Interim Financial Statements

# Opsens Inc.
(after merger)

Three-month period ended November 30, 2006

# Notice

These interim financial statements have not been

reviewed by the Company's external auditors.

# Opsens Inc.
November 30, 2006

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# Opsens Inc.

Statements of Loss

Three-month period ended November 30, 2006

| (unaudited) | First quarter | |
|---|---|---|
| | 2006 | 2005 |
| | $ | $ |
| Revenues | | |
| Sales | 173,788 | 104,726 |
| Partnership revenues | - | 25,612 |
| | 173,788 | 130,338 |
| Cost of sales | 118,704 | 82,904 |
| Gross margin | 55,084 | 47,434 |
| Expenses | | |
| Administrative | 248,918 | 52,395 |
| Marketing | 229,990 | 63,776 |
| Research and development | 126,491 | 81,546 |
| Financial | 11,841 | 43,223 |
| | 617,240 | 240,940 |
| Loss before income taxes | (562,156) | (193,506) |
| Income taxes | - | - |
| **Net loss** | (562,156) | (193,506) |
| **Net loss per share (note 4)** | | |
| Basic | (0.02) | (0.01) |
| Diluted | (0.02) | (0.01) |

The accompanying notes are an integral part of the interim financial statements.

Reference:
Stock-based compensation expense (Note 3b)

# Opsens Inc.

Statements of Deficit

Three-month period ended November 30, 2006

| (unaudited) | First quarter | |
|---|---|---|
| | 2006 | 2005 |
| | $ | $ |
| **Balance at beginning** | 1,757,494 | 699,052 |
| Net loss | 562,156 | 193,506 |
| | 2,319,650 | 892,558 |
| Issuance expenses on equity component | 436,320 | - |
| **Balance at end** | 2,755,970 | 892,558 |

The accompanying notes are an integral part of the interim financial statements.

# Opsens Inc.

## Balance Sheets

| | November 30, 2006 (unaudited) | August 31, 2006 (audited) |
|---|---|---|
| | $ | $ |
| **Assets** | | |
| Current | | |
| Cash and cash equivalents | 2,040,491 | 323,420 |
| Accounts receivable | 190,301 | 171,791 |
| Income tax credits receivable | 538,577 | 477,150 |
| Inventories | 249,551 | 179,781 |
| Prepaid expenses | 18,279 | 19,823 |
| | 3,037,199 | 1,171,965 |
| Property, plant and equipment | 270,123 | 268,736 |
| Intangible assets | 102,798 | 98,688 |
| Deferred financing costs | 9,573 | 70,528 |
| | 3,419,693 | 1,609,917 |
| **Liabilities** | | |
| Current | | |
| Demand loans | - | 204,824 |
| Demand loans with *Capital DCB Inc.* (Note 1) | - | 250,000 |
| Accounts payable and accrued liabilities | 401,287 | 279,919 |
| Deferred revenue | 20,000 | 20,000 |
| Current portion of long-term debt | 238,985 | 133,907 |
| | 660,272 | 888,650 |
| Long-term debt | 453,969 | 622,622 |
| Class A retractable shares at the option of the shareholder (Note 3) | - | 773,767 |
| | 1,114,241 | 2,285,039 |
| **Shareholders' equity (deficiency)** | | |
| Share capital (Note 3) | 4,206,984 | 1,082,372 |
| Stock-options (Note 3) | 174,433 | - |
| Warrants (Note 3) | 680,005 | - |
| Deficit | (2,755,970) | (1,757,494) |
| | 2,305,452 | (675,122) |
| | 3,419,693 | 1,609,917 |

The accompanying notes are an integral part of the interim financial statements.

References:
- Commitments (Note 5)
- Contractual guarantees (Note 6)
- Subsequent events (Note 8)

Approved by the Board

*(s) Pierre Carrier* ___ Director  (s) Mario Jacob _ Director

# Opsens Inc.

Statements of Cash Flows

Three-month period ended November 30, 2006

| (unaudited) | First quarter | |
|---|---|---|
| | 2006 | 2005 |
| | $ | $ |
| **Operating activities** | | |
| Net loss | (562,156) | (193,506) |
| Adjustments for: | | |
| Amortization of property, plant and equipment | 14,663 | 14,532 |
| Amortization of intangible assets | 1,928 | 1,324 |
| Amortization of deferred financing costs | 8,568 | 270 |
| Premium payable to *Investissement Québec* | 2,130 | 2,130 |
| Financial expenses related to convertible debentures | - | 3,707 |
| Stock-based compensation | 111,100 | - |
| Changes in non-cash operating working capital items | (27,208) | (183,333) |
| | (450,975) | (354,876) |
| **Investing activities** | | |
| Acquisition of property, plant and equipment | (16,050) | (12,514) |
| Acquisition of intangible assets | (6,038) | (6,246) |
| | (22,088) | (18,760) |
| **Financing activities** | | |
| Increase in deferred financing costs | (51,286) | - |
| Increase in long-term debt | 35,928 | 90,150 |
| Reimbursement of demand loan | (204,824) | - |
| Reimbursement of long-term debt | (101,633) | (11,070) |
| Increase in convertible debentures | - | 300,000 |
| Issuance of equity component | 2,215,000 | - |
| Issuance expenses of equity component (Note 3) | (261,767) | - |
| Cash and cash equivalents acquired in the qualifying transaction (Note 1) | 558,716 | - |
| | 2,190,134 | 379,080 |
| Increase in cash and cash equivalents | 1,717,071 | 5,444 |
| Cash and cash equivalents at beginning | 323,420 | 132,196 |
| **Cash and cash equivalents at end** | 2,040,491 | 137,640 |

The accompanying notes are an integral part of the interim financial statements.

## 1. Status and nature of activities

During the quarter, the Company, formerly known as DCB Capital Inc., changed its name to Opsens Inc. (« Opsens ») following the completion of a qualifying transaction.

This transaction, described in Note 3, constitutes a qualifying transaction as per Policy 2.4 of the TSX Venture Exchange Corporate Finance Manual. The transaction was realized by means of an acquisition followed by a merger carried out on October 3, 2006.

For accounting and disclosure purposes, this type of share exchange constitutes a reverse takeover, under which Opsens Inc. is deemed to have issued shares in consideration for the net assets of DCB Capital Inc. Consequently, the control of DCB Capital Inc. was transferred to the shareholders of Opsens Inc.

In compliance with EIC-10 of the CICA Handbook, this reverse takeover constitutes an equity transaction rather than a business combination. Consequently, no goodwill or intangible asset are accounted for, and the company's financial statements present the continuance of Opsens Inc.

Under the terms of the qualifying transaction, the net value of the acquired assets of DCB Capital Inc. is as follows:

| | $ |
|---|---|
| Cash and cash equivalents ($ 558,716) and other current assets | 576,735 |
| Demand loan receivable from Opsens Inc. | 250,000 |
| Liabilities | (18,432) |
| Net value | 808,303 |

The consideration issued as part of this business combination is allocated as follows:

| | $ |
|---|---|
| 20,000,000 common shares | 744,970 |
| 333,333 stock options revalued at fair value as of October 3, 2006 | 63,333 |
| | 808,303 |

## 2. Accounting policies

The significant accounting policies used to prepare these financial statements are summarized below.

*Unaudited interim financial statements*

The accompanying unaudited interim financial statements are prepared in accordance with Canadian generally accepted accounting principles for interim financial statements, and they are consistent with the accounting policies and methods used in the preparation of the Company's most recent audited financial statements. However, they do not include all information required for annual financial statements. These unaudited interim financial statements and related notes should be read in conjunction with the most recent Company's annual audited financial statements.

The financial statements as at November 30, 2006 and for the three-month periods ended November 30, 2006 and 2005 are unaudited. However, in the opinion of management, all adjustments, consisting solely of normal recurring adjustments, considered necessary for a fair presentation of the results of operations for the period presented, have been included. Results for the interim periods presented are not necessarily indicative of the results that may be expected for the year.

All amounts are disclosed in canadian dollars.

*Use of estimates*

The presentation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Revenue recognition*

Revenues related to the sale of products are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the price to the buyer is fixed or determinable and collection is reasonably assured.

Partnership revenues are recorded using the percentage of completion method. Therefore, these revenues are recognized proportionately with the degree of completion of work. The Company uses the efforts expended method to calculate the degree of completion of work based on the number of hours incurred at the balance sheet date compared to estimated total number of hours. Work in progress is valued by taking into consideration the number of hours worked and which have not yet been invoiced, and the receipts. Losses are recorded as soon as they become apparent.

*Loss per share*

Loss per share is determined using the weighted average number of outstanding shares during the period. The Company uses the treasury stock method to calculate the diluting effect of share purchase options, warrants and convertible debentures. Reconciliations of the numerators and the denominators used in the calculation of the basic and diluted loss are disclosed in accordance with the standard.

*Stock-based compensation and other stock-based payments*

The Company uses the fair value method to measure the fair value of the stock options or the warrants options or warrants. The fair value is determined using the Black-Scholes option pricing model and is amortized to earnings over the vesting period with an offset to contributed surplus. When options or warrants are exercised, the corresponding contributed surplus and the proceeds received by the Company are credited to share capital.

## 3. Share capital, stock-options and warrants

### a) *Share capital*

Authorized, unlimited number

Common shares, voting and participating without par value

In accordance with EIC-10, the capital structure appearing in these financial statements is that of DCB Capital Inc. and the dollar amounts presented are that of Opsens Inc.

| | Number | Amount |
|---|---|---|
| | | $ |
| Issued and fully paid | | |
| Balance at beginning | | 1,082,372 |
| Reclassification of Class A common shares retractable at the option of the shareholder following the cancellation of the retraction right i) | | 773,767 |
| | 4,346,666 | 1,856,139 |
| Common shares issued pursuant to the reverse takeover ii) | 20,000,000 | 744,970 |
| Share issuance – private placement iii) | 2,600,000 | 754,000 |
| Share issuance – private placement iv) | 2,937,500 | 851,875 |
| Balance as at November 30, 2006 | 29,884,166 | 4,206,984 |

i. *Termination of the shareholders' agreement and cancellation of the retraction right*

Immediately preceding the share exchange, the agreement between shareholders of Opsens Inc. was terminated and the retraction right of the shares was also cancelled. Consequently, the Class A shares retractable at the option of the shareholder, in the amount of $773,767, presented in the liabilities of Opsens Inc. as at August 31, 2006 were reclassified in equity.

ii. *Qualifying transaction*

As part of the qualifying transaction and according to the rules of the TSX Venture Exchange, DCB Capital Inc. issued to shareholders holding Class A shares of Opsens Inc., 20,000,000 common shares of its share capital, as consideration for the acquisition of all the Class A shares of Opsens Inc. at a price of $0.40 per common share.

iii. *Private placement – October 3, 2006*

On October 3, 2006, the Company realized a private placement of 2,600,000 units at a price of $0.40 per unit, for a total of $1,040,000. Each unit is made up of one common share and one share purchase warrant of the Company. Each purchase warrant entitles its holder to acquire one common share of the Company at a price of $0.60 per share on October 3, 2008 at the latest. The securities related to the units issued as part of this placement are subject to a holding period until February 4, 2007.

**3. Share capital, stock-options and warrants** (continued)

*a) Share capital (continued)*

*iv. Private placement – October 11, 2006*

On October 11, 2006, the Company realized a private placement of 2,937,500 units at a price of $0.40 per unit, for a total of $1,175,000. Each unit is made up of one common share and one share purchase warrant of the Company. Each purchase warrant entitles its holder to acquire one common share of the Company at a price of $0.60 per share on October 11, 2008 at the latest. The securities related to the units issued as part of this placement are subject to a holding period until February 12, 2007.

*b) Stock options*

The Company is maintaining the stock option plan approved by the Board of Directors of DCB Capital Inc. on July, 19, 2006. The number of common shares reserved by the Board of Directors for options granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. The plan is available to the Company's directors, officers and employees. The options granted to Directors are vested immediately and options granted to officers and employees will be acquired over a period of four years at rate of 25 % per year, the first portion being acquired at the end of the first year following the granting of the options.

The stock option plan stipulates that the terms of the options and the option price shall be fixed by the directors subject to the price restrictions and other requirements imposed by TSX Venture Exchange. The exercise period cannot exceed five years, beginning on the grant date.

The compensation expense for the three-month period ended November 30, 2006 for the stock option plan was $111,100 ($ - for the year ended August 31, 2006).

On October 3, 2006, the Company assumed the 333,333 outstanding DCB Capital Inc. stock options. These options were granted on May 30, 2006 at an exercise price of $0.30 and are exercisable without any restriction until October 3, 2008.

At the assumed date of options, the fair value of these options was determined using the Black-Scholes options valuation model using the following assumptions:

| | |
|---|---|
| Risk-free interest rate | 3.9 % |
| Expected volatility | 70 % |
| Expected dividend yield on shares | - % |
| Duration | 1.66 years |
| Fair value per option at the assumed date of the options | $0.19 |

On October 10, 2006, with respect to the stock option plan, the Company granted respectively 400,000 and 700,000 stock options to directors and to employees at an exercise price of $0.50.

On October 25, 2006, with respect to the stock option plan, the Company granted 250,000 stock options to employees at an exercise price of $0.50.

## 3. **Share capital, stock-options and warrants** (continued)

*b) Stock options (continued)*

The fair value of these options was determined using the Black-Scholes option pricing model with the following assumptions:

| | |
|---|---|
| Risk-free interest rate | 4.02 % |
| Expected volatility | 70 % |
| Expected dividend yield on shares | - % |
| Duration | 5 years |
| Fair value per option at the grant date | Between $0.22 to $0.30 |

The Black-Scholes options valuation model was developed to estimate the fair value of traded options, which have no vesting restrictions and are fully transferable, a practice which differs significantly from the Company's stock option awards. In addition, option valuation models require the input of highly-subjective assumptions including the expected stock price volatility. Any changes in the subjective input assumptions can affect the fair value estimate.

The situation of the outstanding stock option plan and the changes that took place during the period are as follows:

| | Number of options | Weighted average exercise price |
|---|---|---|
| | | $ |
| Outstanding at beginning of period | - | - |
| Options assumed following the qualifying transaction with *DCB Capital Inc.* | 333,333 | 0.30 |
| Options granted | 1,350,000 | 0.50 |
| Outstanding at end of period | 1,683,333 | 0.46 |
| Options exercisable at end of period | 733,333 | 0.41 |

The table below provides information on the outstanding stock options as at November 30, 2006:

| Exercise price | Number of outstanding stock options | Number of exercisable stock options | Weighted average residual duration (years) |
|---|---|---|---|
| 0.30 $ | 333,333 | 333,333 | 1.50 |
| 0.50 $ | 1,350,000 | 400,000 | 4.84 |
| | 1,683,333 | 733,333 | 4.19 |

**3. Share capital, stock-options and warrants** (continued)

c) Warrants

On October 3, 2006, the Company realized a private placement of 2,600,000 units at a price of $0.40 per unit, for a total of $1,040,000. Each unit is made up of one common share and one share purchase warrant of the Company. Each purchase warrant entitles its holder to acquire one common share of the Company at a price of $0.60 per share on October 3, 2008 at the latest. The securities related to the units issued as part of this placement are subject to a holding period until February 4, 2007.

The Company paid a monetary commission of $77,200 and a right to subscribe up to a maximum of 8 % of the common shares of the Company issued in relation with this placement, totalling 208,000 warrants. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.40 per share during the 24-month period following the closing of the placement.

On October 11, 2006, the Company realized a private placement of 2,937,500 units at a price of $0.40 per unit, for a total of $1,175,000. Each unit is made up of one common share and one share purchase warrant of the Company. Each warrant entitles its holder to acquire one common share of the Company at a price of $0.60 per share on October 11, 2008 at the latest. The securities related to the units issued as part of this placement are subject to a holding period until February 12, 2007.

The Company paid a monetary commission of $94,000 and a right to subscribe to a maximum of 235,000 common shares of the Company. Each warrant entitles the holder to acquire one common share of the Company at a price of $0.40 per share during the 24-month period following the closing of the placement.

The fair value of the warrants was determined using the Black-Scholes option pricing model with the following assumptions:

| | Units issued | Commission paid |
|---|---|---|
| Exercisable price | $0.60 | $0.40 |
| Risk-free interest rates | From 3.89 to 4.04 % | From 3.89 to 4.04 % |
| Expected volatility | 70 % | 70 % |
| Expected dividend yield on shares | - % | - % |
| Duration | 2 years | 2 years |
| Fair value by warrant | $0.11 | $0.16 |

### 3. Share capital, stock-options and warrants (continued)

*c) Warrants (continued)*

The situation of the outstanding warrants and the changes that took place during the period are as follows:

| | Number of warrants | Weighted average exercise price |
|---|---|---|
| | | $ |
| Outstanding at beginning of period | - | - |
| Warrants issued on October 3, 2006 in relation | | |
| with the private placement | 2,600,000 | 0.60 |
| | 208,000 | 0.40 |
| Warrants issued on October 10, 2006 in relation | | |
| with the private placement | 2,937,500 | 0.60 |
| | 235,000 | 0.40 |
| Outstanding at end of period | 5,980,500 | 0.59 |
| Warrants exercisable at | | |
| end of period | 5,980,500 | 0.59 |

The table below provides information on the outstanding warrants as at November 30, 2006:

| Exercise price | Number of outstanding warrants | Number of exercisable warrants | Weighted average residual duration (years) |
|---|---|---|---|
| 0.40 $ | 443,000 | 443,000 | 1.86 |
| 0.60 $ | 5,537,500 | 5,537,500 | 1.86 |
| | 5,980,500 | 5,980,500 | 1.86 |

## 4. Loss per share

The table below presents a reconciliation between the basic net loss and the diluted net loss per share:

| | Three-month period ended November 30 2006 | 2005 |
|---|---|---|
| | $ | $ |
| **Numerator** | | |
| Net loss | (562,156) | (193,506) |
| Amount available for calculating the loss per share | (562,156) | (193,506) |
| **Denominator** | | |
| Number of shares | | |
| Weighted average number of shares outstanding | 26,041,556 | 20,000,000 |
| Dilutive effect of stock options and warrants | - | - |
| Weighted average number of shares outstanding on diluted basis | 26,041,556 | 20,000,000 |
| **Amount per share** | | |
| Net loss per share | | |
| Basic | (0.02) | (0.01) |
| Diluted | (0.02) | (0.01) |

The weighted average number of outstanding shares as at November 30, 2005 corresponds to the number of shares issued to Opsens Inc. shareholders following the qualifying transaction (Note 3).

The calculation of dilution effects excluded options and warrants that have an anti-diluting effect.

However, should the Company's basic earnings per share have been positive, some options and warrants, at a respective exercise price of $0.30 and $0.40, would have been dilutive and would have resulted in the addition of 13,004 shares to the weighted average number of shares outstanding used in the diluted earnings per share calculation for the three-month period ended November 30, 2006 (none as of November 30, 2005).

## 5. Commitments

*Lease*

The Company leases offices under an operating lease expiring on December 31, 2008. This agreement is renewable for an additional five-year period. Future rent, without considering the escalation clause, will amount to $168,225 and include the following payments over the next three years:

| | $ |
|---|---|
| 2007 | 80,748 |
| 2008 | 80,748 |
| 2009 | 6,729 |

## 6. Contractual guarantees

During the normal course of business, the Company replaces defective parts under warranties offered at the sale of the products. The term of the warranties is 12 months. During the period ended November 30, 2006, the Company did not recognize any additional expenses for guarantees. A provision for $11,703 ($- as at November 30, 2005) had been recorded for guarantees. This expense is estimated based on past experience and is presented in liabilities under "Accounts payable and accrued liabilities." The actual amount of costs that the Company may incur, as well as the moment when the parts should be replaced can differ from the estimated amount.

## 7. Segmented information

The Company is structured according to a single operating unit, and all of its production and marketing activities are carried out at the same location.

This operating unit generates revenue in various geographic segments as follows:

| | Three-month period ended November 30 | |
|---|---|---|
| | 2006 | 2005 |
| | $ | $ |
| Revenue per geographic sector | | |
| Canada | 9,304 | 7,270 |
| United States | 80,643 | 79,174 |
| Germany | 40,322 | 6,023 |
| Japan | - | 25,612 |
| Other | 43,519 | 12,259 |
| | 173,788 | 130,338 |

## 7. Segmented information (continued)

Revenue is attributed to the geographic sector based on the clients' location.

Capital assets, which include property, plant and equipment and intangible assets, are all located in Canada.

During the period ended November 30, 2006, revenue from one (1) client represents approximately 22.26 % (19.65 % for the three-month period ended November 30, 2005) of the Company's total revenues.

## 8. Subsequent events

*i. Private placement*

On December 5, 2006, the Company realized a private placement of 2,444,444 units at a price of $0.45 per unit, for a total of $1,100,000. Each unit is made up of one common share and a half share purchase warrant of the Company. Each complete warrant entitles its holder to acquire one common share of the Company at a price of $0.55 per share on December 5, 2008 at the latest. The securities related to the units issued as part of this placement are subject to a holding period until April 6, 2007. Pursuant to an underwriting agreement entered into with Desjardins Securities Inc. dated October 3, 2006, the Company paid a lump sum of $50,000 in fees.

*ii. Stock options*

On December 5, 2006, the Board of Directors authorized the attribution of a total of 50,000 stock options to an employee and an officer. Each option entitles its holder to acquire one common share of the Company at an exercise price of $0.45 per share on December 4, 2011 at the latest.