisition costs of the assets accounted for as at the Corporation’s fiscal year ended November 30, 2006 was \$1,660,285.

In connection with the asset acquisition, \$292,490 of deferred revenue obligation was assumed by the Corporation. The Corporation allocated the acquisition cost to the fair market of assets acquired and liabilities assumed as follows:

## Note 2 - Business Asset Acquisitions (cont'd)

### Purchase price:

Cash consideration	\$	500,000
Share consideration:		
5,500,000 common shares at \$0.20 per share		1,100,000
Acquisition costs (including legal and others)		60,285
		<hr/>
Total purchase price	\$	<u>1,660,285</u>

### Purchase price allocation:

Server and client software	\$	180,000
Information data		176,500
Customer lists		720,961
Website and domain names		875,314
Deferred revenue (liabilities)		(292,490)
		<hr/>
Total	\$	<u>1,660,285</u>

Upon the issuance of the contingent 1,000,000 common shares, the additional consideration of \$200,000 will be included in the value of customer lists.

b) Effective October 1, 2006, the Corporation, via its wholly-owned subsidiary, National Sports Service (IGC), Inc., purchased certain assets from National Sports Services, Inc. ("National"), a company controlled by a shareholder of the Corporation, including customer lists, certain cash balances and merchant reserves, and various fixed assets. The acquired assets are used by the Corporation to generate revenue from the sale of handicapping advice relevant to the North American sports industry.

The agreement of purchase and sale stipulated that the aggregate purchase price for the assets was to be a maximum of \$4,000,000 to be paid in three components. The first component (the "Initial Consideration") was to be paid by the Corporation via its assumption of certain of the vendor's net working capital liabilities including deferred revenue. The second component of the purchase price (the "Cash Consideration") consisted of a cash payment of \$300,000 payable to the vendor in the event that the acquired assets generated revenue that met or exceeded a specified target for the months of October-November, 2006. The third component of the purchase price (the "Stock Consideration") will be payable to the vendor in the form of treasury issued common shares of the Corporation to be disbursed to the vendor based on the acquired assets meeting or exceeding defined revenue targets for the eight quarters comprising the fiscal years ending November 30, 2007 and November 30, 2008. The aggregate amount of Stock Consideration to be paid was to be equal to the excess of \$4 million over the sum of the Initial Consideration and the Cash Consideration.

At the time the purchase transaction was consummated, the parties had calculated the Initial Consideration as \$721,126 (or US\$644,784). Given that the Cash Consideration was to be \$300,000, the maximum potential Stock Consideration was therefore \$2,978,874. However, following the completion

## Note 2 - Business Asset Acquisitions (cont'd)

of the November 30, 2006 year end, the parties realized that the quantum of the net working capital liability assumption had been understated by \$971,791 with the bulk of such understatement attributed to an understatement of deferred revenue. Accordingly, the corrected Initial Consideration was actually \$1,692,917. This adjustment would have led to the unintended result of reducing the Stock Consideration by \$971,791. Instead, the parties agreed to an addendum to the agreement of purchase and sale whereby the maximum potential purchase price was increased from \$4,000,000 to \$4,971,791.

The Corporation is contingently obligated to issue the Stock Consideration of \$2,978,874 over the eight quarters comprising the fiscal years ending November 30, 2007 and November 30, 2008. Any shares to be issued in respect of this agreement will be issued at a deemed price per share of \$0.35. Accordingly, the Corporation may be required to issue a maximum of 8,511,068 common shares from treasury. The details regarding the potential share issuances and the revenue targets dictating whether all or any portion of the contemplated share issuances will be required is provided below.

Quarter Number	Fiscal Quarter End	# of Eligible Shares Available	Net Revenue Target	Minimum Required Net Revenue
1	Feb. 28, 2007	1,276,660	US\$2,500,000	US\$1,625,000
2	May 31, 2007	1,276,660	US\$2,000,000	US\$1,300,000
3	Aug. 31, 2007	1,276,660	US\$1,000,000	US\$650,000
4	Nov. 30, 2007	1,276,660	US\$2,000,000	US\$1,300,000
5	Feb. 29, 2008	851,107	US\$2,700,000	US\$1,755,000
6	May 31, 2008	851,107	US\$2,100,000	US\$1,365,000
7	Aug. 31, 2008	851,107	US\$1,000,000	US\$650,000
8	Nov. 30, 2008	851,107	US\$2,200,000	US\$1,430,000
<b>TOTAL</b>		<b>8,511,068</b>		

As at November 30, 2006, the cost related to the Stock Consideration is considered contingent and not yet determinable. Therefore, the amount was not accrued. The share certificates of National Sports Services (IGC), Inc. have been pledged as the security for the above noted Stock Consideration until the entire purchase price has been duly paid pursuant to the terms of the agreement.

In addition to the amounts payable to the vendor, the Corporation capitalized \$14,361 in respect of professional fees incurred in connection with the asset acquisition.

**Note 2 - Business Asset Acquisitions (cont'd)**

The summary of the assets acquired and the liabilities assumed at fair market value is as follows.

	October 1, 2006
	\$
<b><i>Initial Assets Acquired</i></b>	
Current assets:	
Cash and cash equivalents	85,451
Cash merchant reserves	886,740
Prepaid expenses and deposits	192,666
Restricted cash	111,840
Total current assets	<u>1,276,697</u>
<b><i>Initial Liabilities Assumed</i></b>	
Current liabilities:	
Bank loan	260,332
Accounts payable and accrued liabilities	424,954
Commission reserves	54,962
Accrued payroll and taxes	206,892
Deferred revenue	2,022,474
Total current liabilities	<u>2,969,614</u>
Initial Net Liability Assumption	<u>(1,692,917)</u>
<b><i>Additional Assets Acquired</i></b>	
Current assets	
Accounts receivable	205,063
Equipment	187,718
	<u>392,781</u>
Net Liabilities Assumed	<u><u>(1,300,136)</u></u>

A summary of total acquisition costs allocated to the customer lists as follow:

**Purchase price:**

Initial consideration as net liabilities assumption	\$	1,300,136
Cash consideration		300,000
Acquisition costs (including legal and others)		<u>16,061</u>
Total acquisition costs allocated to customer list	\$	<u><u>1,616,197</u></u>

Upon the issuance of Stock Consideration, the additional consideration will be included in the value of customer lists.

In addition to agreement of purchase and sale, the Corporation entered into a consulting agreement with National Sports Services, Inc. pursuant to which National Sports Services, Inc. will provide business

**Note 2 - Business Asset Acquisitions (cont'd)**

consulting and advisory services to the Corporation and its subsidiaries. The term of the consulting agreement is one year and entails the following considerations:

- A salary of USD\$150,000 per annum; and
- A commission override equal to four and one-half percent (4 ½) of the subsidiaries' gross revenue with any such amounts payable on the first day of each month.

In connection with the agreement of purchase and sale, the Corporation entered into an assumption agreement with National Sports Services, Inc. pursuant to which the Corporation agreed to assume all obligations previously contracted by National Sports Services, Inc. with respect to the latter's handicapper agreements and its lease agreement for physical premises. The Corporation will use and sell the handicapping advice provided by the persons subject to the handicapper agreements in the course of its operation of the transferred assets. Similarly, it will effect all required payments to such persons based on the terms and conditions stipulated in the handicapper agreements.

**Note 3 - Significant Accounting Policies****a) Principles of consolidation**

These consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries, IGC Entertainment Corporation and National Sports Services (IGC), Inc. All intercompany balances and transactions have been eliminated in the consolidation process.

**b) Cash and cash equivalents**

Cash and cash equivalents consist entirely of readily available cash balances. As at each of November 30, 2006 and November 30, 2005, the Corporation had no cash equivalents.

**c) Cash Merchant Reserves**

Cash merchant reserves consist of cash withheld by merchant banks as security for potential future charges back. The terms related to the quantum of funds placed in reserve and the conditions for release thereof vary from one bank to another. In certain cases, the reserve amount represents a fixed percentage of annual sales while in other cases a flat 10% of each sale is reserved and released on a rolling basis after six months.

**d) Restricted Cash**

Restricted Cash represents funds that have been deposited in a segregated account at a financial institution in connection with the granting of business licenses by the Nevada Division of Consumer Affairs. The Corporation currently has certificates of deposit in support of such licenses totalling US\$100,000.

**e) Property and Equipment**

Equipment is recorded at cost and amortized over its estimated useful life as follows:

Computer Equipment	- 2 - 5 years straight line
Automobile	- 3 years straight line
Office equipment	- 2 - 5 years straight line
Software	- 5 years straight line
Communication Equipment	- 5 years straight line
Information Database	- 3 years straight line
Website and Domain Names	- 3 years straight line

### **Note 3 - Significant Accounting Policies (cont'd)**

#### **f) Intangible Assets**

Intangible assets represent customer lists. This asset is amortized using the straight line method over its expected life of 3 years.

#### **g) Commission Reserves**

Commission reserves consist of accrued commissions owing to salespersons that are held back pending future chargebacks against the revenue that gave rise to the commission obligation. Once the likely chargeback period has passed, commission reserves are paid to the particular salesperson.

#### **h) Chargeback Reserves**

The Corporation establishes a chargeback reserve equal to 5% of every handicapping services receipt. This amount is treated as a direct reduction of sales and a liability is established for the anticipated return of customer funds.

#### **i) Revenue Recognition**

The Corporation generates revenue from the sale of information that is either fact-based or opinion-oriented in nature as well as the sale of advertising space on its various website properties. The Corporation recognises revenue from each source based on the terms and conditions of the particular sale.

Generally, information sales either consist of the sale of a single piece of advisory content (referred to herein as a "Pick"), a package comprising multiple Picks or a subscription for continuous access to information for a specific length of time. The revenue recognition methodology for each type of revenue is as follows:

##### **i) Sale of single Picks**

Revenue associated with the sale of a single Pick is recognised when the particular transaction is processed and approved by the merchant accounts and the delivery of service has been completed.

##### **ii) Sale of a package of Picks**

Revenue from the sale of packages is recognised straight-line over the period during which the Picks are provided to the client. The unearned portion related to the sale is classified as deferred revenue.

##### **iii) Subscriptions**

Revenue related to the sale of subscriptions for on-line content is recognised straight-line over the subscription period. The unearned portion related to the sale is classified as deferred revenue.

##### **iv) Advertising Revenue**

Advertising contracts are sold on the basis of providing space on the Corporation's various operating websites for specified time periods. Advertising revenue is recognised straight-line over the particular time period governing the contract. The unearned portion related to the sale is classified as deferred revenue.

### **Note 3 - Significant Accounting Policies (cont'd)**

#### **j) Income taxes**

The Corporation follows the liability method based on the accounting recommendation for income taxes issued by the CICA. Under the liability method, future income tax assets and liabilities are computed based on differences between the carrying amounts of assets and liabilities on the balance sheet and their corresponding tax values using the enacted income tax rates at each balance sheet date. Future income tax assets can also result by applying unused loss carry-forwards and other deductions. The valuation of any future income tax assets is reviewed annually and adjusted, if necessary, by use of a valuation allowance to reflect the estimated realizable amount. Despite the existence of unused loss carry-forwards and tax values that exceed the corresponding cost base for accounting purposes, The Corporation is currently estimating a valuation adjustment equal in amount to the value of the tax assets. Accordingly, no net asset is reflected on the Corporation's balance sheet as at November 30, 2006 or November 30, 2005.

#### **k) Foreign currency translation**

The functional currency of the Corporation and IGC Entertainment Corporation is the Canadian dollar. The functional currency of National Sports Services (IGC), Inc. is the U.S. dollar. The Corporation utilizes the temporal method to account for National Sports Services (IGC), Inc. as follows:

- (i) Monetary assets, liabilities and long-term monetary assets and liabilities, at the rate of exchange in effect as at the balance sheet date;
- (ii) Non-monetary assets and liabilities, at the historical exchange rates prevailing at the time of the acquisition of the assets or the assumption of the liabilities unless such items are carried at market, in which case they are translated at the rate of exchange in effect at the balance sheet date; and
- (iii) Revenues and expenses, at the rates in effect at the time of the transaction.
- (iv) Depreciation or amortization of assets is translated at historical exchange rate as the assets to which they relate.

Exchange gains and losses arising from conversion are included in other income or expense.

#### **l) Fair value of financial instruments**

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgement, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

The carrying values of cash and cash equivalents, accounts receivable, cash merchant reserves, promissory note receivable, bank loan, accounts payable and accrued liabilities approximate their fair values due to the short maturity of these financial instruments.

The Corporation is not subject to significant interest and credit risks arising from these financial instruments. The Corporation derives almost all of its revenues in U.S. dollars and significant operating expenses are denominated in U.S. dollars. Fluctuation in the exchange rate between the Canadian dollar and the U.S. dollar could have a material impact on the Corporation's operations and financial position. The Corporation does not currently have any hedging programs in place to mitigate this risk.

### **Note 3 - Significant Accounting Policies (cont'd)**

#### **m) Use of Estimates**

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and would impact future results of operations and cash flows.

#### **n) Stock Based Compensation**

The Company adopted the new recommendations of the Canadian Institute of Chartered Accountants Handbook Section 3870 with respect to stock-based compensation awards. Handbook Section 3870 establishes standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments made in exchange for goods and services. These new recommendations require that compensation for all awards be measured and recorded in the financial statements at fair value. The fair value of stock options is determined by the Black-Scholes Option Pricing Model with assumptions for risk-free interest rates, dividend yields, volatility factors of the expected market price of the Company's common shares and an expected life of the options.

#### **o) Impairment of long-lived assets**

Long-lived assets, including property, equipment and intangible assets subject to amortization, are reviewed when changes in circumstances suggest their carrying value may be impaired. Management considers assets to be impaired if the carrying value exceeds the estimated undiscounted future projected cash flows expected to result from the use of the asset and its eventual disposition. If impairment is deemed to exist, the assets are written down to fair value. Fair value is generally determined using a discounted cash flow analysis.

#### **p) Disposal of long-lived assets and discontinued operations**

Long-lived assets are classified as held for sale when specific criteria are met, in accordance with CICA Handbook Section 3475, Disposal of Long-Lived Assets and Discontinued Operations. Assets held for sale are measured at the lower of their carrying amounts and fair value less costs to dispose and are no longer amortized.

#### **r) Advertising Expenses**

The Corporation incurred advertising expenses of \$1,462,946 for the year ended November 30, 2006 (2005: \$nil).

#### **s) Loss per share**

Loss per share is calculated using the weighted average number of shares outstanding during the year.

Diluted loss per share is calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common shares were exercised or converted to common shares. The treasury stock method is used to determine the dilutive effect of stock options and other instruments. The treasury stock method assumes that proceeds received from the exercise of stock options and warrants are used to repurchase common shares at the prevailing market rates. Stock options and warrants that are anti-dilutive are not included in the calculation. Shares held in escrow are excluded in the computation of loss per share until the conditions for their release are satisfied.

#### Note 4 – Non-cash transactions

During the year, the Corporation issued 5,500,000 common shares, acquired certain assets and assumed certain liabilities to effect two asset acquisition agreements (See Note 2).

#### Note 5 - Accounts Receivable

Accounts receivable is comprised of the following:

	2006		2005	
Trades receivable	\$	99,097	\$	6,107
GST receivable		23,672		-
	\$	122,769	\$	6,107

#### Note 6 – Promissory Note Receivable

The promissory note receivable is unsecured, bearing interest at 6% per annum and is due in February 2008.

#### Note 7 – Property and Equipment

	2006		2005	
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 25,804	\$ 1,847	\$ 23,957	\$ -
Office equipment	141,936	11,182	130,754	-
Communication equipment	23,029	745	22,284	-
Automobile	4,366	234	4,132	-
Software	207,121	9,915	197,206	-
Information Database	176,500	14,708	161,792	-
Website and Domain Names	875,314	72,943	802,371	-
	\$ 1,454,070	\$ 111,574	\$ 1,342,496	\$ -

The Corporation did not own any property and equipment at any time during its prior fiscal year.

#### Note 8 - Intangible Assets

	2006		2005	
	Cost	Accumulated Amortization	Net	Net
Customer List	2,337,159	150,932	2,186,227	-
	\$ 2,337,159	\$ 150,932	\$ 2,186,227	\$ -

## Note 9 - Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities are comprised of the following:

	<b>2006</b>	<b>2005</b>
Accounts payable	\$ 175,930	\$ 278,039
Accrued liabilities	99,060	-
Payroll accrual	298,690	-
Other payables	72,430	-
	<u>\$ 646,110</u>	<u>\$ 278,039</u>

## Note 10 - Bank Loan

The bank loan represents a loan made to National Sports Services (IGC) Inc. by the Bank of Nevada in the amount of US\$220,562 (CAD\$250,184). The loan was unsecured and had a maturity date of June, 2009. It entailed monthly payments of interest at a rate of 10.25%. It was repaid in full following the November 30, 2006 fiscal year.

## Note 11 – Due to Related Parties

The amount of due to related parties represents the amounts due to companies controlled by shareholders and senior officer of the Corporation.

The amount due to related parties is unsecured, non-interest bearing and due on demand.

## Note 12 - Share Capital

### a) Authorized:

Unlimited common shares without par value

### b) Issued:

Common shares:

	Number of Shares	Amount
Balance November 30th, 2005 and 2004	\$ 20,006,533	\$ 5,613,921
Private Placement (1)	3,000,000	150,000
Private Placement (2)	6,000,000	300,000
Private Placement (3)	21,750,000	3,930,414
Exercise of stock options at \$0.15 per share, including \$350 contributed surplus attributed to stock option compensation expense recognized	92,500	14,225
Common shares issued as consideration for assets acquired (4)	5,500,000	1,100,000
Balance November 30th, 2006	<u>\$ 56,349,033</u>	<u>\$ 11,108,560</u>

**Note 12 - Share Capital (cont'd)**

(1) On January 12, 2006, the Corporation completed a non-brokered private placement of 3,000,000 common shares at \$0.05 per share for total gross proceeds of \$150,000.

(2) On February 28, 2006 the Corporation completed a non-brokered private placement of 6,000,000 common shares at \$0.05 per share for total gross proceeds of \$300,000.

(3) On September 13, 2006, the Corporation completed a brokered private placement of 21,750,000 common shares for total gross proceeds of \$4,350,000 net of stock issuance cost of \$419,586 (including broker commission of \$395,868 and legal fees of \$23,718).

Each unit consisting of 1 common share and one-half warrant entitling the holder to subscribe for one additional common share at a price of \$0.30 per share for a period of 18 months, until February 23, 2008. The Corporation applied the residual approach and allocated the total proceeds of \$4,350,000 to the common shares and, \$nil to the warrants.

The Corporation reserves the right, but not the obligation, to redeem for cancellation all warrants issued under the private placement at a redemption price of \$0.001 per warrant at any time after the Corporation's listed common shares have been trading above a daily close of \$0.40 for fifteen (15) consecutive trading days.

(4) On September 13, 2006, the Corporation acquired certain assets from Global Marketing Focus Inc. for initial consideration of \$1.6 million, \$1.1 million of which was paid via the issuance of 5,500,000 common shares at \$0.20 per share for a total amount of \$1,100,000.

As at November 30, 2006, 4,665,450 common shares are held in escrow subject to release upon approval of regulatory authorities.

**c) Options**

The Corporation has a stock option plan (the "Plan") and allotted and reserved up to 10% of the issued and outstanding common shares to be issued upon the exercise of options to be granted pursuant to the Plan. Pursuant to the Plan, the Corporation granted 5,422,500 stock options to directors, employees and consultants of the Corporation with exercise prices ranging from \$0.10 to \$0.18 per share, vested immediately and expire over 1 to 2 years. In fiscal year 2006, the Corporation recorded a total of \$268,632 for stock based compensation expense. In fiscal year 2005, no stock options were granted and accordingly no stock based compensation expense was recognised for fiscal 2005 year.

A summary of the changes in stock options for the period ended November 30, 2006 is presented below

	Options Outstanding	
	Number of Shares	Weighted Average Exercise Price
Balance November 30, 2005 and 2004	3,477,500	0.49
Expired	(156,250)	0.16
Cancelled	(3,321,250)	0.51
Exercised	(92,500)	0.15
Granted during the year	5,422,500	0.13
Balance November 30, 2006	5,330,000	0.13

## Note 12 - Share Capital (cont'd)

The fair value of each option granted has been estimated as of the date of the grant using the Black Scholes option pricing model with the following assumptions:

	<b>2006</b>
Expected volatility	63.87%
Risk-free interest rate	3.95% -4.05%
Expected life	1- 2 years
Dividend yield	0.00%

A summary of weighted average fair value of stock options granted during the year ended November 30, 2006 is detailed as follows:

2006	Weighted Average Exercise Price	Weighted Average Fair Value
Exercise price is below market price at grant date	\$0.13	\$0.10
Exercise price is equals market price at grant date	\$0.18	\$0.06
Exercise price is above market price at grant date	\$0.13	\$0.01

The company has the following options outstanding and exercisable.

Options outstanding and exercisable			
2006 Range of exercise prices	Number of shares	Weighted average remaining contractual life	Weighted average exercise price
\$0.10 - \$0.18	5,330,000	1.47	0.13

### d) Warrants

Share purchase warrant transactions and the number of share purchase warrants outstanding summarized as follows:

2006 Type	Number Outstanding	Exercise Price	Expiry Date
Warrants	10,875,000	\$0.30	March 13, 2008

### e) Contributed Surplus

Balance, November 30, 2004 and 2005	\$ 1,992,125
Stock-based compensation expense	\$ 268,632
Transfer to Common stock for stock options exercised	\$ (350)
Balance, November 30, 2006	<u>\$ 2,260,407</u>

**Note 13 - Discontinued operations**

On December 20, 2005 the Corporation sold all of its shares in DPC Biosciences Inc., a wholly-owned subsidiary, for a total cash consideration of \$10 resulting in a gain of \$322,690.

The following table summarizes the result for the discontinued operations for the period from December 1, 2005 to December 20, 2005 and for the year ended November 30, 2005:

	Period from December 1 – 20, 2005 \$	Year ended November 30, 2005 \$
Income from discontinued operations (net of tax)	-	-
Gain on disposal of subsidiary (net of tax)	322,690	-
Net income from discontinued operations	322,690	-

The following table summarizes the major classes of assets and liabilities related to the discontinued operations at November 20, 2005:

	November 30, 2005 \$
Current assets	
Accounts Receivable	12
Current liabilities	
Accounts payable and accrued liabilities	269,955
Long term debt - current	52,904
	322,859

**Note 14 - Income Taxes**

A reconciliation between the statutory federal income tax rate and the effective income rate of income tax expense for the years ended November 30, 2006 and 2005 are as follows:

	<u>2006</u>	<u>2005</u>
Statutory federal income tax rate	(34.00%)	(38.1%)
Tax benefit not recognized	34.00%	38.1%
Effective income tax rate	<u>- %</u>	<u>- %</u>

As November 30, 2006 and 2005 the significant components of the Corporation's net future income tax assets were as follows:

	Years Ended November 30,	
	2006	2005
<b>Future income tax assets:</b>		
Net operating loss carry forward	\$ 842,000	\$ 1,098,000
Research and development expenses deductible	-	1,016,000
Capital loss carryforward	2,006,000	-
Net property, plant and equipment and others	61,000	-
	<u>2,909,000</u>	<u>2,114,000</u>
Total future income tax assets	2,909,000	2,114,000
Valuation allowance	<u>(2,909,000)</u>	<u>(2,114,000)</u>
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>

Changes in the valuation allowance relate primarily to net operating losses. The Corporation has reviewed its future income tax assets and has not recognized potential tax benefits as at this time, management believes it is more likely than not that the benefits will not realized in near future. During the fiscal year 2006, the Corporation disposed its subsidiary DPC Bioscience Inc. and as a result, the Corporation will not be able to utilize approximately \$2,200,000 of scientific research expenses.

For tax purposes, as of November 30, 2006, the Corporation has operating loss carryforwards as shown in the table below, which expire in 2007 through 2016 for Canadian tax purposes and 2026 for U.S. tax purposes.

	<u>Canada</u>	<u>US</u>	<u>Total</u>
Operating loss carryforwards	\$ 1,422,000	\$ 1,056,000	\$ 2,478,000

In addition, the Corporation has a capital loss carried forward balance of approximately \$5,900,000 as the results of disposal of the subsidiary. This loss can only be applied against prospective capital gain to be realized by the corporation indefinitely.

### Note 15 - Related Party Transactions

The following expenses were paid / accrued to companies controlled by directors, shareholders and senior officer:

	2006	2005
Consulting fees	\$ 167,291	\$ -
Consulting commissions	128,566	-
Service fees	28,859	-
Totals	\$ 324,716	\$ -

1. During the fiscal year 2006, in connection of a non brokered private placement, the Corporation issued 6,900,000 common shares to directors and senior officers of the Corporation at \$0.05 per share for a total of \$345,000.
2. During the fiscal year 2006, the Corporation purchased certain equipment from a company controlled by a shareholder and senior officer of the Corporation at an estimated fair market value of \$16,000.
3. Included in prepaid expenses, is an amount of \$12,800 of legal expenses paid to a law firm of which a director is a principal.
4. See Note 2 and Note 11.

### Note 16 - Subsequent Events

The following events took place after the fiscal year end:

1. On January 1, 2007, the Corporation's subsidiary, IGC Entertainment Corporation, entered into a sales contract - Promotion, Lead Generation and Service Agreement with an unrelated party for a period of 5 years with the following considerations:
  - Promotion cost of \$240,000 per year for 5 years
  - Lead generation cost of \$216,000 per year for 5 years.
  - Service cost of \$24,000 per year for 5 years.
2. On December 11th, 2006, the Corporation acquired certain assets owned by Rotoplay Inc., a Pennsylvania-based company involved in the online fantasy sports industry. The assets include customer databases, hardware and software associated with the Rotoplay.com website and certain intellectual property, contracts and accounts receivable. Except for the assumption of customer deposits, the Corporation did not assume any other liabilities, obligations or commitments of Rotoplay Inc.

### **Note 16 - Subsequent Events (cont'd)**

The purchase price to be paid in respect of the assets is an aggregate maximum of US\$300,000 inclusive of customer deposits assumed. Upon closing, the Corporation paid US\$85,000 in cash with the balance of the purchase price consideration to be paid during the fiscal year ending November 30, 2007 to the extent the acquired assets attained certain revenue targets during such fiscal year.

In March of 2007, the Corporation and the vendor of the Rotoplay Assets agreed to amend the terms of payment such that the purchase price was reduced to US\$275,000 with the full unpaid balance due immediately.

3. Subsequent to the fiscal year ended November 30, 2006, the Corporation repaid its outstanding bank loan in its entirety.
4. Subsequent to the fiscal year, the Corporation paid the amount of \$300,000 in respect of the contingent consideration due in connection with the asset acquisition agreement consummated by National Sports Services (IGC) Inc.

### **Note 17 - Commitments**

1. The Corporation entered into a consulting agreement with a corporation controlled by an officer and director commencing on February 1, 2006 for \$60,000 per annum. Effective September 1, 2006, upon the Corporation's reactivation, the consulting fee amount was increased to \$200,000 per annum (the "Basic Fees"). The agreement can be terminated by providing the consultant with six months' working notice or, at the Corporation's sole option, payment in lieu of such notice equal to six months' of the Basic Fees.
2. The Corporation entered into a consulting agreement with a corporation controlled by an officer and director that provided for monthly fees of \$2,500 effective February 1, 2006. Effective September 1, 2006, upon the Corporation's reactivation, the consulting fee amount was increased to \$60,000 per annum. The quantum of the monthly fees was further increased to \$100,000 per annum (the "Basic Fees") effective February, 2007. The agreement can be terminated by providing the consultant with six months' working notice or, at the Corporation's sole option, payment in lieu of such notice equal to six months' of the Basic Fees.
3. The Corporation entered into an employment agreement with an employee on October 24, 2006 providing for \$85,000 of salary per annum. The agreement is terminable as and when the employer and employee shall mutually agree. The Corporation agreed to make available to the employee for purchase by the employee up to \$20,000 of common shares to be purchased in each of 2007 to 2009 at a price to be determined by the Board of Directors.
4. In addition, the Corporation has entered into two office lease agreements requiring the combined payment of \$284,309 per annum. The lease agreement terminates on June 29<sup>th</sup>, 2008 and July 31<sup>st</sup>, 2007 respectively.
5. See Note 2.

**Note 18 – Segmented Information**

The Corporation carries on operations in a single business segment, namely the marketing of information and fantasy contests related to the sports enthusiasts market.

**Note 19 – Seasonality**

The Corporation's revenue is seasonally in nature. Most of the revenues are earned during football, basketball and baseball seasons. Therefore, seasonality is a significant factor to consider in analyzing the Corporation's current and future financial results.

**Note 20 – Comparative Figures**

Certain 2005 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2006.

**Note 21 – Guarantees**

Given that the purchase price consideration to be paid for the initial assets acquired by National Sports Services (IGC), Inc. will become ascertainable over a period of time ending on November 30, 2008, the Corporation agreed to pledge all of the shares of such entity as security to the vendor. IGC Entertainment Corporation, as corporate parent of National Sports Services (IGC) Inc., is therefore considered to be a guarantor while the latter is considered to be the beneficiary of the guarantee. Condensed financial statements depicting the Corporation, the guarantor subsidiary, IGC Entertainment Corporation, and the guarantee beneficiary, National Sports Services (IGC), Inc., with elimination adjustments and the consolidated total have been provided for the year ended November 30, 2006, being the year in which the guarantee was in place.

**Consolidated Balance Sheets**  
**As at November 30, 2006**  
**(Expressed in Canadian Dollars)**

	<b>Consolidated iGaming Corporation</b>	<b>Consolidating Entries</b>	<b>Unconsolidated iGaming Corporation</b>	<b>IGC Entertainment Corporation</b>	<b>National Sports Services (IGC) Inc.</b>
	\$	\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash and cash equivalents	3,139,046	-	2,610,893	165,175	362,979
Accounts Receivable (Note 5)	122,768	-	16,215	7,456	99,097
Cash Merchant Reserves (Note 3)	872,165	-	-	34,669	837,496
Prepaid expenses and deposits	89,312	-	39,997	4,477	44,838
Promissory note receivable - current (Note 6)	30,841	-	-	-	30,841
	4,254,133	-	2,667,105	211,777	1,375,251
Property and Equipment (Note 7)	1,342,496	-	15,552	1,146,422	180,522
Intangible Assets (Note 8)	2,186,227	-	-	660,881	1,525,346
Promissory note receivable - non current (Note 6)	8,632	-	-	-	8,632
Restricted Cash (Note 3)	113,430	-	-	-	113,430
Long - term loan receivable	-	(2,323,876)	2,323,875	-	-
Due to related party – National Sports Services (IGC) Inc.	-	(86,453)	-	7,480	78,973
Due to/from related party – IGC Entertainment Corporation	-	(162,801)	-	-	162,801
Due to/from related party – iGaming Corporation	-	(81,193)	81,193	-	-
<b>Total Assets</b>	7,904,918	(2,654,322)	5,087,725	2,026,560	3,444,954
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Bank Loan (Note 10)	250,184	-	-	-	250,184
Accounts Payable and Accrued Liabilities (Note 9)	646,110	-	64,936	24,955	556,218
Commission and Chargeback Reserves (Note 3)	76,733	-	-	16,232	60,501
Due to related parties (Note 11)	461,925	(86,453)	-	47,364	501,013
Deferred revenue - current	2,770,354	-	-	299,685	2,470,670
	4,205,306	(86,453)	64,936	388,236	3,838,586
Deferred Revenue non-current	92,149	-	-	5,474	86,676
Due to related party – iGaming Corporation	-	(81,193)	-	81,193	-
Due to related party – National Sports Services (IGC) Inc.	-	(162,801)	-	162,801	-
Long-term Loan payable	-	(2,323,876)	-	1,700,010	623,866
<b>Total Liabilities</b>	4,297,455	(2,654,322)	64,936	2,337,714	4,549,127
<b>SHAREHOLDERS' EQUITY (DEFICIENCY)</b>					
Share Capital (Note 12)	11,108,560	-	11,108,560	-	-
Contributed Surplus (Note 12)	2,260,407	-	2,260,407	-	-
Deficit	(9,761,505)	-	(8,346,178)	(311,154)	(1,104,173)
	3,607,463	-	5,022,789	(311,154)	(1,104,173)
<b>Total Liabilities and Shareholder's</b>					

**Consolidated Statements of Operations and Deficit**

**For the period ended November 30, 2006**

**(Canadian Dollars)**

	<b>Consolidated iGAMING Corporation</b>	<b>Consolidating Entries</b>	<b>Unconsolidated iGaming Corporation</b>	<b>IGC Entertainment Corporation</b>	<b>National Sports Services (IGC) Inc.</b>
	\$	\$	\$	\$	\$
<b>Income</b>					
Revenues	2,456,035	(94,307)	-	452,224	2,098,117
Interest	84,132		82,707	-	1,425
	2,540,167	(94,307)	82,707	452,224	2,099,542
<b>Direct Costs (schedule A)</b>	200,423	(9,405)	-	72,115	137,713
<b>Selling Expenses (schedule A)</b>	2,446,585	(84,325)	300	342,598	2,188,012
<b>Administrative Expenses (schedule A)</b>	1,551,077	-	620,026	184,944	746,107
<b>Amortization of property and equipment</b>	111,574	-	1,414	97,151	13,008
<b>Amortization of intangible assets</b>	150,932	-	-	60,080	90,852
<b>Stock based compensation expense</b>	268,632	-	268,632	-	-
<b>Loss Before under-noted items</b>	(2,189,056)	(577)	(807,665)	(304,663)	(1,076,150)
Foreign currency translation gain	22,920	577	56,856	(6,491)	(28,023)
Gain on sale of equipment	-		-	-	-
	22,920	577	56,856	(6,491)	(28,023)
<b>Net Loss from continued operations</b>	(2,166,136)	-	(750,808)	(311,154)	(1,104,173)
<b>Net Income from discontinued operations (Note 13)</b>	322,690	-	322,690	-	-
<b>Net Loss for the period</b>	(1,843,446)	-	(428,118)	(311,154)	(1,104,173)
<b>Deficit, Beginning of Period</b>	(7,918,059)	-	(7,918,059)	-	-
<b>Deficit, End of Period</b>	(9,761,505)	-	(8,346,177)	(311,154)	(1,104,173)

<b>Consolidated Statements of Cash Flows</b>					
<b>For the period ended November 30, 2006</b>					
<b>(Canadian dollar)</b>					
	<b>Consolidated iGAMING Corporation</b>	<b>Consolidating Entries</b>	<b>Unconsolidated iGaming Corporation</b>	<b>IGC Entertainment Corporation</b>	<b>National Sports Services (IGC) Inc.</b>
<b>Cash provided by (used in)</b>					
<b>Operating Activities</b>	\$	\$	\$	\$	\$
Net income (loss) for the period	(1,843,446)	-	(428,118)	(311,154)	(1,104,174)
Net income from discontinued operations	(322,690)	-	(322,690)	-	-
Net income (loss) from continued operations	(2,166,135)	-	(750,808)	(311,154)	(1,104,174)
Items not involving cash					
Amortization	262,506	-	1,414	157,231	103,861
Stock based compensation expense	268,632	-	268,632	-	-
Foreign exchange gain/loss	27,792	-	-	-	27,792
	(1,607,206)	-	(480,762)	(153,923)	(972,521)
<b>Changes in Non-Cash Working Capital</b>					
(Increase) decrease in accounts receivable	91,049	-	(10,120)	(7,456)	108,625
(Increase) decrease in merchant reserves	2,688	-	-	(34,669)	37,356
(Increase) decrease in prepaid expenses and deposits	105,739	-	(39,997)	(4,477)	150,213
Increase (decrease) in accounts payable and accrued liabilities	213,711	-	56,685	119,684	37,342
Increase (decrease) in commission and chargeback reserves	20,979	-	-	16,232	4,747
Increase (decrease) in deferred revenue	513,339	-	-	12,669	500,670
	947,505	-	6,567	101,983	838,953
<b>Net Cash provided by Operating Activities</b>	(659,700)	-	(474,195)	(51,940)	(133,567)
<b>Cash provided by (used in) Financing Activities</b>					
Common shares issued, net of issue costs	4,394,289	(1,100,000)	5,494,289	-	-
Increase (decrease) in bank loan payable	(13,817)	-	-	-	(13,817)
(Increase) decrease in promissory note receivable	(15,031)	-	-	-	(15,031)
Increase (decrease) in due to/from related party	(54,844)	-	-	(54,844)	

(Increase) decrease in long term debt	-	-	(1,700,010)	1,700,010	-
<b>Net Cash provided by Financing Activities</b>	<b>4,310,597</b>	<b>(1,100,000)</b>	<b>3,794,279</b>	<b>1,645,166</b>	<b>(28,848)</b>
<b>Cash provided by Investing Activities</b>					
Increase (decrease) NSS(IGC) & IGC	-	-	-	162,801	(162,801)
Increase (decrease) in due to/from IGC	-	-	(81,193)	81,193	-
Increase (decrease) in due to/from NSS(IGC)	-	-	(623,865)	-	623,865
Acquisitions of property and equipment	(34,607)	-	(16,966)	(11,760)	(5,881)
Acquisition of intangible assets	(576,537)	1,100,000	-	(1,660,285)	(16,252)
Increase (decrease) in cash from acquisition	86,461	-	-	-	86,461
Proceeds from Disposition of Subsidiary	10	-	10	-	-
<b>Net Cash provided by Investing Activities</b>	<b>(524,673)</b>	<b>1,100,000</b>	<b>(722,014)</b>	<b>(1,428,051)</b>	<b>525,392</b>
<b>Net increase (decrease) in Cash</b>	<b>3,126,223</b>	<b>-</b>	<b>2,598,070</b>	<b>165,175</b>	<b>362,978</b>
<b>Cash and cash equivalent, Beginning of Period</b>	<b>12,823</b>	<b>-</b>	<b>12,823</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalent, End of Period</b>	<b>3,139,046</b>	<b>-</b>	<b>2,610,893</b>	<b>165,175</b>	<b>362,978</b>
<b>Supplementary Information</b>					
<b>Interest Paid</b>	<b>4,531</b>	<b>-</b>	<b>-</b>	<b>4,531</b>	<b>-</b>

**Schedule A**  
**For the period ended**  
**November 30, 2006**  
**(Canadian Dollars)**

	<b>Consolidated iGAMING Corporation</b>	<b>Consolidating Entries</b>	<b>Unconsolidated iGaming Corporation</b>	<b>IGC Entertainment Corporation</b>	<b>National Sports Services (IGC) Inc.</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Direct Costs</b>					
Sports Schedule production	137,713	-	-	-	137,713
Database	27,051	(9,405)	-	36,456	-
Internet	35,659	-	-	35,659	-
<b>Total</b>	<b>200,423</b>	<b>(9,405)</b>	<b>-</b>	<b>72,115</b>	<b>137,713</b>
<b>Schedule of Selling Expenses</b>					
TV and Radio production	1,351,832	113,163	-	-	1,238,669
Commissions	763,744	-	-	26,800	736,944
Telephone	204,822	-	-	-	204,822
Advertising	111,114	(156,862)	300	261,231	6,445
Customer Service	13,941	(40,626)	-	54,567	-
License fee	1,132	-	-	-	1,132
<b>Total</b>	<b>2,446,585</b>	<b>(84,325)</b>	<b>300</b>	<b>342,598</b>	<b>2,188,012</b>
<b>Schedule of Administrative Expense</b>					
Salaries and benefits	556,013	-	18,296	116,535	421,182
Legal, accounting and audit	307,142	-	184,727	18,000	104,415
Consulting and professional fees	180,778	-	176,578	4,200	-
Travel, Meals and Entertainment	65,020	-	39,865	6,863	18,292
Bank charges and Interest	93,190	-	960	14,288	77,943
Sponsorship fees	73,667	-	73,667	-	-
Rent	59,156	-	10,395	4,477	44,284
Regulatory fees	54,527	-	54,527	-	-
Office expenses	53,053	-	7,910	13,176	31,967
Utilities	43,544	-	11,621	5,730	26,193
Transfer agent fees	17,704	-	17,704	-	-
Shareholder communication	15,308	-	15,308	-	-
Training and Education	13,314	-	-	375	12,939
Insurance	12,566	-	2,373	1,300	8,892
Bad Debt	6,095	-	6,095	-	-
<b>Total</b>	<b>1,551,077</b>	<b>-</b>	<b>620,026</b>	<b>184,944</b>	<b>746,107</b>

**iGAMING CORPORATION**  
**(Formerly DPC Biosciences Corporation)**  
**Schedule A**  
**For the years ended November 30, 2006 and**  
**2005**  
**(Canadian Dollars)**

<b>Direct Costs</b>	<b>2006</b>	<b>2005</b>
Sports Schedule production	\$ 137,713	\$ -
Database	27,051	-
Internet	35,659	-
<b>Total</b>	<b>\$ 200,423</b>	<b>\$ -</b>

<b>Schedule of Selling Expenses</b>	<b>2006</b>	<b>2005</b>
TV and Radio production	\$ 1,351,832	\$ -
Commissions	763,744	-
Telephone	204,822	-
Advertising	111,114	-
Customer Service	13,941	-
License fee	1,132	-
<b>Total</b>	<b>\$ 2,446,585</b>	<b>\$ -</b>

<b>Schedule of Administrative Expense</b>	<b>2006</b>	<b>2005</b>
Salaries and benefits	\$ 556,013	\$ -
Legal, accounting and audit	307,142	44,344
Consulting and professional fees	180,778	-
Travel, Meals and Entertainment	65,020	-
Bank charges and Interest	93,190	146
Sponsorship fees	73,667	-
Rent	59,156	-
Regulatory fees	54,527	-
Office expenses	53,053	-
Utilities	43,544	-
Transfer agent fees	17,704	-
Shareholder communication	15,308	-
Training and Education	13,314	-
Insurance	12,566	-
Bad Debt	6,095	-
<b>Total</b>	<b>\$ 1,551,077</b>	<b>\$ 44,490</b>