

LAMPERD LESS LETHAL INC  
Form 10KSB  
April 07, 2005  
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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 10-KSB**

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934  
For the fiscal year ended **December 31, 2004**

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

For the transition period from [ ] to [ ]

Commission file number **000-50011**

**LAMPERD LESS LETHAL INC.**  
(Name of small business issuer in its charter)

**Nevada**  
(State or other jurisdiction of incorporation or organization)

**98-0358040**  
(I.R.S. Employer Identification No.)

**Suite 1208-1030 West Georgia Street**  
**Vancouver, British Columbia**  
(Address of principal executive offices)  
Issuer's telephone number **604-662-7900**

**V6E 2Y3**  
(Zip Code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class  
**Nil**

Name of each exchange on which registered  
**Nil**

Securities registered pursuant to Section 12(g) of the Act:

**Common Shares, par value \$0.001**  
(Title of class)

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

Yes  No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB.

State issuer's revenues for its most recent fiscal year **Nil**



State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked prices of such common equity, as of a specified date within 60 days. (See definition of affiliate in Rule 12b-2 of the Exchange Act.)

Note: If determining whether a person is an affiliate will involve an unreasonable effort and expense, the issuer may calculate the aggregate market value of the common equity held by non-affiliates on the basis of reasonable assumptions, if the assumptions are stated.

**22,580,000 common shares @ \$1.15(1) = \$25,967,000**

(1) Average of bid and ask closing prices on March 31, 2005.

**(ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS)**

Check whether the issuer has 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

**(APPLICABLE ONLY TO CORPORATE REGISTRANTS)**

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

**222,580,000 common shares issued and outstanding as of March 31, 2005.**

**DOCUMENTS INCORPORATED BY REFERENCE**

If the following documents are incorporated by reference, briefly describe them and identify the part of the Form 10-KSB (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) any annual report to security holders; (2) any proxy or information statement; and (3) any prospectus filed pursuant to Rule 424(b) or (c) of the Securities Act of 1933 ( Securities Act ). The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 24, 1990).

Transitional Small Business Disclosure Format (Check one): Yes ; No .

## PART I

### Item 1. Description of Business.

This annual report contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as *may*, *will*, *should*, *expects*, *plans*, *anticipates*, *believes*, *estimates*, *predicts*, *potential* or *continue* or the terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled *Risk Factors*, that may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our financial statements are stated in United States Dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

In this annual report, unless otherwise specified, all dollar amounts are expressed in United States dollars and all references to common shares refer to the common shares in our capital stock.

As used in this annual report, the terms *we*, *us*, *our*, and *Lamperd* mean Lamperd Less Lethal Inc., unless otherwise indicated.

#### *Corporate History*

We were incorporated in the State of Nevada on October 4, 2001. On March 21, 2005, we changed our name from *Sinewire Networks Inc.* to *Lamperd Less Lethal Inc.* The name change was recorded by the Secretary of State of Nevada on March 21, 2005, and took effect with the NASD Inc.'s Over-the-Counter Bulletin Board at the opening for trading on March 31, 2005 under our new stock symbol *LLLI*. Our company's business plan was to become actively engaged as a start-up wireless communications service provider. At present, our company has no assets or business operations. We planned to implement our business strategy by supplying wireless high-speed Internet services, and other complementary Internet and telecommunications services. Our company intended to provide a telecommunications delivery service to businesses, Internet Service Providers and telecommunication companies in underserved markets in North America. Our proposed networks were intended to act as conduits for the transmission of wireless high speed and complementary Internet and telecommunications services.

To date, we have not been successful in implementing our business plan. As management of our company has investigated opportunities and challenges in the business of becoming a wireless communications service provider, management has realized that this business may not present the best opportunity for our company to realize value for our shareholders. Accordingly, we have been seeking to identify an alternate business opportunity or enter into a suitable business combination.

Our company has recently entered into an agreement for the potential acquisition of 1476246 Ontario Limited, an Ontario corporation, who carries on business as Lamperd Less Lethal. In the event that we cannot successfully conclude the acquisition we intend to continue to proceed with our business plan as set out herein.

Other than as set out herein, we have not been involved in any bankruptcy, receivership or similar proceedings, nor have we been a party to any material reclassification, merger, consolidation or purchase or sale of a significant amount of assets not in the ordinary course of our business.

*Our Current Business*

On March 24, 2005, we entered into a Share Exchange Agreement dated effective March 18, 2005, among our company under our former name Sinewire Networks Inc., 1476246 Ontario Limited, an Ontario corporation doing business as Lamperd Less Lethal ( Lamperd Less Lethal ), Patrick Ward, Hani Zabaneh and the principal shareholders of Lamperd Less Lethal as set out in the share exchange agreement. Pursuant to the terms of the share exchange agreement, we agreed to acquire all of the 100,000,000 issued and outstanding common shares of Lamperd Less Lethal, in exchange for the issuance by our company of 26,000,000 shares of our common stock to the shareholders of Lamperd Less Lethal on the basis of one share of our company for every 3.8461538 common shares of Lamperd Less Lethal.

*Conditions Precedent to the Closing of the Share Exchange Agreement*

The closing of the share exchange agreement is subject to the satisfaction of conditions precedent to closing as set forth in the share exchange agreement including the following:

1. our company and Lamperd Less Lethal will have received duly executed copies of all third-party consents and approvals contemplated by the share exchange agreement;
2. no material adverse effect will have occurred with the business or assets of our company or Lamperd Less Lethal since the date of the share exchange agreement;
3. no suit, action or proceeding will be pending or threatened which would (i) prevent the consummation of any of the transactions contemplated by the share exchange agreement, or (ii) cause the transaction to be rescinded following consummation;
4. Lamperd Less Lethal will have no more than 100,000,000 shares outstanding on the closing date of the share exchange agreement;
5. our company will have no more than 23,000,000 shares outstanding on the closing date of the share exchange agreement;
6. Patrick Ward will tender 100,000,000 shares of our company's common stock for cancellation without consideration and Hani Zabaneh will tender 99,580,000 shares of our company's common stock for cancellation without consideration;
7. our company and Lamperd Less Lethal will be reasonably satisfied with their respective due diligence investigation of each other; and
8. Lamperd Less Lethal will have received a signed director's resolution of our company appointing Terry Smith, Edward Nowicki, Barry Lamperd, Alexander Purvis Glen and Dominic Dicarlo to our company's board of directors, which appointments will be effective at least ten days after the filing of an Information Statement on Schedule 14f-1.

Due to conditions precedent to closing, including those set out above, and the risk that the conditions precedent will not be satisfied, there is no assurance that our company will complete the share exchange as contemplated in the share exchange agreement.

Should the transaction with Lamperd Less Lethal not close, we intend to provide a telecommunications delivery service to businesses, Internet Service Providers (ISPs) and telecommunication companies in underserved markets in North America. Our proposed networks will act as a conduit for the transmission of wireless high speed and complementary Internet and telecommunications services. In particular, we intend to provide high speed wireless Internet access from the main Internet backbone to our customers. The Internet backbone is the high-speed line or series of connections that forms the major pathway within for the Internet. We intend to accomplish this through the establishment of strategic relationships with complementary businesses within the target markets. Potential strategic partners include the telecommunications companies that supply the main fiber Internet backbone to which we will connect and property companies possessing roof rights needed for the deployment of the services. We have not obtained any such strategic partners to date.

There are six potential revenue streams which we are targeting in our proposed business plan:

- Leasing of a high speed telecommunication link to increase the amount of data that can be transmitted for an Internet connection.
- Installations for wireless Internet connection services
- Telephony - this involves the use of the Internet for transmission of voice, fax and/or video
- Establishing private networks of computers that are at least partially connected by public phone lines.
- On-line services such as e-mail, hosting of Internet web sites & security solutions
- Network/ LAN extensions (a LAN, or local area network, is a short-distance network used to link a group of computers together within a building.)

Unless we are able to derive revenue from any or all of these six potential sources our proposed business operations will fail.

### **Transmission Technology**

To transmit our proposed wireless communications service, we intend to use fixed two-way wireless radio signal devices. Operating within the public transmission bands (i.e. unlicensed transmission frequencies), this technology is capable of providing bandwidth from 1.5Mbps (Megabits per second) to a present maximum of 33Mbps. Megabits per second is used to describe data transmission speeds, such as the rate at which information travels over the Internet.

The hubs or points-of-presence will be able to serve point to point (servicing one building with multiple tenants) and point to multi-point (servicing multiple buildings with one or more tenants), depending on the location of our potential customers.

The equipment selected by us also has the capability to operate within licensed bands (i.e. licensed transmission frequencies) if such service is required. The decision to pursue licensed bands will vary from one country to another based on availability, regularity issues and cost.

We recognise that advancement in transmission technologies is inevitable and will therefore continue to monitor new technology to complement or replace our wireless service as warranted in the future.

### **The Market Opportunity**

#### *The High Bandwidth Market*

The growing acceptance & reliance on computers and the Internet in the workplace has resulted in an increasing demand for high bandwidth (i.e. high-speed and capacity Internet connectivity) access to facilitate the transfer of large volumes of corporate data. In many parts of the world there is no infrastructure in place to accommodate this increasing demand. Within North America, the outlying business parks and residential subdivisions are the areas not being reached by broadband (i.e. high-speed Internet connection involving a data transmission scheme where multiple transmissions share a single communications path) access; in other parts of the world, the neglect spreads right to the city core.

Wireless access technologies are a cost-effective alternative to wire-based communications, since they eliminate the cost of installing copper wire, cable or fiber; obtaining access rights-of-way; street excavations to lay wire and many other costs associated with wire-based solutions.

### *Target Market*

In North America, we intend to target businesses which are grouped together and residential apartment buildings surrounding major cities with populations greater than 500,000. We may also look for opportunities outside of North America in the future, at which time our target market will expand to include city centres.

In general, the targeted businesses contain numerous small single or double story buildings, which are widely spaced, thus lacking the density of the urban cores. The sprawling nature of such subdivisions makes the installation and use of fiber extremely expensive. DSL (i.e. Digital Subscriber Line or technology that uses existing copper wiring that exists in almost every home to allow data transmission over the wires at far greater speed than the standard phone wiring) technology, which is currently endorsed by the telecom companies, is still not a viable option for guaranteed broadband due to issues in speed degradation, that is related to the distance of the target customer from the telecom companies central offices. In some areas of service where the central office is several miles from a business location, DSL is almost as slow as using a 56k modem (i.e. a transmission device that operates at a transmission speed of 56000 bits per second).

Our typical prospective customer will be a company with a minimum of 10 employees, using a number of personal computers ( PCs ) installed on their premises and generally linked by a Local Area Network (i.e. a short-distance network used to link a group of computers together within a building). The customer will have a Web site and will be using the Internet for some preliminary e-commerce activity. Although many target customers may be ready for services obtained from a provider of business applications on a pay and use basis that allow companies to outsource applications/operations such as billing that were previously handled internally, the lack of adequate bandwidth will inhibit them from the uses of such services. Preliminary contact with prospects in a broad section of the market has confirmed that if service were available today the companies would become immediate prospective clients.

In North America alone, at least 160 cities have no adequate high-speed Internet service to their areas where businesses are grouped together in areas surrounding cities (i.e. business parks ). On average, each of those cities have 20 business parks and, in turn, each subdivision hosts an average of about 250 companies, resulting in approximately 5,000 potential clients per city for an aggregate of approximately 800,000 potential clients within the high speed Internet market.

Our proposed high-speed wireless Internet access system will be intended to provide the following key benefits to its prospective customers:

**Installation Speed and Simplicity:** Installing a wireless system can be fast and easy and avoids the disruption caused by pulling cable through walls and ceilings.

**Installation Flexibility:** Wireless technology allows the network to go where wire cannot go.

**Reduced Cost:** Overall the cost to the consumer will be lower than the competition due to the lower cost of installation and operation.

**Scalability:** Wireless systems can be configured in a variety of topologies to meet the needs of specific applications and installations. Configurations are easily changed and range from peer-to-peer networks (i.e. a network where every computer can share files with all other computers on the network) suitable for a small number of users to full infrastructure networks of thousands of users that enable roaming over a broad area.

### **Business Objectives & Milestones**

Our goal is to be a competitive wireless high speed Internet service provider. Our strategy for achieving this goal includes the following core elements:

*Markets*

Due to the speed of change in the Internet market, we intend to expand aggressively in order to secure major markets.

We intend to complete a trial version of our proposed operation in Vancouver, BC by the end of our first year of operations.

In the second year of operations, and subject to additional financing, we intend to expand to Edmonton, Calgary and Saskatchewan.

In the third year of operations, subject to additional financing, we intend to expand into the US.

*Services*

We intend to be low cost supplier of data transmission and to capitalize on markets that traditional telecommunications companies have so far ignored. We also intend to offer data products such as long distance, fax, voice mail, email and web pages. We intend to deliver high-quality customer service and support

*Technology*

We intend engineer our proposed networks using technology that initially delivers 1-33 Mbps, but that will potentially increase to 155 Mbps within one year.

*Operations*

We will attempt to leverage strategic relationships with the commercial real estate sector and with fiber telecom companies. We have no such relationships as of the date hereof and we cannot be sure that we will ever establish any such relationships.

**Key Success Factors**

The following factors will be important for the potential success of our business:

*Strategic Relationships*

It is extremely important for us to build relationships with the fiber telecom companies and commercial real estate holders within our target markets in order to secure the resources we need to reach our prospective customers. We are have not established any significant strategic relationships to date.

*Aggressive Expansion Strategy*

In order to compete and secure a customer base, we will have to aggressively expand into our target markets. Being an early entrant will reduce costs in obtaining customers, since we will not have to convince potential customers to switch from existing high speed Internet suppliers.

Companies that are able to penetrate the market quickly and can provide an efficient and effective wireless solution will enjoy significant competitive advantages. Unless we are able to do this we will be at a distinct disadvantage. In particular, being first within a target market allows a company to establish:

Reputation - A company's image and reputation is important to prospective customers and the early entrant can develop an enhanced reputation by being a pioneer.

Customer Loyalty - By providing affordable access and superior support with complementary services, a company can ensure long-term customer loyalty.





Learning Curve - Early entry can initiate the learning process in a business. Experience is difficult to imitate, so competitors, who enter the market after, will always be one step behind.

Preemptive Position - A policy of rapid growth through affiliation and acquisition of complementary marketing entities allows companies to build on a significant scale before a competitor can copy and execute a catch up strategy.

Service Package Definition - A company that enters the market first is able to pioneer what is necessary to satisfy customers needs by supplying their wireless high-speed Internet access with the installation of a wireless Local Area Network.

We cannot guarantee that we will be able to penetrate our target market faster than our competition. Unless we are able to do this we will be at a distinct disadvantage.

### **Competition**

If we are to compete within the wireless communications industry, we must establish positive brand recognition in our target market as being a low-cost high bandwidth provider.

#### *Customer Focus & Service*

Marketing is a large expense, consuming the company resources, in terms of both cash and effort. The cost of keeping a customer is much less than the cost of seeking and signing up a new customer, thus making retention of customers an extremely important objective.

To achieve excellent customer service, we will ensure that we continue to offer any of our customers affordable, quality services, together with excellent customer care and technical support, thereby reducing the risk of customer turnover and negative publicity.

#### *Skilled Management Team*

Our directors and officers currently lack experience in developing, marketing and deploying a wireless communications network. As such, we must retain skilled management and employees relevant to our business focus. In-depth knowledge of operations, regions (markets), key contacts, and in-depth knowledge of communications transmission technology will be essential for our implementation of our business plan. We intend to hire skilled officers, employees and/or consultants on completion of this offering.

### **Competitive Analysis**

#### *Barriers to Entry*

There are several barriers to entry into the high bandwidth transmission market, which reduce potential competition in the industry.

#### Real Estate Access

The greatest barrier to wireless providers entering this market is access to roof rights on strategically located real estate. Such access is required for the placement of antennae needed to deliver and transmit the radio signals within the company's network. We will attempt to align ourselves with major real estate owners within our target markets, so as to enable us to overcome this hurdle. We currently lack such contacts.

#### Cost of Equipment

The cost of installing the equipment for wired based systems is extremely expensive, placing many potential markets out of reach for wire or cable transmission-based companies for the foreseeable future. Although less expensive than wired systems, wireless systems also have large costs making it a risky venture in markets in which there is already



established competition between the telecom and cable companies. Therefore, we will target untapped and under-served markets outside of the city cores.

#### Brand Recognition

A service provider with a known and well-recognized brand name will typically be chosen in preference to its less recognized competitor. We will lack brand recognition and this may place us at a significant disadvantage. However, we intend to establish brand recognition and customer loyalty by offering superior service to competitors.

#### *Alternative Technologies*

The following is a list of the alternative forms of high-speed Internet service mediums with which we will be competing:

<b>Various Alternative Platforms</b>	<b>Current Availability for Business</b>	<b>Maximum Upstream Data Rate</b>	<b>Maximum Downstream Data Rate</b>	<b>Cost</b>	<b>Time to Market</b>	<b>Symmetrical or Asymmetrical Upstream versus Downstream rate</b>
Fiber-in-the-loop	High	2.5 Gbps (gigabytes per second)	2.5 Gbps	High	Slow	Symm.
Hybrid Fiber Coax (HFC)	Low	10 Mbps (megabytes per second)	30 Mbps	High	Slow	Asymm.
Broadband fixed wireless	Low	33 Mbps	33 Mbps	Low	Fast	Symm.
Very small aperture terminal	High	2 Mbps	2 Mbps	Moderate	Moderate	Asymm.
Broadband Satellite	Medium	64 Kbps	400 Kbps	High	Slow	Asymm.
Enhanced Copper (ADSL, xDSL)	Low	640 Kbps	1.5 Mbps	High	Slow	Asymm.
Twisted pair copper (analog)	High	56 Kbps	56 Kbps	Low	Fast	Symm.
Cellular Data	Medium	19.6 Kbps	19.6 Kbps	Moderate	Moderate	Symm.

Satellite and wireless cable companies are also trying to offer services to the market, but they are not offering high-speed bandwidth delivery to match the market's needs.

#### Established Telecoms

The major telecommunications companies, whether they are a telephone company that was providing local service when the Telecommunications Act of 1996 was enacted (referred to as Incumbent Local Exchange Carriers or ILECs) or a company that competes with the already established local telephone business (known as Competitive Local Exchange Carriers or CLECs), compete in the general high-speed Internet market, offering an assortment of high-speed Internet services. While these companies have a meaningful presence in the urban cores, they have not been willing to expand their services into our target market. The primary reason for this is cost. The need to ensure that the copper circuits are robust enough to provide quality connectivity for digital subscriber line services is cause for concern and apprehension within the engineering departments of the Incumbent Local Exchange Carriers. Compounding that problem, due to the time it takes technicians to install a digital subscriber line circuit at a customer's premises, installation has proven to be slow, very expensive and a severe drain on technical personnel resources.

#### High Speed Landline Providers

Rhythm's, Covad, Northpoint and other companies specialize in the delivery of asymmetric digital subscriber line services across North America. Asymmetric digital subscriber line services are services where the downstream and upstream rates of transmission are not symmetrical. They operate as both wholesale service providers and end user service providers. These companies are expanding as quickly as they can, but are dependent upon the Incumbent Local Exchange Carriers and are thus restricted in their deployment by the problems encountered by the major carriers. In addition, the asymmetric digital subscriber line services specialists are finding that the limitations imposed by wire standards and Central Office equipment is slowing down their deployment of services.

#### Cable Companies

Cable modems are designed to provide high-speed Internet access and are targeted primarily at the residential market. Cable lines pass by 100 million homes in North America, but only a portion of those homes currently have access to two-way cable modem service. In order to fully implement two-way communications, many cable operators must first upgrade their older networks. Cable modem performance deteriorates as the number of subscribers simultaneously using the system in a particular coverage area increases.

#### Satellite and Wireless Cable

Satellite and Wireless Cable service suppliers, including Direct Satellite & Services and Hughes Network Systems do offer an alternative to our proposed services. However, the transmission technology utilized by these companies is severely limited and effective for high-speed downlink only. The companies rely on 56Kbps analog modem service for their uplink and thus fall short of the market's needs. Customers with 10 or more people on line would find the telephone connection both frustrating, because of the low speed uplink (i.e. transmission upstream), and expensive because of the number of return telephone lines that would be required.

#### Fiber-based Solutions

Fiber-based solutions and high-capacity leased lines offer the highest data transmission rate of any of the alternative technologies for broadband access. However, these solutions are costly to deploy for small business and residential subscribers.

#### *Direct Competition*

There are a number of wireless high-speed Internet companies starting to appear across North America including World Wide Wireless Networks, Metricom, Winstar Communications and Zoolink. These companies are focusing on the city cores and not the outlying business areas that we intend to target.

## **Marketing Plan**

### *Brand Identity*

When naming our company, the founders sought to choose a name that would be distinctive and that could be established as an easily remembered brand in the increasingly competitive wireless market. Sine means without in Latin, giving our name the meaning without wire .

Being an early entrant into the wireless marketplace, we face an opportunity to secure brand recognition as a low price alternative to high bandwidth access before competition develops. Our strategy of developing brand image and awareness is critical to securing and maintaining a meaningful share of the target market.

Unless we are able to develop appropriate brand image and secure our share of the target market our proposed business operations will fail.

### *Advertising*

Our marketing plan will target the widest possible market. Due to the variety of different mediums of advertising, we intend to change our marketing plan periodically to maximize advertising exposure to our target market. We intend to customize our advertising campaign according to the particular target area in which we are marketing.

We intend to seek relationships with telecom companies to use their existing fiber network. We cannot guarantee that we will be able to obtain such relationships but if we are able to then most of our advertising efforts will be done in joint association with the telecom companies.

During the first six months of operation, if any, we intend to use direct mail and flyers to make prospective customers aware of our presence.

If we are able to, we intend to conduct more public advertising, with the use of stationary and mobile (bus) billboards. Subject to financing, we will also expand our potential marketing effort through the utilization of trade magazines distributed within the target markets.

We will develop and maintain a Web site, permitting customers and potential customers to obtain information on its current and proposed services, and to access customer services focused on ensuring customer loyalty and satisfaction.

### *Viral Marketing*

Word of mouth advertising is often the most effective form of advertising. However, it can also prove the most damaging if a company fails to deliver excellent customer service. If we are able to deploy services, we will strive to ensure that we provide quality customer service so that our reputation is favourable with the public.

### *Promotions*

Subject to obtaining sufficient financing, we intend to attend local trade shows dedicated to business technologies, and business association presentations within the target market in order to demonstrate the abilities of the wireless system to the target consumer.

### *Pricing*

We intend to price our proposed services in line with the pricing set for the delivery of high-speed Internet (T1, digital subscriber line, and ATM services) to the urban cores by the Incumbent Local Exchange Carriers, the Competitive Local Exchange Carriers or other carriers competing in that arena. T1 is a term coined by AT&T for a system that transfers digital signals at 1.544 megabits per second.



Business class services description	Access Speed (mbps)	Bundled Data Traffic (gb)	Length of Contract (Years)					Installation one time fee
			1	2	3	4	5	
Shared service	0.384	1.2	\$189	\$179	\$159	\$139	\$129	\$250
384 managed service	0.384	1.8	\$374	\$339	\$309	\$279	\$249	\$500
770k Managed Service	0.770	3.6	\$749	\$679	\$609	\$549	\$499	\$750
1.54 Meg Managed Service	1.544	7.2	\$1,499	\$1,349	\$1,219	\$1,099	\$989	\$1,500
3.08 Meg Managed Service	3.088	14.4	\$2,700	\$2,429	\$2,189	\$1,969	\$1,779	\$2,500
10 Meg Managed Service	10.00	47.00	\$4,500	\$4,049	\$3,649	\$3,289	\$2,959	\$4,500

### *Sales Strategy*

We have conducted location specific market research to ascertain that adequate demand exists within a targeted industrial subdivision. Subject to financing under this offering, we intend to commence our sales effort with an aggressive marketing campaign to announce the availability of our services. Each prospect within the target subdivision will then receive a follow-up individual sales call. Information gathered from these visits will be entered into a database that will form a valuable central information resource regarding both prospective and existing customers.

Our anticipated selling cycle is expected to be less than 30 days for those prospects with an immediate need for greater high-speed Internet access.

### **Risk Analysis**

As with any new business, especially those in an evolving industry, we are a very high-risk venture with many variables to contend with. Management recognizes these risks and will strive to reduce their impact as much as possible.

### *Industry Risk*

### Regulations

Although we intend to operate within the communications/utilities industry, we will not be subject to regulation by the Canadian-radio Television Commission or the US State Public Utilities Commissions. In particular, since we intend to operate our wireless services within the public frequency bandwidth, no legal registration is currently required. However, regulations or restrictions may be implemented by these or other regulatory boards or agencies and we may not be able to comply with those regulations without significant cost.

Since both federal and state authorities regulate the sale of telecommunication services in the US, we will closely monitor the licensing requirements and secure all permits, licenses, and bonds required to operate and continue to operate our proposed business.



Other applicable regulations are provincial, state, and local ordinances or zoning laws related to the use of building roofs for antennas. We will attempt to comply with these laws and regulations but we may incur significant costs in doing so.

### Competition

There are already several competitors within our target market of wireless high speed Internet services. We may not be able to compete with these companies. We will need to establish and maintain high quality service, network reliability and a competitive service package fulfilling all the relevant needs of the customer base in order to compete.

There are several barriers to entry into the high bandwidth transmission market, which reduce potential competition in the industry, including real estate access, cost of equipment, and brand recognition. The greatest barrier to wireless providers entering this market is access to roof rights on strategically located real estate. Such access is required for the placement of antennae needed to deliver and transmit the radio signals within the company's network. We will attempt to align ourselves with major real estate owners within our target markets, so as to enable us to overcome this hurdle. We currently lack such contacts. The cost of installing the equipment for wired based systems is extremely expensive, placing many potential markets out of reach for wire or cable transmission-based companies for the foreseeable future. Although less expensive than wired systems, wireless systems also have large costs making it a risky venture in markets in which there is already established competition between the telecom and cable companies. Therefore, we will target untapped and under-served markets outside of the city cores. A service provider with a known and well-recognized brand name will typically be chosen in preference to its less recognized competitor. We will lack brand recognition and this may place us at a significant disadvantage. However, we intend to establish brand recognition and customer loyalty by offering superior service to competitors.

We will also face competition from companies providing alternative forms of high-speed Internet access service. In addition, satellite and wireless cable companies are also trying to offer services to the market.

We will also face direct competition in our industry. In particular, there are a substantial number of wireless high-speed Internet companies starting to appear across North America including World Wide Wireless Networks, Metricom, Winstar Communications and Zoolink. These companies are focusing on the city cores and not the outlying business areas that we intend to target. We face intense competition from established and new wireless service provider companies. We may not be able to compete effectively with these companies now or in the future. Many of our potential competitors have significantly greater financial, marketing, technical and other competitive resources, as well as greater name recognition, than we have. As a result, our competitors may be able to adapt more quickly to new or emerging technologies and changes in consumer requirements or may be able to devote greater resources to the promotion and sale of their wireless services. We may not be able to compete successfully with our potential and existing competitors. In addition, competition could increase if new companies enter the market or if existing competitors expand their services. An increase in competition could result in price reductions and loss of market share and could have a material adverse effect on our business, financial condition or results of operations. To be competitive we will need to continue to invest in engineering, research and development and sales and marketing. We may not have sufficient resources to make such investments or that we will be able to make the technological advances necessary to remain competitive. In addition, current and potential competitors have established or may in the future establish collaborative relationships among themselves or with third parties, including third parties with whom we have relationships, to increase the visibility and utility of their services. Accordingly, new competitors or alliances may emerge and rapidly acquire significant market share.

### Economic

The current economic downturn may well affect our proposed business operations. The degree to which the economic downturn affects our business depends on whether prospective customers view broadband communications services as important or as unnecessary.

### *Technology Risk*

In deploying our proposed wireless networks, we will use technology that is non-proprietary. That means that other companies can purchase and deploy the same equipment and services and compete directly with us. Our only means



to mitigate this risk is to move quickly with the full co-operation of the suppliers of the technology to capture a substantial share of the prospective customer base. If we are unable to do this our business will fail.

Internet and communications technology is in a constant state of change and evolution. In order to stay competitive, we will have to regularly update and replace our equipment and software to take advantage of applicable advances in technology. Costs associated with keeping up with technological changes are great and such expenditures may cause us to go out of business.

#### *Product Research and Development*

We do not anticipate that we will expend any significant funds on research and development over the twelve months ending December 31, 2004.

#### *Employees*

Currently there are no full time or part-time employees of our company (other than our directors and officers who, at present, have not signed employment or consulting agreements with us). We do not expect any material changes in the number of employees over the next 12 month period (although we may enter into employment or consulting agreements with our officers or directors). If our wireless communications service provider business is successful and we experience rapid growth, our current officers and directors will be required to hire new personnel to improve, implement and administer our operational, management, financial and accounting systems.

#### *Purchase or Sale of Equipment*

We do not intend to purchase any significant equipment over the twelve months ending December 31, 2005.

### **RISK FACTORS**

Much of the information included in this current report includes or is based upon estimates, projections or other forward looking statements . Such forward looking statements include any projections or estimates made by us and our management in connection with our business operations. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions or other future performance suggested herein.

Such estimates, projections or other forward looking statements involve various risks and uncertainties as outlined below. We caution the reader that important factors in some cases have affected and, in the future, could materially affect actual results and cause actual results to differ materially from the results expressed in any such estimates, projections or other forward looking statements .

Our common shares are considered speculative during the development of our new business operations. Prospective investors should consider carefully the risk factors set out below.

*We have no operating history and have maintained losses since inception which we expect to continue into the future. We have never had any revenues to date.*

We were incorporated on October 4, 2001 and only just recently completed our business plan to provide wireless high speed Internet. We have not commenced operations or realized any revenues to date. We have no operating history upon which an evaluation of our future success or failure can be made. Our net loss since inception is \$93,036. Our ability to achieve and maintain profitability and positive cash flow is dependent upon our ability to generate ongoing revenues and our ability to compete with more established wireless service provider companies

Based upon our proposed plans, we expect to incur significant operating costs and net losses in future periods. This will happen because there are substantial costs and expenses associated with the research, development and marketing of software. We may fail to generate revenues in the future. Failure to generate revenues will cause us to go out of business.



*We require additional financing to implement our proposed business plan and to market and deploy our proposed wireless service networks. If we do not raise more financing we will not be able to continue our proposed operations and an investor may lose his or her investment.*

We need financing to complete and implement our proposed business plan and to market and deploy our proposed wireless service networks. If we are unable to raise more financing we will not be able to undertake our proposed business operations and an investor may lose his or her investment. In addition, we may:

- incur unexpected costs in implementing our proposed business plan and/or the marketing and deploy of our proposed wireless service networks;
- incur delays and additional expenses as a result of technology failure;
- be unable to create a substantial market for proposed wireless networks; or
- incur significant and unanticipated expenses.

The occurrence of any of the aforementioned events could adversely affect our ability to meet our business plans. We will depend exclusively on outside capital to pay for the marketing and deployment of our proposed wireless networks. Such outside capital may include borrowing. Capital may not be available to meet these continuing development costs or, if the capital is available, it may not be on terms acceptable to us. The issuance of additional equity securities by us would result in a significant dilution in the equity interests of our current stockholders. Obtaining loans, assuming those loans would be available, will increase our liabilities and future cash commitments. If we were unable to obtain financing in the amounts required our proposed business will fail and an investor may lose his or her investment.

*Our officers and directors lack experience in the wireless service provider industry and will be devoting only a fraction of their professional time to our activities. If our estimates related to expenditures are erroneous our business will fail and an investor may lose his or her investment.*

Our officers and directors have little or no direct experience in the management or operation wireless service provider. They will be relying on advice from engineers and consultants that they hire. In the future we will be required to recruit management with more expertise in the wireless service provider industry and we may be unable to do this. In the mean time, our current officers and directors will be devoting only approximately 5% of their professional time to our operations. Our management's lack of experience and devotion of time may make us more vulnerable than others companies to certain risks, and it may also cause us to be more vulnerable to business risks associated with errors in judgment that could have been prevented by more experienced management. In particular, if management's estimates of expenditures are erroneous our business will fail and an investor may lose his or her investment. Our management's lack of previous experience may harm our operations or cause us to go out of business.

*Changes in the wireless communications industry may render our business plans obsolete. If we are unable to keep up with industry changes our proposed business will fail and an investor may lose his or her investment.*

The wireless communications industry is fast paced and rapidly changing. Our plans as they exist today may not be viable in the future. Shifts in technology, business and consumer demands, use of alternative wireless services by businesses and consumers, and government regulations could hinder our strategy and growth plans. If we cannot keep up with changes in the wireless service provider industry our proposed business will fail and an investor may lose his or her investment. Although we will engage network developers who are experienced in the development of wireless networks, we have no experience in developing and marketing such services. In addition, future advances in the wireless communications industry could lead to new technologies or services competitive with or superior to the proposed services to be provided by us, if any. Those technological advances could also lower the costs of other services that compete with our proposed networks resulting in pricing or performance pressure on our proposed wireless networks, which could harm our proposed business operations.



*We face substantial competition from established and new companies in the wireless communications industry. If we are unable to compete with these companies our proposed business will fail and an investor may lose his or her investment.*

We face intense competition from established and new wireless service provider companies. We may not be able to compete effectively with these companies now or in the future. Many of our potential competitors have significantly greater financial, marketing, technical and other competitive resources, as well as greater name recognition, than we have. As a result, our competitors may be able to adapt more quickly to new or emerging technologies and changes in consumer requirements or may be able to devote greater resources to the promotion and sale of their wireless services. We may not be able to compete successfully with our potential and existing competitors. In addition, competition could increase if new companies enter the market or if existing competitors expand their services. An increase in competition could result in price reductions and loss of market share and could have a material adverse effect on our business, financial condition or results of operations. To be competitive we will need to continue to invest in engineering, research and development and sales and marketing. We may not have sufficient resources to make such investments or that we will be able to make the technological advances necessary to remain competitive. In addition, current and potential competitors have established or may in the future establish collaborative relationships among themselves or with third parties, including third parties with whom we have relationships, to increase the visibility and utility of their services. Accordingly, new competitors or alliances may emerge and rapidly acquire significant market share. If we are unable to compete with companies in the wireless service provider industry, our proposed business will fail and an investor may lose his or her investment.

*We may experience unanticipated problems, expenses or delays in deploying our wireless service networks that may cause us to go out of business.*

Our ability to successfully develop, produce and sell our software programs and to eventually generate operating revenues will depend on our ability to:

- successfully market and deploy our wireless service networks;
- successfully continue to enhance our networks to keep pace with changes in technology and changes demanded by users of such services; and
- obtain the necessary financing to implement our business plan.

Given that we have no operating history, no revenues and only losses to date, we may not be to achieve any of these goals and we may never develop a sufficiently large customer base to be profitable. Unscheduled delays in development of our proposed wireless networks, if any, or the implementation of our sales program could result in lost or delayed revenues. Delays and related increases in costs in the development of our wireless networks or the implementation of our sales and marketing program could result from the following causes:

- delays in the development and engineering of our wireless network;
- delays in hiring or retaining experienced wireless communications engineers;
- delays in locating and hiring experienced sales and marketing professionals; and
- delays caused by other events beyond our control.

Any significant delay in the development, testing and release of our proposed services or a delay in the implementation of our sales and marketing program could result in increased costs and could cause our proposed business to fail.

*We expect to experience significant and rapid growth in the scope and complexity of our proposed business as we proceed with our proposed marketing and deployment of our wireless networks. If we are unable to hire staff to handle sales and marketing of our services and manage our operations, our growth could harm our future business results and may strain our managerial and operational resources.*





As we proceed with the marketing and deployment of our wireless networks, we expect to experience significant and rapid growth in the scope and complexity of our business. We will need to hire staff to market our services, manage operations, handle sales and marketing efforts and perform finance and accounting functions. We will be required to hire a broad range of personnel in order to successfully advance our operations. This growth is likely to place a strain on our management and operational resources. If we fail to develop and implement effective systems, or hire and retain sufficient personnel for the performance of all of the functions necessary to effectively service and manage our proposed business, or fail to manage growth effectively, our proposed business will fail and an investor may lose his or her investment.

*Unless we can establish significant sales of our proposed wireless services, we will have no ability to generate revenues and an investor may lose his or her investment.*

We expect that a substantial portion, if not all, of our future revenue will be derived from the sale of our wireless services. We expect that these services will account for a majority, if not all, of our revenue for the foreseeable future. Broad market acceptance of our services is, therefore, critical to our future success and our ability to generate revenues. Failure to achieve broad market acceptance of our wireless services, as a result of competition, technological change, or otherwise, would significantly harm our business. Our future financial performance will depend on the successful introduction and market acceptance of our wireless services. There can be no assurance that we will be successful in marketing wireless networks or services, and any failure to do so would significantly harm our business.

*We have not completed commenced the marketing and deployment of our proposed wireless networks and we have no contracts for the sale of our wireless services if and when we are ready to deploy them. If we are unable to market and deploy our services we will not be able to generate revenues and an investor may lose his or her investment.*

We have not commenced the marketing and deployment of our proposed wireless networks. The success of our proposed business will depend on the marketing and deploy of our networks and the acceptance of our services by the wireless communications industry, including businesses and the general public. Achieving such acceptance will require significant marketing investment. Our proposed wireless networks may not be accepted by the wireless communications industry at sufficient levels to support our operations and build our business. If our wireless services are not accepted by the wireless industry our proposed business will fail.

*We will be dependent on resellers for the sale of our wireless services. If we are not successful in opening our distribution channels we may not be able to generate revenues and you may lose all your investment.*

We have no reseller agreements to distribute our wireless services and we may never get any. Further, we may not be able to deliver any wireless services to these companies in a timely manner or these companies may not be able to sell our wireless services in volumes anticipated by us. Our growth will be dependent on our ability to expand our third-party distribution channels to market, sell and distribute our proposed services. While our strategy is to enter into additional agreements with resellers, we may not be able to successfully attract additional vendors to distribute our services. In addition, we have no experience in marketing our proposed services through resellers or at all and we will have little, if any, control over any third-party resellers. We may not be successful in our efforts to generate revenue from these distribution channels, and we may not be successful in recruiting new organizations to represent us and our proposed services. Any such failure would result in us having expended significant resources with little or no return on our investment, which would significantly harm our proposed business.

*The inability to retain skilled engineers to engineer our proposed networks would have an adverse impact on future development and could impair our ability to succeed.*

Our performance will be substantially dependent on the technical expertise and consulting services of wireless communications engineers. Our performance will also substantially be dependent on our ability to continue to hire and retain technical expertise. There is intense competition for skilled personnel, particularly in the field of wireless service providers. The loss or inability to obtain the services of skilled engineers to develop and engineer our proposed networks could harm our proposed business operations.



*Because our directors have foreign addresses this may create potential difficulties relating to service of process in the event that you wish to serve them with legal documents.*

Neither of our current directors and officers have resident addresses in the United States. They are both resident in Canada. Because our officers and directors have foreign addresses this may create potential difficulties relating to the service of legal or other documents on any of them in the event that you wish to serve them with legal documents.

*Because the SEC imposes additional sales practice requirements on brokers who deal in our shares which are penny stocks, some brokers may be unwilling to trade them. This means that you may have difficulty in reselling your shares and may cause the price of the shares to decline.*

Our shares qualify as penny stocks and are covered by Section 15(g) of the Securities Exchange Act of 1934 which imposes additional sales practice requirements on broker/dealers who sell our securities in this offering or in the aftermarket. For sales of our securities, the broker/dealer must make a special suitability determination and receive from you a written agreement prior to making a sale to you. Because of the imposition of the foregoing additional sales practices, it is possible that brokers will not want to make a market in our shares. This could prevent an investor from reselling its shares and may cause the price of the shares to decline.

*There is currently no public trading market for our common stock, so you may be unable to sell your shares.*

There is currently no public trading market for our common stock. A market may never develop for our common stock. If a market does not develop, it will be very difficult, if not impossible for you to resell your shares.

**Item 2. Description of Property.**

From our inception our principal offices are located at 1208 - 1030 West Georgia Street, Vancouver, British Columbia V6E 4Y3 and our telephone number was 604.662.7900. We lease our office space from Alpha Beta Developments Inc. on a month to month basis and our monthly rental is \$200. We believe that this space is sufficient at this time. However, we may move to expanded office space when and if our business expands.

**Item 3. Legal Proceedings.**

We know of no material, active or pending legal proceedings against us, nor are we involved as a plaintiff in any material proceedings or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder are an adverse party or has a material interest adverse to us.

**Item 4. Submissions of Matters to a Vote of Security Holders.**

There were no matters submitted to a vote of our security holders either through solicitation of proxies or otherwise in the fourth quarter of the fiscal year ended December 31, 2003.

**PART II**

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

On June 5, 2003, our common stock received approval for quotation on the National Association of Securities Dealers Inc.'s Over-the-Counter Bulletin Board under the name Sinewire Networks Inc. and under the symbol SNTW. On March 21, 2005, we changed our name from Sinewire Networks Inc. to Lamperd Less Lethal Inc. The name change took effect with the NASD Inc.'s Over-the-Counter Bulletin Board at the opening for trading on March 31, 2005 under our new stock symbol LLLI. The following table reflects the high and low bid information for our common stock for each fiscal quarter during the fiscal years ended December 31, 2003 and 2004. The bid information was obtained from Yahoo! Finance and reflects inter-dealer prices, without retail mark-up, markdown or commission, and may not necessarily represent actual transactions.

<b>Quarter Ended</b> (1)	<b>High</b>	<b>Low</b>
March 31, 2003	--	--
June 30, 2003	--	--
September 30, 2003	0.01	0.00
December 31, 2003	0.01	0.01
March 31, 2004	0.01	0.01
June 30, 2004	0.01	0.01
September 30, 2004	0.01	0.01
December 31, 2004	0.01	0.01

(1) Our common stock received approval for quotation on June 5, 2003. The first trade occurred March 31, 2005.

On March 31, 2005, the closing price for the common stock as reported by the quotation service operated by the OTC Bulletin Board was \$1.30.

As of March 31, 2005, there were 48 holders of record of our common stock. As of such date, 222,580,000 common shares were issued and outstanding.

Our common shares are issued in registered form. The Nevada Agency and Trust Company, 50 Liberty Street, Suite 880, Reno, Nevada 89501 (Telephone: 775.322.0626; Facsimile 775.322.5623) is the registrar and transfer agent for our common shares. We have no other classes of securities.

#### *Dividend Policy*

We have not paid any cash dividends on our common stock and have no present intention of paying any dividends on the shares of our common stock. Our current policy is to retain earnings, if any, for use in our operations and in the development of our business. Our future dividend policy will be determined from time to time by our board of directors.

#### *Recent Sales of Unregistered Securities*

On January 27, 2005, our board of directors of the Corporation approved a five (5) for one (1) forward stock split (the Forward Stock Split ) of our authorized, issued and outstanding common stock. The Forward Stock Split was effected with the Nevada Secretary of State on January 31, 2005 and the record date was as of February 10, 2005. As a result, our authorized capital increased from 200,000,000 to 1,000,000,000 shares of common stock with a par value of \$0.001. The ratio of distribution was an additional four (4) shares of common stock for every one (1) share of common stock issued and outstanding immediately prior to the effective date of the Forward Stock Split. This increased our issued and outstanding share capital from 44,516,000 shares of common stock to 222,580,000 shares of common stock.

#### *Equity Compensation Plan Information*

We currently do not have any stock option or equity plans.

### **Item 6. Management's Discussion and Analysis or Plan of Operation.**

#### *Overview*

You should read the following discussion of our financial condition and results of operations together with the consolidated audited financial statements and the notes to consolidated audited financial statements included elsewhere in this filing prepared in accordance with accounting principles generally accepted in the United States.

This discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those anticipated in these forward-looking statements.

### ***Plan of Operations***

#### *Results of Operations.*

We posted losses of \$11,352 for the year ending December 31, 2004, losses of \$16,874 for the year ended December 31, 2003, and losses of \$93,036 since inception to December 31, 2004. The principal component of the loss was for general and administrative expenses.

Operating expenses for the year ending December 31, 2004 were \$11,352 compared to the year ending December 31, 2003 that were \$16,874.

#### *Financial Condition, Liquidity and Capital Resources*

Since inception on October 4, 2001, we have been engaged as a start-up wireless internet service provider. Our principal capital resources have been acquired through the issuance of common stock.

At December 31, 2004, we had a deficit of working capital deficit of \$31,586 compared to working capital of \$20,234 at December 31, 2003.

At December 31, 2004, we had no assets. This compares with our assets at December 31, 2003 of \$5 which consisted of cash.

At December 31, 2004, our total liabilities were \$31,586, compared to our liabilities of \$20,239 as at December 31, 2003.

We have had no revenues from inception. There is currently insufficient capital to develop our wireless internet service provider business. We are currently trying to obtain additional financing in the form of a private placement or shareholder loans to obtain the capital necessary to survive and implement our business plan. However, to date we have been unsuccessful obtaining such financing and we may be unable to fully implement our business plan as a result of this. Our directors will be conducting an in-depth analysis of our business plan and related future opportunities. To better protect stockholder interests and provide future appreciation, we may concurrently pursue other opportunities or initiatives as an extension to our existing business.

The continuation of our business is dependent upon obtaining further financing, a successful program of acquisition and development, and, finally, achieving a profitable level of operations. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

There are no assurances that we will be able to obtain further funds required for our continued operations. As noted herein, we are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations.

We have no long-term debt and do not regard long-term borrowing as a good, prospective source of financing.

#### *Cash Requirements*

Over the next twelve months we require financing in the amount of at least \$160,000 to initiate the deployment of a wireless network and for marketing efforts, as follows:



Estimated Funding Required During the Next Twelve Months

General and Administrative	\$10,000
Operations	
Wireless service, marketing and deployment costs	\$140,000
Working Capital	\$10,000
<b>Total</b>	<b>\$160,000</b>

As at December 31, 2004, we had a working capital deficiency of \$31,586. Should the transaction with Lamperd Less Lethal not close, we anticipate that we will have to raise additional cash of a minimum of \$150,000 no later than June 30, 2005, to allow us to commence deployment of our wireless network and to provide us with approximately \$10,000 in working capital to continue our normal operations. We plan to raise the capital required to meet these immediate short-term needs, and additional capital required to meet the balance of our estimated funding requirements for the twelve months, primarily through the private placement of our securities. However, to date we have been unsuccessful obtaining any such financing and we may be unable to fully implement our business plan as a result of this. Our directors are continuing to conduct an in-depth analysis of our business plan and related future opportunities for wireless companies. To better protect stockholder interests and provide future appreciation, we may concurrently pursue other opportunities or initiatives as an extension to our existing business.

There are no assurances that we will be able to obtain further funds required for our continued operations. We are pursuing various financing alternatives to meet our immediate and long-term financial requirements. There can be no assurance that additional financing will be available to us when needed or, if available, that it can be obtained on commercially reasonable terms. If we are not able to obtain the additional financing on a timely basis, we will be unable to conduct our operations as planned, and we will not be able to meet our other obligations as they become due. In such event, we will be forced to scale down or perhaps even cease our operations.

*Product Research and Development*

We do not anticipate that we will expend any significant funds on research and development over the twelve months ending December 31, 2005.

*Purchase of Significant Equipment*

We do not intend to purchase any significant equipment over the twelve months ending December 31, 2005.

*Employees*

Currently there are no full time or part-time employees of our company (other than our directors and officers who, at present, have not signed employment or consulting agreements with us). We do not expect any material changes in the number of employees over the next 12 month period (although we may enter into employment or consulting agreements with our officers or directors).

*Going Concern*

Due to our being a development stage company and not having generated revenues, in the consolidated financial statements for the year ended December 31, 2004, we included an explanatory paragraph regarding concerns about our ability to continue as a going concern. Our consolidated financial statements contain additional note disclosures describing the circumstances that lead to this disclosure.





The continuation of our business is dependent upon us raising additional financial support. The issuance of additional equity securities by us could result in a significant dilution in the equity interests of our current stockholders. Obtaining commercial loans, assuming those loans would be available, will increase our liabilities and future cash commitments.

#### *Recently Issued Accounting Standards*

In June 2002, FASB finalized FAS 146, Accounting for Costs Associated with Exit or Disposal Activities. FAS 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring). The principal difference between this Statement and Issue 94-3 relates to its requirements for recognition of a liability for a cost associated with an exit or disposal activity. This Statement requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Under Issue 94-3, a liability for an exit cost as defined in Issue 94-3 was recognized at the date of an entity's commitment to an exit plan. A fundamental conclusion reached by the Board in this Statement is that an entity's commitment to a plan, by itself, does not create a present obligation to others that meets the definition of a liability. Therefore, this Statement eliminates the definition and requirements for recognition of exit costs in Issue 94-3. This Statement also establishes that fair value is the objective for initial measurement of the liability. The adoption of this statement is not expected to have a material impact on the Company's financial position and results of operations. FAS 146 is effective for exit and disposal activities initiated after December 31, 2002.

In December 2002, the Financial Accounting Standards Board Issued Statement No. 148, Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of FASB Statement No. 123, (SFAS 148). SFAS 148 amends FASB Statement No. 123, Accounting for Stock Based Compensation (SFAS 123) and provides alternative methods for accounting for a change by registrants to the fair value method of accounting for stock-based compensation. Additionally, SFAS 148 amends the disclosure requirements of SFAS 123 to require disclosure in the significant accounting policy footnote of both annual and interim financial statements of the method of accounting for stock-based compensation and the related pro-forma disclosures when the intrinsic value method continues to be used. The statement is effective for fiscal years beginning after December 15, 2002, and disclosures are effective for the first fiscal quarter beginning after December 15, 2002.

In November 2002, the FASB issued FASB Interpretation No. 45, Guarantor's Accounting and Disclosure Requirements for Guarantees, including Indirect Guarantees and Indebtedness of Others, an interpretation of FASB Statements No. 5, 57, and 107 and Recession of FASB Interpretation No. 34 (FIN No. 45). FIN No. 45 elaborates on the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under certain guarantees that it has issued. It also clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. FIN No. 45 does not prescribe a specific approach for subsequently measuring the guarantor's recognized liability over the term of the related guarantee. It also incorporates, without change, the guidance in FASB Interpretation No. 34, Disclosure of Indirect Guarantees of Indebtedness of Others, which is being superseded. The disclosure provisions of FIN No. 45 are effective for financial statements of interim or annual periods that end after December 15, 2003 and the provisions for initial recognition and measurement are effective on a prospective basis for guarantees that are issued or modified after December 31, 2003 irrespective of a guarantor's year-end. We do not expect the adoption of FIN No. 45 to have a material impact on our results of operations or financial position.

In May 2003, the FASB issued SFAS No. 150, Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity. This Statement establishes standards for how an issuer classifies and measures in its statement of financial position certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances) because that financial instrument embodies an obligation of the issuer. This Statement is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003 except for mandatory redeemable financial instruments of nonpublic entities. We do not expect that the adoption of this standard will have a material effect on our financial position or results of operations.

In January 2003, the FASB issued Interpretation No. 46, Consolidation of Variable Interest Entities ( FIN 46 ). The objective of FIN 46 is to improve financial reporting by companies involved with variable interest entities. A variable interest entity is a corporation, partnership, trust, or any other legal structure used for business purposes that either (a) does not have equity investors with voting rights or (b) has equity investors that do not provide sufficient financial resources for the entity to support its activities. FIN 46 requires a variable interest entity to be consolidated by a company if that company is subject to a majority of the risk of loss from the variable interest entity's activities or entitled to receive a majority of the entity's residual returns or both. FIN 46 also requires disclosures about variable interest entities that the company is not required to consolidate but in which it has a significant variable interest. The consolidation requirements of Interpretation 46 apply immediately to variable interest entities created after January 31, 2003. The consolidation requirements apply to older entities in the first fiscal year or interim period beginning after June 15, 2003. Certain of the disclosure variable interest entity were established. As of December 31, 2003, we do not expect that the adoption of this standard will have a material effect on our financial position or results of operations.

#### APPLICATION OF CRITICAL ACCOUNTING POLICIES

Our financial statements and accompanying notes are prepared in accordance with generally accepted accounting principles in the United States. Preparing financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, and expenses. These estimates and assumptions are affected by management's application of accounting policies. We believe that understanding the basis and nature of the estimates and assumptions involved with the following aspects of our consolidated financial statements is critical to an understanding of our financials.

We have historically incurred losses, and through December 31, 2004 have incurred losses of \$93,036 from our inception. Because of these historical losses, we will require additional working capital to develop our business operations.

We intend to raise additional working capital through private placements, public offerings and/or bank financing. As at our year end, we were in discussions with several investors, however no definitive agreements have been reached.

There are no assurances that we will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placements, public offerings and/or bank financing necessary to support our working capital requirements. To the extent that funds generated from operations and any private placements, public offerings and/or bank financing are insufficient, we will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to us. If adequate working capital is not available we may not increase our operations.

These conditions raise substantial doubt about our ability to continue as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or the amount and classification of liabilities that might be necessary should we be unable to continue as a going concern.

#### **Item 7. Financial Statements.**

Our financial statements are stated in United States dollars (US\$) and are prepared in accordance with United States Generally Accepted Accounting Principles.

The following consolidated financial statements are filed as part of this annual report:

Independent Auditor's Report, dated March 28, 2005

Consolidated Balance Sheets as at December 31, 2004

Consolidated Statements of Operations for the year ended December 31, 2004, December 31, 2003 and for the period from October 4, 2001 (incorporation) to December 31, 2004



Consolidated Statements of Changes in Stockholders' Equity (Deficiency) for the year ended December 31, 2004, December 31, 2003 and for the period from October 4, 2001 (incorporation) to December 31, 2004

Consolidated Statements of Cash Flows for the year ended December 31, 2004, December 31, 2003 and for the period from October 4, 2001 (incorporation) to December 31, 2004

Notes to the Consolidated Financial Statements

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**INDEPENDENT AUDITORS REPORT**

To the Board of Directors

Sinewire Networks, Inc.

(A Development Stage Company)

Vancouver BC, Canada

We have audited the accompanying balance sheet of Sinewire Networks, Inc. as of December 31, 2004, and the related statements of operations, stockholders' deficit, and cash flows for each of the two years then ended and for the period from October 4, 2001 (Inception) through December 31, 2004. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Sinewire Networks, Inc. as of December 31, 2004, and the results of its operations and its cash flows for each of the two years then ended and for the period from October 4, 2001 (Inception) through December 31, 2004, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 2 to the financial statements, the Company's recurring losses from operations and the need to raise additional financing in order to satisfy its vendors and other creditors and execute its Business Plan raise substantial doubt about its ability to continue as a going concern. Management's plans as to these matters are also described in Note 2. The 2004 financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Lopez, Blevins, Bork & Associates, LLP

Houston, Texas

March 28, 2005

*See accompanying summary of accounting policies  
and notes to financial statements.*

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**SINEWIRE NETWORKS, INC.****(A DEVELOPMENT STAGE COMPANY)****BALANCE SHEET****December 31, 2004****ASSETS**

Current assets

Cash

\$

**LIABILITIES AND STOCKHOLDERS DEFICIT**

Current liabilities:

Accounts payable and accrued expenses

\$

7,777

Notes payable - shareholder

23,809

Total current liabilities

31,586

Commitments

**STOCKHOLDERS DEFICIT:**

Common stock, \$.001 par value, 200,000,000 shares

authorized, 44,516,000 shares issued and outstanding

44,51

6

Additional paid in capital

16,934

Deficit accumulated during the development stage

(93,036

)

Total Stockholders Deficit

(31,586

)

**TOTAL LIABILITIES AND STOCKHOLDERS DEFICIT**

\$

*See accompanying summary of accounting policies**and notes to financial statements.*

**SINEWIRE NETWORKS, INC.****(A DEVELOPMENT STAGE COMPANY)****STATEMENTS OF OPERATIONS****Years Ended December 31, 2004 and 2003****and Period from October 4, 2001 (Inception) through December 31, 2004**

	<b>Years Ended December 31, 2004</b>	<b>2003</b>	<b>Inception through December 31, 2004</b>
Expenses:			
General and administrative	\$ 11,352	\$ 16,874	\$ 92,674
Interest expense			362
Net loss	\$ (11,352 )	\$ (16,874 )	\$ (93,036 )
Net loss per share:			
Basic and diluted	\$ (0.00 )	\$ (0.00 )	
Weighted average shares outstanding:			
Basic and diluted	44,516,000	44,516,000	

*See accompanying summary of accounting policies*

*and notes to financial statements.*



**SINEWIRE NETWORKS, INC.**

**(A DEVELOPMENT STAGE COMPANY)**

**STATEMENT OF STOCKHOLDERS DEFICIT**

**Period From October 4, 2001 (Inception) through December 31, 2004**

	<b>Common Stock Shares</b>	<b>Amount</b>	<b>Additional paid in capital</b>	<b>Deficit accumulated during the development stage</b>	<b>Subscription Receivable</b>	<b>Total</b>
Issuance of common stock to founders for cash	40,000,000	\$40,000	\$ (35,000 )	\$		