FIRAN TECHNOLOGY GROUP CORPORATION
Balance Sheets
November 30, 2004 and 2003
(in thousands of dollars)

	2004	2003
ASSETS		
CURRENT		
Cash	$ 2,870	$ 39
Accounts receivable	6,867	7,470
Inventories	4,363	4,824
Promissory Note	1,500	-
Prepaid expenses	396	275
	15,996	12,608
PLANT AND EQUIPMENT	9,923	12,242
FUTURE INCOME TAXES	3,684	3,515
PROMISSORY NOTE	-	1,500
GOODWILL (Note 2)	1,039	896
OTHER ASSETS	177	70
	$ 30,819	$ 30,831
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	$ 7,059	$ 7,135
Accrued restructuring and severance costs (Note 3)	663	1,710
Current portion of long-term debt	2,248	1,473
Income taxes payable	-	208
	9,970	10,526
LONG-TERM DEBT	2,756	2,066
	12,726	12,592
COMMITMENTS		
SHAREHOLDERS' EQUITY		
SHARE CAPITAL - COMMON SHARES (Note 4)	10,347	10,347
SHARE CAPITAL - PREFERRED SHARES (Note 4)	2,218	2,218
CONTRIBUTED SURPLUS	6,798	6,753
DEFICIT	(1,270)	(1,079)
	18,093	18,239
	$ 30,819	$ 30,831

FIRAN TECHNOLOGY GROUP CORPORATION
Statements of Operations and Retained Earnings
(in thousands of dollars except per share amounts)

	Three Months Ended		Year-ended	
	30-Nov-04	30-Nov-03	2004	2003
SALES	$ 10,467	$ 11,528	$ 46,644	$ 32,807
COST OF SALES	8,301	8,324	35,507	23,937
GROSS MARGIN	2,166	3,204	11,137	8,870
EXPENSES				
Selling, general and administrative	1,630	2,508	7,010	5,855
Amortization of plant and equipment	737	868	3,399	2,165
Interest expense on long-term debt	34	73	240	102
	2,401	3,449	10,649	8,122
OPERATING EARNINGS/(LOSS)	(235)	(245)	488	748
SEVERANCE COSTS (Note 3)				
RESTRUCTURING CHARGES (Note 3)	-	-	887	2,567
(LOSS) / EARNINGS BEFORE TAX	(235)	(245)	(399)	(1,819)
INCOME TAX (RECOVERY) PROVISION	(208)	(120)	(208)	208
NET (LOSS) / EARNINGS	(27)	(125)	(191)	(2,027)
RETAINED EARNINGS, BEGINNING OF PERIOD	(1,243)	(954)	(1,079)	948
(DEFECIT)/RETAINED EARNINGS, END OF PERIOD	$ (1,270)	$ (1,079)	$ (1,270)	$ (1,079)
EARNINGS/(LOSS) PER SHARE				
Basic and diluted (Note 4)	$ 0.00	$ (0.01) #	$ (0.02)	$ (0.19)

FIRAN TECHNOLOGY GROUP CORPORATION
Statements of Cash Flows
(in thousands of dollars)

	Three Months Ended		Year Ended	
	30-Nov-04	30-Nov-03	2004	2003
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Net earnings/(loss)	$ (27)	$ (125)	$ (191)	$ (2,027)
Items not affecting cash				
Restructuring costs	-	-	-	1,552
(Gain)/Loss on sale of equipment	20	-	(293)	-
Future income taxes	(169)	-	(169)	-
Amortization of other assets	9	(35)	115	83
Amortization of plant and equipment	737	868	3,399	2,165
	570	708	2,861	1,773
Changes in non-cash operating working capital	334	435	(388)	2,463
	904	1,143	2,473	4,236
INVESTING				
Additions to plant and equipment	(242)	(388)	(1,100)	(1,439)
Proceeds from sale of capital assets	-	-	313	-
Increase in restructuring costs	-	-	(143)	-
	(242)	(388)	(930)	(1,439)
FINANCING				
Set up of deferred financing charges bank	-	-	-	-
Repayment of advances to parent	-	-	-	(974)
Proceeds from issuance of long term debt	-	-	8,793	-
Repayment of long-term debt	(582)	(402)	(7,505)	(569)
	(582)	(402)	1,288	(1,543)
INCREASE IN CASH	80	353	2,831	1,254
CASH/(BANK INDEBTEDNESS) , BEGINNING OF PERIOD	2,790	(314)	39	-
BANK INDEBTEDNESS ACQUIRED ON ACQUISITION	-	-	-	(1,215)
(BANK INDEBTEDNESS) CASH, END OF PERIOD	$ 2,870	$ 39	$ 2,870	$ 39

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and are presented in Canadian dollars.

Inventories

Raw materials and spare parts are valued at the lower of cost and replacement cost. Work-in-process and finished goods are valued at the lower of cost and net realizable value. Cost is determined on the first-in, first-out basis.

Plant and equipment

Plant and equipment are recorded at cost, net of related government grants and investment tax credits. The assets are amortized using the straight-line method over their estimated useful lives as follows:

Machinery and equipment	3 to 7 years
Building	20 years
Furniture and fixtures	4 years
Leasehold improvements	Term of the lease plus term of first renewal option

Impairment of long-lived assets

The Company prospectively adopted the recommendations of CICA Handbook Section 3063 "Impairment of long-lived assets" as of December 1, 2003. The adoption of these recommendations had no impact on the results of operations for 2004.

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

Other assets

The costs relating to the re-negotiation of the credit facilities in 2004 are being amortized over the life of the related long-term liability.

Goodwill

The Company accounts for goodwill in accordance with the provisions of Section 3062 of the Canadian Institute of Chartered Accountants Handbook, whereby the purchase price of an acquired business is allocated to all assets and liabilities including identifiable intangible assets based on their fair values. Any purchase price amount in excess of those fair values is recorded as goodwill. Goodwill is not amortized, but must be tested annually for impairment on a fair value basis, and where the carrying value exceeds fair value, a goodwill impairment must be recorded. Goodwill was tested at November 30, 2004 and no impairment existed.

Revenue recognition

Revenue from the sale of manufactured products is recognized when the product is shipped to the ultimate customer, the related liability is transferred to the customer and collectibility is reasonably assured.

Translation of foreign currencies

Monetary assets and liabilities are translated into Canadian dollars at the year-end rate. Non-monetary assets and liabilities are translated at rates prevailing at date of acquisition. Revenues and expenses are translated at the average monthly exchange rates. Exchange gains and losses are included in operations.

Measurement uncertainty

The preparation of the Company's financial statements, in accordance with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amount of assets and liabilities such as allowances for bad debts, inventory obsolescence and warranty provisions, 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 year. Due to the inherent uncertainty involved in making such estimates, actual results reported in future periods could differ from those estimates.

Income taxes

The Company uses the liability method of accounting for income taxes. Under the liability method, future income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities, and are measured using the substantively enacted tax rates and laws that are expected to be in effect in the periods in which the future income tax assets or liabilities are expected to be settled or realized.

Research and development

Research costs are expensed as incurred. Development costs are expensed as incurred unless they meet the specific criteria for capitalization.

Stock-based compensation plans

At November 30, 2004 the Company has a stock-based compensation plan for certain employees, officers and directors. No compensation expense is recognized for these plans when stock or stock options are issued. Any consideration paid on exercise of stock options or purchase of stock is credited to share capital.

Hedging Relationships

The Company has adopted CICA Accounting Guideline 13 "Hedging Relationships" effective December 1, 2003. The guideline provides guidance related to the accounting for hedging activities and contains specific criteria for the application of hedge accounting.

The Corporation's derivative financial instruments do not qualify for hedge accounting; accordingly they have been accounted for using the fair value method. Any resulting gain or loss on the recording of derivative financial instruments at fair value is included in the statement of operations in the financial statements.

Guarantees

In the 2003 fiscal year, the Canadian Institute of Chartered Accountants ("CICA") issued Accounting Guideline 14, - disclosure of guarantees - ("AcG-14"), which addresses the disclosure to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees.

AcG-14 requires the guarantor to disclose the nature of the guarantees, the maximum potential amount of future payments and the current carrying amount of the liability for the non-contingent component of the guarantee, which is the obligation to stand ready to perform in the event that specified triggering events or conditions occur. The disclosure is required even if is not probable that payments will be required under the guarantee or if the guarantee was issued with a premium payment or as part of a transaction with multiple elements.

The Company has adopted the disclosure requirements of AcG-14 and determined that there were no guarantees in their current contracts.

2. ACQUISITION OF FIRAN TECHNOLOGY GROUP

On July 30, 2003, the Circuit World Corporation ('CWC') completed the acquisition of Firan Technology Group Inc. ('FTG'), a wholly owned subsidiary of Glendale International Corp.('Glendale'). Under the terms of the agreement, the CWC issued 8,541,987 common shares to Glendale, representing 49% of the outstanding voting shares of CWC, and Glendale nominated 4 of 7 directors following the closing.

The transaction was accounted for as a reverse takeover of CWC by FTG.

The cost of the purchase allocated to the net assets of the Company as at the date of acquisition was:

Fair value of identifiable net assets:	
Accounts receivable	$ 3,989,000
Inventory	2,109,000
Plant and equipment	9,752,000
Other assets	327,000
Accounts payable	(4,050,000)
Bank debt	(4,923,000)
Future tax asset	3,000,000
Goodwill	896,000
Purchase price	$11,100,000
Allocated to preferred shares	$ 2,218,000
Allocated to common shares	$ 8,882,000

On August 30, 2003, FTG and CWC were amalgamated and continued under the name Circuit World Corporation.

On May 18, 2004 CWC changed its corporate name to Firan Technology Group Corporation ('the Company')

On July 30, 2003, CWC recognized $896,000 of goodwill as a result of the business combination between CWC and FTG. Goodwill, at the acquisition date, was calculated based on the purchase consideration, the fair value of assets acquired and certain estimates relating to costs to restructure and integrate the businesses. During the quarter ended August 27, 2004, the Company undertook a review of actual costs incurred to integrate and restructure the businesses and increased the goodwill recorded on the acquisition by $143,000.

3. RESTRUCTURING CHARGES AND SEVERANCE COSTS

Restructuring Charges

The Company recorded a $2,567,000 restructuring charge in the third quarter of 2003 related to the integration of FTG with CWC. The restructuring costs are comprised of workforce reduction costs of $1,205,000 related to employee severances and benefits; charges of $884,000 related to redundant assets; $250,000 for relocation costs and $228,000 for data migration.

A continuity of the restructuring accrual is as follows:

(000's)	Severance and benefits	Redundant assets	Relocation costs	Data migration	Total
Initial Charge August 2003	**$1,205**	**$884**	**$250**	**$228**	**$2,567**
Payments or draw down during the period	(85)	(884)	(53)	(77)	**($1,099)**
November 30, 2003	**1,120**	-	**197**	**151**	**$1,468**
Payments or draw down during the period	(817)	313	(132)	(196)	**($832)**
Revision to previous estimates	-	(313)	(45)	45	**(313)**
November 30, 2004	**$303**	-	**$20**	-	**$323**

Severance Costs

During the first quarter of 2004 Firan Technology Group Corporation terminated the employment of several individuals. It is estimated the cost of these terminations will total $1,200,000 with $898,000 paid out in the 2004 and the remaining $302,000 to be paid in 2005. These costs relate to the merger occurring in 2003. In addition, $38,000 of severance liabilities unrelated to the merger remains outstanding at year-end. The total severance obligation outstanding at November 30 2004 is $340,000 ($242,000 in 2003).

4. SHARE CAPITAL

(a) Authorized shares

The authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, with the attributes of each series to be fixed by the Board of Directors.

(b) Common shares

	2004		2003	
	Number of Shares	Stated Capital (000's)	Number of Shares	Stated Capital (000's)
Balance, beginning of year	15,657,627	$ 10,347	7,115,640	$ 1,465
Issue of new shares	-	-	8,541,987	8,882
Balance, end of year	15,657,627	$ 10,347	15,657,627	$ 10,347

(c) Convertible Preferred Shares

The Company has 1,775,000 voting convertible preferred shares outstanding. The voting convertible preferred shares have the same voting rights as common shares, will pay no dividends and are convertible into common shares of the Company on a one for one basis for no additional proceeds.

The convertible preferred shares convert into common shares when the Company's yearly sales, excluding acquisitions, exceed $55,000,000 and the Company has positive yearly earnings before interest, taxes and depreciation and amortization. Otherwise, the convertible preferred shares are convertible into common shares at the discretion of the convertible preferred shareholder.

(d) Common share options

The Company operates and stock option plan to encourage the ownership of common shares of the Company by certain directors, senior officers and employees of the Company. The number of shares reserved for issuance shall not exceed 1,743,263. When options are granted they are done so at the current market price and have a life of six years.

	2004	2003
Number, beginning of year	1,133,750	-
Acquisition of Circuit World Corporation	-	849,225
Issuance of options - employee stock option plan	615,500	345,000
Cancellation of options	(534,750)	(60,475)
Number, end of year	1,214,500	1,133,750

The weighted average exercise price for options issued in 2004 was $1.82 per share ($1.71 per share in 2003)

(e) Earnings per share

The following table sets forth the computation of basic and diluted loss per share:

	2004 (000's)	2003 (000's)
Numerator		
Net loss	$ (191)	$(2,027)
Numerator for basic loss per share -		

net loss applicable to common shares	(191)	(2,027)
Effect of dilutive securities:		
Numerator for diluted loss per share - net loss applicable to common shares	$ (191)	$(2,027)
Denominator		
Denominator for basis loss per share - weighted average shares	15,657**	10,959
Effect of dilutive securities: Options	-	-
Denominator for diluted loss per share – adjusted weighted average shares and assumed conversions	15,657	10,959
Basic and diluted loss per share	$ (0.01)	$ (0.19)

** The Company has 1,775,000 voting convertible preferred shares outstanding. While the convertible preferred shares have the same voting rights as common shares they are not considered in calculating basic earnings per share.

(f) Contributed Surplus

In connection with a term loan financing in the second quarter, the Company issued 100,000 warrants that enabled the debtor to purchase shares of the Company at $1.61 per share. The cost of issuing these warrants was $45,000 and has been charged to contributed surplus.

5. SEGMENTED INFORMATION AND EXPORT SALES

The Company operates in two operating segments. Circuits and Aerospace financial information is shown below:

	Operating Segments					
	2004			2003		
(in thousands of dollars)	Circuits	Aerospace	Total	Circuits	Aerospace	Total
Sales	$ 37,659	$ 8,985	$46,644	$ 25,295	$ 7,512	$32,807
Amortization of property, plant and equipment	3,054	345	3,399	1,689	476	2,165
Interest expense on long-term debt	240	-	240	102	-	102
Income tax (recovery) provision	(177)	(31)	(208)	135	73	208
Net (loss)/earnings	(1,448)	1,257	(191)	(2,667)	640	(2,027)
Goodwill	1,039	-	1,039	896	-	896
Segment assets	24,567	6,252	30,819	26,873	3,958	30,831
Additions to property, plant and equipment	1,052	48	1,100	1,292	147	1,439

Export sales were $40,871,000 and $26,810,000 during 2004 and 2003, primarily to the U.S.