



**Interim consolidated financial statements
February 28, 2009**

NOTICE : The interim consolidated financial statements have not been subject to a review by the Company's external auditors.

Nuvolt Corporation Inc.**CONSOLIDATED INTERIM STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME**

(Unaudited)	Second quarter		Six-month period	
	Ended	Ended	Ended	Ended
	Feb. 28, 2009	Feb.29, 2008	Feb. 28, 2009	Feb.29, 2008
GROSS REVENUE	\$ 444,286	\$ 378,612	\$ 1,147,155	\$ 726,695
COST OF GOODS SOLD	219,047	278,956	533,519	504,493
GROSS PROFIT	225,239	99,656	613,636	222,202
OTHER OPERATING EXPENSES				
Research and development expenses	77,683	102,221	383,642	166,976
Capitalized amount	(77,683)	(102,221)	(383,533)	(166,900)
Research and development expenses, net	-	-	109	76
Selling expenses	184,396	88,563	335,384	185,759
Administrative expenses	128,542	188,226	256,372	342,546
Financial expenses	47,787	47,186	87,377	89,714
	360,725	323,975	679,242	618,095
INCOME (LOSS) FROM OPERATIONS	(135,486)	(224,379)	(65,606)	(395,893)
OTHER ITEMS				
Interest income	-	(3,557)	-	8,241
NRCC- Contribution for hiring	10,988	-	13,615	-
Change in fair value of money market funds	-	3,550	-	9,236
	10,998	(7)	13,615	17,477
INCOME (LOSS) BEFORE INCOME TAXES	(124,498)	(224,326)	(51,991)	(378,416)
INCOME TAXES				
Current	-	-	-	-
Tax benefit arising from the use of prior year losses carried forward	-	-	-	-
NET INCOME (NET LOSS) AND COMPREHENSIVE INCOME	\$ (124,498)	\$ (224,326)	\$ (51,991)	\$ (378,416)
Earning per share (Note 22)				
Net income, non-diluted and diluted per share	\$ (0,0024)	\$ (0.0042)	\$ (0,0010)	\$ (0.0072)

Additional information to the statement of income (Note 7)

Nuvolt Corporation Inc.**CONSOLIDATED INTERIM STATEMENTS OF DEFICIT**

(Unaudited)	Second quarter		Six-month period	
	Ended		Ended	
	Feb. 28, 2009	Feb.29, 2008	Feb. 28, 2009	Feb.29, 2008
BALANCE , beginning of period	\$ (6,348,470)	\$ (5,873,131)	\$ (6,420,977)	\$ (5,719,041)
Net income (net loss)	(124,498)	(224.326)	(51,991)	(378.416)
Options cancellation fees	-	(10.064)	-	(10.064)
BALANCE , end of period	\$ (6,472,968)	\$ (6,107,521)	\$ (6,472,968)	\$ (6,107,521)

Nuvolt Corporation Inc.**CONSOLIDATED INTERIM BALANCE SHEETS**

As at

February 28, **August 31,**
2009 **2008**
(Unaudited) **(Audited)****ASSETS****CURRENT ASSETS**

Cash	\$	986	\$	13,170
Accounts receivable (Note 8)		912,154		771,540
Inventories (Note 9)		267,276		334,640
Prepaid expenses		9,910		14,916

1,190,326 **1,134,266**NOTES RECEIVABLE (Note 10) **8,391** 8,391CAPITAL ASSETS (Note 11) **77,573** 64,221INTANGIBLE ASSETS (Note 12) **111,427** 100,378DEFERRED CHARGES (Note 13) **1,296,668** 998,972

\$ 2,684,385 **\$ 2,306,228****LIABILITIES****CURRENT LIABILITIES**

Bank overdraft	\$	-	\$	21,828
Bank loan (Note 14)		160,000		210,000
Accounts payable (Note 15)		1,297,945		821,943
Deferred revenue		30,027		11,512
Current portion of long-term debt (Note 16)		69,709		49,189
Current portion of debenture (Note 17)		166,462		167,778

1,724,143 **1,282,250**LONG-TERM DEBT (Note 16) **296,070** 319,686DEBENTURE (Note 17) **213,085** 212,729

2,233,298 **1,814,665****SHAREHOLDERS' EQUITY (DEFICIENCY)**

Capital stock (Note 18)		5,377,565		5,377,565
Stock options (Note 19)		170,979		159,464
Warrants (Note 20)		718,444		718,444
Contributed surplus		657,067		657,067
Deficit		(6,472,968)		(6,420,977)

451,087 **491,563**

\$ 2,684,385 **\$ 2,306,228**

Nuvolt Corporation Inc.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(Unaudited)	Second quarter		Six-month period	
	Ended		Ended	
	Feb. 28, 2009	Feb.29, 2008	Feb. 28, 2009	Feb.29, 2008
OPERATING ACTIVITIES				
Net income (net loss)	\$ (124,498)	\$ (224,326)	\$ (51,991)	\$ (378,416)
Items not affecting cash				
Amortization of capital assets	4,805	26,242	9,609	37,760
Amortization of intangible assets	440	528	879	968
Amortization of deferred development expenses	(2,187)	4,123	(4,375)	8,246
Amortization of deferred marketing expenses	-	197	-	197
Interest capitalized on long-term debt	5,109	6,803	11,023	13,709
Interest capitalized on debenture	12,289	15,532	23,039	31,294
Stock-based compensation	1,577	67,413	8,313	67,413
	(102,465)	(103,488)	(3,503)	(218,829)
Net change in non-cash working capital items (Note 23)	102,157	(131,403)	164,486	(148,433)
	(308)	(234,891)	160,983	(367,262)
INVESTING ACTIVITIES				
Shareholders' notes receivable	-	-	-	4,232
Acquisition of capital assets	(20,008)	(26,604)	(19,758)	(32,475)
Acquisition of intangible assets	(6,028)	(43,081)	(11,929)	(46,459)
Increase in deferred development expenses	(59,816)	(18,771)	(293,320)	(81,454)
Research and development tax credits	(17,867)	(83,374)	(88,213)	(83,450)
	(103,719)	(171,830)	(413,220)	(239,606)
FINANCIAL ACTIVITIES				
Change in bank loan	(40,000)	-	(50,000)	-
Change in note payable	150,000	-	275,000	-
Repayment of long-term debt	(2,621)	(32,770)	60,880	(61,117)
Repayment of debenture	(12,000)	(12,000)	(24,000)	(28,000)
	95,379	(44,770)	261,880	(89,117)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(8,648)	(451,491)	9,643	(696,985)
CASH AND CASH EQUIVALENTS, beginning of period	9,634	1,016,261	(8,657)	1,260,755
CASH AND CASH EQUIVALENTS, end of period	\$ 986	\$ 564,770	\$ 986	\$ 564,770

Nuvolt Corporation Inc.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

	Second quarter		Six-month period	
	Ended		Ended	
(Unaudited)	Feb. 28, 2009	Feb.29, 2008	Feb. 28, 2009	Feb.29, 2008

Cash and cash equivalents include :

Cash	\$	986	\$	225.804	\$	986	\$	225.804
Money market funds		-		338.966		-		338.966
	\$	986	\$	564.770	\$	986	\$	564.770

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

1 - STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

The Company, incorporated under Part 1A of the Québec Companies Act, manufactures and distributes stray voltage neutralization equipment and electrical network monitoring devices to agriculture market.

2 - GOING CONCERN ASSUMPTION

These financial statements have been prepared in accordance with accounting principles applicable to a going concern, which assumes that the Company will continue its operation in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The Company incurred significant operating loss during the past year and has an accumulated deficit as at February 28, 2009. As a result, its ability to continue as a going concern depends on the financial support of its creditors and shareholders, as well as the Company's ability to generate an operating profit. The Company is currently seeking new investors.

These interim financial statements do not reflect adjustments that would be necessary if the going concern assumption were not appropriate. Management feels that the measures the Company took or intends to take will mitigate the effect of the conditions and facts that raise doubt about the appropriateness of the going concern assumption on which it based the preparation of these financial statements.

If the Company were not able to respect the going concern principle, some assets could be subject to impairment or a significant reduction in value.

3 - ADJUSTMENTS IN COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements of February 29, 2008, have been adjusted in relation to such financial statements submitted last year. A provision for tax credit receivable was recorded as income in the Statements of income instead of being counted against the deferred charges on the Balance Sheet. The correction was made for a better comparison and to comply with accounting standards.

4 - SIGNIFICANT ACCOUNTING POLICIES**Principle of consolidation**

The consolidated financial statements include the accounts of the Company and its subsidiary Agrivolt Inc.

Interim financial information

Financial information as of February 28, 2009 and for the three-month and six-month periods ended February 28, 2009 and February 29, 2008, are unaudited. However, in the opinion of the management, all the necessary adjustments to fairly present the results of the quarter have been recorded. Interim results may not necessarily be indicative of results anticipated for the year.

The consolidated interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

4 - SIGNIFICANT ACCOUNTING POLICIES (continued)

These consolidated interim financial statements have been prepared in accordance with Canadian generally accepted accounting principles and use the same accounting policies and methods used in the preparation of the Company's most recent annual financial statements. However, all the disclosures required for the annual financial statements have not been included in the present financial statements.

These consolidated interim financial statements have been prepared in the basis of currently available estimates and information. They require 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 revenue and expenses during the reported period. The important estimates include tax credit recoverable, the estimated useful life of capital assets and intangible assets subject to amortization, the value of the goodwill, as well as certain accrued liabilities and the value of the raw materials of the inventory. Actual results could differ from those estimates.

Revenue recognition

The principal revenues of the Company are equipment sales and maintenance revenues. Revenues are recognized when the following conditions are respected :

- persuasive evidence of an arrangement exists ;
- the seller's price to the buyer is fixed or determinable.

The Company accounts for its equipment sales when the customer has confirmed its acceptance of the equipment or at the end of the satisfaction guarantee period and when the collection is reasonably assured.

The maintenance revenues are accounted for on a straight-line basis over the contract period. The amounts billed or received according to the terms of the contract with customers, that are not satisfying those accounting criterias, are recognized as deferred revenues.

Sales of equipment are found in more than one accounting unit. A provision for preventive maintenance, with a street value estimated at 6% of sale price, is taken from the products sales. This provision is being amortized over the term of preventive maintenance.

The interest income are accounted for according to the actual method.

5 - CHANGES TO SIGNIFICANT ACCOUNTING POLICY**Financial instruments**

The Canadian Institute of Chartered Accountants issued Sections 3862 «Financial instruments-Disclosures» and 3863 «Financial instruments-Presentation». These standards are effective for financial years beginning on or after October 1, 2007. Consequently, the Company adopted these standards for the current financial year ending August 31, 2009. Section 3862 establishes new disclosure standards for financial instruments, however, its adoption has no impact on the amounts reported in the Company's financial statements. Section 3863 carries forward the same presentation standards previously established in Section 3861 «Financial instruments- Disclosures and Presentation» and has consequently no impact on the Company's financial statements.

Capital disclosures

The Canadian Institute of Chartered Accountants issued Sections 1535 «Capital Disclosures». These standards are effective for financial years beginning on or after October 1, 2007. Consequently, the Company adopted these standards for the current financial year ending August 31, 2009. This section requires the Company to disclose qualitative and quantitative information on its objectives, policies and processes for managing capital.

Nuvolt Corporation Inc.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at February 28, 2008

5 - CHANGES TO SIGNIFICANT ACCOUNTING POLICY (continued)

The adoption of these new accounting standards has no impact on the Company's financial statements, since they are primarily related to disclosures.

Inventories

The Canadian Institute of Chartered Accountants issued Sections 3031 «Inventories», which supersedes Section 3030, of the same name. These standards are effective for financial years beginning on or after January 1, 2008. Consequently, the Company adopted these standards for the current financial year ending August 31, 2009. This section establishes standards for the measurement of inventories and the communication of information about them.

The adoption of these new accounting standards has no impact on the Company's financial statements.

The Company adopted these new standards on **Note 24- Financial instruments** for chapters 3862 «Financial instruments-Disclosures» and 3863 «Financial instruments-Presentation», **Note 18- Capital Stock** for chapter 1535 «Capital Disclosures» and, **Note 9- Inventories** for Chapter 3031 «Inventories».

6 - FUTURE CHANGES TO SIGNIFICANT ACCOUNTING POLICY

Goodwill and intangible assets

The Canadian Institute of Chartered Accountants issued Sections 3064 «Goodwill and intangible assets», replacing Section 3062 «Goodwill and other intangible assets» and Section 3450 «Research and development costs». These standards apply for financial years beginning on or after October 1, 2008. Accordingly, the Company will adopt these standards for the financial year ending August 31, 2010. This section establishes standards for the recognition, measurement, presentation and disclosure of goodwill and intangible assets.

The Company is currently evaluating the impact of these new standards on its financial statements.

International financial reporting standards

The Accounting Standards Board (ASB) has published an exposure draft proposing the adoption of IFRS for the recognition and presentation of financial information of publicly accountable enterprises. These standards would replace current generally accepted accounting principles and would take effect for years beginning on or after January 1, 2011. The Company is currently evaluating the future impact of these new standards on its commercial operations, financial information systems and financial statements.

7. ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME

	February 28, 2009 (3 months)	February 29, 2008 (3 months)	February 28, 2009 (6 months)	February 29, 2008 (6 months)
Amortization of capital assets	4,805 \$	26,242 \$	9,609 \$	37,760 \$
Amortization of intangible assets	440 \$	528 \$	879 \$	968 \$
Stock-based compensation	1,577 \$	67,413 \$	8,313 \$	67,413 \$
Exchange loss	(3,088) \$	(143) \$	(7,848) \$	(4,194) \$
Interests on long-term debt and debenture	31,528 \$	37,838 \$	62,741 \$	76,887 \$
Interests on short-term debt	6,790 \$	5,179 \$	15,166 \$	8,733 \$

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

7. ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME (continued)**Government assistance**

An amount of \$10,988, accounted as OTHER ITEMS on the Statements of income for period ended February 28, 2009, has been received from the *National Research Council Canada* (NRCC) via its Youth Employment Strategy program. The contribution agreement is \$15,000. As at February 28, 2009, the Company received payments totalling \$13,615.

8 - ACCOUNTS RECEIVABLE

	February 28, 2009	August 31, 2008
	\$	\$
Trade	524,251	417,464
Security deposit	6,162	-
Travelling expenses advances, without interest	3,270	5,100
Advances to shareholders, without interest	-	3,505
Recoverable income taxes	-	3,186
Commodity taxes	12,434	64,461
Research and development tax credits*	366,037	277,824
	912,154	771,540

Research and development tax credits of \$277,824 are related to the previous financial year. A report was submitted to the tax authorities but has not yet been reviewed.

As at February 28, 2009, an amount of \$269,000, claimed as Research and Development expenses on the tax credit report of August 31, 2008, was not been paid to the supplier. Revenue Canada requires that expenses be paid not later than 180 days after the end of the financial year to be eligible. That affects from about \$62,000 the tax credits for the financial year ended August 31, 2008. The amount can be claimed in the year that payment will be made. The Company therefore claim this amount in its financial year ending August 31, 2009.

9 - INVENTORIES

	February 28, 2009	August 31, 2008
	\$	\$
Raw materials	106,891	86,600
Goods in process	56,391	66,780
Finished goods	103,994	181,260
	267,276	334,640

As Section 3031 of the Canadian Institute of Chartered Accountants, inventories should be assessed at the lower of cost or net realizable value. Cost of inventories has been assessed with first in, first out method (FIFO). No depreciation of inventories has been constated. Its presented at cost in the present financial statement.

10 - NOTES RECEIVABLE

	February 28, 2009	August 31, 2008
	\$	\$
Notes receivable from Shareholders, without interest, maturing upon dividend payment	8,391	8,391

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

11 - CAPITAL ASSETS

	February 28, 2009		August 31, 2008	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Leasehold improvements	-	-	-	-
Reference works	71,824	70,827	997	1,993
Tools and equipment	226,265	187,978	38,287	24,953
Data processing equipment and software	69,089	56,326	12,763	12,355
Commercial booths			-	6,135
Rolling stock	29,126	22,629	6,497	7,643
Furniture and fittings	83,152	64,123	19,029	11,142
	479,456	401,883	77,573	64,221

12 - INTANGIBLE ASSETS

	February 28, 2009		August 31, 2008	
	Cost	Accumulated amortization	Net book value	Net book value
Patents	139,559	28,132	111,427	100,378

During the quarter, the Company incurred \$6,028 (2007 - \$42,884) for patents.

Intangible assets of a cost of \$106,666 (2007- \$83,033) were not amortized.

13 - DEFERRED CHARGES

	February 28, 2009		August 31, 2008	
	\$		\$	
Development costs		1,296,668		998,972

During the quarter, the Company incurred development costs of \$77,683 (2007 - \$102,221) and recognized research and development tax credits of \$17,867.

As at February 28, 2009, the development expenses for a cost, net of research and development tax credits, of \$1,294,480 (2007-\$1,050,082) were not amortized.

14 - BANK LOAN

The Company has available credit facility amounting \$250,000, bearing interest at the bank prime rate plus 2%, secured by accounts receivable and by inventories. The credit facility has been renewable on December 31, 2009.

As at February 28, 2009, \$160,000 of credit facility was used and a letter of credit for a total amount of \$10,000 expiring January 16, 2010 had been issued.

Under the terms of the credit agreement, the Company must comply with a debt covenant relating to the maintenance of a financial ratio. As at February 28, 2009, the Company was not in compliance with this debt covenant.

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

15 - ACCOUNTS PAYABLE

	February 28, 2009	August 31, 2008
	\$	\$
Accounts payable and accrued liabilities	746,326	650,743
Salaries and commitment fees	90,268	56,280
Provision for warranties	11,355	7,182
Customer deposits	-	7,738
Note payable to Caisse populaire Desjardins, prime rate + 4%	75,000	-
Amounts payable to shareholders, 10%*	375,000	100,000
	1,297,948	821,943

***Transaction between related parties**

Amounts due to directors who are also shareholders are transactions with related parties as defined in Chapter 3840 of the Canadian Institute of Chartered Accountants. These notes payable were received without any further conditions, to assist the Company on its cash flow, in order to meet its short and mid-term financial obligations. The terms and conditions of the amount payable to shareholders are currently under negotiation.

16 - LONG-TERM DEBT

	February 28, 2009	August 31, 2008
	\$	\$
Note payable to Investissement Quebec, of a originally amount of \$458,333, plus capitalized cost, at the prime rate to the prime rate plus 2.75 %, secured by a floating load on the assets present and future, payable from March 31, 2009 in monthly instalments of \$5,647, maturing in March 2014 a)and b)	349.835	338.812
Notes payable, 11 %, repayable in monthly instalments of \$652 including principal and interest, maturing from December 2008 to October 2009	3.341	6.540
Note payable, secured by a first moveable hypothec on all the Company's present and future assets, inventories, at prime plus 2.25%, repayable in monthly capital instalments of \$2,166, maturing in September 2008	-	2.166
Note payable, secured by a rolling stock with a net value of \$7,643, without interest, repayable in monthly instalments of \$485, maturing in October 2009	3.880	6.795
Note payable, without interest, repayable in annual instalments of \$7,281, maturing in October 2009 c)	8.723	14.562
	722.835	762.879
Current portion	69.709	49.189
	653.126	713.690

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

16 - LONG-TERM DEBT (continued)

a) The Company profits from a moratorium for the refunding of its note payable, and this, until March 31, 2009 as one period of capitalisation of two years interest which will end on July 31, 2009. At the end of the moratorium, the notes payable will be refundable in equal payments over a five year period. Moreover, in addition to the monthly payments, the Company will have to carry out a return of capital annually corresponding to 20% of the generated net funds of the Company. Interest of an amount of \$11,023 (2008-\$13,709) was capitalized with the notes payable during the first semester of the present exercise.

b) Under the terms of the credit agreement, the Company must comply with financial ratios. As at February 28, 2009, the Company was not in compliance with these ratios. The creditor has not signified his intolerance at this regard.

c) This note payable is made out in US dollars and represents US\$7,281.

17 - DEBENTURE

	February 28, 2009	August 31, 2008
	\$	\$
Debenture, non guaranteed and non convertible, nominal rate of 12%, implicate rate of 25%, repayable in monthly capital instalments of \$4,000 from December 2007 to April 2009 and of \$15,846 from May 2009 to June 2011	379,257	380,507
Current portion	166,462	167,778
	212,795	212,729

As at February 28, 2009, the Company had defaulted on capital repayments. However, the creditor waived his right to collect the receivable until September 1, 2009.

As at February 28, 2009, after having negotiated the tax credit financing program with Investissement Quebec, the repayment schedule has been changed in order to accept monthly capital instalments of \$4,000 until April 30, 2009 and \$15,846 after.

The Company is currently negotiating with the creditor to change again the repayment schedule in order to delay the beginning of payments in capital of \$15,846.

18 - CAPITAL STOCK

Authorized and unlimited number of shares, without par value

Common shares, participating and voting

The following summary illustrates the changes in the Company's capital stock for the periods ended:

	February 28, 2009		August 31, 2008	
	Number	Stated value	Number	Stated value
Outstanding, beginning of period	52,810,329	5,377,565 \$	52,743,234	5,362,400 \$
Issuance of shares			67,095	15,165 \$
Outstanding, end of period	52,810,329	5,377,565 \$	52,810,329	5,377,565 \$

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

18 - CAPITAL STOCK (continued)

In terms of capital management, the Company's objectives are to preserve its ability to continue its operation to ensure its sustainability and to provide an adequate return to its shareholders; to insure an adequate level of cash flow to fund its research and development expenses and the marketing strategy (The Company takes all measures at its disposal to manage cash flow so that the shareholders will not suffer to effects of dilution); to inform shareholders of any reason that may result from decrease or increase of the share price and to insure future performance by maintaining an adequate margin of profit on sales of products and services, while fixing an acceptable price to the market and competitive.

The Company includes equity and long-term debt in the capital definition.

The Company manages its capital structure and make adjustments based on available funds to manage its activities.

In order to maintain and adjust its capital structure, the Company can issue new shares, new debt or acquire or dispose of assets. There is no insurance that actions, if implemented, would bear fruits.

The Company is no subject to any capital requirement from regulatory agency.

19 - STOCK OPTIONS

	February 28, 2009		August 31, 2008	
	Options	Weighted average exercise price(\$)	Options	Weighted average exercise price (\$)
Beginning of period	3,840,656	0.11	902,116	0.15
Granted	-		3,054,000	0.10
Cancelled	-		(26,000)	0.10
Exercised	-		(89,460)	0.15
End of period	3,840,656	0.11	3,840,656	0.11
Options exercisable, end of period	3,340,656		2,464,656	
Weighted average fair value of options granted during year	-		0.0035	

20 - WARRANTS

	February 28, 2009		August 31, 2008	
	Warrants	Weighted average exercise price(\$)	Warrants	Weighted average exercise price (\$)
Outstanding, beginning of period	15,866,666	0.19 \$	15,866,666	0.19 \$
Granted				
Outstanding, end of period	15,866,666	0.19 \$	15,866,666	0.19 \$
Warrants that might be exercised, end of period	15,566,666	0.19 \$	15,466,666	0.19 \$

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

21 - COMMITMENT**Service contract**

During the year 2008, the Company entered into a product development service agreement. As at February 28, 2009, there is no balance of the commitment.

Substantial sums are due to the consultant under this service agreement. The Company is currently negotiating with the creditor to delay the payments until the next fund raising.

22 - EARNING PER SHARE

The basic earning per common share is calculated by dividing the net income (net loss) assumed by the common shareholders by the weighted average number of common shares outstanding during the period. Diluted net income (net loss) per share is calculated giving effect to the potential dilution that could occur if stock options and warrants to issue common shares were exercised at the later of the beginning of the period or the issuance date. The treasury stock method is used to determine the dilutive effect of stock options and warrants.

For the three-month and six-month periods ended February 28, 2009 and February 29, 2008, there is no difference between the basic and diluted net income (net loss) per share since the average market price is lower than the exercise price of the stock option and the warrants. Consequently, the diluted net income (net loss) per share for this year was calculated using the basic weighted average number of shares outstanding.

23 - ADDITIONAL INFORMATION TO THE STATEMENT OF CASH FLOWS

Net change in non-cash working capital items is as follows:

	February 28, 2009	February 29, 2008	February 28, 2009	February 29, 2008
	(3 months)	(3 months)	(6 months)	(6 months)
Accounts receivable	160,946	(88,165)	(36,918)	(62,982)
Inventories	(24,964)	1,667	66,846	(51,321)
Prepaid expenses	7,654	(8,881)	2,792	(21,867)
Accounts payable	(41,516)	(35,111)	112,901	(8,785)
Deferred revenue	38	(914)	18,864	(3,477)
	102,157	(131,403)	164,486	(148,433)

payable for an amount of \$82,494. This transaction did not have any impact on cash flows.

24 - FINANCIAL INSTRUMENTS**Currency risk**

Part of the Company's purchases and sales are denominated in foreign currency, namely in US dollars. Consequently, the Company has a foreign currency exposure on certain assets and liabilities. As at February 28, 2009, net assets denominated in US dollars and converted to Canadian dollars totalled \$27,424. The Company does not use financial instruments to manage its exposure to changes in currency exchange rates.

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

24 - FINANCIAL INSTRUMENTS (continued)**Credit risk**

The Company provides credit to its clients in the normal course of its operations. The Company does not believe to be exposed to a risk of credit higher than normal in regards to its customers. The Company has several customers in various geographical areas, verifies new customers' credit and recognized a provision for bad debt when management believes that there is a risk not to recover the amount receivable. Moreover, the Company has a credit insurance for most of its accounts receivable. The maximal exposure is equal to the value of financial instruments.

Interest rate risk

The Company has borrowings bearing interest at variable rates. Consequently, the Company is exposed to interest rate risk based on changes in the prime rate. However, a 1% change in the prime rate would not have a significant effect on the Company's results and financial position.

Cash flow risk

The Company has a credit facility allowing to have sufficient funds to meet its short-term financial needs in conjunction with regular operating. The cash flow is currently not sufficient to continue the development project and its marketing.

The Company monitors weekly its cash flow, which allows to search for additional liquidity when required. The necessary funding comes mainly in the form of debt and allows the Company to continue its activities. The Company is in search of cash for its development project and its marketing (See page 4 of the Management report). Despite the fact that it succeeded in the past, there is no guarantee of success in the future. For more information, please refer to the note on the going concern assumption.

Fair value

The fair value of short-term financial instruments approximates their book value due to their short-term maturities and the normal commercial conditions that they bear.

The carrying value of notes receivable and advances to shareholders could not be determined since it's practically impossible to find on the market a financial instrument with a similar economic characteristic.

For long-term debts, the carrying amount is close to their fair value, since their variable rate and/or their short-term maturity.

For the debenture, the fair value is comparable to the book value due to the interest rate that is comparable to the current market rate to which the Company could negotiate a loan with similar conditions and expiry.

25 - SEGMENT INFORMATIONS

The Company has examined its activities and has determined that it operates only under one reportable operating sector. This segment is the selling of neutralisation equipment of stray voltage and control system of farm electric equipment.

The Company operates from only one localisation. All of the Company's capital assets and intangible assets are located in Canada.

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

As at February 28, 2009

25 - SEGMENT INFORMATIONS (continued)

Revenues by geographic region are detailed as follows:

	February 28, 2009 (3 months)	February 29, 2008 (3 months)	February 28, 2009 (6 months)	February 29, 2008 (6 months)
Canada	231,523	244,114	451,607	535,218
United-States	212,763	134,498	695,548	191,477
	444,286	378,612	1,147,155	726,695

Revenues have been allocated to geographic regions based on country of residence of the related customers.

26 - SUBSEQUENT EVENTS

On March 2008, the Company contracted a note payable from the Caisse populaire Desjardins de Lévis based on 75% of the recoverable tax credit on Research and Development expenses of the financial year ended August 31, 2008 but calculated on July 31, 2008. The note payable is in the amount of \$143,040 and bears interest at prime rate plus 3%. The note is repayable when the tax credits will be received from the government. It is secured by 80% from Investissement Quebec's program and hypothec on all the Company's present and future tax credits of any nature whatsoever. It involves a letter of credit in the amount of \$13,410.

As stipulated in the agreement, the note payable of \$75,000 was repaid at the time of obtaining the tax credit financing.

On March 2009, the directors have agreed to convert the note payable totalling \$375,000 into term notes, payable in 18 months. During the next interim financing, directors will have the possibility to convert to the same conditions as the investors.