This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your financial, legal or other professional advisor. *No securities regulatory authority in Canada or the United States of America has expressed an opinion about the securities offered hereunder and it is an offence to claim otherwise. The securities being offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") and may not be offered or sold in the United States or to a U.S. person (as defined in Regulation S under the U.S. Securities Act) unless the issuance of such securities is permitted under applicable securities laws without being registered or qualified for issuance or an exemption therefrom is available.*

August 30, 2007

An ISO 9001:2000 Registered Company

OFFER TO PURCHASE
all of the outstanding common shares
of

NEXTRON CORPORATION

on the basis of $0.05 in cash per Nextron Share and 1 PowerComm Share
for each 15 Nextron Shares

PowerComm Inc ("**PowerComm**" or the "**Offeror**") hereby offers (the "**Offer**") to purchase, on and subject to the terms and conditions of the Offer, all of the outstanding common shares (the "**Nextron Shares**") of Nextron Corporation ("**Nextron**"), including Nextron Shares that may become outstanding after the date of the Offer upon the exercise of options, warrants or other conversion or exchange rights.

The Offer is open for acceptance at any time prior to 3:00 p.m. (Calgary time) on October 9, 2007 unless withdrawn or extended. The Offer may be withdrawn if, among other conditions, at the expiry of the Offer Period, less than 90% of the outstanding Nextron Shares have been deposited under the Offer and not withdrawn. This condition and the other conditions of the Offer are described in Section 4 of the Offer, "Conditions of the Offer."

THE BOARD OF DIRECTORS OF NEXTRON HAS UNANIMOUSLY DETERMINED THAT THE OFFER IS FAIR, FROM A FINANCIAL POINT OF VIEW, TO THE NEXTRON SHAREHOLDERS, IS IN THE BEST INTERESTS OF NEXTRON AND THE NEXTRON SHAREHOLDERS AND UNANIMOUSLY RECOMMENDS THAT NEXTRON SHAREHOLDERS ACCEPT THE OFFER

PowerComm has entered into Lock-up Agreements with the Lockup Securityholders pursuant to which the Lockup Securityholders have agreed to deposit an aggregate of 15,726,455 Nextron Shares representing approximately 81% of the issued and outstanding Nextron Shares, to the Offer, subject to certain conditions, and not to withdraw such securities except in certain circumstances.

Nextron Shareholders who intend to accept the Offer should deposit their Nextron Share certificates, together with the enclosed Letter of Transmittal, properly completed and executed in accordance with the instructions in the Letter of Transmittal at any of the offices of the Depositary listed in the Letter of Transmittal. Alternatively, Shareholders may follow the procedure for guaranteed delivery set forth under Section 3 of the Offer, "Manner and Time of Acceptance - Procedure for Guaranteed Delivery". Persons whose Nextron Shares are registered in the name of a nominee should contact their broker, investment dealer, bank, trust company or other nominee for assistance in depositing their Nextron Shares if they wish to accept the Offer.

(cover page continued on the following pages)

THE DEPOSITARY FOR THE OFFER IS:

Olympia Trust Company

Questions and requests for assistance may be directed to the Depositary. Additional copies of this document, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained upon request without charge from the Depositary at its offices shown in the Letter of Transmittal and on the last page of this document.

The PowerComm Shares are listed and posted for trading on the TSX under the symbol "PCG". On June 12, 2007, the last full day on which the PowerComm Shares traded prior to public announcement of the proposed acquisition of Nextron Shares by PowerComm, the closing price of the PowerComm Shares on the TSX was $0.63. On August 30, 2007, the closing price of the PowerComm Shares on the TSX was $0.55.

NOTICE TO SHAREHOLDERS IN THE UNITED STATES

The securities offered hereby have not been approved or disapproved by the United States Securities and Exchange Commission (the "SEC") or any state securities commission, nor has the SEC or any state securities commission passed upon the accuracy or adequacy of the Offer and Circular. Any representation to the contrary is a criminal offence.

The Offer is made by a Canadian issuer in accordance with Canadian law and the disclosure requirements of Canada. Holders of Nextron Shares should be aware that such requirements are different from the disclosure requirements in the United States. Financial statements included in this document have been prepared in accordance with Canadian accounting standards, which may not be comparable to the financial statements of United States companies.

The enforcement by investors of rights and civil liabilities under United States federal securities laws may be affected adversely by the fact that PowerComm and Nextron have been organized under the laws of the Province of Alberta, that some or all of their officers and directors are residents of Canada and that all or a substantial portion of the assets of PowerComm, Nextron and of said persons may be located outside the United States. It may be difficult to compel a foreign company and its affiliates to subject themselves to a United States court's judgment.

Shareholders should be aware that PowerComm or its affiliates, directly or indirectly, may bid for or make purchases of the Nextron Shares subject to the Offer or certain related securities during the period of the Offer, as permitted by or regulations of Canada or its provinces or territories.

Shareholders should be aware that a tender of Nextron Shares under the Offer by, or the acquisition by PowerComm of Nextron Shares from, a holder of Nextron Shares may have tax consequences both in the United States and Canada. Such consequences for Shareholders who are resident in or citizens of the United States are not fully described herein. Such Shareholders are urged to consult their own tax advisors.

No PowerComm Shares will be delivered in the United States or to or for the account or for the benefit of a person in the United States or to any person who is resident of any jurisdiction other than Canada unless PowerComm is satisfied that the PowerComm Shares may be delivered in such other jurisdictions without further action by PowerComm or on a basis otherwise determined acceptable to PowerComm in its sole discretion.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offer and Circular constitute forward-looking statements. The use of any of the words "anticipate", "continue", "estimate", "expect", "may", "will", "project", "should", "believe", "would", "could", "intend", "plan" and similar expressions or terminology are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Management of PowerComm believes that the expectations reflected in these forward-looking statements are based on reasonable assumptions but no assurance can be given that these expectations will prove to be correct and the forward-looking statements included in this Offer and Circular should not be unduly relied upon. These statements speak only as of the date of this Offer and Circular. Subject to applicable laws, PowerComm does not assume any obligation to update or revise any forward-looking statements to reflect new events or conditions.

In particular, this Offer and Circular contains forward-looking statements pertaining to the following:

- capital and maintenance expenditure programs of PowerComm Inc.'s clients and potential clients;
- projections of commodity and other market prices and costs;
- supply and demand for oilfield services and activity levels in other industrial sectors where PowerComm Inc. operates;
- treatment under governmental regulatory regimes with respect to environmental matters;
- dependence on personnel;
- dependence on equipment suppliers;
- operating risk liability;
- expansion of services;
- customer base;
- competitive conditions; and
- capital raising.

With respect to forward-looking statements contained in this Offer and Circular, PowerComm has made assumptions regarding, among other things:

- PowerComm's ability to market successfully to current and new customers;
- PowerComm's ability to obtain material and equipment from suppliers;
- the impact of increasing competition;
- PowerComm's ability to obtain additional financing on satisfactory terms; and
- the continuing growth of the oil and gas, petro-chemical, oil sands, mining, forestry and other industrial sectors in which PowerComm Inc. operates.

PowerComm's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in the Circular. See "Risk Factors" in Appendix "A" to the Circular:

- Volatility of Industry Conditions
- Project Procurement
- Non-Recurring Business
- Reliance on Personnel
- Dependence on Major Customers
- Competition
- Access to Additional Financing
- Seasonality
- Dependence on Suppliers
- Vulnerability to Market Changes
- Union Certification
- Operating Risk and Insurance
- Credit Risk
- Alternatives to and Changing Demand for Petroleum Products
- Dilution and Future Issuances of Common Shares
- Failure to Realize Anticipated Benefits of Acquisitions
- Debt Obligations
- Loss Prevention
- Vehicle Insurance
- Fleet Management
- Protection of Technology Risks
- Catastrophic Failures and Events
- Operating Equipment Risks
- Health and Safety
- Government Regulation
- Environmental Liability
- Conflicts of Interest
- Legal Proceedings
- Kyoto Protocol
- Qualified Auditor's Report
- Foreign Operations

These risk factors should not be construed as exhaustive.

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ABBREVIATIONS AND DEFINITIONS

In the Offer and the Circular, the abbreviations set forth below have the following meanings:

ABCA	Alberta Business Corporations Act
AIF	Annual Information Form
ANSI	American National Standards Institute
API	American Petroleum Institute
E&I	Electrical and Instrumentation
E&P	Exploration and Production
ESSP	Employee Stock Savings Plan
ISO	International Organization for Standardization
MRRS	Mutual Reliance Review System
NGC	Natural Gas from Coal
PLC	Programmable Logic Controller
PRV	Pressure Relief Valve
PSV	Pressure Safety Valve
QA/QC	Quality Assurance/Quality Control
SAGD	Steam Assisted Gravity Drainage
SEDAR	System for Electronic Document Analysis and Retrieval
VFD	Variable Frequency Drive
WCB	Workers' Compensation Board
WCSB	Western Canadian Sedimentary Basin

In the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, the capitalized terms set forth below have the following meanings:

"**ABCA**" means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as amended, including the regulations promulgated thereunder;

"**affiliate**" has the meaning ascribed thereto in the ABCA, except as otherwise provided herein;

"**AIF**" means the annual information form including the schedules thereto of PowerComm dated June 29, 2007;

"**Amalgamation**" means the amalgamation of RMM and PowerComm Inc. effective December 31, 2006 pursuant to the terms of the Amalgamation Agreement;

"**Amalgamation Agreement**" means the amalgamation agreement made as at November 24, 2006 between RMM and PowerComm Inc. relating to the Amalgamation;

"**ANSI**" means American National Standards Institute;

"**API**" means American Petroleum Institute;

"**applicable laws**" means all applicable securities laws, rules of applicable stock exchanges and applicable corporate, competition and regulatory laws, including any statute, regulation, by-law, treaty, guideline, directive, rule, standard, requirement, policy, order, judgment, decision, injunction, award decree or resolution of any governmental authority, whether or not having the force of law;

"**associate**" has the meaning ascribed thereto in the *Securities Act* (Alberta), as amended, except as otherwise provided herein;

"**Audit Committee**" means the audit committee of the Board;

"**AWG**" means AWG Ventures Inc., a private Alberta company beneficially owned by Wayne Rutherford, as to 60%; Ashley Hope, as to 20%; and Larry Patriquin, as to 20%;

“**Board**” means the board of directors of the Corporation;

“**Brokered Private Placement**” means the private placement of 11,500,000 Common Shares at $0.50 per Common Share for gross proceeds of $5,750,000, closed in three tranches (July 13, August 17 and September 6, 2006);

Business Day” means any day, other than a Saturday, Sunday or statutory holiday when banks are generally open in Calgary, for the transaction of banking business;

“**Cash Component**” means the cash portion of the purchase price for the Nextron Shares in the amount of $0.05 per Nextron Share;

“**Circular**” means the offering circular of PowerComm Inc. that accompanies and forms part of the Offer and which is attached hereto;

“**Closing Date**” means October 9, 2007 or such other date as the parties hereto may agree;

“**Common Share**” or “**Common Shares**” means, respectively, one or more common shares in the capital of the Corporation;

“**Compensation Fee**” means the fee equal to $100,000 payable to PowerComm, if, at any time after the date hereof and prior to January 16, 2008, Nextron accepts, recommends, or enters into an agreement to implement an Acquisition Proposal (as defined herein);

“**compulsory acquisition**” has the meaning ascribed thereto under “Acquisition of Nextron Shares Not Deposited - Compulsory Acquisition”, in the Circular;

“**Concorde**” means Concorde Metal Manufacturing Ltd., a company incorporated under the ABCA that is a wholly owned subsidiary of Redhill;

“**Corporation**” or “**PowerComm**” means PowerComm Inc., a company amalgamated under the ABCA;

“**Depositary**” or “**Olympia Trust**” means Olympia Trust Company at the offices specified in the Letter of Transmittal;

“**Depositing Shareholder**” means a Shareholder tendering Nextron Shares in acceptance of the Offer;

“**diluted basis**” means, with respect to the number of outstanding Nextron Shares at any time, such number of outstanding Nextron Shares calculated assuming that all outstanding Nextron Options and all other rights to purchase Nextron Shares have been exercised;

“**Directors’ Circular**” means the circular prepared by the board of directors of Nextron to be sent to all Shareholders in connection with the Offer;

“**downstream**” means the section of the petroleum industry that includes oil refineries, petrochemical plants, petroleum products distributors, retail outlets and natural gas distribution companies and provides thousands of products such as gasoline, diesel, jet fuel, heating oil, asphalt, lubricants, synthetic rubber, plastics, fertilizers, antifreeze, pesticides, pharmaceuticals, natural gas and propane;

“**Eligible Institution**” means a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Agent Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States;

“**Escrowed PowerComm Shares**” means those PowerComm Shares held by the Lock-up Securityholders subject to the Voluntary Escrow Agreement;

“**Exchange**” means the Toronto Stock Exchange;

“**Expiry Time**” means 3:00 p.m. (Calgary time) on October 9, 2007, or such later time and date or times and dates as may be fixed by PowerComm from time to time pursuant to Section 6 of the Offer, “Extension and Variation of the Offer”, or such time at which the Offer is withdrawn;

“**Initial Take-up Date**” means the date that PowerComm first takes up and pays for Nextron Shares pursuant to the Offer;

“**IPO Agents**” means Research Capital Corporation, GMP Securities L.P., Canaccord Capital Corporation and HSBC Securities (Canada) Inc.;

“**ISO**” means International Organization for Standardization;

“**Letter of Transmittal**” means the letter of acceptance and transmittal for use in connection with the Offer in the form enclosed herewith which accompanies the Offer and which is incorporated into and forms part of the Offer;

“**Loan Agreement**” means the loan facility agreement entered into between the Corporation and a Canadian chartered bank dated December 19, 2006, as amended, which provides for a demand revolving operating loan in the maximum principal amount of $10 million (the “**Demand Operating Loan**”) to be used for general operating purposes in the ordinary course of business. PowerComm Inc. must meet certain financial tests before the entire $10 million of the Demand Operating Loan is available;

“**Lock-up Agreements**” means the separate agreements between PowerComm and each of the Lock-up Securityholders pursuant to which among other things: (i) the Lock-up Securityholders have agreed to tender to the Offer on or before the Expiry Time and not withdraw (subject to certain rights to withdraw such Nextron Shares from the Offer) their Nextron Shares including any Nextron Shares acquired pursuant to the exercise of any Nextron Options or Nextron Warrants; (ii) enter into the Voluntary Escrow Agreement and (iii) enter into the Non-Competition Agreement;

“**Lock-Up Securityholders**” means Donald D. Barkwell, Coady Investments Inc., Terrence Fournier Hawitt, David Hill, Duane Allan Schmeeckle, New Raymer Holdings Ltd., Stephen John Schmeeckle and Leonard Edwards;

“**Material Adverse Change**” or “**Material Adverse Effect**” means when used in connection with a corporation, any change or effect (or any condition, event or development involving a prospective change or effect) in or on the business, operations, results of operations, assets, capitalization, financial condition, licenses, permits, concessions, rights, liabilities, prospects, or privileges, whether contractual or otherwise, of the corporation, which is materially adverse to the business, operations or financial condition of the corporation, considered as a whole, other than a change or effect (i) which has been publicly disclosed or otherwise disclosed in writing by the corporation to the other corporation prior to the date hereof; (ii) directly resulting from an action taken by a corporation to which the other corporation consented in writing; (iii) resulting from conditions affecting the temperature control systems industry as a whole; or (iv) resulting from general economic, financial, currency exchange, securities, or industrial manufacturing market conditions in Canada, the United States or elsewhere;

“**Material Capital Expenditure**” means any single capital expenditure which is greater than $10,000 or any one or more related capital expenditures that are greater, in the aggregate, than $25,000;

“**MD&A**” means, in relation to financial statements of the Corporation, management’s discussion and analysis thereof which is available on the SEDAR website at www.sedar.com;

“**midstream**” means the section of the petroleum industry that processes, stores, markets and transports commodities such as crude oil, natural gas, natural gas liquids and sulphur;

“**Minimum Condition**” has the meaning ascribed thereto in subsection (a) of Section 4 of the Offer, “Conditions of the Offer”;

“**Nextron**” means Nextron Corporation, a corporation incorporated under the ABCA;

“**Nextron Options**” means the options to purchase Nextron Shares granted pursuant to Nextron’ stock option plan which as of the date hereof entitle the holders thereof to acquire an aggregate of Nextron Shares;

"**Nextron Shareholder**" or "**Shareholder**" means a holder of Nextron Shares;

"**Nextron Shareholder Loans**" means the shareholder loans of Nextron outstanding as at the Closing Date in the maximum amount of $706,020;

"**Nextron Shares**" or "**Shares**" means the common shares in the capital of Nextron as constituted on the date hereof;

"**Nextron Transaction Costs**" means all legal, audit, financial advisory and related fees and expenditures to be incurred by Nextron in connection with the Offer;

"**Non-Competition Agreement**" means the non-competition agreements between each of the Lock-up Securityholders (with the exception of Leonard Edwards) and Nextron on terms satisfactory to PowerComm Inc., acting reasonably, effective as of the Closing Date, which non-competition agreement with be effective for a period of 5 years;

"**Notice of Guaranteed Delivery**" means the notice of guaranteed delivery for use in connection with the Offer in the form enclosed herewith which accompanies the Offer and which is incorporated into and forms part of the Offer;

"**Offer**" means the offer by PowerComm to purchase all of the outstanding Nextron Shares, the terms and conditions of which are set forth in the attached Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery;

"**Offer Period**" means the period commencing on August 31, 2007 and ending at the Expiry Time;

"**Offered Warrant**" or "**Offered Warrants**" means, respectively, one or more Common Share purchase warrants in the capital of the Corporation issued in connection with the initial public offering of the Corporation, pursuant to the terms of the Warrant Indenture, each whole Offered Warrant entitling the holder thereof to acquire one Common Share for $1.00 until May 7, 2009;

"**Oil Sands**" means a combination of clay, sand, water and bitumen such that the bitumen is neither oil nor tar, but a semisolid, degraded form of oil which will not flow toward producing wells under normal conditions, so mining and other unconventional oil extraction methods are employed to extract the oil-like bitumen which is then upgraded into synthetic crude oil or refined directly into petroleum products by specialized refineries;

"**Open Shop**" means a place of employment at which an employee is not required to join a labour union as a condition of hiring or continued employment;

"**person**" includes an individual, body corporate, partnership, syndicate or other form of unincorporated entity;

"**PLC**" means programmable logic controller;

"**PowerComm**" or the "**Offeror**" means PowerComm Inc., a corporation incorporated under the ABCA;

"**PowerComm Shares**" or "**Common Shares**" means the common shares in the capital of PowerComm;

"**PSV**" means pressure safety valve;

"**Purchase Price**" means the Cash Component and the Share Component;

"**QA/QC**" means quality assurance/quality control;

"**Redhill**" means Redhill Systems Ltd., a company incorporated under the ABCA that is a wholly owned subsidiary of PowerComm Inc.;

"**Redwater**" means Redwater Machining and Manufacturing Co. Ltd., a company incorporated under the ABCA that is a wholly owned subsidiary of PowerComm Inc.;

"**RMM**" means RMM Ventures Inc., the company incorporated under the *Business Corporations Act* (Ontario) that was continued under the ABCA and amalgamated with PowerComm Inc. pursuant to the Amalgamation Agreement;

“**SAGD**” means steam assisted gravity drainage;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval located online at www.sedar.com;

“**Share Component**” means the share component of the purchase price being 1 PowerComm Share for every 15 Nextron Shares;

“**Stock Option Plan**” means the incentive stock option plan of PowerComm;

“**Subsequent Acquisition Transaction**” has the meaning ascribed thereto under the section of the Circular entitled “Acquisition of Nextron Shares Not Deposited - Subsequent Acquisition Transaction”;

“**Subsequent Take-up Date**” means each date after the Initial Take-up Date that PowerComm takes up and acquires Nextron Shares pursuant to the Offer;

“**subsidiary**” has the meaning ascribed thereto in the *Securities Act*, (Alberta);

“**Tax Act**” means the *Income Tax Act*, R.S.C. 1985, c.1 (5th Supp), as amended from time to time, including the regulations promulgated thereunder;

“**Transaction**” means the business combination of PowerComm Inc. and/or an entity wholly owned by it (the “**Buyer**”) with Nextron Corporation whereby all the issued and outstanding common shares of Nextron would be held directly or indirectly by PowerComm Inc. or the Buyer pursuant to the Transaction Agreement;

“**Transaction Agreement**” means the transaction agreement dated as of the 30th day of August, 2007 between PowerComm and Nextron;

“**TSX**” means the Toronto Stock Exchange;

“**Unit**” or “**Units**” means, respectively, one or more of the units of the Corporation offered under the initial public offering of the Corporation, each unit consisting of one Common Share and one-half of one Offered Warrant;

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any state of the United States and the District of Columbia; and

“**upstream**” means the section of the petroleum industry that finds and produces crude oil and natural gas;

“**VFD**” means variable frequency drive;

“**Voluntary Escrow Agreements**” means the voluntary escrow agreement among the Lock-up Securityholders and the Corporation, entered into on or before the Closing Date whereby the Share Component of the Purchase Price will be held in escrow for a period of nine months from the Closing Date, with such Escrowed PowerComm Inc. Shares released as to one-third of the initial number held in escrow every three months.

“**Warrant Indenture**” means the warrant indenture between the Corporation and Olympia Trust dated May 7, 2007 governing the terms of the Offered Warrants;

“**WCB**” means Workers’ Compensation Board;

“**WCSB**” means Western Canadian sedimentary basin; and

“**Wild Card**” means Wild Card Enterprises Ltd., a company incorporated under the ABCA that is a wholly owned subsidiary of PowerComm Inc.

CURRENCY

In this Offer, the Circular and the Letter of Transmittal, unless otherwise indicated, references to "**dollars**" and "**$**" are expressed in Canadian currency.

INTERPRETATION

Unless the context otherwise requires, words importing the singular number include the plural and vice versa, words importing the use of any gender include all genders and words importing persons include firms and corporations and vice versa.

SUMMARY

The following is only a summary of selected information contained in the attached Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery and is qualified in its entirety by the more detailed information and provisions contained in those documents. Shareholders are urged to read the Offer and the Circular in their entirety.

The Offer

PowerComm hereby offers to purchase, on and subject to the terms and conditions set forth in this Offer, all outstanding Nextron Shares, including all Nextron Shares which may be issued on the exercise of outstanding Nextron Options or other rights to acquire Nextron Shares. The purchase price for the Nextron Shares will be $0.05 in cash for each Nextron Share and one (1) PowerComm Share for every fifteen (15) Nextron Shares.

On each Subsequent Take-up Date, the Nextron Shareholders who have tendered to the Offer since the previous date that Nextron Shares were taken up and paid for by Nextron shall be entitled to the same consideration as was payable to Nextron Shareholders on the Initial Take-up Date.

THE BOARD OF DIRECTORS OF NEXTRON HAS UNANIMOUSLY DETERMINED THAT THE OFFER IS FAIR, FROM A FINANCIAL POINT OF VIEW, TO THE NEXTRON SHAREHOLDERS, IS IN THE BEST INTERESTS OF NEXTRON AND THE NEXTRON SHAREHOLDERS AND UNANIMOUSLY RECOMMENDS THAT NEXTRON SHAREHOLDERS ACCEPT THE OFFER

No fractional PowerComm Shares will be issued and any Shareholder who would otherwise be entitled to receive a fractional PowerComm Share will not receive any compensation for such PowerComm Share. If a registered Shareholder deposits more than one certificate for Nextron Shares which are taken up under the Offer, the consideration paid to such Nextron Shareholder will be computed on the basis of the aggregate number of Nextron Shares deposited by such Nextron Shareholder.

The Offer is made only for the Nextron Shares and is not made for any Nextron Options, rights or conversion rights to purchase such securities or for any securities convertible into Nextron Shares. Any holder of such securities who wishes to accept the Offer should exercise the options, rights or conversion rights in order to obtain certificates representing Nextron Shares and deposit them in accordance with the Offer. Any such exercise must be done sufficiently in advance of the Expiry Time to assure the holders of any such Nextron Options, rights or conversion rights to purchase Nextron Shares that they will have share certificates available for deposit before the Expiry Time or in sufficient time to comply with the procedures referred to in Section 3 of the Offer, “Manner and Time of Acceptance”.

The obligation of PowerComm to take up and pay for Nextron Shares pursuant to the Offer is subject to certain conditions. See Section 4 of the Offer, “Conditions of the Offer”.

Time for Acceptance

The Offer is open for acceptance until 3:00 p.m. (Edmonton time) on October 9, 2007, unless withdrawn or extended by PowerComm. See Section 3 of the Offer, “Manner and Time of Acceptance”.

Recommendation of the Board of Directors of Nextron

The board of directors of Nextron has unanimously recommended acceptance of the Offer by the Shareholders. For further information, please refer to the Directors’ Circular.

PowerComm

PowerComm was incorporated on March 26, 1993 under the ABCA. The head office of the Corporation is located at 9333 - 37 Avenue, Edmonton, Alberta, T6E 5N4 and the registered and records office of the Corporation is located at 1600, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Z1. PowerComm provides complete electrical, instrumentation, valve service, and electrical equipment manufacturing solutions for the construction and maintenance of its clients' industrial and commercial projects. PowerComm's business consists of four components: electrical and instrumentation construction; electrical and instrumentation maintenance; valve services; and electrical equipment manufacturing. The PowerComm Shares are listed and posted for trading on the TSX under the trading symbol "PCG". Disclosure documents of PowerComm available through the internet on the Canadian System for Electronic Document Analysis and Retrieval ("**SEDAR**") website at www.sedar.com. See "PowerComm" in the Circular.

Nextron

Nextron Corporation is a technology-based company located in Calgary, Alberta, Canada. The Company is registered in the Province of Alberta and listed on the TSX Venture Exchange under the trading symbol NXT.

Purpose of the Offer

The purpose of the Offer is to enable PowerComm to acquire, directly or indirectly, all of the Nextron Shares in order to combine the operations of PowerComm and Nextron to create a larger, more diversified entity. See the section of the Circular entitled "Offer for Nextron Shares - Purpose of the Offer".

Acquisition of Nextron Shares Not Deposited

If PowerComm acquires not less than 90% of the Nextron Shares, PowerComm may acquire the remaining Nextron Shares pursuant to the compulsory acquisition provisions of Part 16 of the ABCA. If PowerComm acquires less than 90% of the Nextron Shares or the compulsory acquisition provisions of Part 16 of the ABCA are otherwise unavailable, PowerComm may take such other corporate actions and proceedings as may be legally available to acquire the remaining Nextron Shares without the consent of the holders thereof, including a Subsequent Acquisition Transaction. See Section 11 of the Offer, "Acquisition of Nextron Shares Not Deposited".

Manner of Acceptance

Shareholders wishing to accept the Offer must properly complete and duly execute the Letter of Transmittal or a manually signed photocopy thereof and deposit it (together with certificates representing their Nextron Shares and all other documents required by the Letter of Transmittal) at or prior to the Expiry Time, at one of the offices of the Depositary specified in the Letter of Transmittal. **Persons whose Nextron Shares are registered in the name of a nominee should contact their broker, investment dealer, bank, trust company or other nominee for assistance in depositing their Nextron Shares.**

Shareholders are advised that use of the mail to transmit certificates representing their Nextron Shares and the Letter of Transmittal is at each holder's risk. PowerComm recommends that such certificates and documents be delivered by hand to the Depositary and a receipt therefor obtained or that registered mail be used.

If a Letter of Transmittal is executed by a person other than the registered holder of the Nextron Shares deposited therewith, the certificate must be endorsed or accompanied by an appropriate security transfer or stock power of attorney duly and properly completed by the registered holder. The signature on such certificate, transfer or power of attorney must be guaranteed by an Eligible Institution.

For detailed information as to the manner in which Shareholders may validly accept the Offer, see Section 3 of the Offer, "Manner and Time of Acceptance" and the Letter of Transmittal.

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Nextron Shares pursuant to the Offer and the certificates representing such shares are not immediately available or such holder cannot deliver the certificates and all other required documents to the Depositary at or prior to the Expiry Time, such shares may nevertheless be deposited pursuant to the Offer. See Section 3 of the Offer, "Manner and Time of Acceptance - Procedure for Guaranteed Delivery".

Transaction Agreement

PowerComm and Nextron have entered into the Transaction Agreement relating to the Offer. The Transaction Agreement contains, among other things, covenants of PowerComm relating to the making of the Offer, covenants of Nextron relating to steps to be taken to support the Offer and covenants of Nextron relating to the conduct of its business pending completion of the Offer.

The Transaction Agreement also contains provisions whereby all holders of Nextron Options shall have entered into agreements to surrender each Nextron Option for cancellation on or before the Closing Date.

In addition, the Transaction Agreement imposes certain restrictions on Nextron against soliciting or encouraging competing acquisition proposals, provides that a Compensation Fee of $100,000 is payable by Nextron to PowerComm in certain circumstances and provides a right of first refusal for PowerComm to match any superior competing acquisition proposal. See the section of the Circular entitled “Offer for Nextron Shares - Pre-Acquisition Agreement”.

Lock-up Agreements

Pursuant to the Lock-up Agreements, the Lock-Up Securityholders who hold an aggregate of 15,726,455 Nextron Shares representing approximately 81% of the issued and outstanding Nextron Shares have agreed to tender their Nextron Shares to or vote in favour of, as the case may be, the Offer and to enter into the Voluntary Escrow Agreement on or before the Closing Date whereby their Share Component of the Purchase Price will be held in escrow for a period of nine months from the Closing Date, with such Escrowed PowerComm Shares released as to one-third of the initial number held in escrow every three months. In addition, the Lock-up Agreements provide for the Lock-up Securityholders (with the exception of Leonard Edwards) to enter into the Non-Competition Agreements with Nextron. See the section of the Circular entitled “Offer for Nextron Shares – Lock-up Agreements”.

Conditions of the Offer

PowerComm shall not be required to accept for payment, purchase or pay for any Nextron Shares tendered, and may terminate the Offer or amend the Offer to postpone the acceptance for payment of, and payment for, Nextron Shares tendered, unless all of the conditions set out in Section 4 of the Offer, “Conditions of the Offer”, are satisfied or waived prior to the Expiry Time by PowerComm. The Offer is conditional upon, among other things:

(a) prior to the Expiry Time and at the time PowerComm shall first take up and pay for Nextron Shares under the Offer, there shall have been validly deposited under the Offer and not withdrawn at least 90% of the outstanding Nextron Shares;

(b) the Transaction Agreement shall not have been terminated pursuant to its terms; and

(c) there shall have been no Material Adverse Change with respect to Nextron since the date of the Transaction Agreement.

The conditions of the Offer are for the exclusive benefit of PowerComm and may be waived by it, in its sole discretion, in whole or in part, at any time and from time to time, both before and after the Expiry Time without prejudice to any of the rights PowerComm may have. For a complete description of all of the conditions of the Offer, see Section 4 of the Offer, “Conditions of the Offer”.

Payment for Deposited Nextron Shares

If all the conditions referred to under Section 4 of the Offer, “Conditions of the Offer”, have been satisfied or waived by PowerComm at the Expiry Time, PowerComm will become obligated, pursuant to the Transaction Agreement, to take up and pay for the Nextron Shares validly deposited under the Offer and not withdrawn not later than three Business Days after the Expiry Time. Any Nextron Shares deposited under the Offer after the first date on which Nextron Shares have been taken up by PowerComm will be taken up and paid for not later than 10 days after such deposit. See Section 5 of the Offer, “Payment for Deposited Nextron Shares”.

Withdrawal of Deposited Nextron Shares

All deposits of Nextron Shares pursuant to the Offer are irrevocable except as provided in Section 8 of the Offer, "Withdrawal of Deposited Nextron Shares".

Shareholders Not Resident in Canada

The PowerComm Shares issuable pursuant to the Offer are not being registered or qualified for distribution under the laws of any jurisdiction other than the provinces and territories of Canada in which the Offer is made. Each Shareholder who is resident in the United States or in any other foreign country, or who appears to PowerComm or the Depositary to be resident in the United States or any other foreign country, may not receive PowerComm Shares for his Nextron Shares unless the issuance of PowerComm Shares is permitted under local securities laws in the United States or such other foreign country without being registered or qualified for issuance.

Canadian Federal Income Tax Considerations

Shareholders resident in Canada whose Nextron Shares are held as capital property and are taken up and paid for by the Offeror pursuant to the Offer will generally realize a capital gain (or sustain a capital loss) to the extent that the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to such Shareholder of its Nextron Shares immediately before the disposition pursuant to the Offer.

Shareholders should carefully read the detailed information contained in the Circular under the heading "Canadian Federal Income Tax Considerations". Shareholders should consult their own tax advisors as to the particular tax consequences to them of the sale of Nextron Shares pursuant to the Offer.

Selected Pro Forma Financial Information

Pro Forma financial information is set forth in the pro form financial statements in Appendix "B" of the Circular.

Plans for Nextron

If PowerComm succeeds in acquiring all of the Nextron Shares pursuant to the Offer and under a compulsory acquisition or pursuant to a Subsequent Acquisition Transaction, the former Nextron Shareholders will no longer hold Nextron Shares and Nextron will become wholly-owned by PowerComm or Nextron may be amalgamated into PowerComm or wound-up into PowerComm or an affiliate of PowerComm.

Risk Factors

The PowerComm Shares should be considered a speculative investment due to the nature of PowerComm's business. PowerComm competes with other entities which may have greater technical and financial resources. Owners of PowerComm Shares must be prepared to rely solely upon the ability, expertise, judgment, discretion, integrity and good faith of management of PowerComm. Shareholders should carefully consider these and other risk factors set out in "Risk Factors" in the Circular and in Appendix "A" hereto.

Depositary

PowerComm has engaged Olympia Trust Company as the Depositary for the receipt of certificates in respect of Nextron Shares and Letters of Transmittal deposited under the Offer at the offices specified in the Letter of Transmittal. In addition, the Depositary will receive Notices of Guaranteed Delivery deposited under the Offer at the office specified therein. The Depositary will be responsible for giving certain notices, if required, and for making payments for all Nextron Shares purchased by PowerComm under the Offer. See "Offer for Nextron Shares - Depositary" in the Circular.

No brokerage fees or commissions will be payable by any Shareholder who accepts the Offer by depositing Nextron Shares directly with the Depositary to accept the Offer. Shareholders should contact the Depositary or their broker or dealer for assistance in accepting the Offer and in depositing Nextron Shares with the Depositary. See "Offer for Nextron Shares - Depositary" in the Circular.

OFFER

August 30, 2007

TO: THE HOLDERS OF NEXTRON SHARES

1. The Offer

PowerComm hereby offers to purchase, on and subject to the terms and conditions set forth in this Offer, the attached Circular, the accompanying Letter of Transmittal and the Notice of Guaranteed Delivery, all of the outstanding Nextron Shares and including any Nextron Shares which may become outstanding on the exercise of Nextron Options, rights or conversion rights to purchase Nextron Shares. The consideration offered for the Nextron Shares is $0.05 in cash for each Nextron Share and 1 PowerComm Share for every 15 Nextron Shares.

THE BOARD OF DIRECTORS OF NEXTRON HAS UNANIMOUSLY DETERMINED THAT THE OFFER IS FAIR, FROM A FINANCIAL POINT OF VIEW, TO THE NEXTRON SHAREHOLDERS, IS IN THE BEST INTERESTS OF NEXTRON AND THE NEXTRON SHAREHOLDERS AND UNANIMOUSLY RECOMMENDS THAT NEXTRON SHAREHOLDERS ACCEPT THE OFFER

The Offer is made only for the Nextron Shares and is not made for any Nextron Options, rights or conversion rights to purchase such securities, or for any securities convertible into Nextron Shares. It is a condition to the Offer that all Nextron Options, rights or conversion rights to purchase Nextron Shares shall either have been exercised or terminated pursuant to the Transaction Agreement. Any holder of such securities who wishes to accept the Offer should exercise the options, rights or conversion rights in order to obtain certificates representing Nextron Shares and deposit them in accordance with the Offer.

No fractional PowerComm Shares will be issued pursuant to the Offer and any Shareholder who would otherwise be entitled to receive a fractional PowerComm Share will not receive any compensation for such PowerComm Share. If a registered Shareholder deposits more than one certificate for Nextron Shares which are taken up under the Offer, the consideration to be paid to such Shareholder will be computed on the basis of the aggregate number of Nextron Shares deposited by such Shareholder.

Depositing Shareholders will not be obliged to pay brokerage fees or commissions if they accept the Offer by depositing their Nextron Shares directly with the Depositary to accept the Offer. See “Depositary” in the Circular.

The accompanying Circular, Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of the Offer and contain important information which should be read carefully before making a decision with respect to the Offer.

The Offer is subject to certain conditions as detailed in Section 4 of the Offer, “Conditions of the Offer”. If such conditions are met or waived, PowerComm will take up and pay for the Nextron Shares duly deposited and not withdrawn under the Offer in accordance with the terms hereof. All of the terms and conditions of the Offer may be waived or modified (subject to applicable law and the terms of the Transaction Agreement) by PowerComm, without prejudice to any other right which PowerComm may have, by notice in writing delivered to the Depositary at its principal office in Calgary, Alberta.

The PowerComm Shares issuable pursuant to the Offer are not being registered or qualified for distribution under the laws of any jurisdiction other than the provinces and territories of Canada in which the Offer is made. Each Shareholder who is resident in the United States or in any other foreign country, or who appears to PowerComm or the Depositary to be resident in the United States or any other foreign country, may not receive PowerComm Shares for his, her or its Nextron Shares unless the issuance of PowerComm Shares is permitted under local securities laws in the United States or such other foreign country without being registered or qualified for issuance.

2. Definitions

Certain terms used in this Offer, Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery are defined under "Abbreviations and Definitions".

3. Manner and Time of Acceptance

This Offer is open for acceptance until the Expiry Time, or until such later time and date to which the Offer may be extended, unless withdrawn by PowerComm.

Pursuant to the Transaction Agreement, the Offer shall be extended for such period of time not exceeding 10 days if the conditions are not satisfied at the Expiry Time and provided at least 90% of the outstanding Nextron Shares have been tendered to the Offer. The Offer may be otherwise extended at PowerComm's sole discretion. See Section 6 of the Offer, "Extension and Variation of the Offer".

Shareholders may accept the Offer by delivering to the Depositary at the offices of the Depositary listed in the Letter of Transmittal and on the last page of this document so as to arrive there prior to the Expiry time:

(a) the certificate or certificates representing the Nextron Shares in respect of which the Offer is being accepted;

(b) the Letter of Transmittal, or a manually executed facsimile thereof, properly completed and duly executed as required by the instructions set out in the Letter of Transmittal; and

(c) any other documents required by the instructions set out in the Letter of Transmittal.

If a Letter of Transmittal is executed by a person other than the registered owner(s) of the Nextron Shares deposited therewith, the certificate must be endorsed or accompanied by an appropriate security transfer or stock power of attorney duly and properly completed by the registered holder. **The signature on such certificate, transfer or power of attorney must be guaranteed by an Eligible Institution.**

The deposit of the Nextron Shares pursuant to any of the procedures described above will constitute a binding agreement between the Depositing Shareholder and PowerComm upon the terms and subject to the conditions of the Offer.

In lieu of depositing certificates representing the Nextron Shares with the Depositary, such certificates may be deposited in compliance with the procedure for guaranteed delivery set forth below at or prior to the Expiry Time.

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Nextron Shares pursuant to the Offer and: (i) the certificate(s) representing such Nextron Shares are not immediately available; or (ii) such holder cannot deliver the certificate(s) and all other required documents to the Depositary at or prior to the Expiry Time, such Nextron Shares may nevertheless be deposited pursuant to the Offer provided that all of the following conditions are met:

(a) such a deposit is made by or through an Eligible Institution;

(b) a properly completed and duly executed Notice of Guaranteed Delivery, in the form enclosed with this document, or a manually signed facsimile thereof, is received by the Depositary at its Calgary office as set forth in the Notice of Guaranteed Delivery (by hand, facsimile transmission or mail) together with a guarantee in the form set forth in such Notice of Guaranteed Delivery by an Eligible Institution at or prior to the Expiry Time; and

(c) the certificate(s) representing deposited Nextron Shares, in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal, or a manually signed facsimile thereof, are received at the Calgary office of the Depositary on or before 5:00 p.m. (Calgary time) on the third Business Day after the Expiry Time.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by facsimile transmission or mailed to the Depositary at its principal office in Calgary and must include a signature guaranteed by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

General

In all cases, payment for Nextron Shares deposited and taken up by PowerComm pursuant to the Offer will be made only after timely receipt by the Depositary of certificates representing the Nextron Shares and a properly completed and duly executed Letter of Transmittal or a manually executed facsimile thereof covering such shares, with signatures guaranteed if so required in accordance with the instructions contained in the Letter of Transmittal and any other required documents.

The method of delivery of certificates representing the Nextron Shares, the Letter of Transmittal and all other required documents is at the option and risk of the Depositing Shareholder. PowerComm recommends that such certificates and documents be delivered by hand to the Depositary and a receipt be obtained. If such certificates or documents are mailed, PowerComm recommends that registered mail, return receipt or acknowledgement of receipt requested, be used and that proper insurance be obtained.

Persons whose Nextron Shares are registered in the name of a nominee should contact their broker, investment dealer, bank, trust company or other nominee for assistance in depositing their Nextron Shares.

The execution by a Shareholder of a Letter of Transmittal irrevocably constitutes and appoints any officer of PowerComm and each of them and any other persons designated by PowerComm in writing as the true and lawful agent, attorney and attorney-in-fact and proxy of such Shareholder with respect to the Nextron Shares deposited under the Letter of Transmittal which are taken up and paid for by PowerComm (the "**Purchased Securities**") and with respect to any and all dividends, distributions, payments, securities, rights, assets or other interests (collectively, as used in this paragraph, the "**Other Securities**") declared, paid, issued, distributed, made or transferred on or in respect of the Purchased Securities on or after the date of the Offer, effective on and after the date that PowerComm takes up and pays for the Purchased Securities (the "**Effective Date**"), with full power of substitution, in the name and on behalf of such Shareholder (such power of attorney being deemed to be an irrevocable power coupled with an interest) to: (i) register or record, transfer and enter the transfer of Purchased Securities and any Other Securities on the appropriate register of holders maintained by Nextron; and (ii) except as otherwise may be agreed, to exercise any and all of the rights of such Shareholder in respect of the Purchased Securities and any Other Securities including, without limitation, to vote, execute and deliver any and all instruments of proxy, authorizations or consents in respect of any or all of the Purchased Securities and Other Securities, revoke any such instrument, authorization or consent given on or prior to or after the Effective Date, designate in any such instruments of proxy any person or persons as the proxy or the proxy nominee or nominees of such Shareholder, all as set forth in the Letter of Transmittal.

Further, a holder of Purchased Securities or Other Securities who executes the Letter of Transmittal, unless otherwise agreed to by PowerComm, agrees, among other things, from and after the Effective Date:

(a) not to vote any of the Purchased Securities or Other Securities at any meeting (whether annual, special or otherwise and any adjournments thereof) of holders of Purchased Securities or Other Securities;

(b) not to exercise any and all of the other rights or privileges attached to any Purchased Securities or Other Securities; and

(c) to execute and deliver to PowerComm any and all instruments of proxy, authorizations or consents in respect of any or all of the Purchased Securities or Other Securities and to designate in any such instruments of proxy the person or persons specified by PowerComm as the proxy or proxy nominee or nominees of the holder thereof.

At the Effective Date, all prior proxies given by the holder of such Purchased Securities with respect thereto and to such Other Securities shall be revoked and no subsequent proxies may be given by such holder with respect thereto. A holder of Purchased Securities and Other Securities who executes a Letter of Transmittal covenants to execute, upon request, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Purchased Securities and transfers and any Other Securities to PowerComm and acknowledges that all authority therein conferred or agreed to be conferred shall survive the death or incapacity, bankruptcy or insolvency of the holder and all obligations of the holder therein shall be binding upon the heirs, personal representatives, successors and assigns of the holder.

The deposit of Nextron Shares pursuant to the procedures herein will constitute a binding agreement between the Depositing Shareholder and PowerComm upon the terms and subject to the conditions of the Offer including the Depositing Shareholder's representation and warranty that:

(a) such person has full power and authority to deposit, sell, assign and transfer the Nextron Shares (and any Other Securities) being deposited and has not sold, assigned or transferred or agreed to sell, assign or transfer any of such Nextron Shares (and any Other Securities) to any other person;

(b) such Shareholder owns the Nextron Shares (and any Other Securities) within the meaning of the applicable securities laws;

(c) the deposit of such Nextron Shares (and any Other Securities) complies with applicable securities laws; and

(d) when such Nextron Shares (and any Other Securities) are taken up and paid for by PowerComm, PowerComm will acquire good title thereto free and clear of all liens, restrictions, charges, encumbrances, claims and equities whatsoever.

All questions as to the validity, form, eligibility (including timely receipt) and acceptance of Nextron Shares deposited pursuant to the Offer will be determined by PowerComm in its sole discretion. Depositing Shareholders agree that such determination shall be final and binding. PowerComm reserves the absolute right to reject any and all deposits which it determines not to be in a proper form or which, in the opinion of its counsel, may be unlawful to accept under the laws of any applicable jurisdiction. PowerComm reserves the absolute right to waive any defect or irregularity in the deposit of any Nextron Shares.

There shall be no duty or obligation on PowerComm, the Depositary or any other person to give notice of any defect or irregularity in any deposit and no liability shall be incurred by any of them for failure to give any such notice. PowerComm's interpretation of the terms and conditions of the Offer (including the Circular, the Letter of Transmittal and Notice of Guaranteed Delivery) shall be final and binding. PowerComm reserves the right to permit the Offer to be accepted in a manner other than that set out above.

4. Conditions of the Offer

Notwithstanding any other provision of the Offer, but subject to the provisions of the Transaction Agreement, PowerComm shall not be required to accept for payment, purchase or pay for any Nextron Shares tendered, and may terminate the Offer or amend the Offer to postpone the acceptance for payment of, and payment for, Nextron Shares tendered, unless all of the following conditions are satisfied or waived prior to the Expiry Time:

(a) prior to the Expiry Time and at the time PowerComm shall first take up and pay for Shares under the Offer, there shall have been validly deposited under the Offer and not withdrawn at least 90% of the outstanding Nextron Shares (the "**Minimum Condition**");

(b) any and all applicable waiting periods under any competition, merger, control or similar law, regulation or other governmental authority having jurisdiction over PowerComm or Nextron or the Offer or any other transaction contemplated by the Offer with respect to any such matters shall have expired or been terminated in respect of such transactions;

(c) all regulatory approvals, orders, rulings, exemptions and consents (including, without limitation, those of any stock exchanges or securities or other regulatory authorities) which, in the sole judgment of PowerComm, acting reasonably, are necessary or desirable shall have been obtained on terms and conditions satisfactory to PowerComm in its sole discretion, acting reasonably;

(d) (i) no act, action, suit, proceeding, objection or opposition shall have been threatened or taken before or by any domestic or foreign court or tribunal or governmental agency or other regulatory authority or administrative agency or commission or by any elected or appointed public official or by any private person in Canada or elsewhere, whether or not having the force of law; and

(ii) no law, action, governmental regulation, policy or inquiry shall have been proposed, enacted, promulgated or applied, whether or not having the force of law, which in the sole judgment of PowerComm, acting reasonably:

A. has the effect or may have the effect to cease trade, enjoin, prohibit or impose limitations, damages or conditions on the purchase by, or the sale to, PowerComm, of the Nextron Shares or the right of PowerComm to own or exercise full rights of ownership of the Nextron Shares, or the ability of PowerComm to complete a compulsory acquisition or any Subsequent Acquisition Transaction or any amalgamation, statutory arrangement or other transaction involving PowerComm and/or an affiliate of PowerComm and Nextron and/or the Nextron Shareholders for the purposes of Nextron becoming, directly or indirectly, a wholly-owned subsidiary of PowerComm or effecting a Subsequent Acquisition Transaction;

B. has had or may have a Material Adverse Effect on Nextron or PowerComm or PowerComm's ability to complete the Offer, as determined by PowerComm, acting reasonably;

(e) PowerComm shall have determined in its sole judgment that there shall not exist any prohibition at law against PowerComm making the Offer or taking up and paying for all of the Nextron Shares under the Offer or completing any compulsory acquisition or Subsequent Acquisition Transaction;

(f) PowerComm shall have determined in its sole judgment, acting reasonably, that Nextron has not taken or proposed to take any action, or publicly disclosed that it intends to take any action, and PowerComm shall not have otherwise learned of any previous action taken by Nextron which has not been publicly disclosed or disclosed in writing to PowerComm prior to the announcement of the Offer, that would be materially adverse to the business of Nextron or the value of the Nextron Shares to PowerComm or that would make it inadvisable for PowerComm to proceed with the Offer and/or with taking up and paying for Nextron Shares under the Offer or completing any compulsory acquisition or Subsequent Acquisition Transaction including, without limiting the generality of the foregoing, any action with respect to any agreement, proposal, offer or understanding relating to any sale, disposition or other dealing with any of the assets of Nextron, any issue of shares, options or other securities of Nextron to any person or any acquisition from a third party of assets or securities by Nextron or any capital expenditure by Nextron not in the ordinary course of business;

(g) there shall not have occurred (and there shall not have been publicly disclosed, and PowerComm shall not have otherwise learned of, if previously not publicly disclosed or previously disclosed in writing to PowerComm) any change (or any condition, event or development involving a prospective change) not publicly disclosed or disclosed in writing to PowerComm prior to the announcement of the Offer in the business, operations, assets, capitalization, financial condition, licenses, permits, rights, liabilities, prospects or privileges, whether contractual or otherwise, of Nextron which, in the sole judgement of PowerComm, acting reasonably, has a Material Adverse Effect on the business of Nextron or to the value of the Nextron Shares to PowerComm, and no change (or any condition, event or development involving a prospective change) shall have occurred or have been threatened in the general economic, financial, currency exchange, securities or commodity market conditions in Canada or elsewhere which, in the sole judgment of PowerComm, acting reasonably, has a Material Adverse Effect on the business of Nextron or to the value of the Nextron Shares to PowerComm;

(h) PowerComm shall have determined in its sole judgement, acting reasonably, that: (i) no right, franchise or licence of Nextron has been or may be impaired (which impairment has not been cured or waived) or otherwise has a Material Adverse Effect on, whether as a result of the making of the Offer, the taking up and paying for Nextron Shares deposited under the Offer or otherwise which might make it inadvisable for PowerComm to proceed with the Offer and/or with the taking up and paying for the Nextron Shares under the Offer and/or completing a compulsory acquisition or Subsequent Acquisition Transaction, and (ii) no covenant, term or condition of any instruments or agreements of Nextron which have not been previously disclosed in writing to PowerComm exists which might make it inadvisable for PowerComm to proceed with the Offer and/or with the taking up and paying for the Nextron Shares under the Offer and/or completing a compulsory acquisition or Subsequent Acquisition Transaction (including, without limitation, any default, acceleration or other adverse event that may ensue as a result of PowerComm taking up and paying for the Nextron Shares under the Offer and/or completing a compulsory acquisition or Subsequent Acquisition Transaction);

(i) there shall not have occurred any actual or threatened change (including any proposal by the Minister of Finance (Canada) to amend the Tax Act or any announcement, governmental or regulatory initiative, condition, event or development involving a change or a prospective change) that, in the sole judgment of PowerComm, acting reasonably, directly or indirectly, has or may have a Material Adverse Effect with respect to the current or anticipated financial condition, business, operations, assets, affairs or prospects of either of PowerComm or Nextron or with respect to the regulatory regime applicable to their respective businesses and operations or with respect to completing a compulsory acquisition or any Subsequent Acquisition Transaction or with respect to any potential integration of Nextron with PowerComm or any wholly-owned subsidiary of PowerComm or any reorganization of Nextron or PowerComm in connection with any such potential integration;

(j) PowerComm has determined, in its sole judgment that: (i) Nextron has not breached or failed to comply in any material respect with any of its covenants or other obligations under the Transaction Agreement, and (ii) all representations and warranties of Nextron contained in the Transaction Agreement have been true and correct in all material respects as of the date of the Transaction Agreement and have not ceased to be true and correct in all material respects on the Initial Take-up Date;

(k) there shall have been no Material Adverse Change in respect of Nextron since the date of the Transaction Agreement;

(l) the Transaction Agreement shall not have been terminated pursuant to its terms and no material provision of the Transaction Agreement shall have been held by a court, securities commission or other regulatory authority to be invalid or unenforceable in accordance with its terms;

(m) the Lockup Securityholders will beneficially own or control not less than 80% of the issued and outstanding Nextron Shares and shall agree pursuant to the Lockup Agreements to tender their Nextron Shares to or vote in favour of, as the case may be, the Offer, and to enter into the Voluntary Escrow Agreement on or before the Expiry Time;

(n) the Lock-up Agreements shall have not been terminated pursuant to their terms;

(o) the employment agreement with Leonard Edwards shall not have been terminated;

(p) the directors of Nextron and the Lockup Securityholders, except for Leonard Edwards, shall, on or prior to the Expiry Date, enter into non-compete agreements with Nextron for a period of five years from the Expiry Date, on terms satisfactory to PowerComm, acting reasonably;

(q) each of the directors and senior officers of the Company excepting Leonard Edwards having agreed to resign as directors and officers of the Company forthwith upon and having effect as of the Expiry Time;

(r) PowerComm shall be satisfied in its sole judgment that all outstanding Nextron Options or other rights to purchase Nextron Shares or other securities of Nextron have been exercised or terminated on a basis acceptable to PowerComm;

(s) the board of directors of Nextron shall have recommended that the Nextron Securityholders tender their Nextron Shares to or vote in favour of, as the case may be, the Offer, subject to the usual conditions in respect of directors fiduciary duties; and

(t) from the date hereof, Nextron shall not have incurred or committed to any Material Capital Expenditure or disposition of capital assets without PowerComm's consent, not to be unreasonably withheld.

The foregoing conditions are for the exclusive benefit of PowerComm and may be waived by PowerComm, in whole or in part, in its sole discretion, at any time and from time to time, both before or after the Expiry Time.

Any waiver of a condition or the withdrawal of the Offer is effective upon written notice or other communication confirmed in writing by PowerComm to that effect being given to the Depositary at its principal office in Calgary, Alberta. PowerComm shall, forthwith after giving any such notice, make a public announcement of such waiver or withdrawal and cause the Depositary, if required by law, as soon as practicable thereafter to notify Shareholders in the manner set forth in Section 10 of the Offer, "Notice and Delivery", and shall provide a copy of the aforementioned notice to the TSX. If the Offer is withdrawn, PowerComm shall not be obligated to take up and pay for any Nextron Shares deposited under the Offer and the Depositary will promptly return all certificates for deposited Nextron Shares and the Letters of Transmittal, Notices of Guaranteed Delivery and related documents to the parties by whom they were deposited, at PowerComm's expense.

5. Payment for Deposited Nextron Shares

If all the conditions referred to under Section 4 of the Offer, "Conditions of the Offer", have been satisfied or waived by PowerComm at the Expiry Time, PowerComm will (unless PowerComm shall have withdrawn or terminated the Offer) become obligated pursuant to the Transaction Agreement to take up and pay for the Nextron Shares validly deposited under the Offer and not withdrawn not later than three Business Days after the Expiry Time. Any Nextron Shares deposited under the Offer after the first date on which Nextron Shares have been taken up by PowerComm will be taken up and paid for not later than 10 days after such deposit.

Subject to applicable law, PowerComm expressly reserves the right in its sole discretion to delay taking up or paying for any Nextron Shares or terminate the Offer and not take up or pay for any Nextron Shares if any condition specified in Section 4 of the Offer, "Conditions of the Offer", is not satisfied or waived by PowerComm, in whole or in part, by giving written notice thereof or other communication confirmed in writing to the Depositary at its principal office in Calgary, Alberta. In particular, PowerComm expressly reserves the right, in its sole discretion and notwithstanding any other condition of the Offer, to delay taking up and paying for Nextron Shares in order to comply, in whole or in part, with any applicable law, including, without limitation, such period of time as may be necessary to obtain any necessary regulatory approval. PowerComm will not, however, take up and pay for any Nextron Shares deposited under the Offer unless it simultaneously takes up and pays for all Nextron Shares then validly deposited under the Offer. PowerComm will be deemed to have taken up and accepted for payment, Nextron Shares validly deposited and not properly withdrawn pursuant to the Offer if, as and when PowerComm gives written notice or other communication confirmed in writing to the Depository at its principal office in Calgary, Alberta, of its acceptance for payment of such Nextron Shares pursuant to the Offer.

PowerComm will pay for Nextron Shares validly deposited pursuant to the Offer and not withdrawn by providing the Depositary with sufficient funds (by bank transfer or other means satisfactory to the Depositary) and a direction to issue to, or on behalf of each such Shareholder, PowerComm Shares on the basis set forth in Section 1 of the Offer, "The Offer", for delivery to Shareholders who have tendered and not withdrawn their Nextron Shares under the Offer.

No fractional PowerComm Shares will be issued and any Shareholder who would otherwise be entitled to receive a fractional PowerComm Share will not receive any compensation for such PowerComm Share. If a registered Shareholder deposits more than one certificate for Nextron Shares which are taken up under the Offer, the number of

PowerComm Shares to be issued to such Shareholder will be computed on the basis of the aggregate number of Nextron Shares deposited by such Shareholder.

Under no circumstances will interest accrue or be paid by PowerComm or the Depositary to persons depositing Nextron Shares on the purchase price of Nextron Shares purchased by PowerComm, regardless of any delay in making such payment.

The PowerComm Shares issuable pursuant to the Offer are not being registered or qualified for distribution under the laws of any jurisdiction other than the provinces and territories of Canada in which the Offer is made. Each Shareholder who is resident in the United States or in any other foreign country, or who appears to PowerComm or the Depositary to be resident in the United States or any other foreign country, may not receive PowerComm Shares for his Nextron Shares unless the issuance of PowerComm Shares is permitted under local securities laws in the United States or such other foreign country without being registered or qualified for issuance.

The Depositary will act as the agent of persons who have deposited Nextron Shares in acceptance of the Offer for the purposes of receiving payment from PowerComm and transmitting payment to such persons, and receipt of payment by the Depositary, together with irrevocable instruction from PowerComm to effect payment to Depositing Shareholders, will be deemed to constitute receipt of payment by Shareholders who have deposited and not withdrawn their Nextron Shares pursuant to the Offer.

Settlement will be made by the Depositary forwarding the certificate representing the PowerComm Shares and/or issuing or causing to be issued a cheque payable in Canadian funds to which a person depositing Nextron Shares is entitled provided that the person is a resident of a province of Canada or another jurisdiction in which the PowerComm Shares may be lawfully delivered, without further action by PowerComm or on a basis acceptable to PowerComm in its sole discretion. Subject to the foregoing and unless otherwise directed by the Letter of Transmittal, the certificate(s) representing the PowerComm Shares and/or the cheque will be issued in the name of the registered holder of the Nextron Shares deposited. Unless the person depositing the Nextron Shares instructs the Depositary to hold the certificate(s) representing PowerComm Shares and/or the cheque for pick-up by checking the appropriate box in the Letter of Transmittal, certificate(s) representing PowerComm Shares and/or the cheque will be forwarded by first class mail to such persons at the address specified in the Letter of Transmittal. If no address is specified, certificate(s) representing PowerComm Shares and/or the cheque will be forwarded to the address of the Shareholder as shown on the registers maintained by Nextron.

Certificates for PowerComm Shares and/or cheques which are mailed in accordance with this section shall be deemed to have been delivered at the time of delivery to the post office. In the event of an interruption of mail services, certificates will be made available in accordance with Section 9 of the Offer, “Mail Service Interruption”.

Persons depositing Nextron Shares will not be obligated to pay any brokerage fees or commissions if they accept the Offer by depositing their Nextron Shares directly with the Depositary. See “Depositary” in the Circular.

6. Extension and Variation of the Offer

The Offer is open for acceptance until the Expiry Time, subject to extension or variation in PowerComm’s sole discretion, subject to the terms of the Transaction Agreement.

Subject to the terms of the Transaction Agreement, PowerComm reserves the right, in its sole discretion, at any time and from time to time during the Offer Period (or otherwise as permitted by applicable law), to extend the Expiry Time or vary the Offer, in each case, by giving written notice or other communication confirmed in writing of such extension or variation to the Depositary at its principal office in Calgary, Alberta, and by causing the Depositary to provide as soon as practicable thereafter a copy of such notice in the manner set forth in Section 10 of the Offer, “Notice and Delivery”, to all holders of Nextron Shares whose Nextron Shares have not been taken up prior to the extension or variation. PowerComm shall, as soon as practicable after giving notice of an extension or variation to the Depositary, make a public announcement of the extension or variation and provide a copy of the notice thereof to the TSX. Any notice of extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise first communicated in writing to the Depositary at its principal office in Calgary, Alberta.

Notwithstanding the foregoing, but subject to applicable law, the Offer may not be extended by PowerComm if all the terms and conditions of the Offer, except those waived by PowerComm, have been fulfilled or complied with, unless PowerComm first takes up all Nextron Shares deposited under the Offer and not withdrawn.

Where the terms of the Offer are varied (except for a variation consisting solely of a waiver of a condition specified), the Offer shall not expire before 10 days after the notice of variation in respect of such variation has been given to Shareholders unless otherwise permitted by applicable law and subject to abridgement or elimination of that period pursuant to such orders as may be granted by applicable Canadian courts or securities regulatory authorities.

Pursuant to the Transaction Agreement, PowerComm has agreed not to amend the terms of the Offer, other than to: (i) increase the consideration payable thereunder; (ii) waive any conditions thereof (other than the Minimum Condition), or (iii) extend the expiry thereof to a date not later than 90 days after the making of the Offer.

If before or after the Expiry Time but before the expiry of all rights of withdrawal with respect to the Offer, a change occurs in the information contained in the Offer or the Circular, each as amended from time to time, that would reasonably be expected to affect a decision of a Nextron Shareholder to accept or reject the Offer (other than a change that is not within the control of PowerComm or of an affiliate of PowerComm), PowerComm will give written notice of such change to the Depositary at its principal office in Calgary, Alberta and will cause the Depositary to provide as soon as practicable thereafter a copy of such notice in the manner set forth in Section 10 of the Offer, "Notice and Delivery", to all holders of Nextron Shares that have not been taken up under the Offer at the date of the occurrence of the change, if required by applicable law. As soon as possible after giving notice of a change in information to the Depositary, PowerComm will make a public announcement of the change in information and provide a copy of the notice thereof to the TSX. Any notice of change in information will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its principal office in Calgary, Alberta.

During any such extension or in the event of any variation, all Nextron Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by PowerComm in accordance with the terms hereof, subject to Section 5 of the Offer, "Payment for Deposited Nextron Shares", and to Section 8 of the Offer, "Withdrawal of Deposited Nextron Shares". An extension of the Expiry Time or a variation of the Offer does not constitute a waiver by PowerComm of its rights under Section 4 of the Offer, "Conditions of the Offer".

If the consideration being offered for the Nextron Shares under the Offer is increased, the increased consideration will be paid to all depositing Shareholders whose Nextron Shares are taken up under the Offer whether or not such Nextron Shares are taken up by PowerComm before such variation.

7. Shareholders Not Resident in Canada

The PowerComm Shares issuable pursuant to the Offer are not being registered or qualified for distribution under the laws of any jurisdiction other than the provinces and territories of Canada in which the Offer is made. Each Shareholder who is resident in the United States or in any other foreign country, or who appears to PowerComm or the Depositary to be resident in the United States or any other foreign country, may not receive PowerComm Shares for his, her or its Nextron Shares unless the issuance of PowerComm Shares is permitted under local securities laws in the United States or such other foreign country without being registered or qualified for issuance.

8. Withdrawal of Deposited Nextron Shares

All deposits of Nextron Shares pursuant to the Offer are irrevocable, provided that any Nextron Shares deposited in acceptance of the Offer (other than such Nextron Shares as are deposited pursuant to the Lock-up Agreements except as provided therein) may be withdrawn by or on behalf of the depositing Shareholder (unless otherwise required or permitted by applicable law):

(a) at any time where the Nextron Shares have not been taken up by PowerComm;

(b) if the Nextron Shares have not been paid for by PowerComm within three Business Days after having been taken up; or

(c) at any time before the expiration of 10 days from the date upon which either:

(i) a notice of change relating to a change which has occurred in the information contained in the Offer or the Circular, each as amended from time to time, which change is one that would reasonably be expected to affect the decision of the Shareholder to accept or reject the Offer (other than a change that is not within the control of PowerComm or of an affiliate of PowerComm) in the event that such change occurs before the Expiry Time or after the Expiry Time but before the expiry of all rights of withdrawal in respect of the Offer; or

(ii) a notice of variation concerning a variation in the terms of the Offer (other than a variation consisting solely of an increase in the consideration offered under the Offer where the Expiry Time is not extended for a period of greater than 10 days),

is mailed, delivered or otherwise properly communicated, but only if such deposited Nextron Shares have not been taken up by PowerComm at the time of the notice and subject to abridgement of that period pursuant to such order or orders as may be granted by Canadian courts or securities regulatory authorities.

Withdrawals of Nextron Shares deposited to the Offer must be effected in writing by notice of withdrawal which must be made by or on behalf of the Shareholder by whom or on whose behalf such Nextron Shares were deposited and must be received by the Depositary at the office at which such Nextron Shares (or Notice of Guaranteed Delivery in respect thereof) were deposited. Any such notice of withdrawal must:

(a) be made by a method, including facsimile communications, that provides the Depositary with a written or printed copy;

(b) be signed by or on behalf of the person who signed the Letter of Transmittal accompanying the Nextron Shares which are being withdrawn (or Notice of Guaranteed Delivery in respect thereof);

(c) specify such person's name, the number of Nextron Shares to be withdrawn, the name of the registered holder and the certificate number shown on each certificate representing the Nextron Shares to be withdrawn;

(d) be actually received by the Depositary within the time specified above; and

(e) be made by or on behalf of the Depositing Shareholder.

For the purpose of obtaining physical possession of the deposited Nextron Share certificates so withdrawn, the signature on the notice of withdrawal must be guaranteed by an Eligible Institution in the same manner as in the Letter of Transmittal (as defined in the instructions set out in such letter) or Notice of Guaranteed Delivery, except in those cases where the Nextron Shares were deposited for the account of an Eligible Institution. The withdrawal shall take effect upon receipt of the properly completed and executed written notice of withdrawal by the Depositary.

If PowerComm extends the Offer, is delayed in taking up or paying for Nextron Shares or is unable to take up or pay for Nextron Shares for any reason, then, without prejudice to PowerComm's other rights, Nextron Shares deposited under the Offer may be retained by the Depositary, on behalf of PowerComm subject to the Depositing Shareholders' right of withdrawal as set forth under this Section 8 of the Offer, or pursuant to applicable law.

Withdrawals may not be rescinded and any Nextron Shares withdrawn will be deemed not validly deposited for the purposes of the Offer, but may be redeposited at any subsequent time prior to the Expiry Time by following any of the applicable procedures described in Section 3 of the Offer, "Manner and Time of Acceptance".

In addition to the foregoing rights of withdrawal, Shareholders in certain provinces and territories of Canada are entitled to statutory rights of rescission in certain circumstances. See the section of the Circular entitled "Statutory Rights".

All questions as to the validity (including the time of receipt) and form of notices of withdrawal shall be determined by PowerComm in its sole discretion and such determination shall be final and binding. There shall be no duty or obligation on PowerComm, the Depositary or any other person to give notices of any defect or irregularity in any notice of withdrawal and no liability shall be incurred by any of them for failure to give any such notice. See Section 3 of the Offer, “Manner and Time of Acceptance - General”.

9. Mail Service Interruption

Notwithstanding the provisions of the Offer, the Circular, the Letter of Transmittal or the Notice of Guaranteed Delivery, cheques and certificates representing PowerComm Shares in payment for Nextron Shares purchased under the Offer, and any other relevant documents from PowerComm or the Depositary to Shareholders will not be mailed if PowerComm determines, in its sole discretion, that delivery thereof by mail may be delayed. Persons entitled to cheques and certificates representing PowerComm Shares which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary to which the deposited certificates representing Nextron Shares in respect of which such cheques and certificates are being issued were deposited upon application to the Depositary, until such time as PowerComm has determined that delivery by mail will no longer be delayed. PowerComm shall provide notice of any such determination not to mail made under this Section 9 as soon as reasonably practicable after the making of such determination and in accordance with Section 10 of the Offer, “Notice and Delivery”. Notwithstanding Section 5 of the Offer, “Payment for Deposited Nextron Shares”, the deposit of such cheques and certificates representing PowerComm Shares with the Depositary for delivery to the depositing Shareholders in such circumstances shall constitute delivery to the persons entitled thereto and the Nextron Shares shall be deemed to have been paid for immediately upon such deposit.

10. Notice and Delivery

Without limiting any other lawful means of giving notice, any notice which PowerComm or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given to Shareholders if:

(a) it is mailed by first class mail, postage prepaid, or sent by prepaid courier to the registered holders of Nextron Shares at their respective addresses appearing in the registers for such Nextron Shares maintained by Nextron and will be deemed to have been received on the first Business Day following mailing or sending; or

(b) it is given in such other manner as may be permitted by applicable law.

These provisions apply notwithstanding any accidental omission to give notice to any one or more Shareholders and notwithstanding any interruption of mail service following mailing.

In the event of any interruption of mail service following mailing, PowerComm intends to make reasonable efforts to disseminate the notice by other means such as publication. Except as otherwise required or permitted by law, if post offices in Canada or elsewhere are not open for the deposit of mail or there is reason to believe there is or could be a disruption in all or part of the postal service, any notice which PowerComm or the Depositary may give or cause to be given under the Offer, except as otherwise provided herein, will be deemed to have been properly given and to have been received by the Shareholders, as the case may be, if:

(a) it is published once in the national edition of *The Globe and Mail* or *The National Post*, provided that if the national editions of *The Globe and Mail* and *The National Post* are not being generally circulated, publication thereof shall be made in any other daily newspaper of general circulation in the cities of Calgary and Toronto; and

(b) it is provided to Canada NewsWire for distribution.

Wherever the Offer calls for documents to be delivered to a particular office of the Depositary, such documents will not be considered delivered unless and until they have been physically received at that particular office at the address noted for the Depositary as set forth in the Letter of Transmittal or Notice of Guaranteed Delivery, as applicable.

11. Acquisition of Nextron Shares Not Deposited

If PowerComm takes up and pays for Nextron Shares validly deposited under the Offer and acquires not less than 90% of the issued and outstanding Nextron Shares (other than Nextron Shares held at the date hereof by or on behalf of PowerComm or its affiliates or associates as defined in the ABCA), PowerComm intends, to the extent possible, to acquire the remaining Nextron Shares pursuant to the compulsory acquisition provisions of the ABCA. If PowerComm takes up and pays for Nextron Shares validly deposited under the Offer and acquires less than such number or if the compulsory acquisition provisions of the ABCA are otherwise unavailable or if PowerComm elects not to proceed by way of the compulsory acquisition provisions of the ABCA, PowerComm intends to consider other means of acquiring, directly or indirectly, all of the equity interest in Nextron available in accordance with applicable law, including a Subsequent Acquisition Transaction. If the Minimum Condition is satisfied and PowerComm takes up and pays for the Nextron Shares under the Offer, PowerComm may own sufficient Nextron Shares to effect such Subsequent Acquisition Transaction. See "Acquisition of Nextron Shares Not Deposited" in the Circular.

12. Return of Deposited Nextron Shares

Any deposited Nextron Shares not taken up and paid for by PowerComm for any reason whatsoever, or if certificates are submitted by a Shareholder for more Nextron Shares than are deposited, certificates for Nextron Shares not taken up and paid for or not deposited, will be returned at PowerComm's expense by either sending new certificates representing Nextron Shares not purchased or returning the deposited certificates (and other relevant documents). The certificates (and other relevant documents) will be forwarded by first class insured mail in the name of and to the address specified by the Depositing Shareholder in the Letter of Transmittal, or if such name and address is not so specified, in such name and to such address as shown on the registers maintained by Nextron as soon as practicable following the Expiry Time or withdrawal or termination of the Offer.

13. Changes in Capitalization, Distributions and Liens

If Nextron should subdivide, consolidate or otherwise change any of the Nextron Shares or its capitalization, or shall disclose that it has taken or intends to take any such action, PowerComm may, in its sole discretion and without prejudice to its right under Section 4 "Conditions of the Offer", make such adjustments as it considers appropriate to the purchase price and other terms of the Offer (including, without limitation, the type of securities offered to be purchased and the amounts payable therefore) to reflect such subdivision, consolidation or other change. See Section 4 of the Offer, "Conditions of the Offer", and Section 6 of the Offer, "Extension and Variation of the Offer".

Nextron Shares acquired pursuant to the Offer shall be transferred by the Shareholder and acquired by PowerComm free and clear of all liens, restrictions, charges, encumbrances, claims and equities and together with all rights and benefits arising therefrom including the right to any and all dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or in respect of the Nextron Shares. If Nextron should declare or pay any cash dividend, stock dividend or make any other distribution on or issue any rights with respect to any of the Nextron Shares which is or are payable or distributable to the Shareholders of record on a record date which is prior to the date of transfer into the name of PowerComm or its nominees or transferees on the registers maintained by Nextron of such Nextron Shares following acceptance thereof for purchase pursuant to the Offer, then the whole of any such dividend, distribution or right will be received and held by the Depositing Shareholder for the account of PowerComm and shall be promptly remitted and transferred by the Depositing Shareholder to the Depositary for the account of PowerComm, accompanied by appropriate documentation of transfer. Pending such remittance, PowerComm will be entitled to all rights and privileges as the owner of any such dividend, distribution or right, and may withhold the entire consideration payable by PowerComm pursuant to the Offer or deduct from the consideration payable by PowerComm pursuant to the Offer the amount or value thereof, as determined by PowerComm in its sole discretion.

14. Other Terms of the Offer

The provisions of the Circular, Letter of Transmittal and the Notice of Guaranteed Delivery accompanying the Offer, including the instructions contained therein, as applicable, form part of the terms and conditions of the Offer and should be read carefully before making a decision with respect to the Offer.

No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of PowerComm other than as contained in this Offer or in the Circular, Letter of Transmittal or Notice of Guaranteed Delivery, and, if any such information or representation is given or made, it must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of PowerComm or the Depositary for the purposes of the Offer. In any jurisdiction in which this Offer is required to be made by a licensed broker or dealer, this Offer shall be made on behalf of PowerComm by brokers or dealers licensed under the laws of such jurisdiction.

PowerComm shall, in its sole discretion, be entitled to make a final and binding determination on all questions relating to the interpretation of the Offer, the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery and the validity of any acceptance of the Offer and any withdrawals of Nextron Shares, including, without limitation, the satisfaction or non-satisfaction of any condition, the validity, time and effect of any deposit of Nextron Shares or notice of withdrawal of Nextron Shares, and the due completion and execution of the Letters of Transmittal and Notices of Guaranteed Delivery. PowerComm reserves the right to waive any defect in acceptance with respect to any deposit of Nextron Shares not in proper form. There shall be no obligation on PowerComm or the Depositary to give notice of any defects or irregularities in acceptance and no liability shall be incurred by any of them for failure to give any such notification.

The Offer is not being made to (nor will deposits be accepted from or on behalf of) Shareholders residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. However, PowerComm may, in its sole discretion, take such action as it may deem necessary to make an offer in any such jurisdiction and extend such offer to Shareholders in any such jurisdiction.

The Offer and all contracts resulting from the acceptance of the Offer shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of this Offer unconditionally and irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Alberta and the courts of appeal therefrom.

The Offer and accompanying Circular and other documents referred to above constitute the take-over bid under the ABCA and the take-over bid circular required under applicable Canadian provincial securities legislation with respect to the Offer.

Dated at the City of Calgary, in the Province of Alberta, this 30th day of August, 2007.

POWERCOMM INC.

(signed) "*Wayne R. Rutherford*"
President and Chief Executive Officer

CIRCULAR

This Circular accompanies the Offer to purchase all of the outstanding Nextron Shares. The terms, conditions and provisions of the accompanying Offer, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Terms defined in the Offer, but not defined in this Circular, have the same meaning herein as in the Offer, unless the context otherwise requires.

Except as specifically disclosed herein, the information concerning Nextron contained in the Offer and this Circular has been taken from or based upon documents and records of Nextron provided to PowerComm by Nextron. Although PowerComm has no knowledge that would indicate that any statements contained herein taken from or based on such documents and records are inaccurate or incomplete, neither PowerComm nor its directors or officers assume any responsibility for the accuracy or completeness of the information contained in such documents and records.

OFFER FOR NEXTRON SHARES

Background to the Offer

In January, 2007, PowerComm became aware that Nextron was considering a process to maximize shareholder value. On January 23, 2007 after reviewing available information on Nextron, PowerComm entered into a confidentiality agreement with Nextron, and was provided with additional information in respect of Nextron' business, which PowerComm evaluated. In early February, 2007, PowerComm entered into discussions with management of Nextron in respect of the terms and conditions on which a business combination could be affected and each party continued to conduct their due diligence in respect of the other party.

On June 8, 2007, PowerComm entered into a letter of intent which provided for a non-binding proposal in respect of a potential business combination and an exclusivity arrangement for a period during which each party would complete their respective due diligence in respect of the other and, if satisfactory, a definitive agreement would be negotiated. On July 16, 2007 PowerComm and Nextron entered into an amended and restated letter of intent. PowerComm and Nextron entered into the Transaction Agreement as of August 30, 2007.

Purpose of the Offer

The purpose of the Offer is for PowerComm to acquire all outstanding Nextron Shares, including Nextron Shares which may become outstanding on the exercise of Nextron Options and other rights to purchase Nextron Shares. Upon completion of the Offer, if it is entitled to do so, PowerComm intends to utilize any statutory rights of purchase pursuant to Part 16 of the ABCA that may be applicable. See the section of the Circular entitled "Acquisition of Nextron Shares Not Deposited - Compulsory Acquisition".

If the Offer is successful, but PowerComm acquires less than 90% of the outstanding Nextron Shares, then PowerComm intends to pursue a Subsequent Acquisition Transaction to acquire the Nextron Shares not tendered to the Offer on such terms and conditions as PowerComm, at the time, believes to be fair and equitable to Nextron and its shareholders. The timing and details of any such transaction will necessarily depend on a variety of factors, including the number of Nextron Shares acquired pursuant to the Offer. See the section of this Circular entitled, "Acquisition of Nextron Shares Not Deposited - Subsequent Acquisition Transaction".

Plans for Nextron

In the event that the Offer is successful, it is expected that certain changes will be effected with respect to the composition of the board of directors of Nextron to allow nominees of PowerComm to replace all existing members of such board and after review and consideration of staffing needs, that a number of personnel changes may be made at Nextron and PowerComm. Furthermore, PowerComm intends to integrate the businesses carried on by PowerComm and Nextron, and may consider certain asset dispositions, if appropriate.

If Nextron becomes a wholly-owned subsidiary of PowerComm, PowerComm may continue to operate Nextron as a wholly-owned subsidiary or Nextron may be amalgamated into PowerComm or wound-up into PowerComm or an affiliate of PowerComm.

Recommendation of the Nextron Board

The board of directors of Nextron has unanimously determined that the Offer is fair, from a financial point of view, to the Shareholders, is in the best interests of Nextron and the Nextron Shareholders and unanimously recommends that Shareholders accept the Offer.

PowerComm believes that the benefits to Shareholders resulting from the combination of the respective business of PowerComm and Nextron include:

(a) participation in a corporation with an experienced and successful management team;

(b) participation in a stronger combined entity;

(c) participation in a corporation with access to capital markets to provide additional funds for new projects;

(d) participation in a corporation with a strong balance sheet;

(e) participation in a corporation with the critical mass necessary for a greater level of investor awareness;

(f) participation in a corporation with sufficient cash flow for continued growth;

(g) participation in a corporation with increased staffing in all areas of expertise;

(h) participation in a corporation with better access to larger acquisition opportunities; and

(i) participation in a corporation that will be able to capitalize on the synergies created by cross selling and the ability to install Nextron products which is expected to produce sales volume increases. In addition, PowerComm Inc. currently purchases controllers and tape from other suppliers and will now be able to supply "turnkey" packages to the combined customer base.

Transaction Agreement

The following is a summary only of the material provisions of the Transaction Agreement and is qualified in its entirety by the provisions of the Transaction Agreement.

The Offer

Pursuant to the Transaction Agreement, PowerComm agreed to make the Offer and Nextron represented that its board of directors had determined unanimously that: (i) the Offer is fair, from a financial point of view, to the Shareholders and is in the best interests of Nextron and the Shareholders; and (ii) the board of directors of Nextron will recommend that the Shareholders accept the Offer, subject to the right of Nextron's board of directors to withdraw, modify or amend such determination or authorization in limited circumstances.

PowerComm has agreed pursuant to the Transaction Agreement that it will not amend the terms of the Offer, other than (i) to increase the consideration payable thereunder, (ii) to waive any conditions thereof, or (iii) to extend the Expiry Time to a date not later than such date as may be permitted under applicable laws.

Interim Operations

Nextron agreed, pursuant to the Transaction Agreement, that prior to the earlier of the termination of the Transaction Agreement and the appointment or election of nominees of PowerComm to the board of directors of Nextron, it would conduct its business only in, and not take any action except in, the usual, ordinary and regular course of business and consistent with past practice. Each of PowerComm and Nextron made various representations and warranties to the other in the Transaction Agreement.

Cease Negotiations

Nextron also agreed pursuant to the Transaction Agreement to immediately cease and cause to be terminated all existing discussions and negotiations, if any, with any parties (other than PowerComm) conducted on or before August 30, 2007 with respect to any actual or potential Acquisition Proposal (as described below). In connection therewith, Nextron agreed not to release any third party from any confidentiality or standstill obligation set forth in any agreement to which Nextron or such third party are parties except for the standstill obligation in connection with a Superior Proposal (as described below) by such third party.

Non Solicitation

Pursuant to the Transaction Agreement, Nextron also agreed that neither Nextron nor any of its directors, officers, employees, agents, financial advisors, legal advisors or other representatives shall, directly or indirectly, (i) solicit, initiate or knowingly encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation or continuation of any inquiries, discussions, negotiations, proposals or offers from any corporation, person or other entity or group (other than PowerComm and its directors, officers, employees, agents, financial advisors, legal advisors or other representatives) in respect of any matter or thing which is inconsistent with the successful completion of the Offer, including any inquiries or proposals regarding any merger, amalgamation, arrangement, take-over bid to acquire more than 20% of the outstanding Nextron Shares, a sale of substantial assets, a sale of treasury shares (other than pursuant to the exercise of presently outstanding options or other share compensation arrangements) or any similar transactions involving Nextron (any of the foregoing inquiries or proposals being referred to herein as an "**Acquisition Proposal**") made by a third party prior to the Expiry Time; or (ii) provide any confidential information to, participate in any discussions or negotiations relating to any Acquisition Proposal with, or otherwise cooperate with or assist or participate in any effort to consider, review or initiate an Acquisition Proposal by, any corporation, person or other entity or group, other than PowerComm; provided, however, subject to certain Non-Completion Fee provisions, Nextron shall not be bound by the foregoing restrictions in respect of any proposal or offer in writing received by Nextron from another party, which offer was not solicited by Nextron or any of its directors, officers, employees, agents, financial advisors, legal advisors or other representatives after the date of the Transaction Agreement, which the board of directors of Nextron believes is reasonably likely to become a Superior Proposal or in any other circumstance where it would be inconsistent with the fiduciary obligations of the board of directors of Nextron. If Nextron or Nextron' board of directors determines to provide any confidential information in accordance with the terms of the Transaction Agreement, Nextron shall so notify PowerComm in writing (which notice in writing must identify the party proposing such transaction and the terms and conditions thereof, which must include a copy of the terms and conditions of any form of Acquisition Proposal and which must provide an undertaking to provide to PowerComm any further documents relating to the terms or conditions thereof delivered to the board of directors of Nextron or to Nextron by or on behalf of such party) of any such provision of confidential information and provided further that the provision of any such confidential information shall be on terms and conditions no more favourable to such other party than those contained in the confidentiality agreement between Nextron and PowerComm dated January 23, 2007 (the "**Confidentiality Agreement**"). Prior to furnishing any information or entering into discussions or negotiations with any person or entity who has made a *bona fide* Acquisition Proposal, Nextron will also provide to PowerComm, if not previously provided to PowerComm, copies of all information to be provided to such party concurrently with the provision of such information to such party.

Subject to certain Non-Completion Fee provisions contained in the Transaction Agreement, provided Nextron is in compliance with the terms of the Transaction Agreement, subject to the right of first refusal referred to below, nothing contained in the Transaction Agreement shall prevent Nextron' board of directors from considering, negotiating, approving and recommending to the Shareholders an Acquisition Proposal for which adequate financial arrangements have been made which Nextron' board of directors determines in good faith, after written advice from outside counsel and its financial advisors, if any (copies of which are to be immediately delivered to PowerComm) would, if consummated in accordance with its terms, result in a transaction financially superior for Nextron and its Shareholders than the transaction contemplated by the Transaction Agreement (any such Acquisition Proposal being referred to herein as a "**Superior Proposal**").

Superior Proposal

Pursuant to the Transaction Agreement, Nextron agreed that it shall not enter into any agreement (other than a confidentiality agreement substantially similar to the Confidentiality Agreement) regarding a Superior Proposal (the "**Proposed Agreement**") without providing PowerComm with an opportunity of not less than three business days to amend the Transaction Agreement to provide at least as favourable or more favourable terms than those to be included in the Proposed Agreement. In particular, Nextron covenanted to provide PowerComm with all material terms and conditions of any Proposed Agreement at least three (3) business days prior to its proposed execution by Nextron. The board of directors of Nextron shall review any offer by PowerComm to amend the terms of the Transaction Agreement in good faith in order to determine, in its discretion and exercising its fiduciary duties, whether PowerComm's amended Offer, would result in the Acquisition Proposal not being a Superior Proposal. If Nextron' board of directors so determines, it will enter into an amended agreement with PowerComm reflecting PowerComm's amended Offer. In the event PowerComm agrees to amend the Transaction Agreement as provided above within such three (3) business day period, Nextron has covenanted to not enter into the Proposed Agreement. In the event of non-cash consideration, financial equivalency will be determined by Nextron' board of directors, acting reasonably, after due consideration of the opinions of PowerComm's and Nextron' financial advisors.

Compensation Fee

Provided that there is no breach or non-performance by PowerComm of a material provision of the Transaction Agreement, Nextron has agreed to pay to PowerComm the Compensation Fee if at any time after execution of the Transaction Agreement one of the following events occurs:

(1) an actual or proposed Acquisition Proposal is publicly announced and not withdrawn on or prior to the Expiry Time and the Minimum Condition is not satisfied such that PowerComm does not take up Nextron Shares under the Offer following the Expiry Time; or

(2) Nextron enters into an agreement (other than a confidentiality agreement permitted under the Transaction Agreement) prior to January 16, 2008 providing for or in furtherance of an Acquisition Proposal or Nextron or the board of directors of Nextron recommends that the Shareholders accept an Acquisition Proposal.

Termination of the Transaction Agreement

The Transaction Agreement (other than the provisions regarding the payment of the Non-Completion Fee) may be terminated at any time prior to PowerComm first taking up and paying for the Nextron Shares for, amongst other reasons:

(1) by mutual written consent of PowerComm and Nextron;

(2) by Nextron if PowerComm has not mailed the Offer to Nextron Shareholders on or before 11:59 p.m. (Calgary, Alberta time) on August 31, 2007;

(3) by PowerComm, if the conditions of the Offer in favour of PowerComm have not been satisfied or waived by PowerComm on or before the Expiry Time;

(4) by PowerComm or Nextron, if PowerComm has not taken up and paid for the Nextron Shares deposited under the Offer in accordance with the terms of the Transaction Agreement on or before that date which is 90 days following the day of mailing of the Offer;

(5) by PowerComm or Nextron, if the Offer terminates or expires at the Expiry Time without PowerComm taking up and paying for any of the Nextron Shares as a result of the non-satisfaction of any condition of the Offer which has not been waived unless the failure of such condition shall be due to the failure of the party seeking to terminate the Transaction Agreement to perform the obligations required to be performed by it under the Transaction Agreement;

(6) by PowerComm, if the Compensation Fee shall become due and payable by Nextron to PowerComm;

(7) by either PowerComm or Nextron, if a court of competent jurisdiction or a governmental, regulatory or administrative agency or commission shall have issued an order, decree or ruling or taken any other action permanently restraining, enjoining or otherwise prohibiting any of the transactions contemplated by the Transaction Agreement and such order, decree, ruling or other action shall have become final and non-appeasable, provided that the party seeking to terminate the Transaction Agreement shall have used reasonable commercial efforts to remove such order, decree, ruling or injunction.

Lock-up Agreements

Pursuant to the Lock-up Agreements, the Lock-up Securityholders, who hold an aggregate of 15,726,455 Nextron Shares representing approximately 81% of the issued and outstanding Nextron Shares (on a fully diluted basis), have agreed to accept the Offer and deposit such securities in accordance with the terms of the Offer, subject to certain conditions, and not to withdraw such securities except in certain circumstances.

In the Lock-up Agreements, the Lock-up Securityholders have agreed, among other matters, to tender their Nextron Shares to or vote in favour of, as the case may be, the Offer and to enter into the Voluntary Escrow Agreement on or before the Closing Date whereby their Share Component of the Purchase Price will be held in escrow for a period of nine months from the Closing Date, with such Escrowed PowerComm Shares released as to one-third of the initial number held in escrow every three months. In addition, pursuant to the Lock-up Agreements, certain of the Lock-up Securityholders have agreed to enter into the Non-Competition Agreements with Nextron.

Terms and Conditions of the Offer

Reference is made to the Offer for particulars of the terms and conditions of the Offer, including the manner and time of acceptance, the conditions of the Offer and provisions for payment for Nextron Shares taken up thereunder.

Acceptance of the Offer

Except as stated herein and pursuant to the Lock-up Agreements, PowerComm has no knowledge regarding whether any Shareholder will accept or reject the Offer.

Source of Funds

PowerComm estimates that if it acquires all of the Nextron Shares pursuant to the Offer, the total amount required for the purchase of the Nextron Shares will be approximately $1,541,000 million (including severance payments, settlement of Nextron's existing line of credit with the Royal Bank of Canada and settlement of the Nextron Shareholder Loans, but does not include transaction costs). This amount will be funded from PowerComm's presently available cash and credit facilities. Repayment of such borrowings will be made in whole or in part from cash flow, existing equity or subsequent financings.

Depositary

PowerComm has retained Olympia Trust Company to act as a depositary for the receipt of certificates for Nextron Shares and related Letters of Transmittal deposited under the Offer and for the payment for Nextron Shares purchased by PowerComm pursuant to the Offer. The Depositary will receive reasonable and customary compensation from PowerComm for its services in connection with the Offer, will be reimbursed for certain out-of-pocket expenses and will be indemnified against certain liabilities, including liabilities under securities laws, and expenses in connection therewith.

No brokerage fees or commissions will be payable by any Shareholder who accepts the Offer by depositing their Nextron Shares directly with the Depositary. Shareholders should contact the Depositary or their broker or dealer for assistance in accepting the Offer and in depositing the Nextron Shares with the Depositary.

POWERCOMM

General

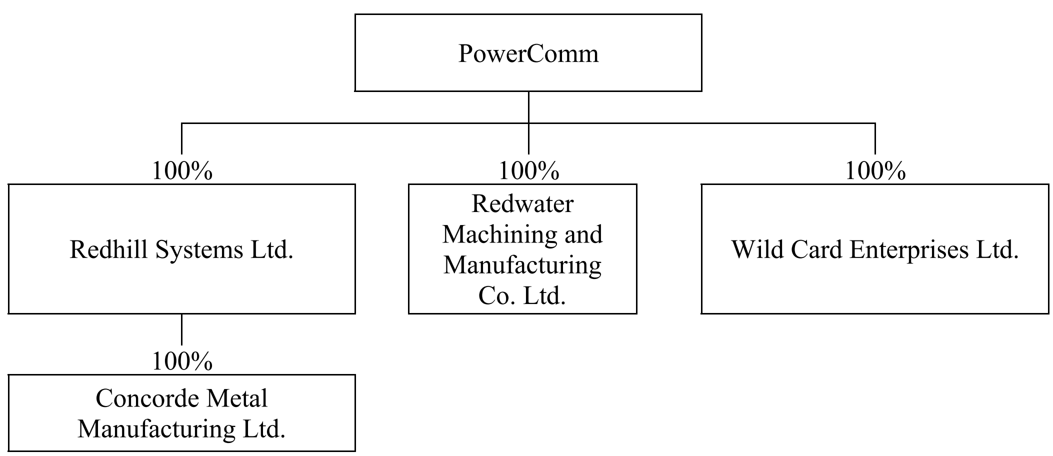
PowerComm was incorporated on March 26, 1993 under the ABCA. PowerComm was amalgamated with JRV Services Inc. on April 1, 2003 pursuant to the provisions of the ABCA. Pursuant to articles of amendment and the registration of restated articles dated June 29, 2006, PowerComm removed the share transfer restrictions on its shares and split its issued and outstanding Common Shares on a thirty-five for one basis. PowerComm was amalgamated with RMM on December 31, 2006 pursuant to the provisions of the ABCA.

The head office of the Corporation is located at 9333 – 37 Avenue, Edmonton, Alberta T6E 5N4, and the registered and records office of the Corporation is located at 1600, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Common Shares are listed and posted for trading on TSX under the symbol “PCG”.

INTERCORPORATE RELATIONSHIPS

The Corporation has three wholly-owned subsidiaries: Redhill, Concorde, Redwater and Wild Card, all incorporated under the ABCA.



PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The PowerComm Shares are listed and posted for trading on the TSX under the symbol PCG and began trading on the TSX on May 9, 2007. The following table sets out the high, low and closing prices for board lot trades and the volumes of trading of Common Shares as reported by the TSX for the periods indicated.

Common Shares

	Trading Price ($)	Price Range ($)		Trading
	Close	High	Low	Volume
2007				
May (9-31)	0.65	0.69	0.58	2,710,470
June	0.62	0.65	0.58	577,969
July	0.55	0.59	0.48	819,353
August (1-30)	0.50	0.55	0.46	705,235

On June 12, 2007, the last day of trading prior to the announcement by PowerComm of the Offer and on August 29, 2007, the last day of trading prior to the date of the Offer, the closing trading price on the TSX of the Common Shares were $0.63 and $0.50, respectively.

For a detailed description of PowerComm see Appendix A hereto, "Information Concerning PowerComm"

NEXTRON CORPORATION

Nextron Corporation is a technology-based company located in Calgary, Alberta, Canada. The Company is registered in the Province of Alberta and listed on the TSX Venture Exchange under the trading symbol NXT.

Nextron specializes in the design, manufacturing and marketing of temperature control systems relating to electrical heat tracing of piping and vessels in industrial and commercial applications. Products include single point controllers, multiple point controllers and related devices and software. The Company maintains a quality management system which fulfills the requirements of ISO 9001:2000. Products carry CSA, FM and other approvals as required for specific markets. Nextron has a research and development program to maintain its position as a leader in heat trace control technology.

Nextron products are distributed through various channels, primarily to customers in North America. Industries served include oil and gas, petroleum and petrochemical, chemical, pulp and paper, pharmaceuticals, power including co-generation and nuclear, mining and mineral processing, food and beverage, and commercial. Since 1997, Nextron products have been installed in countries around the world, including Canada, USA, Mexico, Argentina, Saudi Arabia, Russia and South Korea. Also, the Company, through an 80% controlled subsidiary, Heat Trace Canada Ltd., has a strategic alliance with a UK heat trace manufacturer to offer a package of related heat trace products for the Canadian market.

INFORMATION CONCERNING POWERCOMM AND NEXTRON

Existing Business Relationship Between PowerComm and Nextron

Except for those resulting from the ordinary course of the business conducted by PowerComm and Nextron, and as set forth herein, there are no existing business relationships between PowerComm, its associates or affiliates and Nextron.

Ownership of Nextron Shares

PowerComm does not beneficially own, directly or indirectly, or control or exercise direction over, or have the right to acquire, any securities of Nextron except as described herein. To the knowledge of the directors and senior officers of PowerComm, after reasonable inquiry, no securities of Nextron are owned (directly or indirectly) by, nor is control or direction over any securities of Nextron exercised by, any director or senior officer, any associate or affiliate of PowerComm, any associate of any director or senior officer of PowerComm, any person or company who beneficially owns (directly or indirectly) more than 10% of any class of equity securities of PowerComm or any person or company acting jointly or in concert with any of them.

Trading in Nextron Securities

During the six-month period preceding the date of the Offer, no securities of Nextron have been traded by PowerComm or any director or senior officer of PowerComm or, to the knowledge of the directors and senior officers of PowerComm, after reasonable inquiry, by any associate or affiliate of PowerComm, by any associate of any director or senior officer of PowerComm, by any person or company who beneficially owns (directly or indirectly) more than 10% of any class of equity securities of PowerComm or by any person or company acting jointly or in concert with PowerComm.

Commitments to Acquire Securities of Nextron

No securities of Nextron are the subject of any commitments made by PowerComm, or its directors or senior officers and, to the knowledge of the directors and senior officers of PowerComm, after reasonable inquiry, no securities of Nextron are the subject of any commitments made by any associate or affiliate of PowerComm, by any associate of any director or senior officer of PowerComm, by any person or company who beneficially owns (directly or indirectly) more than 10% of any class of equity securities of PowerComm or by any person or company acting jointly or in concert with PowerComm, to acquire any equity securities of Nextron, except for the commitment to acquire the Nextron Shares pursuant to the Offer and the commitments contained in the Lock-up Agreements. See “Lock-up Agreements” in this Circular.

Arrangements Between PowerComm and the Directors and Officers of Nextron

PowerComm has agreed to arrange for the cancellation of the guarantees of certain current and former directors and officers of Nextron provided to the Royal Bank of Canada in respect of a line of credit from the Royal Bank of Canada.

Pursuant to the Transaction Agreement, a condition of closing is that Leonard Edwards enter into a new employment agreement with PowerComm or Nextron on terms satisfactory to PowerComm. In addition, pursuant to the Transaction Agreement with the exception of Leonard Edwards, all of the directors and senior officers of Nextron will agree to resign their positions with Nextron effective on the Closing Date without the payment of any severance or other compensation.

There are currently change of control agreements (the "**Change of Control Agreements**") dated March 15, 2007 among Nextron and two senior officers. The Change of Control Agreements provide for upon the occurrence of a change of control (as such term is defined in the Change of Control Agreements), that the two senior officers each receive a cash payment of 150% of their respective annual salary and all stock options held vest immediately. Nextron is in the process of entering into employment contracts with the two senior officers (the "**Employment Contracts**") which will be effective upon PowerComm acquiring a controlling position in Nextron. The Employment Contracts are anticipated to provide for, among other things, the waiver of the cash payments as contemplated in the Change of Control Agreements, the continued employment of the individuals with Nextron on terms similar to those under which they are currently employed, and the granting of stock options under the PowerComm stock option plan.

Other than pursuant to the Transaction Agreement and the Lock-up Agreements, and as otherwise described herein, there are no arrangements or agreements made or proposed to be made between PowerComm and any of the directors and senior officers of Nextron and no payments or other benefits are proposed to be made or given by PowerComm by way of compensation in respect of loss of office or in respect of such directors or senior officers remaining in or retiring from office if the Offer is successful.

Arrangements Between PowerComm and the Nextron Shareholders

After PowerComm takes up and pays for sufficient Nextron Shares pursuant to the Offer so that it holds at least 90% of the outstanding Nextron Shares, PowerComm shall repay the Nextron Shareholder Loans in full by:

(a) immediately issuing 600,000 Common Shares to the holder of the Nextron Shareholder Loans or as instructed by the holder of the Nextron Shareholder Loans in payment of $421,020, paying $285,000 in accordance with subsection (b) below, and the balance of the Shareholder Loans, if any, will be written off;

(b) entering into an agreement with the holder of the Nextron Shareholders Loans (the “**Agreement**’), on terms satisfactory to PowerComm and the holder of the Nextron Shareholder Loans, acting reasonably to:

  (i) pay $50,000 immediately upon receipt of the year end financial statements if the net income of Nextron determined without administration or overhead charges from PowerComm for the year ended December 31, 2007 is equal to or greater than $200,000; and

  (ii) pay $235,000 within 60 days following the signing of a contract by Nextron further detailed in the Transaction Agreement, on substantially the same terms as set out in its bid provided to PowerComm at the meeting on May 31, 2007.

The holder of the Nextron Shareholder Loans shall cause to be discharged all security for such Nextron Shareholders Loans provided by Nextron and PowerComm shall guarantee the payments by Nextron all as contemplated in the Agreement.

Other than as disclosed herein and as referred to in this Circular under "Arrangements Between PowerComm and the Directors and Officers of Nextron" and other than pursuant to the Transaction Agreement, the Lock-up Agreements, the Change of Control Agreements dated March 15, 2007 entered into by Nextron and the Voluntary Escrow Agreement, there are no contracts, arrangements or agreements or understandings, formal or informal, between PowerComm and any security holder of Nextron with respect to the Offer or between PowerComm and any person or company with respect to any securities of Nextron.

Benefits From Offer

Other than as referred to in this Circular under "Arrangements Between PowerComm and the Directors and Officers of Nextron" and under "Arrangements Between PowerComm and the Nextron Shareholders", there are no direct or indirect benefits of accepting or refusing to accept the Offer to any director or senior officer of Nextron or, to the knowledge of the directors and senior officers of PowerComm, after reasonable inquiry, to any associate of any director or senior officer Nextron or to any person or company who beneficially owns, directly or indirectly, more than 10% of any class or equity securities of Nextron or to any person acting jointly or in concert with PowerComm.

Material Changes in the Affairs of Nextron and Other Information

Except for the Offer and as set forth herein, PowerComm has no information, as of the date hereof, which indicates that any material change has occurred in the affairs or financial position of Nextron since June 30, 2007, the date of Nextron' last financial statements.

PowerComm has no knowledge of any other matter that has not previously been generally disclosed but which would reasonably be expected to affect a decision of a Shareholder to accept or reject the Offer.

ACQUISITION OF NEXTRON SHARES NOT DEPOSITED

Compulsory Acquisition

The purpose of the Offer is for PowerComm to acquire all outstanding Nextron Shares, including Nextron Shares which may become outstanding on the exercise of Nextron Options and other rights to purchase or acquire Nextron Shares. Upon completion of the Offer, PowerComm intends to utilize any statutory rights of purchase pursuant to Part 16 of the ABCA that may be applicable.

If, by the Expiry Time or within 120 days after the date of the Offer, whichever period is shorter, the Offer has been accepted by the holders of not less than 90% of the Nextron Shares, other than Nextron Shares held at the date of the Offer by or on behalf of the Offeror or its affiliates or associates (as such terms are defined in the ABCA), and the Offeror acquires such deposited Nextron Shares, then the Offeror intends to acquire, pursuant to the provisions of Part 16 of the ABCA, the remaining Nextron Shares held by each Shareholder who did not accept the Offer and any person who subsequently acquires any such Nextron Shares (a "**Dissenting Offeree**") on the same terms as the Nextron Shares acquired under the Offer.

To exercise this statutory right, the Offeror must give notice (the "**Offeror's Notice**") to the Dissenting Offerees of such acquisition within 60 days after the termination of the Offer and in any event within 180 days after the date of the Offer. Within 20 days after sending the Offeror's Notice, the Offeror must pay or transfer to Nextron the amount of money or other consideration the Offeror would have had to pay or transfer to the Dissenting Offerees if they had elected to accept the Offer, to be held in trust for the Dissenting Offerees.

Within 20 days after receipt of the Offeror's Notice, each Dissenting Offeree must send the certificates evidencing the Nextron Shares held by such Dissenting Offeree to Nextron and must elect either to transfer such Nextron Shares to the Offeror on the terms on which the Offeror acquired Nextron Shares under the Offer or to demand payment of the fair value of the Nextron Shares by so notifying the Offeror. If the Dissenting Offeree fails to notify the Offeror within the applicable time period, the Dissenting Offeree will be deemed to have elected to transfer its Nextron Shares to the Offeror on the same terms that the Offeror acquired the Nextron Shares under the Offer.

If a Dissenting Offeree has elected to demand payment of the fair value of its Nextron Shares, the Offeror may apply to the Court of Queen's Bench of Alberta (the "**Court**") to fix the fair value of the Nextron Shares of that Dissenting Offeree. If the Offeror fails to apply to the Court within 20 days after it made the payment or transferred the other consideration to Nextron, the Dissenting Offeree may then apply to the Court within a further period of 20 days to have the Court fix the fair value. If no such application is made by the Dissenting Offeree or the Offeror within such periods, the Dissenting Offeree will be deemed to have elected to transfer its Nextron Shares to the Offeror on the same terms that the Offeror acquired Nextron Shares from the Shareholders who accepted the Offer. Any judicial determination of the fair value of the Nextron Shares could be more or less than the amounts paid pursuant to the Offer.

The foregoing is only a summary of the right of compulsory acquisition which may become available to the Offeror. The summary is not intended to be complete and is qualified in its entirety by the provisions of Part 16 of the ABCA attached as Appendix G hereto. Shareholders should refer to Part 16 of the ABCA for the full text of the relevant statutory provisions, and those who wish to be better informed about these provisions should consult their legal advisors. The provisions of Part 16 of the ABCA are complex and require strict adherence to notice and timing provisions, failing which such rights may be lost or altered.

Subsequent Acquisition Transaction

If the Offeror takes up and pays for Nextron Shares pursuant to the Offer, and if the foregoing statutory right of compulsory acquisition is not available or the Offeror elects not to pursue that right, the Offeror reserves the right (and currently intends to do so in the appropriate circumstances if the Offeror considers it necessary or desirable) to use all reasonable efforts to acquire the balance of the Nextron Shares as soon as practicable by way of a Subsequent Acquisition Transaction (as hereinafter defined). In order to effect a Subsequent Acquisition Transaction, the Offeror will seek to cause a special meeting of Shareholders to be called to consider an amalgamation, statutory plan of arrangement, reorganization, consolidation, recapitalization, or other transaction involving the Offeror and/or an affiliate of the Offeror and Nextron and/or the Shareholders for the purposes of Nextron becoming, directly or indirectly, a wholly-owned subsidiary of the Offeror or effecting an amalgamation or merger of Nextron' business and assets with or into the Offeror and/or an affiliate of the Offeror, carried out for a consideration per Nextron Share not less than the purchase price to be payable for each Nextron Share tendered under the Offer (a "**Subsequent Acquisition Transaction**"). Depending upon the nature and terms of the Subsequent Acquisition Transaction, under applicable corporate law, the approval of at least two-thirds of the votes cast by Shareholders may be required at a meeting duly called and held for the purpose of approving the Subsequent Acquisition Transaction. The Offeror will cause Nextron Shares acquired under the Offer to be voted in favour of such a transaction and to be counted as part of any approval that may be required in connection with such a transaction.

The timing and details of any Subsequent Acquisition Transaction would necessarily depend upon a variety of factors, including the number of Nextron Shares acquired pursuant to the Offer. In any Subsequent Acquisition Transaction, the holders of Nextron Shares, other than the Offeror and its affiliates, could receive shares, cash, preferred shares, warrants, other equity shares or debt or any combination thereof. Any such preferred shares could be immediately redeemed by the issuer for cash. Such cash payments, subject to prevailing conditions, including general economic conditions and the business of Nextron, may be equal to, higher or lower than the value of the consideration offered under the Offer.

Any Subsequent Acquisition Transaction carried out by the Offeror will likely be by way of an amalgamation or a statutory arrangement pursuant to which the Offeror or a successor corporation would acquire all Nextron Shares not tendered to the Offer.

In the event a Subsequent Acquisition Transaction were to be consummated, holders of Nextron Shares may have the right to dissent and demand payment of the fair value of such Nextron Shares under the ABCA. This right, if the statutory procedures are complied with, could lead to a judicial determination of the fair value required to be paid to such dissenting holders for their Nextron Shares. The fair value of Nextron Shares so determined could be more or less than the amount paid per Nextron Share pursuant to the Subsequent Acquisition Transaction or the Offer. Any such judicial determination of the fair value of the Nextron Shares could be based upon considerations other than, or in addition to, the market price of the Nextron Shares.

Shareholders should consult their legal advisors for a determination of their legal rights with respect to a Subsequent Acquisition Transaction.

See the section of the Circular entitled “Canadian Federal Income Tax Considerations”, for a discussion of the income tax consequences to Shareholders of a Subsequent Acquisition Transaction.

Other Alternatives

If the Offeror is unable to effect a compulsory acquisition or propose a Subsequent Acquisition Transaction involving Nextron, or proposes a Subsequent Acquisition Transaction but cannot obtain any required approval, the Offeror will evaluate other available alternatives. Such alternatives could include, to the extent permitted by applicable law, purchasing additional Nextron Shares in the open market or in privately negotiated transactions or taking no further action to acquire additional Nextron Shares. Alternatively, the Offeror may sell or otherwise dispose of any or all Nextron Shares acquired pursuant to the Offer or otherwise. Such transactions may be effected on terms and at prices then determined by the Offeror, which may vary from the consideration offered under the Offer.

Judicial Developments

Certain judicial decisions may be considered relevant to any Subsequent Acquisition Transaction which may be proposed or effected subsequent to the expiry of the Offer. The current trend both in legislation and in the American jurisprudence upon which certain Canadian decisions are based is toward permitting going private transactions to proceed subject to compliance with procedures designed to ensure substantive fairness to the minority shareholders. Shareholders should consult their legal advisors for a determination of their legal rights.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of the principal consequences under the Tax Act generally applicable to a holder of Nextron Shares who, for the purposes of the Tax Act and at all relevant times, deals at arm's length with, and is not and will not be affiliated with, Nextron and PowerComm and holds its Nextron Shares as capital property.

For this purpose, related persons are deemed not to deal with each other at arm's length. Generally, a person and a corporation are related if the person controls the corporation or is a member of a related group that controls the corporation. It is a question of fact whether persons not related to each other are dealing with each other at arm's length. The Nextron Shares will generally be considered to be capital property to a Shareholder unless either the Shareholder holds or has acquired such securities in the course of carrying on a business of buying and selling securities or the shareholder holds or has acquired such securities in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Resident Shareholders (as defined below), whose Nextron Shares might not otherwise be capital property, may, in certain circumstances, be entitled to have the Nextron Shares and all other "Canadian securities," as defined in the Tax Act, owned by such Resident Shareholder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property by making the irrevocable election permitted by subsection 39(4) of the Tax Act. Holders who may not hold their Nextron Shares as capital property should consult their own tax advisors regarding their particular circumstances.

This summary is based upon the current provisions of the Tax Act, the regulations thereunder and our understanding of the published administrative practices and policies of the Canada Revenue Agency (the "CRA'), all in effect as of the date hereof. This summary also takes into account all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"), and assumes that all such Tax Proposals will be enacted substantially as proposed. This summary does not otherwise take into account or anticipate any changes in law, whether by way of legislative, judicial or administrative action or interpretation, nor does it address other federal or any provincial, territorial or foreign tax considerations. No assurance can be given that the Tax Proposals will be enacted in the form proposed or at all.

This summary is not applicable to a Shareholder that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market" rules, to a Shareholder that is a "specified financial institution" as defined in the Tax Act, to a Holder of an interest in which would be a "tax shelter investment" within the meaning of the Tax Act. Such Shareholders should consult their own tax advisors.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders are urged to consult their own tax advisors having regard to their own particular circumstances.

Shareholders Resident in Canada

This portion of the summary is generally applicable to a Shareholder who, at all relevant times, for purposes of the application of the Tax Act and any applicable income tax treaty, is, or is deemed to be, resident in Canada (a "Resident Shareholder").

Generally, a Resident Shareholder who disposes of Nextron Shares pursuant to the Offer will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Shareholder of the Nextron Shares immediately before the disposition. For these purposes, the proceeds of disposition will be equal to the aggregate of the cash consideration and the fair market value of the PowerComm Shares received pursuant to the Offer.

Generally, a Resident Shareholder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "taxable capital gain"). Subject to and in accordance with the provisions of the Tax Act, a Resident Shareholder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Resident Shareholder in the year and allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and in the circumstances prescribed by the Tax Act.

The amount of any capital loss realized by a Resident Shareholder that is a corporation on the disposition of an Nextron Share may be reduced by the amount of any dividends received (or deemed to be received) by it on such Nextron Share to the extent and under the circumstances prescribed by the Tax Act. Similar rules may apply where an Nextron Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Such Resident Shareholders should consult their own tax advisors.

A Resident Shareholder that is throughout the year a "Canadian-controlled private corporation," as defined in the Tax Act, may be liable for a refundable tax of 62/3% on its "aggregate investment income", which is defined to include an amount in respect of taxable capital gains.

Compulsory Acquisition of Nextron Shares

As described above under the heading "Acquisition of Shares Not Deposited - Compulsory Acquisition", the Offeror may, in certain circumstances, acquire Nextron Shares pursuant to the compulsory acquisition provisions of the ABCA. The tax consequences to a Resident Shareholder of a disposition of Nextron Shares in such circumstances will generally be as described above. Resident Shareholders whose Nextron Shares may be so acquired should consult their tax advisors in this regard.

Subsequent Acquisition Transaction

If the compulsory acquisition provisions of the ABCA are not utilized, other means of acquiring the remaining issued and outstanding Nextron Shares may be proposed. The tax treatment of a Subsequent Acquisition Transaction described in “Acquisition of Nextron Shares Not Deposited - Subsequent Acquisition Transaction” to a Shareholder may be substantially the same as or materially different from that which would apply if Nextron Shares are sold to the Offeror under the Offer and will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out.

Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Nextron Shares acquired pursuant to a Subsequent Acquisition Transaction.

By way of example, a Subsequent Acquisition Transaction could be implemented by means of an amalgamation of Nextron with the Offeror or a wholly-owned subsidiary of the Offeror pursuant to which Shareholders who have not tendered their Nextron Shares under the Offer would have their Nextron Shares exchanged on the amalgamation for redeemable preference shares of the amalgamated corporation ("**Redeemable Shares**") which would then immediately be redeemed for cash. Such a Shareholder would not realize a capital gain or capital loss as a result of such exchange and the cost of the Redeemable Shares received would be the aggregate of the adjusted cost base of the Nextron Shares to the Shareholder immediately before the amalgamation.

Upon the redemption of the Redeemable Shares, the holder thereof would be deemed to have received a dividend (subject to the potential application of subsection 55(2) of the Tax Act to holders of such shares that are corporations as discussed below) equal to the amount, if any, by which the redemption price of the Redeemable Shares exceeds their paid-up capital for purposes of the Tax Act. The difference between the redemption price and the amount of the deemed dividend would be treated as proceeds of disposition of such shares for purposes of computing any capital gain or capital loss arising on a disposition of such shares.

Dividends deemed to be received by a corporation as a result of the redemption of the Redeemable Shares will be included in computing its income, but normally will also be deductible in computing its taxable income. In the case of a holder who is an individual, dividends deemed to be received as a result of the redemption of Redeemable Shares will be included in computing the holder's income and will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends paid by taxable Canadian corporations. A holder that is a "**private corporation**" (as defined in the Tax Act) or any other corporation resident in Canada and controlled by or for the benefit of an individual (other than a trust) or a related group of individuals (other than trusts) will generally be liable to pay a 33⅓% refundable tax under Part IV of the Tax Act on dividends deemed to be received on the Redeemable Shares to the extent that such dividends are deductible in computing the corporation's taxable income.

Subsection 55(2) of the Tax Act provides that where a corporate holder is deemed to receive a dividend and such dividend is deductible in computing the holder's taxable income and is not subject to Part IV tax, all or part of the deemed dividend may be treated as proceeds of disposition of the Redeemable Shares for the purpose of computing the holder's capital gain on the disposition of such shares. Accordingly, corporate holders should consult their own tax advisors for specific advice with respect to the potential application of this provision.

With respect to Shareholders who validly exercise rights of dissent on an amalgamation (a "**Dissenting Shareholder**"), the tax treatment of payments received as a result of the exercise of such dissent rights will depend upon whether the purchaser of such Nextron Shares is the amalgamated corporation or Nextron. Under the current administrative practice of the CRA, the receipt by a Dissenting Shareholder of a cash payment (other than interest) from the amalgamated corporation equal to the fair market value of the Shareholder's Nextron Shares, may be treated as proceeds of disposition of such Nextron Shares. To the extent that such amount exceeds (or is less than) the Dissenting Shareholder's adjusted cost base of the Nextron Shares disposed of and any reasonable costs of disposition, the Dissenting Shareholder will realize a capital gain (or capital loss) equal to the amount of such difference. A Dissenting Shareholder who receives a cash payment (other than interest) from Nextron in exchange for the cancellation of the Dissenting Shareholder's Shares will be deemed to have received a dividend in an amount equal to the amount by which the payment exceeds the paid-up capital of the Nextron Shares. The difference between the amount of such payment (other than interest) and the amount of the deemed dividend will be treated as proceeds of disposition of the Nextron Shares for purposes of computing any capital gain or capital loss arising on a disposition of such Nextron Shares. A Dissenting Shareholder who receives interest on such payment will be required to include the full amount of such interest in the Dissenting Shareholder's income.

As an alternative to the amalgamation discussed above, the Offeror may propose a statutory arrangement or other transaction, the tax consequences of which may differ from those described above. No opinion is expressed herein as to the tax consequences of any such transaction to a Shareholder.

Resident Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Nextron Shares acquired pursuant to an Subsequent Acquisition Transaction, if any.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the application of the Tax Act and any applicable income tax treaty, is not, and is not deemed to be, resident in Canada and does not use or hold the Nextron Shares in a business carried on in Canada (a "**Non-Resident Shareholder**"). Special rules, which are not discussed in this summary, may apply to certain Holders that are (i) insurers carrying on an insurance business in Canada and elsewhere or (ii) an "authorized foreign bank," as defined in the Tax Act.

A Non-Resident Shareholder will not be subject to tax under the Tax Act on any capital gain realized on a disposition of Nextron Shares unless the Nextron Shares are "taxable Canadian property" to the Non-Resident Shareholder for purposes of the Tax Act at the time of the disposition and the Non-Resident Shareholder is not entitled to relief under an applicable income tax convention between Canada and the country in which the Non-Resident Shareholder is resident.

Generally, the Nextron Shares will not constitute taxable Canadian property to a Non-Resident Shareholder at a particular time provided that the Nextron Shares are listed at that time on the TSX and none of the Non-Resident Shareholder, persons with wham the Non-Resident Shareholder does not deal at arm's length, and the Non-Resident Shareholder together with all such persons, has owned 25% or more of the issued Nextron Shares or any class or series of the capital stock of Nextron at any time during the 60-month period that ends at that time.

Notwithstanding the foregoing, Nextron Shares may be deemed to be taxable Canadian property in certain circumstances specified in the Tax Act.

Even if the Nextron Shares are taxable Canadian property to a Non-Resident Shareholder at the time of disposition of such shares, a capital gain realized upon the disposition of Nextron Shares may be exempt from tax under an applicable income tax convention. In the event that Nextron Shares constitute taxable Canadian property but not treaty-protected property to a particular Non-Resident Holder, the tax consequences pertaining to capital gains (or capital losses) as described above under "Holders Resident in Canada" will generally apply. Non-Resident Shareholders should consult their own tax advisors regarding any Canadian reporting requirement arising from this transaction.

Compulsory Acquisition of Nextron Shares

As described under "Acquisition of Shares Not Deposited - Compulsory Acquisition", the Offeror may, in certain circumstances, acquire Nextron Shares not deposited under the Offer pursuant to the compulsory acquisition provisions of the ABCA. The Canadian federal income tax consequences to a Non-Resident Shareholder who disposes of shares in such circumstances generally will be the same as described above mutatis mutandis but Non-Resident Shareholders whose Nextron Shares may be so acquired should consult their tax advisor in this regard.

Subsequent Acquisition Transaction

The tax treatment of a Subsequent Acquisition Transaction to a Non-Resident Shareholder will depend upon the exact manner in which the Subsequent Acquisition Transaction is carried out. Non-Resident Shareholders should consult their own tax advisors for advice with respect to the income tax consequences to them of having their Nextron Shares acquired pursuant to a Subsequent Acquisition Transaction, if any.

Depending upon the manner in which the Subsequent Transaction is carried out, a Non-Resident Shareholder may realize a capital gain or a capital loss and/or be deemed to receive a dividend pursuant to a Subsequent Acquisition Transaction, as discussed above under "Shareholders Resident in Canada - Subsequent Acquisition Transaction".

Whether or not a Non-Resident Shareholder would be subject to tax under the Tax Act on any such capital gain would depend on whether Nextron Shares or any share of a taxable Canadian corporation issued as consideration for the Nextron Shares are "taxable Canadian property" to the Non-Resident Shareholder for purposes of the Tax Act at the time of a disposition of such shares and whether the Non-Resident Shareholder is entitled to relief under an applicable income tax convention and other circumstances at that time. Dividends paid or credited or deemed to be paid or credited to a Non-Resident Shareholder will be subject to Canadian withholding tax at a rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Shareholder is entitled pursuant to the provisions of an applicable income tax convention between Canada and the country in which the Non-Resident Shareholder is resident.

Any interest awarded by a court and paid or credited to a Non-Resident Shareholder exercising its right to dissent in respect of a Subsequent Acquisition Transaction will be subject to Canadian withholding tax at a rate of 25%, subject to any reduction in the rate of withholding to which the Non-Resident Shareholder is entitled pursuant to the provisions of an applicable income tax convention between Canada and the country in which the Non-Resident Shareholder is resident.

Non-Resident Shareholders should consult their own tax advisors for advice with respect to the potential income tax consequences to them, including any reporting requirements, of not disposing of their Nextron Shares pursuant to the Offer.

LEGAL MATTERS AND LEGAL PROCEEDINGS

The legal opinions referred to under the section of the Circular entitled "Canadian Federal Income Tax Considerations" have been provided by Macleod Dixon LLP.

INTERESTS OF EXPERTS

As of the date hereof, the partners and associates of Burstall Winger LLP beneficially own (directly or indirectly) less than 1% of each of the issued and outstanding PowerComm Shares and Nextron Shares.

As of the date hereof, the directors and officers of Macleod Dixon LLP, do not beneficially own (directly or indirectly) any PowerComm Shares or Nextron Shares.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of PowerComm or of any associate or affiliate of PowerComm.

STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides security holders of Nextron with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to such security holders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

APPROVAL AND CERTIFICATE

August 30, 2007

The contents of the Offer and the Circular have been approved and the sending, communication or delivery thereof to the shareholders of Nextron Corporation has been authorized by the board of directors of PowerComm. The foregoing contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

(signed) "*Wayne R. Rutherford*"
President and Chief Executive Officer

(signed) "*Jotham C. Huising*"
Chief Financial Officer

On behalf of the Board of Directors

(signed) "*Garry G. Wetsch*"
Director

(signed) "*David B. Margolus*"
Director

CONSENTS

CONSENT OF SOLICITORS

To: The Board of Directors of PowerComm

We hereby consent to the reference to our opinion contained under the heading "Canadian Federal Income Tax Considerations" in the Circular accompanying the Offer to Purchase dated August 30, 2007 made by PowerComm to the holders of common shares of Nextron Corporation

August 30, 2007 Calgary, Alberta	(signed)	*"Macleod Dixon LLP"*

Grant Thornton LLP
Chartered Accountants
Management Consultants

Grant Thornton

AUDITOR'S CONSENT

We have read the Offer and Circular dated August 30, 2007 relating to the offer by PowerComm Inc. to purchase all of the outstanding common shares of Nextron Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the use in the above-mentioned Offer and Circular of our report to the Shareholders of PowerComm Inc. on the consolidated balance sheets of PowerComm Inc. as at March 31, 2007 and 2006 and the consolidated statements of earnings and (loss), retained earnings, and cash flows for the years ended March 31, 2007 and 2006. Our report is dated June 28, 2007.

We consent to the incorporation by reference in the above-mentioned Offer and Circular of our report to the Shareholders of PowerComm Inc. on the balance sheets of PowerComm Inc. as at March 31, 2006 and 2005 and the statements of loss, deficit, and cash flows for the three years ended March 31, 2006, 2005 and 2004. Our report is dated October 12, 2006.

Grant Thornton LLP

Edmonton, Alberta
August 30, 2007

Grant Thornton LLP
Chartered Accountants

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Edmonton, Alberta
T4J 3R8
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APPENDIX "A"
INFORMATION CONCERNING POWERCOMM

TABLE OF CONTENTS

NAME AND INCORPORATION

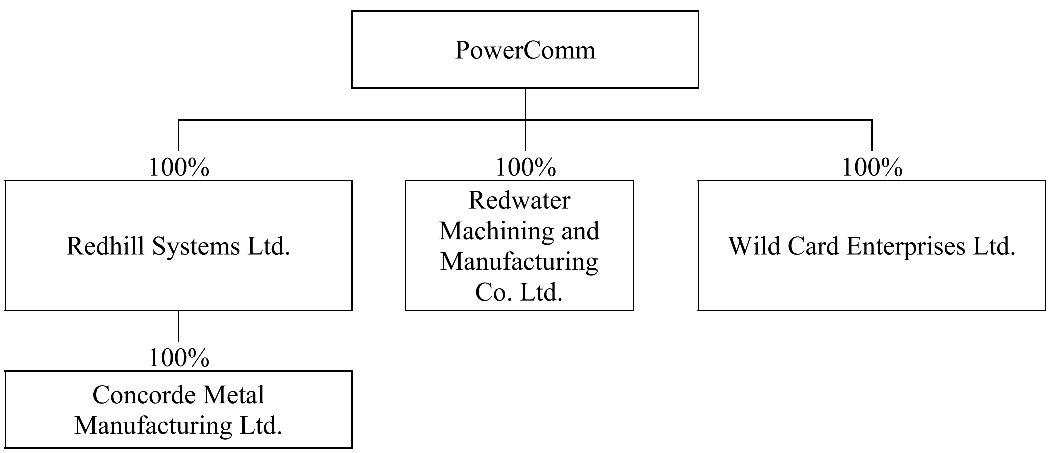
PowerComm was incorporated on March 26, 1993 under the ABCA. PowerComm was amalgamated with JRV Services Inc. on April 1, 2003 pursuant to the provisions of the ABCA. Pursuant to articles of amendment and the registration of restated articles dated June 29, 2006, PowerComm removed the share transfer restrictions on its shares and split its issued and outstanding Common Shares on a thirty-five for one basis. PowerComm was amalgamated with RMM on December 31, 2006 pursuant to the provisions of the ABCA.

The head office of the Corporation is located at 9333 – 37 Avenue, Edmonton, Alberta T6E 5N4, and the registered and records office of the Corporation is located at 1600, 333 – 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

The Corporation is a reporting issuer in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland and Labrador. The Common Shares are listed and posted for trading on the Exchange under the symbol "PCG".

INTERCORPORATE RELATIONSHIPS

The Corporation has four wholly-owned subsidiaries: Redhill, Concorde, Wild Card and Redwater, all incorporated under the ABCA.



GENERAL DEVELOPMENT OF THE BUSINESS

History

PowerComm was incorporated in 1993 and began operations in 1995 as an electrical and instrumentation construction, electrical and instrumentation maintenance and valve service company with ten employees. During its first year, PowerComm completed fourteen projects for gross revenue of $3,100,000. The highlights of the historical development of PowerComm's business include:

- the acquisition of 80% of the assets of Bi-Systems Electric & Controls Ltd. in February 1995 which established PowerComm in Lloydminster and Provost, Alberta and initiated PowerComm's commitment to the PSV valve-servicing business;

- the purchase of Rob-Cor Gauge & Meter in 1996, which established the meter proving operations of PowerComm;

- the relocation of the Corporation's head office from Lloydminster to Edmonton, Alberta in 1996, which facilitated access to a broader client base, established an additional operating facility, and provided the Corporation access to a more diverse employee market and skill set;
- the establishment of a business development office in Calgary, Alberta in 1997, which gave the Corporation direct access to the corporate head offices of most oil and gas companies and their engineering firms;
- the acquisition of JRV Services Ltd. in 1998 to facilitate continued growth and expansion and enhance valve service operations to include ANSI, API and control valve services;
- the establishment of the Olds, Alberta operational facility in 1999 in response to contractual requirements;
- the acquisition of Kelon Electric in 2000, which provided the Corporation an opportunity to add drilling/service rig electrical service and construction to its operations;
- the establishment of the operating facility in Nisku, Alberta, the hub of drilling/service rig activity in Alberta;
- the establishment of PowerComm's Grande Prairie, Alberta location in 2001 which provided access and exposure to the northwestern Alberta and northeastern British Columbia oil and gas sector;
- the acquisition of Hayward Electric in 2003, which added additional personnel and expanded the Corporation's client base in the region north of Grande Prairie, Alberta;
- the establishment of the Hardisty, Alberta operating facility in 2003; and
- the establishment of the Fort McMurray, Alberta operational facility in 2005, which provided the Corporation direct access to projects in the oil sands.

PowerComm identified an international opportunity to deliver its technology and capabilities to an emerging oil and gas market and, in 2005, opened its Atyrau, Kazakhstan business development office. This emerging international market is expected to provide the Corporation with an opportunity to increase its revenue and margins.

PowerComm's diverse business mix and its broad expertise have afforded the Corporation opportunities to complete projects in numerous industrial sectors. PowerComm currently has over 550 clients including some of the world's largest oil and gas companies. The Corporation also services a number of large multinational companies from many industrial sectors ranging from mining to food processing, petro-chemical manufacturing, refineries, agricultural and forestry. PowerComm now employs in excess of 300 people in thirteen locations.

Recent Acquisitions

On April 1, 2006 PowerComm acquired the electrical and instrumentation assets of E & I Construction Industries Ltd. for $290,000 of which $140,000 was payable in cash and $150,000 by the issuance of 300,000 Common Shares. E & I Construction Industries Ltd. was in a similar business as PowerComm and the assets were acquired by PowerComm to obtain access to the Fort Saskatchewan, Alberta market.

On July 18, 2006, PowerComm acquired all of the issued and outstanding shares of Redhill and thereby acquired Redhill's wholly owned subsidiary, Concorde, pursuant to two transfer of shares agreements dated effective June 24, 2006 between PowerComm and each of David Sandford and Devon Sandford (the "**Redhill Acquisition Agreements**"). The aggregate purchase price paid pursuant to the Redhill Acquisition Agreements was $2,635,000, of which $1,635,000 was paid in cash, and the remaining $1,000,000 was paid by the issuance of 2,000,000 Common Shares. PowerComm also agreed to grant, pursuant to the Stock Option Plan, stock options to purchase an aggregate of 300,000 Common Shares to the principals of Redhill. Redhill and Concorde were acquired by PowerComm to provide manufacturing capabilities in industries complementary to PowerComm's business, and to obtain the personnel and capabilities to meet specific clients' requirements that would otherwise fall outside the Corporation's traditional business. See "Description of the Corporation's Business".

On April 2, 2007, PowerComm acquired all of the issued and outstanding shares of Wild Card pursuant to an agreement for the sale of shares dated April 2, 2007 among Bruce Clemmer, Maecolene Holdings Ltd. and PowerComm (the "**Wild Card Acquisition Agreement**"). The aggregate purchase price paid pursuant to the Wild Card Acquisition Agreement was $1,300,000, subject to adjustments, of which $750,000 was paid in cash on closing and the remaining $550,000 was paid by the issuance of a promissory note (the "**Wild Card Note**"). The principal amount of the Wild Card Note was payable on August 31, 2007; accrued interest at 6% per annum from June 1, 2007; and, at PowerComm's option, the principal amount may be paid by issuing 894,309 Common Shares. The Wild Card Note was paid in full on May 7, 2008 by the issuance of 894,309 Common Shares. The vendors of the Wild Card shares have also entered into confidentiality, non-competitive and/or employment agreements with PowerComm. Wild Card was acquired by PowerComm to provide instrumentation and meter proving services from Wild Card's Drayton Valley location. It is the intention of the Corporation to add electrical and valve services to the services offered through Wild Card's Drayton Valley location.

On June 29, 2007 PowerComm acquired certain real estate assets and effective on July 3, 2007 PowerComm acquired all of the issued and outstanding shares of Redwater Machining and Manufacturing Co. Ltd. pursuant to a share and asset purchase agreement among PowerComm, Redwater, L.F.J. Holdings Ltd. and the shareholders of Redwater (the "**Redwater Share and Asset Purchase Agreement**"). The purchase price for the entire transaction was $3,070,000 comprised of the operating business and certain real estate assets. The real estate assets were valued at $1,900,000 as an asset purchase and the shares of the operating business were purchased for $1,170,000, subject to a working capital adjustment. The transaction was completed using a combination of $2,270,000 in cash and $800,000 by the issuance of 1,333,333 Common Shares at $0.60 per Common Share. The cash component was part of the proceeds from PowerComm's initial public offering completed in May of this year. Redwater was acquired to provide machining, welding and valve services.

Amalgamation

Pursuant to the Amalgamation Agreement, PowerComm and RMM amalgamated to form a company that continued under the name "PowerComm". The Amalgamation was completed on December 31, 2006 after receiving the approval of the shareholders of PowerComm and RMM at each of their special meetings of shareholders held on December 22, 2006.

The Amalgamation was a reverse takeover of RMM by PowerComm, resulting in the issue of 2,538,825 Common Shares to the shareholders of RMM and 48,800,000 Common Shares to the shareholders of PowerComm. RMM was essentially a shell company with minimal cash assets and the status of a "reporting issuer" in certain jurisdictions in Canada. Upon the completion of the Amalgamation, PowerComm became a reporting issuer in Ontario and Nova Scotia.

Proposed Acquisitions

Nextron Corporation

On June 13, 2007, PowerComm entered into a non-binding letter of intent to acquire all of the issued and outstanding shares of Nextron, a manufacturer of heat trace controls and a national distributor of heat trace tape located in Calgary, Alberta. On July 16, 2007, PowerComm and Nextron executed an amended and restated letter of intent. Pursuant to the amended and restated letter of intent, PowerComm will pay to Nextron a cash amount of $0.05 per share and will issue one Common Share for every fifteen Nextron Shares held. Nextron, through its 80% owned subsidiary Heat Trace Canada Ltd., is the exclusive Canadian distributor for the products of Heat Trace Ltd. of the United Kingdom, which owns the other 20% of Heat Trace Canada Ltd.

DESCRIPTION OF THE CORPORATION'S BUSINESS

General

PowerComm provides complete electrical, instrumentation, valve service and manufacturing solutions for the construction and maintenance of industrial and commercial projects. PowerComm's business is divided into four general components: electrical and instrumentation construction (the physical construction of the electrical and instrumentation infrastructure of industrial or commercial facilities); electrical and instrumentation maintenance (the maintenance, calibration and testing of the electrical and instrumentation infrastructure of industrial or commercial facilities); valve services; and electrical equipment manufacturing.

PowerComm offers a unique suite of services that, to the knowledge of the management of the Corporation, none of its competitors currently provide. To the knowledge of management of the Corporation, PowerComm is the only electrical and instrumentation contractor that also offers valve services and the only valve service company in Alberta that also offers electrical and instrumentation construction and maintenance services. The Corporation carries a large inventory of replacement parts for valves that are no longer manufactured and, to management's knowledge, is the only valve service company that services all manufacturers' valves. The Corporation has the largest inventory of used, rebuilt and recertified valves in Alberta. PowerComm also provides surplus valve sales for its clients.

Electrical and Instrumentation Construction

Electrical and instrumentation construction is one of the four business components of the Corporation, accounting for approximately 35% of the Corporation's total revenue in the financial year ended March 31, 2007 (compared with 30% in the previous financial year); the majority of which is on a non-recurring basis. Electrical and instrumentation construction is the physical construction of the electrical and instrumentation infrastructure of industrial or commercial facilities. This department provides numerous services including: lump-sum proposals, time-and-material proposals, cost-plus-fixed-fee proposals, guaranteed maximum price proposals, risk-versus-reward proposals, wellhead optimization, turnkey projects and QA/QC administration. PowerComm provides these services to the following industry sectors: oil and gas facilities, petro-chemical plants, SAGD facilities, refineries and upgraders, utility/power companies, mining, agriculture, food processing, pulp and paper plants, drilling/service rigs and other medium to heavy industrial facilities.

Electrical and Instrumentation Maintenance

Electrical and instrumentation maintenance is the second of PowerComm's business components, accounting for approximately 41% of the Corporation's total revenue in the financial year ended March 31, 2007 (compared with 46% in the previous financial year); the majority of which, management believes, will continue to recur. Electrical and instrumentation maintenance involves the maintenance, calibration and testing of the electrical and instrumentation infrastructure of industrial or commercial facilities. This department provides numerous services including: plant turnaround services/database development, preventative maintenance programs, medium voltage and high voltage testing, start-up and commissioning services, energy management (power consumption surveys), PLC programming and troubleshooting, wellhead optimization, meter proving, instrument testing and calibration and QA/QC administration. PowerComm provides these services to the following industry sectors: oil and gas facilities, petro-chemical plants, SAGD facilities, refineries and upgraders, utility/power companies, pipelines, mining, agriculture, food processing, pulp and paper plants, drilling/service rigs and other medium to heavy industrial facilities.

Valve Service

Valve service is the third component of PowerComm's business, accounting for approximately 18% of the Corporation's total revenue in the financial year ended March 31, 2007 (compared with 23% in the previous financial year), the majority of which, management believes, will continue to recur. PowerComm's valve service department provides reconditioning and servicing of all ANSI and API pipeline and process valves, pressure relief valves, pressure safety valves and electro/pneumatic control valves. In addition to its in shop services, PowerComm's valve service department provides mobile field service repair, wellhead services, hot-tap services, wellhead freezing and a complete inventory management service. The Corporation's mobile field capabilities include a 45 foot-long shop (complete with testing capabilities) and seven five-ton field trucks. PowerComm provides these services to the following industry sectors: oil and gas facilities, petro-chemical plants, SAGD facilities, refineries and upgraders, utility/power companies, pipelines, agriculture, food processing, pulp and paper plants, drilling/service rigs and other medium to heavy industrial facilities.

Electrical Equipment Manufacturing (Redhill/Concorde)

In acquiring Redhill and Concorde, PowerComm has established electrical equipment manufacturing operations that management believes will account for approximately 5% of the Corporation's total revenue. Revenue from this division is 50% on a recurring basis and 50% on a non-recurring basis. The acquisition of Redhill and Concorde complements PowerComm's overall business mix and management believes that the acquisition will add new clients and introduce this new client base to PowerComm's traditional services.

Redhill is a leading-edge manufacturer and supplier of medium voltage arc resistant switchgear, motor control centres, VFD motor drive systems, PLC panel manufacturing and utility equipment. This allows the Corporation to provide these services to clients in the following industry sectors: utility/power companies, oil and gas facilities, petro-chemical plants, SAGD facilities, refineries and upgraders, mining, pulp and paper plants, drilling/service rigs and other medium to heavy industrial facilities.

Concorde is a manufacturer and supplier of galvanized steel, stainless steel and aluminum enclosures, as well as custom metal fabrication for industrial customers. This allows the Corporation to provide high-quality enclosures for the products manufactured by Redhill, as well as to clients in the following industry sectors: panel manufacturers, medium and low voltage equipment manufacturers, electrical contractors, electrical wholesalers and suppliers and other commercial and industrial users.

Industries Served

While PowerComm derives the majority of its revenue from the oil and gas industry, it has always maintained a certain level of activity in many other industries. Historically, the Corporation's revenue from non-oil and gas projects has fluctuated from five percent to forty percent of total revenue.

Locations

PowerComm has its corporate headquarters and its manufacturing division based in separate facilities in Edmonton, Alberta, with operational facilities in Calgary, Fort McMurray, Fort Saskatchewan, Grande Prairie, Hardisty, Lloydminster, Nisku, Olds, Provost and Rocky Mountain House, Alberta. PowerComm also opened an office in Atyrau, Kazakhstan. The Kazakhstan office is currently a business development office, but PowerComm expects to generate sales from this location in the near future. See "Risk Factors – Foreign Operations".

Expertise and Experience

PowerComm currently has in excess of 300 employees comprised of office, shop and field service personnel. PowerComm's shop and field service personnel consist of experienced tradespeople and technicians including: Master Electricians, Journeyman Electricians, Power System Electricians, Journeyman Instrumentation Technicians/Mechanics and Valve Service Technicians. PowerComm is an active member of Alberta's apprenticeship and industry training system in order to help ensure an ongoing supply of skilled and qualified personnel.

PowerComm has completed numerous projects to date, including over twenty multimillion-dollar projects and continues to bid on certain large projects. Management believes that PowerComm has established itself in all facets of electrical and instrumentation construction and maintenance and valve services for industrial and commercial facilities. PowerComm has a client base in excess of 550 western Canadian businesses ranging from large multinational public companies to small private companies in the following industry sectors: oil and gas, petro-chemical plants, SAGD facilities, refineries and upgraders, pipelines, utility/power corporations, mining, agriculture, food processing, pulp and paper plants, plastics, forestry, drilling/service rigs, railway, wood product manufacturing and other medium to heavy industrial facilities.

Business Procurement

PowerComm procures business in three ways: sole source contracts (the client requests the Corporation's services without undertaking a tender process); contract renewal/extension; and competitive bids through a tender process.

PowerComm procures the majority of its new projects through a competitive bid process. Typically, the Corporation first has to complete a prequalification process to earn the opportunity to bid. Generally, the types of bids PowerComm receives can be categorized as bids for construction contracts or bids for maintenance contracts. The

Corporation's contracts typically range in duration from one month to two years and vary in value from fifty thousand dollars to five million dollars. The Corporation usually bids projects as lump sum or cost-plus. However, PowerComm will bid some projects as guaranteed maximum price, time and material, or risk versus reward. In effect, PowerComm bids all projects in accordance with customer and/or bid specifications. Any and all requests for quotation, requests for proposal and bid requests are first vetted through a risk management process by the Corporation's operations, construction, safety and estimating managers to ensure the project is suitable for the Corporation and to ensure the Corporation has the necessary resources to successfully complete the project.

The Corporation has noticed that the trend of late in industry is to bid projects as cost-plus. Management believes this will be a positive factor for PowerComm as it eliminates much of the risk inherent to the bidding process and affords the Corporation greater control over its margins on each project.

Major Clients

PowerComm has a customer base of more than 550 companies ranging from large multinational public companies to small private companies. The majority of the Corporation's revenue has historically been from a base of repeat clients. Generally, PowerComm has a significant base of repeat clients as the Corporation's top ten clients accounted for approximately 50% of total revenue.

BUSINESS STRATEGY

General

PowerComm's strategy and corporate objective is to become the market leader in all facets of its operations while continuing to diversify its service and product offerings in niche markets that are complementary in nature to its core services. PowerComm's growth objectives are not limited to revenue growth but include growth in terms of visibility (both in the marketplace and geographically), core personnel, intellectual capital and technical asset base.

PowerComm strives to deliver a superior level and quality of services to all of its clients, recognizing that smaller industrial and commercial clients are an important part of the Corporation's long-term internal growth strategy. Management has always recognized that providing a full suite of services and products that are recognized as top-tier by the Corporation's clients is important for the Corporation if the sale or significant reorganization of a client occurs. Management believes PowerComm has been successful at increasing its visibility in the labour market, attracting talented and qualified individuals, and ultimately retaining those individuals.

Growth Through Acquisition and Expansion

PowerComm's acquisition strategy includes a detailed evaluation of a potential target's key personnel, principals and clients. PowerComm first assesses the capabilities of the target to determine if synergies exist between the service offerings of the target and PowerComm's core competencies. Ultimately, there must be an alignment or "fit" between what the target provides to the marketplace and PowerComm's suite of services such that the Corporation can supplement and/or complement its services, thereby allowing PowerComm to capitalize on those synergies. Assuming synergistic and complementary services exist between PowerComm and the target, PowerComm proceeds with an evaluation of the target's personnel and culture. The primary goal is to ensure that key personnel can be retained contractually to ensure sufficient staff is available to maintain existing business and to continue to grow the business.

PowerComm has established rapid payback criteria for the acquisitions it has completed. Many have had the purchase price paid back from operating cash flows within one to five years. Management believes these acquisition metrics to be attractive and prudent.

Retaining key personnel ensures sufficient staffing to maintain existing business and to continue to grow the business, thereby further enhancing the integration and assimilation of the target. PowerComm attempts to retain the key employees from acquisitions and transfer PowerComm's business philosophy and culture to the target. The integration of PowerComm's ISO system into the day-to-day operations and the corporate culture of the target is also vital to the long term success of any acquisition.

Since inception the Corporation has completed in aggregate ten corporate acquisitions and asset purchases. Management of the Corporation believes that PowerComm's ability to integrate and assimilate acquisitions and expand and diversify its business is demonstrated by its history of acquisitions. This history includes the purchase of certain assets of Bi-Systems Electric & Controls Ltd., the acquisition of Rob-Cor Gauge & Meter and the acquisition of JRV Services Ltd. Additionally, the Corporation acquired the assets of Kelon Electric, acquired Hayward Electric and acquired the assets of E & I Construction Industries Ltd. Subsequently thereto, the Corporation completed the direct and indirect acquisition of Redhill and Concorde, the acquisition of Wild Card and the acquisition of Redwater. Furthermore, the Corporation has completed the following business developments: the relocation of the Corporation's head office from Lloydminster, Alberta to Edmonton, Alberta and the opening of a business development office in Calgary, Alberta and operational facilities in Olds, Grande Prairie, Hardisty, Fort McMurray and Rocky Mountain House, Alberta. PowerComm identified an international opportunity to deliver its technology and capabilities to an emerging oil and gas market and, in 2005, opened its Atyrau, Kazakhstan business development office. Management believes this emerging international market provides the Corporation with an opportunity to increase its revenue.

Management of the Corporation believes that PowerComm is in a strong position to continue to make strategic acquisitions of companies and assets that will complement its recent expansion into the manufacturing sector. PowerComm continues to identify potential acquisition targets in British Columbia, Alberta, Saskatchewan and Ontario that are expected to provide greater visibility in certain geographic regions and provide a greater level of service to its existing client base. Other than as disclosed in the section "Recent Acquisitions", PowerComm has not entered into any agreement with any potential acquisition targets and there can be no assurance that PowerComm will be successful in acquiring any such companies.

INDUSTRY OVERVIEW

General

PowerComm provides complete electrical, instrumentation, valve service and manufacturing solutions for the construction and maintenance of its clients' industrial and commercial projects.

While PowerComm derives the majority of its revenue from providing services and products to the oil and gas industry, it has always attempted to maintain a certain level of activity in other industries. Historically the Corporation's revenue from non-oil and gas projects has fluctuated from five percent to forty percent of total revenue. As an example of such diversification, the Corporation is currently engaged in a long-term project in the uranium mining, enrichment and recycling industry.

As a result of the size and complexity of these capital projects, many of PowerComm's clients do not possess the resources, experience or expertise to construct or maintain their projects. Therefore, many companies outsource all or a significant portion of the construction and maintenance portions of their capital projects. PowerComm is capable of providing its full suite of services and products and is one of a select few companies that can meet the electrical, instrumentation and valve service requirements of these industrial and commercial projects. The size, complexity and cost of the projects means that PowerComm's clients have come to rely on the Corporation to provide quality services while meeting safety and environmental requirements. The Corporation has strived to earn and maintain a top-tier position in quality and safety and relies on its Certificate of Recognition (issued by Alberta Human Resources and Employment) and ISO registrations to evidence such commitment.

Oil and Gas

PowerComm primarily services companies that operate within the WCSB, which is one of the largest oil and natural gas primary exploration and producing regions in North America. The petroleum industry is generally divided into three major components: (i) upstream, (ii) midstream and (iii) downstream. PowerComm's clients come from all three components.

The demand for hydrocarbons from the established economies in North America and Europe remains strong and is also facing increasing pressure from the development of economies in countries such as China and India. The decline in production from conventional reservoirs coupled with the improved economics due to higher commodity prices has resulted in a general increase in interest by exploration and production companies in developing unconventional reservoirs. Unconventional resources include oil produced from the Oil Sands and natural gas extracted from mediums such as coal, shale and tight, low permeability formations.

The development and implementation of technologies to produce unconventional reserves, such as Oil Sands excavation and processing and SAGD have significantly increased Canada's "potential reserves". The recent increases in both price and demand coupled with dwindling traditional supplies have focused international attention on Canada and its potential unconventional reserves. Management of PowerComm believes that history has demonstrated that new technologies increase the requirement for electrical, instrumentation and valve services, thus creating new opportunities for corporate growth, expansion and diversification.

While the recent downward trend in global oil and natural gas prices has resulted in some announced reductions in short-term planned energy sector activity, management does not foresee a negative impact on overall performance of PowerComm or its subsidiaries in the near future. PowerComm's business mix affords it the opportunity for the construction side of the business to flourish during increased energy sector activity while the maintenance side generally remains relatively stable. In periods of reduced energy sector activity, the demand for PowerComm's construction services usually declines and stabilizes, while demand for the maintenance services increases. Management believes that the larger committed construction projects will remain relatively unaffected by the short-term changes in commodity prices, thus mitigating the effect of potential declines in demand for PowerComm's construction services. There have been significant announcements of new projects in the Alberta energy sector during the last year which management feels will have a positive impact on the business of the Corporation in both the short and long term.

The number of projects pending review and approval by energy utilities boards (in addition to those previously approved and committed) appears, in the opinion of management of PowerComm, to solidify activity and growth for the next decade. In addition, pipeline proposals currently under discussion and review will be required to handle distribution of the anticipated increase in hydrocarbon production volumes.

Petro-Chemical/Upgraders

PowerComm's main exposure in this market has been through an electrical and instrumentation maintenance contract at the Scotford upgrader in Fort Saskatchewan. The Corporation has maintained this contract since 2003. PowerComm has direct access to additional opportunities in this sector through its Fort Saskatchewan operating facility. To date there are planned projects to construct five new upgraders, one upgrader expansion and several pipeline storage facilities.

Oil Sands

PowerComm continues to capitalize on opportunities in the Oil Sands through its Fort McMurray operational facility. The Corporation has completed projects for each of the major participants in the Oil Sands and continues to bid on certain projects related to Oil Sands development.

Mining

PowerComm is currently working on a uranium mine project in northern Saskatchewan and continues to bid on other mining projects. Management believes that PowerComm's recent experience in the uranium mining industry coupled with rising uranium and other commodity prices bodes well for the Corporation's ability to derive additional revenues from the mining industry.

Forestry

PowerComm has bid on and continues to pursue forestry related projects.

Other Industries

The agriculture and food processing industries have in the past contributed to PowerComm's business, and recent activity in these sectors suggests to management of the Corporation that increasing opportunities for the Corporation to further diversify its revenue sources in these industries exist. Specifically, management of the Corporation believes that ethanol plants, bio-diesel plants and oilseed crushing facilities provide additional revenue opportunities for the Corporation. PowerComm continues to seek opportunities in all industry sectors.

Seasonality

PowerComm's business is not as affected by seasonality as companies involved in the traditional oil and gas service industries. However, restriction of movement of equipment due to road bans and lack of accessibility because of weather can delay or curtail site access. Other portions of the Corporation's business tend to increase during these periods of restriction, as equipment maintenance and servicing is often scheduled during these downtimes. Further, the Corporation's participation in projects within non-oil and gas industries helps to buffer the Corporation's revenues from the fluctuations of seasonality in the oil and gas sector.

Competition

Management of PowerComm estimates that the Corporation has fifteen established competitors in its marketplace. Eleven of these competitors are involved in the electrical and instrumentation end of the Corporation's business while the other four are in the valve servicing end of the Corporation's business. Management is not aware of any single competitor that operates in all of the industry sectors in which PowerComm operates. The addition of the manufacturing component to PowerComm's business through the Redhill and Concorde acquisitions further differentiates the Corporation from its competitors.

Although new competitors could enter into the markets in which the Corporation operates, there are some barriers to entry which include: the attraction and retention of qualified and experienced personnel, reputation and a track record of completing projects and financial resources. PowerComm continues to identify and implement innovative ways to attract and retain technically qualified and experienced personnel, thereby further differentiating itself from its competitors.

TRENDS

While the recent downward trend in global oil and natural gas prices has resulted in some announced reductions in short-term planned energy sector activity, management of PowerComm does not foresee a negative impact on overall performance of PowerComm or its subsidiaries in the near future. PowerComm's business mix affords it the opportunity for the construction side of the business to flourish during increased energy sector activity while the maintenance side generally remains relatively stable. In periods of reduced energy sector activity usually the demand for PowerComm's construction services declines and stabilizes, while demand for the maintenance services increases.

Management believes that the larger committed construction projects will remain relatively unaffected by the short-term changes in commodity prices, thus mitigating the effect of potential declines in demand for PowerComm's construction services. There have been significant announcements of new projects in the Alberta energy sector during the year which management believes is advantageous for the Corporation in both the short and long term.

Management believes the landscape in which PowerComm operates has been positively impacted by the change in the taxation treatment of income trusts by the Canadian federal government on October 31, 2006. As a result of this change conditions appear more favourable for additional acquisitions by PowerComm in the short-term, and management therefore believes it must maintain the ability to react quickly to opportunities as they arise. PowerComm remains committed to achieving growth through acquisitions combined with an aggressive expansion plan and additional internal growth.

RISK FACTORS

Volatility of Industry Conditions

The demand, pricing and terms for electrical, instrumentation, valve services and manufacturing industries in PowerComm's existing and anticipated business areas largely depend upon the level of exploration and development activity for crude oil, natural gas, coal bed methane, heavy oil and SAGD in the WCSB. Oil and natural gas industry conditions are influenced by numerous factors over which PowerComm has no control, including: oil and natural gas prices; expectations about future oil and natural gas prices; levels of local demand; levels of international demand; the cost of exploring for, producing and delivering oil and natural gas; the expected rates of declining current production; the discovery rates of new oil and natural gas reservoirs; available pipeline and other oil and natural gas transportation capacity; weather conditions; political, regulatory and economic conditions; and the ability of oil and natural gas companies to raise equity capital or debt financing.

Any addition to, or elimination or curtailment of, government incentives could have a significant impact on the oilfield services industry. Lower oil and natural gas prices could also cause PowerComm's customers to seek to terminate, renegotiate or fail to honour PowerComm's services contracts; affect the fair market value of PowerComm's physical assets, which in turn could trigger a writedown for accounting purposes; affect PowerComm's ability to retain skilled oilfield services personnel; and affect PowerComm's ability to obtain access to capital to finance and grow PowerComm's business.

Project Procurement

PowerComm competes for projects under a number of bid formats, some of which cause greater financial risk to PowerComm than others. Construction projects that are competed for as lump sum or guaranteed maximum price are of greatest risk to PowerComm. Accuracy of the estimate may be affected by extreme weather conditions (and their effect on project commencement), material delivery dates, project location, excavation conditions, quality and availability of key personnel, quality and availability of qualified tradespeople, availability of tools and equipment, engineering delays, incomplete engineered documents, delays in customer-supplied materials and other factors that could cause delay or cost increases. While all possible care is taken to ensure accuracy in all bid costing, the potential exists for unforeseen factors to impact input costs in a negative way, thereby adversely affecting PowerComm's financial position including reducing PowerComm's revenue.

Non-Recurring Business

A material portion of PowerComm's business is from non-recurring sources, such as construction projects. PowerComm has taken all reasonable steps to reduce the degree to which it is exposed to the effects of non-recurring business. However, due to the nature of PowerComm's business a material portion of that business will always be non-recurring, so there always exists the potential that the revenue from non-recurring business may not be replaced annually. The inability of PowerComm to replace non-recurring business would have the effect of reducing PowerComm's corporate revenue.

Reliance on Personnel

The success of PowerComm is dependent upon its management, technical and field personnel. Any loss of the services of such individuals could have a material adverse effect on the business and operations of PowerComm The ability of PowerComm to expand its services is dependent upon its ability to attract and retain additional qualified employees. The ability to secure the services of additional personnel is constrained in times of strong industry activity.

Dependence on Major Customers

PowerComm has a customer base of more than 550 companies, ranging from large multinational public companies to small private companies. Notwithstanding PowerComm's significant customer base, a material amount of PowerComm's revenue comes from less than ten large customers. PowerComm has historically had a stable relationship with these customers and has no reason to believe there will be any change to this relationship in the future. Notwithstanding the foregoing, there can be no assurance that PowerComm's relationship with these customers will continue. A significant reduction or total loss of the business from any of these customers, if not offset by sales to new or existing customers, would have a material adverse effect on PowerComm's business, results of operations, financial condition and cash flows.

Competition

The electrical, instrumentation, valve services and manufacturing industries are highly competitive and PowerComm competes with a number of companies that have similar or greater equipment and personnel, as well as greater financial resources in specific operating areas. PowerComm's ability to generate revenue and earnings depends in part upon its ability to win bids in competitive bidding processes and to perform awarded projects within estimated times and under targeted budgets. There can be no assurance that such competitors will not substantially increase the resources devoted to the development and marketing of products and services that compete with those of PowerComm or that new or existing competitors will not enter the various markets in which PowerComm is active. In certain aspects of its business, PowerComm also competes with a number of small and medium-sized companies which, like PowerComm, have certain competitive advantages such as low overhead costs and specialized regional strengths. In addition, reduced levels of activity in the electrical, instrumentation, valve services and manufacturing industries can intensify competition and may result in lower revenue and margins to PowerComm.

Access to Additional Financing

PowerComm may find it necessary in the future to obtain additional financing by debt or equity to support ongoing operations, to undertake capital expenditures, or to undertake acquisitions or other business combination transactions. There can be no assurance that additional financing will be available to PowerComm when needed or on terms acceptable to PowerComm PowerComm's inability to raise financing to support ongoing operations or to fund capital expenditures or acquisitions could limit PowerComm's growth and may have a material adverse effect on PowerComm's business, financial condition, results of operations and cash flows.

Seasonality

The level of activity in the oilfield services industry is influenced by seasonal weather. There is greater demand for electrical, instrumentation, valve services and manufacturing industries provided by PowerComm in the winter season when the occurrence of freezing permits the movement and operation of heavy equipment. Consequently, oilfield services activities tend to increase in the fall and peak in the winter months of December through March. If an unseasonably warm winter prevents sufficient freezing, PowerComm may not be able to access well sites, and its operating results and financial condition may be adversely affected. Other portions of the Corporation's business tend to increase during these periods of restricted site access, as equipment maintenance and servicing is often scheduled during these downtimes. Further, the Corporation's participation in projects within non-oil and gas industries helps to buffer the Corporation's revenues from the fluctuations of seasonality in the oil and gas sector.

Dependence on Suppliers

The ability of PowerComm to compete and grow will be dependent upon PowerComm having access, at a reasonable cost and in a timely manner, to equipment, parts and components. Failure of suppliers to deliver such equipment, parts and components at a reasonable cost and in a timely manner would be detrimental to PowerComm's ability to maintain existing customers and expand its customer list. No assurances can be given that PowerComm will be successful in maintaining its required supply of equipment, parts and components. It is also possible that the final costs of the major equipment contemplated by PowerComm's capital expenditure program may be greater than anticipated by management, and may be greater than the funds available to PowerComm. In such circumstances, PowerComm may curtail, or extend the timeframes for completing, its capital expenditure plans. This could have a material adverse effect on PowerComm's business, financial condition, results of operations and cash flows.

PowerComm's ability to provide services to its customers is also dependent upon the availability (at reasonable prices) of materials that PowerComm purchases from various suppliers, most of whom are located in Canada. Alternate suppliers exist for all materials. The source and supply of materials has been consistent in the past; however, in periods of high industry activity, as has been seen in recent years, periodic shortages of certain materials have been experienced and costs may be affected. Management maintains relationships with a number of suppliers in an attempt to mitigate this risk. However, if the current suppliers are unable to provide the necessary materials, or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of services to PowerComm's customers could have a material adverse affect on PowerComm's business, financial condition, results of operations and cash flows.

Vulnerability to Market Changes

Fixed costs including costs associated with operating losses, leases, labour costs and depreciation will account for a significant portion of PowerComm's costs and expenses. As a result, reduced productivity resulting from reduced demand, equipment failure, weather, or other factors could significantly affect financial results. In addition, the commencement of activities at a date later than anticipated could severely impact PowerComm's profitability.

Union Certification

PowerComm operates as an Open Shop and all of PowerComm's projects are completed by PowerComm on an Open Shop basis. Under certain circumstances, PowerComm has been awarded large contracts because of its Open Shop status. At times, local unions in each jurisdiction make attempts to certify Open Shop companies. Union certification could negatively affect the ability of PowerComm to garner new projects, retain key personnel and compete for projects on a cost-effective basis thereby hindering PowerComm's ability to grow and remain profitable.

Operating Risk and Insurance

PowerComm has an insurance and risk management program in place to protect its assets, operations and employees. PowerComm also has programs in place to address compliance with current safety and regulatory standards. However, PowerComm's operations are subject to risks inherent to the electrical, instrumentation, valve services and manufacturing industries, such as equipment defects, malfunction, failures and natural disasters.

Although PowerComm has obtained insurance against certain of the risks to which it is exposed and which it considers adequate and customary in the electrical, instrumentation, valve services and manufacturing industries, such insurance is subject to coverage limits and exclusions, and may not be available for the risks and hazards to which PowerComm is exposed. In addition, no assurance can be given that such insurance will be adequate to cover PowerComm's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable. If PowerComm were to incur a substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if PowerComm were to incur such liability at a time when it is not able to obtain liability insurance, this could have a material adverse affect on PowerComm's business, financial condition, results of operations and cash flows.

Credit Risk

A substantial portion of PowerComm's accounts receivable are with customers involved in the oil and natural gas industry, whose revenues may be impacted by fluctuations in commodity prices. Collection of these receivables could be influenced by economic factors affecting this industry. PowerComm currently does not have significant exposure to any individual customer other than a major multinational oil and gas company, which accounted for approximately 22% of the Corporation's total revenue in the financial year ended March 31, 2007, compared with approximately 14% in the previous financial year. No other client accounted for more than ten percent of the revenue for this period.

Alternatives to and Changing Demand for Petroleum Products

Fuel conservation measures, alternative fuel requirements, increasing consumer demand for alternatives to oil and natural gas, and technological advances in fuel economy and energy generation devices could reduce the demand for oil and other liquid hydrocarbons. PowerComm cannot predict the impact of changing demand for oil and natural gas products, and any major changes may have a material adverse effect on PowerComm's business, financial condition, results of operations and cash flows.

Dilution and Future Issuances of Common Shares

PowerComm may issue additional Common Shares in the future, which may dilute a shareholder's holdings in PowerComm and result in a change in control of PowerComm. PowerComm's articles permit the issuance of an unlimited number of Common Shares and an unlimited number of preferred shares, issuable in series, and shareholders will have no pre-emptive rights in connection with such further issuances. The Board has the discretion to determine the provisions attaching to any series of preferred shares and the price and the terms of issue of further issuances of Common Shares, preferred shares, or securities convertible into such shares.

Failure to Realize Anticipated Benefits of Acquisitions

PowerComm may make acquisitions of businesses and assets from time to time. Achieving the benefits of acquisitions depends in part on successfully consolidating functions, retaining key employees and customer relationships, and integrating operations and procedures in a timely and efficient manner. Such integration may require substantial management effort, time and resources, may divert management's focus from other strategic opportunities and operational matters and ultimately PowerComm may fail to realize anticipated benefits of acquisitions.

Debt Obligations

PowerComm has debt obligations with financial institutions that are subject to various financial and operating covenants, including requirements to maintain certain financial ratios. PowerComm's ability to meet its debt service obligations will depend on PowerComm's future operations, which are subject to prevailing industry conditions and other factors, many of which are beyond PowerComm's control. Because some of PowerComm's indebtedness bears interest at rates that fluctuate with prevailing interest rates, increases in such prevailing rates would increase PowerComm's interest payment obligations and could have a material adverse effect on PowerComm's financial condition and results of operations. Further, PowerComm's indebtedness is secured by substantially all of its assets. In the event of a violation by PowerComm of any of its loan or lease covenants, the lender could declare such indebtedness to be immediately due and payable and, in certain cases, foreclose on PowerComm's assets.

Loss Prevention

PowerComm attempts to take all reasonable steps to ensure that physical assets including materials, supplies and tools are protected and insured against theft from any of PowerComm's locations or project sites. Due to the nature of PowerComm's business and its geographic diversity from project to project, there may be the opportunity for loss from third-party activity, which could result in delay and additional costs to PowerComm

Vehicle Insurance

PowerComm maintains a large fleet of vehicles as required by the nature of its business. Analysis and consultation with PowerComm's insurance providers has resulted in the adoption of a self-insurance program for collision on leased vehicles. History and practice have shown this to be the most cost-effective manner of dealing with this risk. Over the past three years, the exposure and actual cost of this practice have been significantly lower than the out-of-pocket cost projections for equivalent third party coverage. It is PowerComm's practice to carry insurance through insurance companies and other coverages, including liability and third party claims. All insurance coverages are reviewed annually with PowerComm's insurance risk managers and updated regularly. It should be noted that an unforeseen catastrophic event could cause a major one-time expense that could have a material adverse effect on PowerComm's business, results of operations, financial condition and cash flows.

Fleet Management

PowerComm's vehicle fleet is for the most part made up of leased vehicles. PowerComm has the right to return each vehicle at the end of the lease term but instead has historically chosen to purchase the vehicles and undertake disposition itself. This practice has proven to be cost-effective to date. It should be noted that PowerComm is required to maintain all leased vehicles in good condition and may be liable for some additional costs should the vehicle be deemed to be in unsatisfactory condition by the lessor at lease expiration. A catastrophic event could, however cause significant unforeseen damage to the fleet resulting in the requirement for additional payments to the lessor as dictated in the terms of vehicle lease.

Protection of Technology

The success and ability of PowerComm to compete depends in part on the proprietary technology of PowerComm and the ability of PowerComm to prevent others from copying such proprietary technology. PowerComm currently relies on intellectual property rights and other contractual or proprietary rights to protect its proprietary technology. PowerComm may have to engage in litigation in order to protect its property rights. This kind of litigation can be time-consuming and expensive, regardless of whether or not PowerComm is successful. PowerComm currently has no patents. The process of seeking patent protection can itself be long and expensive, and there can be no assurance that any patent applications that PowerComm may make in the future will actually result in issued patents, or that, even if patents are issued, they will be of sufficient scope or strength to provide meaningful protection or any commercial advantage to PowerComm. Furthermore, others may develop technologies that are similar or superior to the technology of PowerComm or such third parties or design around any patents that may be owned by PowerComm

Despite the efforts of PowerComm, the intellectual property rights of PowerComm may be invalidated, circumvented, challenged, infringed or required to be licensed to others. It cannot be assured that any steps PowerComm may take to protect its intellectual property rights that are central to operations will prevent misappropriation or infringement or the termination of licenses from third parties.

Catastrophic Failures and Events

While protections and preventative measures are employed by PowerComm against catastrophic failures resulting from activities of PowerComm, the possibility for such failures always exists by way of circumstances that are outside the control of PowerComm. PowerComm carries insurance estimated by management to be sufficient to cover most potential occurrences, but there can be no assurance that sufficient coverage is in place or may be available in the future. Therefore, the potential exists for significant financial loss should such an occurrence take place.

Recent history has demonstrated the potential for unforeseen events to become catastrophic for some companies. The loss of significant assets in a single event could be a serious impediment to the ongoing operations of PowerComm. These assets could include but are not limited to: key personnel, buildings and facilities, corporate data and other physical, human, intellectual and electronic assets deemed to be critical for corporate operations.

Operating Equipment Risks

The ability of PowerComm to meet customer demands in respect of performance and cost will depend upon continuous improvements to its operating equipment. There can be no assurance that PowerComm will be successful in its efforts in this regard or that it will have the resources available to meet this continuing demand. Failure by PowerComm to do so could have a material adverse effect on PowerComm's business, financial condition, results of operations and cash flows. No assurances can be given that its competitors will not achieve technological advantages over PowerComm

Health and Safety

PowerComm maintains health and safety protocols that management believes meet or exceed all legislated requirements and standards. Through continued training and education, PowerComm endeavours to eliminate risks attached to health and safety. However, notwithstanding the efforts of PowerComm, health and safety events can and do occur. There is no guarantee that PowerComm's health and safety record with WCB will be maintained and therefore the potential for increased costs exists. In addition, PowerComm is engaged in and undertakes certain high-risk activities that could create situations where employees could suffer significant injury, resulting in increased costs to long-term disability premiums and occupational health and safety programs.

Government Regulation

PowerComm's operations and those of its clients are subject to a variety of federal, provincial and local laws, regulations and guidelines, including laws and regulations relating to health and safety, the conduct of operations, the protection of the environment and the manufacture, management, transportation, storage and disposal of certain materials used in PowerComm's operations. Management believes that PowerComm is in compliance with all such laws, regulations and guidelines though it is unable to ensure the status of its clients' compliance in this regard. PowerComm has invested financial and managerial resources to ensure compliance with applicable laws, regulations and guidelines and will continue to do so in the future. Although such expenditures have not, historically, been material to PowerComm, such laws, regulations and guidelines are subject to change. Accordingly, it is impossible for PowerComm to predict the cost or impact of such laws, regulations, or guidelines on its future operations. It is not expected that any changes to these laws, regulations, or guidelines would affect the operations of PowerComm in a manner materially different than they would affect other service companies of a similar size.

Environmental Liability

PowerComm is subject to various environmental laws and regulations enacted in the jurisdictions in which it operates which govern the manufacture, processing, importation, transportation, handling and disposal of certain materials used in PowerComm's operations. PowerComm has established procedures to address compliance with current environmental laws and regulations and monitors its practices concerning the handling of environmentally hazardous materials. However, there can be no assurance that PowerComm's procedures will prevent environmental damage occurring from spills of materials handled by PowerComm or that such damage has not already occurred. On occasion, substantial liabilities to third parties may be incurred. PowerComm may have the benefit of insurance maintained by it or a client. However, PowerComm may become liable for damages against which it cannot adequately insure or against which it may elect not to insure because of high costs or other reasons. PowerComm's customers are subject to similar environmental laws and regulations, as well as limits on emissions to the air and discharges into surface and sub-surface waters. While regulatory developments that may follow in subsequent years could have the effect of reducing industry activity, PowerComm cannot predict the nature of the restrictions that may be imposed. PowerComm may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

Conflicts of Interest

Directors of PowerComm may also serve as directors, officers, or insiders of other companies involved in the electrical, instrumentation, valve services and manufacturing industries and conflicts of interest may arise between their duties as directors of PowerComm and as directors of such other companies. Such conflicts must be disclosed in accordance with and are subject to such other procedures and remedies as apply under the ABCA.

Legal Proceedings

PowerComm is not currently involved in any material litigation. However, the business of PowerComm involves risks, and it is possible that in the ordinary course of business disputes and legal proceedings may occur. No assurance can be given as to the final outcome of any legal proceedings or that the ultimate resolution of any legal proceedings will not have a material adverse effect on PowerComm.

Kyoto Protocol

Canada is a signatory to the United Nations Framework Convention on Climate Change and has ratified the Kyoto Protocol established thereunder to set legally binding targets to reduce nationwide emissions of carbon dioxide, methane, nitrous oxide and other so-called "greenhouse gases". The Government of Canada has put forward a Climate Change Plan for Canada which suggests further legislation will set greenhouse gas emission reduction requirements for various industrial activities, including oil and natural gas exploration and production. Future federal legislation, together with provincial emission reduction requirements, such as those required under Alberta's *Climate Change and Emissions Management Act*, may require the reduction of emissions or emissions intensity from the oil and natural gas industry and clients of PowerComm involved in other industries. Mandatory emissions reductions may result in increased operating costs and capital expenditures for oil and natural gas producers, thereby decreasing the demand for PowerComm's services. Management is unable to predict the impact of the Kyoto Protocol and greenhouse gas emission legislation on

PowerComm and it is possible that it may have a material adverse affect on PowerComm's business, financial condition, results of operations and cash flows.

Qualified Auditors' Report and Reporting Issuer Status

The March 31, 2005 year-end closing inventory was qualified, which impacted the March 31, 2006 year-end opening inventory. PowerComm is currently on the list maintained by the Alberta Securities Commission of defaulting issuers because the auditors' report on the annual financial statements for the year end March 31, 2006 has an inventory qualification.

Foreign Operations

PowerComm has opened a business development office in Atyrau, Kazakhstan, and plans to conduct business in foreign jurisdictions. As a result, the Corporation is subject to political, economic and other uncertainties, including but not limited to changes, sometimes frequent, in energy policies or the personnel administering them, nationalization, expropriation of property without fair compensation, cancellation or modification of contractual and other legal rights, foreign exchange restrictions, currency fluctuations, tax increases and other risks arising out of foreign governmental sovereignty over the areas in which the Corporation's operations are conducted, as well as risks of loss due to civil strife, acts of war, guerrilla or terrorist activities and insurrections. The Corporation's international operations may also be adversely affected by laws and policies of Canada as they pertain to foreign trade, taxation and investment.

In the event of a dispute arising in connection with its foreign operations, the Corporation may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada or enforcing Canadian judgments in foreign jurisdictions. The jurisdictions in which the Corporation may operate may have less developed legal systems than more established economies which may result in risks such as: (i) effective legal redress in the courts of such jurisdictions, whether in respect of a breach of law or regulation, or in an ownership dispute, being difficult to obtain; (ii) a higher degree of discretion on the part of governmental authorities; (iii) the lack of judicial or administrative guidance on interpreting applicable rules and regulations; (iv) inconsistencies or conflicts between and within various laws, regulations, decrees, orders and resolutions; or (v) relative inexperience of the judiciary and courts in such matters. In certain jurisdictions the commitment of local business people, government officials and agencies and the judicial system to abide by legal requirements and negotiated agreements may be more uncertain, creating particular concerns with respect to licenses and agreements for business. These may be susceptible to revision or cancellation and legal redress may be uncertain or delayed. There can be no assurance that contracts, joint ventures, contracts, license applications or other legal arrangements will not be adversely affected by the actions of government authorities and the effectiveness of and enforcement of such arrangements in foreign jurisdictions cannot be assured.

DIVIDEND POLICY

No dividends have been paid on any shares of the Corporation in the last three completed fiscal years. Pursuant to the terms of the Loan Agreement, PowerComm is not permitted to pay dividends on the Common Shares or on any other shares without the prior written consent of the lending bank. Moreover, the Corporation intends to retain its earnings to finance the growth and development of its business and therefore PowerComm does not contemplate that it will pay any dividends on its Common Shares in the immediate or foreseeable future.

SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value, of which as at the date hereof 70,330,700 Common Shares were issued and outstanding as fully paid and non-assessable. The holders of Common Shares are entitled to dividends if, as and when declared by the Board, subject to the rights and privileges attached to any preferred shares; to one vote per share at any meeting of the shareholders of the Corporation; and upon liquidation, to receive such assets of the Corporation as are distributable to the holders of the Common Shares, subject to the rights and privileges attached to any preferred shares.

The Corporation is also authorized to issue an unlimited number of preferred shares, issuable in series, without nominal or par value, and the Board is authorized to fix the number of shares in each series, and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. The preferred shares are entitled to a preference over the Common Shares with respect to the payment of dividends and the distribution of assets upon liquidation, dissolution or winding up of PowerComm As at the date hereof the Corporation had issued no preferred shares.

MARKET FOR SECURITIES

The Common Shares were listed and posted for trading on the Exchange under the symbol "PCG" on May 9, 2007. See "Price Range and Trading Volume of Common Shares" in the Offer and Circular.

PRIOR SALES

Since June 29, 2006, PowerComm has issued Common Shares as follows:

Date	Number of Common Shares	Price Per Common Share	Aggregate Issue Price	Nature of Consideration Received
June 29, 2006	35,000,000[(1)]	$0.02	$550,000	Assets of AWG Ventures Inc.
July 13, 2006	5,097,000[(2)]	$0.50	$2,548,500	Cash
August 17, 2006	4,193,000[(2)]	$0.50	$2,096,500	Cash
August 24, 2006	2,000,000[(3)]	$0.50	$1,000,000	All outstanding shares of Redhill
September 6, 2006	2,210,000[(2)]	$0.50	$1,105,000	Cash
September 19, 2006	300,000[(4)]	$0.50	$150,000	Assets of E & I Construction Industries Ltd.
December 31, 2006	2,538,825[(5)]	$0.01	$30,623	Amalgamation
May 7, 2007	16,154,000[(6)]	$0.615[(6)]	$9,934,780	Cash
May 7, 2007	894,309[(7)]	$0.615	$550,000	Payment of Wild Card Note
July 3, 2007	1,333,333[(8)]	$0.60	$800,000	All outstanding shares and certain assets of Redwater
July 4, 2007	606,900[(9)]	$0.65	$394,485	Exercise of Over-Allotment Option
August 15, 2007	3,333[(10)]	$0.50	$1,666.50	Exercise of Stock Options
TOTAL	**70,330,700**			

Notes:

(1) PowerComm completed a capital reorganization and stock split of 35 for 1 on June 29, 2006. After the reorganization and split, PowerComm had 35,000,000 Common Shares outstanding, all of which were held by AWG Ventures Inc., a private Alberta company beneficially owned by Wayne Rutherford, as to 60%; Ashley Hope, as to 20%; and Larry Patriquin, as to 20%.
(2) These Common Shares were issued pursuant to the Brokered Private Placement.
(3) These Common Shares were issued in connection with the acquisition of Redhill. See "General Development of the Business – Recent Acquisitions".
(4) These Common Shares were issued in connection with the acquisition of the assets of E & I Construction Industries Ltd. See "General Development of the Business – Recent Acquisitions".
(5) These Common Shares were issued pursuant to the Amalgamation. See "General Development of the Business - Amalgamation".
(6) These Common Shares comprised part of the Units that were issued pursuant to the initial public offering of the Corporation. Of the offering price of $0.65 per Unit, $0.615 was allocated to the Common Shares and $0.35 was allocated to the one half (1/2) of one Offered Warrant.
(7) These Common Shares were issued in payment of the Wild Card Note. See "General Development of the Business – Recent Acquisitions".
(8) These Common Shares were issued pursuant to the acquisition of Redwater. See "General Developments of Business – Recent Acquisitions".
(9) These Common Shares were issued pursuant to the exercise of the Over-Allotment Option pursuant to the Prospectus.
(10) These Common Shares were issued pursuant to an exercise of Stock Options.

CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at June 30, 2007. The table should be read in conjunction with the financial statements of the Corporation attached hereto as Appendix C and Appendix D.

	Authorized	Outstanding as at June 30, 2007(1)(2)(3)(4)(5) (audited)	Outstanding as at July 31, 2007(2)(3)(4)(5) (unaudited)
Common Shares	(unlimited)	$17,014,000 (69,720,467 shares)	$17,410,152 (70,330,700 shares)
Preferred Shares	(unlimited)	Nil	Nil
Current Debt(6)(7)(8)	n/a	$1,349,000	$1,352,000
Long Term Debt(6)(7)(8)	n/a	$1,773,000	$1,288,000

Notes:

(1) The retained earnings surplus of the Corporation as at June 30, 2007, the date of the Corporation's most recent interim financial statements, was $1,117,000.

(2) These dollar values represent net proceeds, after the deduction of selling commission, professional fees and other related expenses incurred.

(3) Pursuant to the Stock Option Plan, the Corporation has reserved up to 9,500,000 Common Shares for issuance for incentive stock options. The Corporation has granted incentive stock options to purchase 8,645,000 Common Shares as at June 30, 2007. See "Stock Option Plan".

(4) The Corporation has reserved 1,150,000 Common Shares issuable pursuant to broker agent's options that were granted to the lead agent and its sub-agents in connection with the Brokered Private Placement.

(5) The Corporation has reserved up to 969,240 Common Shares issuable upon the exercise of broker warrants and 8,077,000 Common Shares issuable upon the exercise of the Offered Warrants.

(6) The Corporation's debt financing includes a series of capital leases to finance vehicles. As at June 30, 2007, $1,977,000 was outstanding under capital leases. These capital leases are secured by a security interest in each vehicle leased.

(7) The Corporation has entered into a loan facility agreement ("**Loan Agreement**") with a Canadian chartered bank dated December 19, 2006, as amended, which provides for a demand revolving operating loan in the maximum principal amount of $10 million (the "**Demand Operating Loan**") to be used for general operating purposes in the ordinary course of business. PowerComm Inc. must meet certain financial tests before the entire $10 million of the Demand Operating Loan is available. As at June 30, 2007, $Nil was outstanding under the Loan Agreement. In addition, the Loan Agreement provides for a demand non-revolving equipment loan (the "**Demand Equipment Loan**") in the amount of $750,000 for the purpose of providing financing for future equipment purchases or leases. The Demand Operating Loan and the Demand Equipment Loan are secured by various security including a general security agreement creating a first fixed charge on all personal property owned by the Corporation and guarantees by AWG Ventures Inc. and each of the shareholders of AWG Ventures Inc. The Loan Agreement contains comprehensive covenants and ratios which PowerComm Inc. must maintain, and is subject to periodic review by the Canadian chartered bank in its discretion. The Demand Operating Loan bears interest at the bank's prime rate plus between 0.75% and $0.95% depending on the Corporation meeting certain ratios. The Demand Equipment Loan bears interest at the bank's prime rate plus between $0.85% and 1.15% per annum depending on the Corporation meeting certain ratios. All amounts outstanding on the Demand Operating Loan are payable on demand. All amounts outstanding on the Demand Equipment Loan are payable on demand, and until a demand is made interest plus principal payments based on a five year amortization are payable monthly.

(8) The Corporation or its subsidiaries have also entered into the following loan arrangements:

(a) PowerComm Inc. has entered into a letter of offer of credit with a financial institution dated October 8, 2004, which provides for a working capital loan in the maximum principal amount of $750,000 to be used for working capital. As of June 30, 2007, $490,650 was outstanding under the letter of offer of credit. The letter of offer of credit bears interest at 16% per year, and interest plus $9,800 of principal is payable each month until December 4, 2008, when the final lump sum principal payment of $289,000 is due. The letter of offer of credit is a joint and several obligation of PowerComm Inc., AWG Ventures Inc, Chips (2002) Inc. and FlowTech Supply Inc, and is secured by various agreements including a general security agreement and a guarantee of Wayne Rutherford.

(b) Redhill and Concorde have entered into a working capital demand loan with a financial institution dated November 29, 2005, as amended November 22, 2005 and December 5, 2005 which provides for a loan in the maximum principal amount of $375,000. As at June 30, 2007, $277,771 was outstanding under the working capital demand loan. The working capital demand loan bears interest at the financial institutions base rate plus 2.5%. Interest plus $6,850 of principal is payable each month until February 7, 2011. The working capital demand loan is a joint and several obligation of Redhill and Concorde, and is secured by various agreements including a general security agreement and personal guarantees.

(c) Wild Card has entered into a loan offer agreement with a financial institution dated August 11, 2006 which provides for a revolving line of credit ("**Line of Credit**") in the maximum principal amount of $300,000. The loan offer agreement also provides for four variable rate advances totalling $133,220 (the "**Advances**"). Certain final tests must be met by Wild Card to access the Line of Credit. The Line of Credit bears interest at the financial institutions prime rate plus 1.00%, with interest payable monthly, and is subject to periodic review. The Advances bear interest at the financial institutions prime rate plus 1.75%, with monthly blended payments of up to $8,031. The Line of Credit and Advances are secured by various security, including a general security agreement, a fixed charge on property, and personal guarantees. The Line of Credit and Advances are payable on demand.

STOCK OPTION PLAN

On August 15, 2006, the board of directors of PowerComm Inc. adopted the Stock Option Plan which provides that the board of directors of PowerComm Inc. may from time to time, in its discretion, grant to directors, officers, employees and consultants of PowerComm Inc. or its subsidiaries, non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed 9,500,000 Common Shares, exercisable for a period of up to five years. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent of the issued and outstanding Common Shares.

The board of directors determines the price per Common Share and the number of Common Shares which may be allotted to each director, officer, employee and consultant and all other terms and conditions of the option, subject to the rules of the TSX. Options must be exercised within ninety days of termination of employment or cessation of position with PowerComm Inc., provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death, the option may be exercised within six months after such death, subject to the expiry date of such option.

As of the date hereof, stock options to purchase an aggregate of 8,446,667 Common Shares have been issued to the directors, officers, consultants, and employees of PowerComm Inc. and its subsidiaries of which stock options to purchase an aggregate of 3,746,667 Common Shares have been issued to employees and stock options to purchase an aggregate of 4,700,000 Common Shares have been issued to the directors, officers and consultants of PowerComm Inc.

All of the stock options granted to employees, directors, officers and consultants of PowerComm Inc. will vest as follows: one-third ninety days following the Common Shares being listed for trading on a recognized exchange, one-third one year from that anniversary date, and the remainder two years from that anniversary date.

The following chart shows all of the options issued and outstanding as at the date hereof .

Name	Number of Common Shares Under Option	Exercise Price Per Common Share	Expiry Date
Wayne Rutherford	1,000,000	$0.50	October 31, 2011
Larry Patriquin	500,000	$0.50	October 31, 2011
Ashley Hope	500,000	$0.50	October 31, 2011
Non-executive directors and consultants	2,700,000	$0.50	October 31, 2011
Other employees	3,746,667	$0.50	October 31, 2011
Total:	**8,446,667**		

ESCROWED SECURITIES

The following table sets out the securities of the Corporation which are, to the knowledge of management of the Corporation, held in escrow restrictions:

Designation of Class	Number of Securities In Escrow	Percentage of Class
Common Shares	35,519,124	50.5%
Stock options	2,700,000	31.2%

As required by National Policy 46-201 *Escrow for Initial Public Offerings*, concurrent with the closing of the initial public offering of the Corporation, certain securityholders of the Corporation entered into an escrow agreement with Olympia Trust and the Corporation (the "**Escrow Agreement**"), pursuant to which, such securityholders deposited an aggregate of 35,519,124 Common Shares and incentive stock options to purchase an aggregate of 2,700,000 Common Shares (collectively, the "**Escrowed Securities**") into escrow with Olympia Trust as escrow agent. The Escrow Agreement provides that 50% of the number of Escrowed Securities held thereunder will be released on November 9, 2007, and an additional 25% of the number of Escrowed Securities originally held thereunder will be released on each of May 9, 2008 and November 9, 2008.

In addition to the Escrow Agreement, AWG, Wayne Rutherford, Ashley Hope and Larry Patriquin have agreed that all Common Shares and incentive stock options owned by them will not be transferred, directly or indirectly, within one year of May 7, 2007 as to one-half and two years after May 7, 2007 as to the remainder without the prior written consent of Research Capital Corporation, except upon a "change of control" of the Corporation or the tendering of such securities as a "business combination".

The following is a list of the holders of the Escrowed Securities:

Name and Municipality of Residence	Number of Escrowed Securities
AWG Ventures Inc.[1] Edmonton, Alberta	35,000,000 Common Shares
Wayne Rutherford Edmonton, Alberta	Nil[1] Common Shares and options to purchase 1,000,000 Common Shares
Martin Bernholtz Toronto, Ontario	419,124 Common Shares
Ashley Hope Lashburn, Saskatchewan	Nil[1] Common Shares and options to purchase 500,000 Common Shares
Larry Patriquin Edmonton, Alberta	Nil[1] Common Shares and options to purchase 500,000 Common Shares
Jim Snowdon Edmonton, Alberta	100,000 Common Shares and options to purchase 700,000 Common Shares

Note:

(1) An aggregate of 35,000,000 Common Shares are owned by AWG Ventures Inc., a private Alberta company, which is beneficially controlled by Wayne Rutherford, who holds sixty Class A Common Shares representing sixty percent of the outstanding voting shares of AWG. Ashley Hope and Larry Patriquin each hold twenty Class A Common Shares, representing twenty percent of the outstanding voting shares of AWG, respectively.

PRINCIPAL SHAREHOLDERS

To the knowledge of the directors and officers of PowerComm Inc., the only persons as at the date hereof who beneficially own, directly or indirectly, or exercises control or direction over, more than ten percent of the Common Shares, are as follows:

Name & Municipality of Residence	Type of Ownership	Number of Common Shares	Percentage of Class
AWG Ventures Inc.[(1)] Edmonton, Alberta	Legal and Beneficial	35,000,000	49.8%

Note:

(1) AWG Ventures Inc. is a private Alberta company beneficially controlled by Wayne Rutherford, who holds sixty Class A Common Shares which represents sixty percent of the outstanding voting shares of AWG. Ashley Hope and Larry Patriquin each hold twenty Class A Common Shares, which represents twenty percent of the outstanding voting shares of AWG, respectively.

DIRECTORS AND OFFICERS

The names, municipalities of residence, positions with the Corporation and the principal occupations of the directors and officers of the Corporation are set out below. The Board presently consists of four directors, all of whom are elected annually to hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed unless his office is earlier vacated in accordance with the provisions of the ABCA or the Corporation's by-laws.

The name, address and principal occupation of each of the directors and officers of the Corporation are as follows:

Name and Municipality of Residence	Position(s) Held	Director Since	Principal Occupation for Past Five Years	Number of Common Shares Held[(4)]
Wayne Rutherford[(3)] Edmonton, Alberta	President and Director since March 26, 1993 and Chief Executive Officer since June 23, 2006	March 26, 1993	President and Director of PowerComm since March 26, 1993 and Chief Executive Officer since June 23, 2006.	35,000,000[(5)]
Martin Bernholtz[(1)] Toronto, Ontario	Director since February 21, 2007 and interim Chief Financial Officer from April 26, 2007 to June 5, 2007	February 21, 2007	Vice-President of Finance with Kerbel Group Inc. Currently and for the past twenty years, Vice-President of Finance with Kerbel Group Inc. an integrated real estate development company.	419,124
Ashley Hope Lashburn, Saskatchewan	Executive Vice-President, Operations since August 15, 2006	N/A	Executive Vice-President, Operations of PowerComm since August 15, 2006. Prior thereto, Lloydminster Area Manager, PowerComm	35,000,000[(5)]
Jotham C. Huising Edmonton, Alberta	Chief Financial Officer since June 5, 2007	N/A	Chief Financial Officer of PowerComm since June 5, 2007. Prior thereto, Mr. Huising held the positions of Corporate Reporting Manager with Big Eagle Services LP; Manager, Financial Reporting with Biomira Inc.; and Controller with Wavefront Energy and Environmental Services Inc.	Nil
David B. Margolus, Q.C.[(1) (2) (3)] Edmonton, Alberta	Director since February 21, 2007	February 21, 2007	Lawyer with law firm of Witten LLP. Senior partner, counsel and former managing partner for 13 years of Witten LLP.	53,500[(6)]
James Snowdon Edmonton, Alberta	Executive Vice-President, Corporate Services and Secretary since August 15, 2006	N/A	Executive Vice-President, Corporate Services and Secretary of PowerComm since August 15, 2006. Prior thereto, Mr. Snowdon practiced law with the firm currently known as Schumacher & Associates for fifteen years.	100,000
Garry G. Wetsch, Q.C.[(1) (2) (3)] Edmonton, Alberta	Director since February 20, 2007	February 20, 2007	Vice-President, Kos Corp. Investments Ltd. since January 2007. Prior thereto, Mr. Wetsch was a partner with the law firm of Hustwick, Wetsch, Moffat & McCrae.	Nil

Notes:

(1) Audit Committee member.
(2) Corporate Governance Committee member.

(3) Compensation Committee member.
(4) Number of Common Shares beneficially owned, directly or indirectly, or over which control is exercised.
(5) An aggregate of 35,000,000 Common Shares are owned by AWG Ventures Inc., a private Alberta company, which is beneficially owned and/ or controlled by Wayne Rutherford, who holds sixty Class A Common Shares equal to sixty percent of the outstanding voting shares of AWG. Ashley Hope and Larry Patriquin each hold twenty Class A Common Shares, equal to twenty percent of the outstanding voting shares of AWG, respectively.
(6) Held through MarFam Enterprise, a company controlled by David B. Margolus and his family.

Ownership of Shares

As of the date hereof, the directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over, 35,572,624 Common Shares of the Corporation, or approximately 50.57% of the outstanding Common Shares.

Cease Trade Orders

No director, executive officer or shareholder holding a sufficient number of securities to affect materially the control of PowerComm is, as of the date of this AIF, or has been, within the last ten years, been a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, was the subject of a cease trade or similar order or an order that denied the company access to any statutory exemption for a period of more than 30 consecutive days or was declared a bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold the assets of that person.

Penalties or Sanctions

No director, executive officer or shareholder holding a sufficient number of securities to affect materially the control of the Corporation, has been subject to any penalties or sanctions imposed by a court or securities regulatory authority relating to trading in securities, promotion or management of a publicly traded issuer or theft or fraud.

Personal Bankruptcies

No director, executive officer or shareholder holding a sufficient number of securities to affect materially the control of the Corporation, or a personal holding company of any such persons, has, within the ten years preceding the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or being subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of the individual.

Conflicts of Interest

There are potential conflicts of interest of which the directors, officers, insiders and promoters of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors, officers, insiders and promoters have been and will continue to be engaged in businesses or companies or in the search for businesses or companies that compete with the Corporation, on their own behalf and on behalf of others, and situations may arise where some or all of the directors, officers, insiders and promoters will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the ABCA and the by-laws of the Corporation. See "Interests of Management and Others in Material Transactions".

Audit Committee

The Audit Committee is comprised of three directors, of which two are independent. The Corporation is relying on an exemption from the requirement that all members of the Audit Committee be independent. The exemption allows the Corporation to not comply with this requirement for up to one year from the date of the receipt for the prospectus of PowerComm dated April 30, 2007 if the majority of the Audit Committee members are independent. The Audit Committee reviews the annual and interim financial statements of the Corporation and makes recommendations to the board of directors with respect to such statements and documents. The Audit Committee also reviews the nature and scope of the annual audit as proposed by the auditors and management, and the adequacy of the internal accounting control procedures and systems within the Corporation. The Audit Committee meets at least once per financial quarter to fulfill its mandate. The Audit Committee is comprised of Martin Bernholtz, David B. Margolus and Garry G. Wetsch.

Corporate Governance Committee

The Corporate Governance Committee is comprised of two directors, both of whom are independent. The Corporate Governance Committee's mandate will include: (i) monitoring the appropriateness of the Corporation's governance systems with regard to external governance standards, "best practices" guidelines and with an emphasis on ongoing improvements; (ii) reviewing the makeup and needs of the board of directors and developing criteria for adding new directors to the board; and (iii) evaluating and assessing the effectiveness of the board, its committees in meeting governance objectives and each individual's own contribution. These responsibilities include reporting and making recommendations to the board of directors for their consideration and approval. The Corporate Governance Committee will meet at least annually to fulfill its mandate. The Corporate Governance Committee is comprised of David B. Margolus and Garry G. Wetsch.

Compensation Committee

The Compensation Committee is comprised of three directors, two of whom are independent. The Compensation Committee's mandate will include developing appropriate compensation policies for the senior management and directors of the Corporation, including the Corporation's Stock Option Plan, and evaluating senior management. These responsibilities include reporting and making recommendations to the board of directors for their consideration and approval. The Compensation Committee will meet at least annually to fulfill its mandate. The Compensation Committee is comprised of Wayne Rutherford, David G. Margolus and Garry G. Wetsch.

EXECUTIVE COMPENSATION

The following table sets out the compensation paid to the President and Chief Executive Officer and the Chief Financial Officer (the "**Named Executive Officers**"), from previous three financial years. See also "Stock Option Plan".

Summary Compensation Table

Name and Principal Position	**Annual Compensation**				**Long-Term Compensation**			
					Awards		**Payouts**	
	Year[(1)]	**Salary (per annum)**	**Bonus**	**Other Annual Compensation**[(2)]	**Securities Under Options/ SARs Granted**[(3)]	**Restricted Shares or Restricted Share Common Shares**	**LTIP Payouts**[(4)]	**All Other Compensation** [(5)]
Wayne Rutherford President and Chief Executive Officer[(7)]	2007	$180,833	Nil	Nil	1,000,000	Nil	Nil	Nil
	2006	$66,000	Nil	Nil	Nil	Nil	Nil	$1,688,000[(6)]
	2005	$66,000	Nil	Nil	Nil	Nil	Nil	Nil
Ashley Hope Executive Vice-President, Operations and Chief Financial Officer[(8)]	2007	$122,500	Nil	Nil	500,000	Nil	Nil	Nil
	2006	$66,000	Nil	Nil	Nil	Nil	Nil	$562,000[(6)]
	2005	$66,000	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) For the years ended March 31, 2005, 2006 and 2007.

(2) The aggregate amount of all perquisites and other personal benefits, securities or property was less than the lesser of $50,000 and 10% of the total annual salary and bonus of the Named Executive Officer for each financial year.

(3) SARs means stock appreciation rights, being a right granted by the Corporation or any of its subsidiaries as compensation for employment services or office to receive cash or an issue or transfer of securities based wholly or in part on changes in the trading price of the Corporation's Common Shares.

(4) LTIP means long-term incentive plan, being a plan providing compensation intended to motivate performance over a period greater than one financial year. LTIPs do not include option or SAR plans or plans for compensation through shares or units that are subject to restrictions on resale.

(5) See also "Employee Stock Savings Plan" and "RRSP Plan".

(6) Paid by PowerComm Inc. as a management fee to fund a non-recurring retirement arrangement in AWG Ventures Inc.

(7) Wayne Rutherford was appointed President on March 20, 1993 and Chief Executive Officer on June 23, 2006.

(8) Ashley Hope was appointed Executive Vice-President, Operations on January 25, 1995 and Secretary Treasurer on June 23, 2006. He resigned as Secretary Treasurer on January 15, 2007 and was appointed Chief Financial Officer on January 15, 2007. Ashley Hope resigned as Chief Financial Officer on April 26, 2007, and was replaced by Martin Bernholtz on an interim basis until Jotham C. Huising was appointed as permanent Chief Financial Officer on June 5, 2007.

Termination of Employment, Change in Responsibilities and Employment Agreements

The Corporation entered into employment agreements with each of Wayne Rutherford and Ashley Hope on September 1, 2006 and with Jotham C. Huising on June 5, 2007. If the employment agreements are terminated by the Corporation without cause, the Named Executive Officers will be entitled to severance payouts equal to twelve months salary if terminated in the first year of the employment agreement and twenty-four months salary if terminated any time thereafter. If the Named Executive Officers is terminated within one year of a change of control or resigns for either any reason within sixty days of a change of control or for good reason, the Named Executive Officers will receive two times his annual salary plus benefits for twenty-four months. A change of control is defined as a merger, amalgamation, sale of substantially all of the Corporations assets or the acquisition of more than thirty-five percent of the Corporations outstanding Common Shares, and a good reason includes a reduction in responsibilities, a reduction of salary or relocation after a change of control.

Options and Stock Appreciation Rights

The following table sets forth information regarding the options granted to the Named Executive Officers of the Corporation during the most recent financial year. No SARs have been granted by the Corporation. See "Stock Option Plan".

Name	Securities Under Options/SARs Granted (#)[(1)]	% of Total Options/SARs Granted in the Financial Period	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)[(2)]	Expiration Date
Wayne Rutherford	1,000,000	11.49%	$0.50	$0.50	October 31, 2011
Ashley Hope	500,000	5.75%	$0.50	$0.50	October 31, 2011

Notes:

(1) These options vest as follows: one-third ninety days following the Common Shares being listed for trading on a recognized exchange, on-third one year from that anniversary date, and the remainder two years from that anniversary date.

(2) The market value of the Common Shares underlying the options on the date of grant was deemed to be $0.50 per Common Share, being the last price at which the Corporation issued Common Shares prior to the date of grant.

The following table sets forth the number of options exercised by the Named Executive Officers during the last financial year, and the unexercised stock options and the value of in-the-money stock options held by the Named Executive Officers at March 31, 2007.

Name	Common Shares Acquired on Exercise (#)	Aggregate Value Realized ($)[(1)]	Unexercised Options as at March 31, 2007 (#)		Value of Unexercised in-the-Money Options as at March 31, 2007[(2)] ($)	
			Exercisable	Unexercisable	Exercisable	Unexercisable
Wayne Rutherford	Nil	Nil	Nil	1,000,000	Nil	Nil
Ashley Hope	Nil	Nil	Nil	500,000	Nil	Nil

Notes:

(1) Aggregate value realized is determined by subtracting the exercise price of each stock option exercised from the closing trading price for the Corporation's Common Shares on the TSX on the day on which the options were exercised, multiplied by the number of Common Shares obtained on exercise of options. Note that all Common Shares obtained on exercise of options may not have been sold, so that these values may not have been actually realized by the optionees.

(2) The Common Shares were not listed on the TSX until May 9, 2007.

Employee Stock Savings Plan

The Corporation maintains an Employee Stock Savings Plan (the "**ESSP**") pursuant to which employees (including the Named Executive Officers) may elect to contribute up to 4% of their gross salary to a maximum gross salary of $75,000, which contribution the Corporation matches to a maximum of 2% of gross salary to a maximum gross salary of $75,000. Contributions will be invested every quarter in Common Shares purchased through the facilities of the TSX. The cost to the Corporation for all contributions to the ESSP during the fiscal year ended March 31, 2007 was nil.

RRSP Program

The Corporation maintains a Registered Retirement Savings Plan program (the "**RRSP Program**") pursuant to which each employee may elect to contribute whatever percentage of their own gross salary they wish. The Corporation will contribute 50% of the employee's contribution to an RRSP up to a maximum of 2.5% of employees gross salary (excluding bonuses, travel and subsistence). In the first quarter following 5 years of continuous employment contributions, the Corporation will contribute 100% of the employee's contribution to an RRSP up to a maximum of 5% of the employees gross salary (excluding bonuses, travel and subsistence). The Named Executive Officers may participate in the RRSP Program. The cost to the Corporation for all contributions to the RRSP Program for the fiscal year ended March 31, 2007 was $82,523.

Long Term Incentive Plans

Other than the Stock Option Plan, the ESSP and the RRSP Program, the Corporation does not have any plans which provide compensation intended to serve as an incentive to Named Executive Officers for performance to occur over a period longer than one (1) financial year.

COMPENSATION OF DIRECTORS

Disclosure on compensation, including options, received by directors who are also Named Executive Officers is disclosed under "Executive Compensation".

Effective February 23, 2007, directors will be paid an annual fee of $7,500 which covers four regular meetings of the Board of Directors and two other meetings per year. Directors will also be paid $1,250 for each additional meeting attended and $250.00 will be paid for each telephone meeting. Direct expenses will be reimbursed at cost. Subject to availability under the Stock Option Plan, each director will be entitled to receive options on 25,000 Common Shares for each year served.

In addition to being reimbursed by the Corporation for their expenses or as otherwise disclosed herein, the aggregate cash compensation paid to the directors of the Corporation who were not also executive officers, for services rendered in their capacities as directors during the financial year ended March 31, 2007, was nil.

Details regarding options granted to directors who were not Named Executive Officers during the year ended March 31, 2007 are set forth below.

Name	Common Shares Under Options Granted in 2007 (#)(1)	% of Total Options Granted in 2007	Exercise Price ($/Common Share)	Market Value of Common Shares Underlying Options on the Date of Grant (2) ($/Common Share)	Expiration Date
Larry Patriquin(3)	500,000	5.9%	0.50	0.50	October 31, 2011

Notes:

(1) These options vest as to one-third ninety days following the Common Shares being listed for trading on a recognized exchange, one-third one year from that anniversary date, and the remainder two years from that anniversary date.

(2) The market value of the Common Shares underlying the options on the date of grant was deemed to be $0.50 per Common Share, being the last price at which the Corporation issued Common Shares prior to the date of grant.

(3) Mr. Patriquin served as a director of the Corporation from December 31, 2006 to February 9, 2007.

INDEBTEDNESS OF SENIOR OFFICERS AND DIRECTORS

Except as set out below, no current or former director, executive officer or employee of the Corporation or any of its subsidiaries is indebted to the Corporation or any of its subsidiaries or to another entity where the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

Except as set out below, no person who is or at any time during the Corporation's most recently completed financial year was a director or executive officer of the Corporation, or nominee for director, or any associate of any such person is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to the Corporation or any of its subsidiaries where the indebtedness has not been entirely repaid as of the date hereof, nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

During the year, the Corporation paid cash to and received cash from Chips (2002) Inc. and FlowTech Supply Inc. Both companies are subsidiaries of AWG Ventures Inc., a private company owned and controlled by Wayne Rutherford, Ashley Hope and Larry Patriquin. In addition, cash was paid to and received from AWG Ventures Inc. The balance due to PowerComm from these companies as at August 1, 2007 was $589,545. The balances are due on demand, non-interest bearing and have no set terms of repayment.

PowerComm entered into a letter of offer of credit with a financial institution dated October 8, 2004, which provides for a loan in the maximum principal amount of $750,000 to be used for working capital. The letter of offer of credit bears interest at 16% per year, and interest plus $9,800 of principal is payable each month until December 4, 2008, when the final lump sum principal payment of $289,000 is due. The letter of offer of credit is a joint and several obligation of PowerComm., AWG Ventures Inc., Chips (2002) Inc. and FlowTech Supply Inc., and is secured by various agreements including a general security agreement and a guarantee of Wayne Rutherford.

PROMOTERS

Wayne Rutherford, Ashley Hope, and Larry Patriquin may be considered to be the promoters of PowerComm in that they took the initiative in founding and organizing the business of PowerComm An aggregate of 35,000,000 Common Shares are owned by AWG, a private Alberta company which is beneficially owned and/or controlled by Wayne Rutherford, who holds sixty Class A common shares equal to sixty percent of the outstanding voting shares of AWG. Ashley Hope and Larry Patriquin each hold twenty Class A common shares, equal to twenty percent of the outstanding voting shares of AWG, respectively. See "Interests of Management and Others in Material Transactions".

LEGAL PROCEEDINGS

Management of the Corporation is not aware of any existing or contemplated legal proceedings or regulatory actions material to PowerComm. The Corporation is on the list maintained by the Alberta Securities Commission of defaulting issuers because the auditors' report on the annual financial statements for the year end March 31, 2006 has a inventory qualification.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as described below, management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation or any nominee for director, or any associate or affiliate of such persons, in any transaction since the commencement of the Corporation's last financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

PowerComm entered into a lease agreement dated July 1, 2006 with AWG Ventures Inc., a private Alberta company owned and controlled by Wayne Rutherford, Ashley Hope and Larry Patriquin. The lease is for five years ending June 30, 2011 with base rental payments of $240,000 per year. The lease is a net lease so that PowerComm is responsible for all taxes, expenses and payments with respect to the leased premises. The premises are used for the head office of PowerComm and the primary valve facilities.

PowerComm acquired some of the operating assets of AWG Ventures Inc., a private Alberta company owned and controlled by Wayne Rutherford, Ashley Hope and Larry Patriquin, for an aggregate purchase price of $1,000,000 which was satisfied through the issuance of a promissory note in the aggregate amount of $450,000 and 999,900 Common Shares. Prior to this acquisition, AWG Ventures Inc. held 100 Common Shares. With the additional 999,900 Common Shares, AWG Ventures Inc. held 1,000,000 PowerComm Shares prior to the stock split at 35 for 1 which resulted in AWG Ventures Inc. holding 35,000,000 Common Shares.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of the Corporation are Grant Thornton LLP, Chartered Accountants, of Suite 1401, Scotia Place 2, 10060 Jasper Avenue, Edmonton, Alberta T5J 3R8. Olympia Trust of Calgary, Alberta is registrar and transfer agent for the Common Shares through its principal offices at Suite 2300, 125 – 9th Avenue S.E., Calgary, Alberta T2G 0P6.

MATERIAL CONTRACTS

PowerComm has not entered into any material contracts, outside of the ordinary course of business as at the date hereof, other than the following:

(1) PowerComm premises leases granted by AWG, pursuant to which PowerComm has leased premises in Edmonton where its head office and primary valve facilities are located. See "Interests of Management and Others In Material Transactions"

(2) The Corporation has entered into a loan facility agreement (the "**Loan Agreement**") with a Canadian chartered bank dated December 19, 2006, as amended, which provides for a demand revolving operating loan in the maximum principal amount of $10 million (the "**Demand Operating Loan**") to be used for general operating purposes in the ordinary course of business. PowerComm must meet certain financial tests before the entire $10 million of the Demand Operating Loan is available. In addition, the Loan agreement provides for a demand non-revolving equipment loan (the "**Demand Equipment Loan**") in the amount of $750,000 for the purpose of providing financing for future equipment purchases or leases. The Demand Operating Loan and the Demand Equipment Loan are secured by various security including a general security agreement creating a first fixed charge on all personal property owned by the Corporation and guarantees by AWG and each of the shareholders of AWG. The Loan Agreement contains comprehensive covenants and ratios which PowerComm must maintain, and is subject to periodic review by the Canadian chartered bank in its discretion. The Demand Operating Loan bears interest at the bank's prime rate plus between 0.75% and 0.95% depending on the Corporation meeting certain ratios. The Demand Equipment Loan bears interest at the bank's prime rate plus between 0.85%

and 1.15% per annum depending on the Corporation meeting certain ratios. All amounts outstanding on the Demand Operating Loan are payable on demand. All amounts outstanding on the Demand Equipment Loan are payable on demand, and until a demand is made, interest plus principal payments based on a five year amortization are payable monthly.

(3) The Agency Agreement entered into pursuant to the Brokered Private Placement dated May 31, 2006.

(4) The Amalgamation Agreement. See "General Developments of Business - Amalgamation".

(5) The Redhill Acquisition Agreements. See “General Development of the Business – Recent Acquisitions”.

(6) The Escrow Agreement. See “Escrowed Securities”.

(7) The Agency Agreement entered into pursuant to the prospectus of the Corporation dated April 30, 2007.

(8) The Warrant Indenture.

(9) The Transaction Agreement.

These agreements may be viewed under PowerComm's profile on SEDAR (www.sedar.com).

FINANCIAL STATEMENTS AND MANAGEMENT'S DISCUSSION AND ANALYSIS

Years Ended March 31, 2007 and 2006

PowerComm's management's discussion and analysis (“**MD&A**”) for the financial years ended March 31, 2007 and 2006 is attached as Appendix D and should be read in conjunction with the audited financial statements and notes thereto for the years ended March 31, 2007 and March 31, 2006 attached in Appendix C.

Year Ended March 31, 2005

The audited Financial Statements and Management’s Discussion and Analysis for the financial year ended March 31, 2005, is contained in the prospectus of the Corporation, dated April 30, 2007 and is incorporated herein by reference.

Three Months Ended June 30, 2007 and 2006

PowerComm's MD&A for the three months ended June 30, 2007 is attached as Appendix F and should be read in conjunction with the unaudited interim financial statements and notes thereto for the three months ended June 30, 2007 and 2006 attached in Appendix E.

ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Corporation’s securities, options to purchase the Corporation’s securities, and interests of insiders in material transactions is contained in the information circular relating to the annual meeting of shareholders to be held on September 18, 2007.

These documents may be viewed on the SEDAR website at www.sedar.com.

APPENDIX B
UNAUDITED CONSOLIDATED PRO FORMA FINANCIAL STATEMENTS
FOR POWERCOMM INC.
FOLLOWING THE ACQUISITION OF NEXTRON CORPORATION

PowerComm Inc.
Consolidated Pro-Forma Balance Sheet

(Unaudited - see Notice to Reader)
June 30, 2007

Contents

Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member of
Grant Thornton International

Grant Thornton

Notice to Reader

To the Directors of PowerComm Inc.
and Nextron Corporation

We have read the accompanying unaudited consolidated pro-forma balance sheet of PowerComm Inc. (the “Company”) as at June 30, 2007 and have performed the following procedures:

1. Compared the figures in the column captioned PowerComm Inc. Consolidated (“PowerComm”) to the unaudited consolidated balance sheet of PowerComm as at June 30, 2007 and found them to be in agreement.

2. Compared the figures in the column captioned Nextron Corporation Consolidated (“Nextron”) to the unaudited consolidated balance sheet of Nextron as at June 30, 2007 and found them to be in agreement.

3. Made enquiries of certain officials of the Company who have responsibility for financial and accounting matters about:
   (a) the basis for determination of the pro-forma adjustments, and
   (b) whether the pro-forma financial statements comply as to form in all material respects with the requirements of the various securities commissions and similar regulatory authorities in Canada.

   The officials:
   (a) described to us the basis for determination of the pro-forma adjustments, and
   (b) stated that the pro-forma statements comply as to form in all material respects with the requirements of the various securities commissions and similar regulatory authorities in Canada.

4. Read the notes to the consolidated pro-forma balance sheet and found them to be consistent with the basis described to us for determination of the pro-forma adjustments.

5. Recalculated the application of the pro-forma adjustments to the aggregate of the amounts in the columns captioned "PowerComm Inc. Consolidated" and "Nextron Corporation Consolidated", and found the amounts in the column captioned "Pro-Forma Consolidated" to be arithmetically correct.

A pro-forma financial statement is based on management assumptions and adjustments, which are inherently subjective. The foregoing procedures are substantially less than either an audit or a review, the objective of which is the expression of assurance with respect to management's assumptions, the pro-forma adjustments, and the application of the adjustments to the historical financial information. Accordingly, we express no such assurance. The foregoing procedures would not necessarily reveal matters of significance to the pro-forma financial statements, and we therefore make no representation about the sufficiency of the procedures for the purposes of a reader of such statements.

Grant Thornton LLP

Edmonton, Canada
August 30, 2007

Chartered Accountants

1401 Scotia Place 2
10060 Jasper Avenue
Edmonton, Alberta
T5J 3R8
Tel: (780) 422-7114
Fax: (780) 426-3208
Email: Edmonton@GrantThornton.ca

PowerComm Inc.
Consolidated Pro-Forma Balance Sheet
(Unaudited - see Notice to Reader)
June 30, 2007

	PowerComm Inc. Consolidated June 30, 2007	Nextron Corporation Consolidated June 30, 2007	Pro Forma Adjustments (Note 2)	Consolidated Pro Forma
Assets				
Current				
Cash	$ 1,987,000	$ -	$ -	$ 1,987,000
Accounts receivable	10,246,000	214,493	-	10,460,493
Inventories	4,330,000	421,305	-	4,751,305
Prepaid expenses	393,000	16,798	-	409,798
Income taxes recoverable	506,000	-	-	506,000
Due from related parties	590,000	-		590,000
	18,052,000	652,596	-	18,704,596
Property, plant and equipment	6,532,000	139,311	-	6,671,311
Advance for acquisitions	1,170,000	-	-	1,170,000
Deferred costs	-	343,813	-	343,813
Goodwill	2,529,000	-	a) 1,397,076 b) (346,020)	3,580,056
Intangible assets	640,000	-	a) 534,000	1,174,000
Other long term assets	-	32,496	-	32,496
Future income taxes	580,000	-	-	580,000
	$ 29,503,000	$ 1,168,216	$ 1,585,056	$ 32,256,272
Liabilities				
Current				
Bank indebtedness	$ 445,000	$ 163,814	a) 994,423	$ 1,603,237
Accounts payable and accruals	5,967,000	225,954	-	6,192,954
Future income taxes	108,000	-	-	108,000
Short term loan from shareholders	-	260,000	b) (260,000)	-
Current portion of long term debt	792,000	-	-	792,000
Current portion of obligations under capital lease	557,000	23,668	-	580,668
	7,869,000	673,436	734,423	9,276,859
Future income taxes	376,000	-	a) 160,200	536,200
Long term debt	353,000	446,020	b) (446,020)	353,000
Obligations under capital lease	1,420,000	49,676	-	1,469,676
	10,018,000	1,169,132	448,603	11,635,735
Shareholders' equity				
Share capital	17,014,000	3,126,962	a) 775,537 b) 360,000 c) (3,126,962)	18,149,537
Contributed surplus	1,354,000	113,963	c) (113,963)	1,354,000
Retained earnings (deficit)	1,117,000	(3,241,841)	c) 3,241,841	1,117,000
	19,485,000	(916)	1,136,453	20,620,537
	$ 29,503,000	$ 1,168,216	$ 1,585,056	$ 32,256,272

See accompanying notes to the consolidated pro-forma balance sheet.

PowerComm Inc.
Notes to the Consolidated Pro-Forma Balance Sheet

(Unaudited - see Notice to Reader)
June 30, 2007

1. Basis of presentation

Management has prepared the accompanying unaudited consolidated pro-forma balance sheet (the "Balance Sheet") of PowerComm Inc. ("PowerComm" or the "Company") in accordance with Canadian generally accepted accounting principles. The Balance Sheet has been prepared from information derived from the unaudited consolidated financial statements of PowerComm as at June 30, 2007 and the publicly available unaudited consolidated financial statements of Nextron Corporation ("Nextron") as at June 30, 2007 together with other information available to the Company. Management believes the Balance Sheet includes all adjustments necessary for fair presentation of the proposed acquisition of all of the issued and outstanding shares of Nextron for inclusion in the Take Over Bid Circular dated August 30 2007.

The Balance Sheet should be read in conjunction with the financial statements of PowerComm and Nextron as referred to above. This Balance Sheet is not necessarily indicative of the financial position, which would have resulted if the transaction had actually occurred on June 30, 2007.

2. Pro-Forma adjustments

The unaudited consolidated pro-forma balance sheet gives effect to the proposed acquisition pursuant to which PowerComm would acquire all the issued and outstanding shares of Nextron, as described in the Circular as if they had occurred as at June 30, 2007. It includes the following pro-forma adjustments:

a) The completion of the proposed acquisition to which PowerComm acquired all the issued and outstanding shares of Nextron was accounted for using the purchase method of accounting and the Balance Sheet reflects the results of the consolidated operations of Nextron as at June 30, 2007.

The components of the total purchase price are as follows:

Cash	$	969,423
1,292,563 common shares		775,538
Total consideration to shareholders		1,744,961
Acquisition costs		25,000
Total consideration	$	1,769,961

The purchase price has been allocated to the net identifiable assets acquired based on their estimated fair value as follows:

Current assets	$	652,596
Fixed assets		139,311
Long term assets		376,309
Intangible assets		534,000
Goodwill		1,397,076
Current liabilities		(673,436)
Long term liabilities		(495,696)
Future income tax liability		(160,200)
Net assets acquired	$	1,769,961

2. Pro-Forma adjustment (cont'd)

b) Current shareholder loans will be cancelled in exchange for 600,000 PowerComm Inc. shares, to be issued at closing of the acquisition. Shareholder loans of $285,000 have been converted to contingent liabilities. Of this amount $50,000 will be paid if Nextron earnings for the year ended December 31, 2007 is greater than or equal to $200,000 and $235,000 will be paid if Nextron signs a contract with Hertel if the Hertel/Suncor project is awarded to Hertel.

c) As described in Note 2(a), this transaction will be accounted using the purchase method of accounting and upon consolidation the net assets of Nextron are reversed. Accordingly, Nextron's share capital, contributed surplus and deficit reflect a net $916 increase to pro-forma shareholders' equity.

APPENDIX C
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF
POWERCOMM INC.
AS AT MARCH 31, 2007 AND 2006

PowerComm Inc.
Consolidated Financial Statements
March 31, 2007

Contents

Grant Thornton LLP
Chartered Accountants
Management Consultants
Canadian Member of
Grant Thornton International

Grant Thornton

Auditors' Report

To the Shareholders of
PowerComm Inc.

We have audited the consolidated balance sheets of PowerComm Inc. as at March 31, 2007 and 2006 and the consolidated statements of earnings, retained earnings, and cash flows for the years then ended. 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 Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material aspects, the financial position of PowerComm Inc. as at March 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Edmonton, Canada
June 28, 2007

Chartered Accountants

1401 Scotia Place 2
10060 Jasper Ave
Edmonton, Alberta
T5J 3R8
Tel: (780) 422-7114
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E-mail:Edmonton@GrantThornton.ca

PowerComm Inc.
Consolidated Statements of Earnings and (Loss)

Years Ended March 31	2007	2006
Sales	**$ 57,713,449**	$ 36,380,300
Cost of sales		
Labour and employee benefits	**24,566,464**	13,558,169
Materials	**13,141,695**	11,501,096
Travel and subsistence	**1,327,879**	428,971
Shop supplies	**1,944,584**	337,755
Subcontract	**3,243,038**	1,349,101
	44,223,660	27,175,092
Gross profit	**13,489,789**	9,205,208
Expenses (Page 28)	**10,372,128**	8,829,309
Earnings before the undernoted and income taxes	**3,117,661**	375,899
Other income (expenses)		
Gain on disposal of property, plant and equipment	**33,489**	32,722
Interest on long term debt and capital leases	**(238,841)**	(163,703)
Rental income	**-**	64,818
Start-up expenditures (Note 15)	**(196,072)**	(409,697)
	(401,424)	(475,860)
Earnings (loss) before income taxes	**2,716,237**	(99,961)
Income taxes (Note 17)		
Current	**1,089,699**	14,433
Future (recovery)	**(174,578)**	(14,379)
	915,127	54
Net earnings (loss)	**$ 1,801,116**	$ (100,015)
Earnings (loss) per share:		
Basic (Note 14)	**$ 0.04**	$ (28.58)
Diluted (Note 14)	**$ 0.04**	$ (28.58)

See accompanying notes to the consolidated financial statements.

PowerComm Inc.
Consolidated Statements of Retained Earnings

Years Ended March 31	2007	2006
Deficit, beginning of the year	$ **(115,178)**	$ (15,163)
Net earnings (loss)	**1,801,116**	(100,015)
Retained earnings (deficit), end of year	$ **1,685,938**	$ (115,178)

See accompanying notes to the consolidated financial statements.

PowerComm Inc.
Consolidated Balance Sheets

March 31		2007		2006
Assets				
Current				
Cash	$	**46,665**	$	30,788
Accounts receivable		**11,517,880**		7,304,670
Inventories (Note 5)		**3,667,480**		3,001,241
Prepaid expenses		**293,132**		144,676
Income taxes recoverable		**-**		1,059
Due from related parties (Note 18)		**262,418**		1,125,250
		15,787,575		11,607,684
Property, plant and equipment (Note 6)		**3,989,116**		585,180
Deferred costs		**72,183**		-
Goodwill (Note 7)		**2,167,728**		-
Intangible assets (Note 8)		**550,178**		-
Future income taxes (Note 17)		**580,264**		9,488
	$	**23,147,044**	$	12,202,352
Liabilities				
Current				
Bank indebtedness (Note 9)	$	**4,171,929**	$	4,965,250
Accounts payable and accruals		**6,200,861**		5,493,151
Income taxes payable		**891,508**		-
Future income taxes (Note 17)		**107,819**		-
Due to related parties (Note 18)		**-**		622,678
Current portion of long term debt (Note 10)		**428,600**		662,400
Current portion of obligations under capital lease (Note 11)		**520,339**		197,253
		12,321,055		11,940,732
Future income taxes (Note 17)		**375,725**		-
Long term debt (Note 10)		**387,600**		-
Obligations under capital lease (Note 11)		**1,331,999**		376,698
		14,416,379		12,317,430
Shareholders' Equity (Deficiency)				
Share capital (Note 12)		**6,244,833**		100
Contributed surplus (Note 13)		**799,894**		-
Retained earnings (deficit)		**1,685,938**		(115,178)
		8,730,665		(115,078)
	$	**23,147,044**	$	12,202,352

Contingent liabilities (Note 19)
Commitments (Note 20)
Subsequent events (Note 21)

On behalf of the Board

*(signed) **"Wayne R. Rutherford"*** Director *(signed) **"Garry G. Wetsch"*** Director

See accompanying notes to the consolidated financial statements.

PowerComm Inc.
Consolidated Statements of Cash Flows

Years Ended March 31	2007	2006
Increase in cash and cash equivalents		
Operating		
Net earnings (loss)	$ 1,801,116	$ (100,015)
Amortization of intangible assets	169,822	-
Amortization of property, plant and equipment	626,274	181,887
Stock based compensation	401,415	-
Future income taxes (recovery)	(174,578)	(14,379)
Gain on disposal of property, plant and equipment	(33,489)	(32,722)
	2,790,560	34,771
Change in non-cash operating working capital (Note 22)	(3,384,905)	(1,331,156)
	(594,345)	(1,296,385)
Investing		
Purchase of property, plant and equipment	(888,694)	(173,660)
Proceeds from disposal of property, plant and equipment	173,780	258,143
Advances from Delta Balance Inc.	-	16,543
Purchase of goodwill	(30,500)	-
Purchase of intangible assets	(80,000)	-
Cash paid on acquisition	(1,634,491)	-
	(2,459,905)	101,026
Financing		
Proceeds from bank indebtedness	(1,041,133)	1,440,289
Advances from related parties	109,973	1,185,826
Advances to related parties	(132,607)	(1,125,250)
Repayments on long term debt	(167,463)	(137,400)
Repayment of obligations under capital lease	(468,205)	(143,957)
Proceeds from issuance of share capital	4,865,095	-
Advances to shareholder	(95,533)	-
	3,070,127	1,219,508
Net increase in cash and cash equivalents	15,877	24,149
Cash and cash equivalents		
Beginning of year	30,788	6,639
End of year	$ 46,665	$ 30,788

Supplemental cash flow information (Note 22)

See accompanying notes to the consolidated financial statements.

1. Nature of operations

The Company was incorporated under the Alberta Business Corporations Act on March 25, 1993. The Company's business includes: electrical and instrumentation construction, electrical and instrumentation maintenance, valve services and electrical equipment manufacturing.

2. Reverse takeover

PowerComm Inc. ("PowerComm") became a reporting issuer on December 31, 2006, under securities legislation by entering into a reverse takeover transaction whereby it acquired RMM Ventures Inc. ("RMM"), a non-operating public company. Under this amalgamation, for every 6 RMM shares held, RMM shareholders received 5 amalgamated Company shares. As a result, RMM shareholders received 2,538,825 amalgamated Company shares and PowerComm shareholders received 48,800,000 amalgamated Company shares. The continuing name of the amalgamated company is PowerComm.

For accounting purposes, PowerComm has been treated as the purchaser. The legal parent, RMM, is deemed to be a continuation of PowerComm. Effective December 31, 2006, these consolidated financial statements are issued under the name of PowerComm, the legal subsidiary. RMM's assets and liabilities are included in the consolidated financial statements at their fair values as assigned by PowerComm on the date of acquisition of RMM. The comparative figures presented are those of PowerComm (non-amalgamated).

The purchase price has been allocated to the net identifiable assets based on their estimated fair value as:

Net assets		
Current assets	$	**92,901**
Current liabilities		**62,278**
	$	**30,623**

After the current assets were realized and the current liabilities were paid on April 2, 2007, net assets totalled $44,811.

3. Summary of significant accounting policies

These consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

Basis of presentation

These consolidated financial statements include the assets, liabilities and results of operations, after the elimination of intercompany transactions and balances, of the Company and its wholly owned subsidiaries; Redhill Systems Ltd. and Concorde Metal Manufacturing Ltd. from the effective date of acquisition.

3. Summary of significant accounting policies (cont'd)

Business combinations

Business combinations are accounted for using the purchase method of accounting. The purchase price for an acquisition is allocated to the related net assets based on their estimated fair market values. The excess of the purchase price over the fair market value of the net assets acquired is attributed to goodwill.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and balances with banks.

Inventories

Inventories consist primarily of parts and materials utilized in electrical and instrumentation construction and maintenance and valves. Parts and materials inventories are valued at the lower of cost and net realizable value. Valve inventories are valued at the lower of cost and net realizable value. Cost is calculated on an average cost basis. Net realizable value is calculated as replacement cost.

Work in progress includes materials purchased for jobs recorded at cost, direct labour at cost, rental of equipment, subcontractor fees and indirect costs including supplies, small tools and repair costs at cost. Work in progress inventories are valued at the lower of cost and net realizable value. Net realizable value is calculated as selling price less costs to complete less costs to sell.

Income taxes

Income taxes have been accounted for using the liability method of tax allocation. Under this method, future tax assets and liabilities are determined based on differences between the accounting and income tax bases of an asset or liability. These are measured using the substantively enacted tax rates, regulations and laws of the tax jurisdiction that will be in effect when the differences are expected to reverse. In assessing whether the future tax assets should be recognized for accounting purposes, management considers whether it is more likely than not that some portion or all the future tax assets will be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Future income tax assets and liabilities are recognized for temporary differences between the carrying amount of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future tax years that are likely to be realized.

Property, plant and equipment

Property, plant and equipment are recorded at cost less accumulated amortization. Amortization is provided as follows:

Aircraft	25%, declining balance
Automotive equipment	30%, declining balance
Buildings	4%, declining balance
Computer equipment (hardware and software)	30%, declining balance
Office furniture and equipment	10%-20%, declining balance
Shop equipment	10%-20%, declining balance
Leasehold improvements	10 years, straight line

3. Summary of significant accounting policies (cont'd)

Goodwill

Goodwill represents the excess of the purchase price of an acquisition over the fair value of the underlying net assets acquired at the date of acquisition. Goodwill arising from acquisitions is not amortized and is tested for impairment annually, or more frequently if events or changes in circumstances indicate the net asset might be impaired. Impairment is tested by comparing the carrying amount of the reporting unit, including goodwill, with its fair value. Fair value is determined using the discounted, estimated future operating cash flows of the reporting unit. When the fair value of the reporting unit exceeds its carrying value, goodwill of the reporting unit is not considered to be impaired. When the carrying value of the reporting unit exceeds its fair value, the implied fair value of the reporting unit's goodwill, determined in the same manner as the value of goodwill is determined in a business combination, is compared with its carrying amount to measure the amount of the impairment loss, if any.

Intangible assets

Intangible assets acquired individually or as part of a group of other assets are initially recognized and measured at cost. Intangible assets acquired in a business combination that meet the specified criteria for recognition apart from goodwill is allocated to the individual assets acquired based on their respective fair values.

Intangible assets with finite useful lives are amortized over their useful lives.

The amortization methods and estimated useful lives of intangible assets, which are reviewed annually, are as follows:

Arc-Resistant technology	7 years, straight line
Customer relationships	6-8 years, straight line
Order backlog	1 year, straight line

Impairment of long lived assets

Impairment of non-monetary long lived assets, including property, plant and equipment, intangible assets and other assets subject to amortization, is recognized when the carrying amount of an asset may not be recoverable. Recoverability is determined by comparing the carrying amount of the asset to the undiscounted future cash flows expected from the use and eventual disposition of the asset. Should the carrying amount exceed the undiscounted cash flows, then the impairment measurement is calculated as the difference between the fair value of the asset and the carrying amount. No assets were considered to be impaired as at March 31, 2007.

Deferred costs

Deferred costs are the costs of obtaining debt financing. These costs are deferred and amortized to bank charges and interest on a straight-line basis over the term of the debt.

3. Summary of significant accounting policies (cont'd)

Use of estimates

In preparing the consolidated financial statements, in conformity with Canadian generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of earnings during the year. The most significant estimates included in these consolidated financial statements are the allowance for bad debts; the lower of cost or net realizable value of inventory; useful lives of property, plant and equipment; the fair value of identifiable assets acquired in business combinations; future cash flows used to estimate the fair value of reporting units for goodwill impairment purposes; the cost of completing construction projects; future income taxes; accrued liabilities and the fair value of stock based compensation. Actual results could differ from these estimates.

Revenue and cost recognition

The Company performs the majority of its projects under the following types of contracts: time-and-materials (time and material at standard rates); cost–plus-fixed (cost plus percentage or cost plus specified amount); unit price (agreed price per unit of work); and fixed or lump-sum (quoted fee). For all contract types, revenue is recognized using the percentage-of-completion method, measured by relating the incurred costs and units produced, to current total expected costs and units to be produced. Contract costs include all direct materials and labour costs and those indirect costs related to contract performance, such as indirect labour, supplies, tools and repair costs. General and administrative costs are charged to expense as incurred. Changes in project performance, contract or settlements may result in revisions to costs and income that are recognized in the period in which such adjustments are determined. Provisions for estimated losses on all uncompleted contracts are made in the period in which such losses are determined. Claims for additional contract compensation are only reflected in revenue to the extent that realization is probable and can be reliable estimated.

Stock based compensation plan

The Company recognizes, at the grant date, the compensation cost of stock options granted to employees and directors, measured at fair value and expensed over the option vesting period, with a corresponding increase to contributed surplus. The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model.

Translation of foreign currency

Foreign currency transactions are translated to Canadian dollars by applying exchange rates in effect at the transaction date. At each reporting period end, monetary assets and liabilities of the Company that are denominated in foreign currencies are translated to Canadian dollars at the rates of exchange in effect at the reporting period end. Foreign exchange gains and losses are recorded in the consolidated statement of earnings and retained earnings.

3. Summary of significant accounting policies (cont'd)

Earnings per share

The computation of basic earnings per share has been calculated using the weighted average number of common shares outstanding during each reporting period. Diluted earnings per share reflect the potential dilution that would occur if stock options and warrants were exercised. The Company uses the treasury method for outstanding options and warrants which assumes that all outstanding stock options and warrants with the exercise price below the average market prices are exercised and assumed proceeds are used to purchase the Company's common shares at the average market price during the reporting period. The net number of shares issued and purchased are included in the denominator in calculating diluted earnings per share as the total number of shares outstanding.

4. Business combinations

Acquisition of assets of E&I Construction Ltd. ("E&I")

On April 1, 2006, the Company acquired the net assets of E&I Construction Ltd. in a transaction that was negotiated at arm's length.

The acquisition of E&I was accounted for using the purchase method and these consolidated financial statements reflect the results of the operations of E&I from the date of acquisition.

The components of the total purchase price were as follows:

Cash	$	140,000
300,000 common shares		150,000
	$	290,000

The purchase price has been allocated to the net identifiable assets acquired based on their estimated fair value as follows:

Inventory	$	126,000
Fixed assets		53,500
Customer relationships		80,000
Goodwill		30,500
Net assets acquired	$	290,000

4. Business combinations (cont'd)

Redhill Systems Ltd. ("Redhill")

On July 18, 2006, the Company acquired all of the outstanding shares of Redhill Systems Ltd. ("Redhill"). Redhill is a leading-edge manufacturer and supplier of medium voltage arc-resistant switchgear, motor control centres, variable frequency drive motor drive systems, programmable logic controller panel manufacturing and utility equipment. Redhill owns all of the outstanding shares of Concorde Metal Manufacturing Ltd.

The acquisition of Redhill was accounted for using the purchase method and these consolidated financial statements reflect the results of the consolidated operations of Redhill from the date of acquisition.

The components of the total purchase price were as follows:

Cash	$ 1,600,000
2,000,000 common shares	1,000,000
Acquisition costs	35,000
Total consideration	$ 2,635,000

The purchase price has been allocated to the net identifiable assets acquired based on their estimated fair value as follows:

Current assets	$ 1,270,212
Fixed assets	787,955
Customer relationships	270,000
Arc-Resistant technology	210,000
Order backlog	160,000
Goodwill	2,137,228
Current liabilities	(1,455,258)
Future income tax liability	(325,124)
Due to shareholders	(95,533)
Long term debt	(324,480)
Net assets acquired	$ 2,635,000

5. Inventories

Inventories are comprised of the following:

	2007	2006
Raw materials	$ 2,952,204	$ 1,769,250
Work in process	715,276	1,231,991
	$ 3,667,480	$ 3,001,241

6. Property, plant and equipment

2007

	Cost	Accumulated amortization	Net Book Value
Aircraft	$ 180,000	$ 22,500	$ **157,500**
Automotive equipment	2,508,910	752,576	**1,756,334**
Buildings	282,267	5,500	**276,767**
Computer equipment (hardware and software)	369,139	119,824	**249,315**
Office furniture and equipment	40,859	6,455	**34,404**
Shop equipment	1,678,134	181,521	**1,496,613**
Leasehold improvements	22,197	4,014	**18,183**
	$ 5,081,506	$ 1,092,390	$ **3,989,116**

2006

	Cost	Accumulated amortization	Net Book Value
Automotive equipment	$ 896,006	$ 361,955	$ 534,051
Computer equipment (hardware and software)	94,100	54,907	39,193
Shop equipment	27,302	15,366	11,936
	$ 1,017,408	$ 432,228	$ 585,180

Included in automotive equipment is $2,132,936 (March 31, 2006 - $657,496) of assets under capital lease and $530,215 (March 31, 2006 - $194,099) of accumulated amortization for a net book value of $1,602,721 (March 31, 2006 - $463,397). Included in shop equipment is $135,558 (March 31, 2006 - $nil) of assets under capital lease and $6,778 (March 31, 2006 - $nil) of accumulated amortization for a net book value of $128,780 (March 31, 2006 - $nil). Included in office furniture and equipment is $5,605 (March 31, 2006 - $nil) of assets under capital lease and $1,581 (March 31, 2006 - $nil) of accumulated amortization for a net book value of $4,024 (March 31, 2006 - $nil). Included in computer equipment is $7,155 (March 31, 2006 - $nil) of assets under capital lease and $1,073 (March 31, 2006 - $nil) of accumulated amortization for a net book value of $6,082 (March 31, 2006 - $nil).

7. Goodwill

	2007	2006
Balance, beginning of the year	$ -	$ -
Acquisition – E&I Construction Ltd. (Note 4)	**30,500**	-
Acquisition – Redhill Systems Ltd. (Note 4)	**2,137,228**	-
Balance, end of the year	$ **2,167,728**	$ -

8. Intangible assets

	Cost	Accumulated amortization	2007 Net Book Value	2006 Net Book Value
Arc-Resistant technology	$ 210,000	$ 21,041	**$ 188,959**	$ -
Customer relationship	350,000	36,562	**313,438**	-
Order backlog	160,000	112,219	**47,781**	-
	$ 720,000	$ 169,822	**$ 550,178**	$ -

9. Bank indebtedness

HSBC Bank of Canada ("HSBC")

The Company has a revolving bank loan with a credit limit of $7,500,000 (March 31, 2006 - $5,000,000). Of this, $3,778,749 (March 31, 2006 - $4,965,250), net of outstanding items of $67,943 (March 31, 2006 - $nil) for a total of $3,846,692 (March 31, 2006 - $4,965,250) was used at March 31, 2007. This loan bears interest at bank prime plus 0.85% and is due on demand.

The Company and AWG Ventures Inc. are both listed as borrowers of this revolving bank loan.

The collateral security lodged by the Company and a director to support the bank loan and all long term bank debt is as follows:

- a general security agreement creating first priority in all present and after acquired property of PowerComm Inc., AWG Ventures Inc. (See note 18 for relationship);
- a general assignment of book debts;
- assignment of inventory under Section 427 of the Bank Act;
- joint and several corporate guarantees from AWG Ventures Inc., PowerComm Inc., along with endorsements and assignments on certain assets of these companies;
- subordination agreement, which shall include a standstill provision with BDC Subordinate Finance in favour of HSBC Bank Canada;
- subordination of shareholders loans;
- personal guarantee from the directors; and
- various commitments and agreements including restrictive covenants and conditions.

The Company has signed a loan facility agreement, which provides to increase the credit limit to $10,000,000 and provides for the release of the corporate guarantee from AWG Ventures Inc. and the personal guarantees of the directors of the Company. The terms of this agreement have not yet been completed.

9. Bank indebtedness (cont'd)

Canadian Western Bank ("CWB")

The Company's newly acquired wholly owned subsidiary (Redhill) has a CWB revolving bank loan with a credit limit of $350,000. Of this, a total of $275,620, net of outstanding items of $49,617 for a total of $325,237 was used at March 31, 2007. The loan bears interest at bank prime plus 2.25% and is due on demand.

The collateral security lodged by the Company to support the bank loan is as follows:

- a Demand Note in the amount of $350,000;
- an Overdraft Lending Agreement in the amount of $125,000, with a standard overdraft rate of 18%; and
- full liability guarantee from the shareholders of Redhill Systems Ltd.

10. Long term debt

	2007	2006
Business Development Bank of Canada working capital loan, repayable at $9,800 per month plus interest at a base rate of 7.6% plus 8.4%, due December 4, 2008. The collateral security lodged by the Company to support the loan is a general security agreement, personal guarantees from a controlling shareholder of AWG Ventures Inc., plus an assignment of life insurance on a controlling shareholder.	$ **485,400**	$ 603,000
Business Development Bank of Canada working capital loan, repayable at $1,650 per month plus interest at a floating base rate, currently at 8.0%, plus 2.5%, due March 15, 2009. The collateral security lodged by the Company to support the loan is a general security agreement and personal guarantees from a controlling shareholder and a significant shareholder of AWG Ventures Inc.	**39,600**	59,400
Business Development Bank of Canada demand loan, repayable at $950 per month plus interest at at a floating rate, currently at 8.0%, plus 2.5%, due November 30, 2011. The collateral security lodged by the Company to support the loan is a general security agreement.	**53,200**	-

10. Long term debt (cont'd)

	2007	2006
Business Development Bank of Canada working capital demand loan, repayable at $4,250 per month plus interest at at a floating rate, currently at 8.0%, plus 2.5%, due November 7, 2011. The collateral security lodged by the Company to support the loan is a general security Agreement.	238,000	-
	816,200	662,400
Less: current portion	428,600	662,400
	$ 387,600	$ -

The principal portion of long term debt due in each of the next two years, assuming refinancing under similar terms, is as follows:

2008	$ 428,600
2009	387,600

11. Obligations under capital lease

	2007	2006
Obligations on capital leases are charged interest at rates varying from 5.9% to 13.1%, monthly principal plus interest repayments range from $171 to $4,231 and mature at various dates until 2011.	$ 1,852,338	$ 573,951
Less: current portion	520,339	197,253
	$ 1,331,999	$ 376,698

Future minimum capital lease payments due in subsequent years are as follows:

2008	$ 520,339
2009	692,382
2010	852,766
2011	119,851
Total minimum lease payments	2,185,338
Less: amount representing imputed interest	(333,000)
	$ 1,852,338

12. Share capital

a) Authorized

Unlimited number of common shares without nominal or par value
Unlimited number of retractable, redeemable preferred shares – none issued

Preferred shareholders are entitled to non-cumulative dividends from 1% to a maximum of 10% per year on the redemption amount. The redemption amount would be established by the Board of Directors to be the fair market value at the date of any property received in exchange for the shares, less the fair value of any non-share consideration issued.

Issued and outstanding – Common shares	Number of Shares	Amount
Balance, March 31, 2005 and 2006	100	$ 100
Acquisition of assets from AWG Ventures Inc. (Note 18)	999,900	12,200
Stock split – 35 for 1	34,000,000	-
Acquisition of E&I Construction Ltd. (Note 4)	300,000	150,000
Acquisition of Redhill Systems Ltd. (Note 4)	2,000,000	1,000,000
Private placements for cash consideration	11,500,000	5,750,000
Share issue costs – net of tax ($178,244)	-	(400,622)
	48,799,900	$ 6,511,578
RMM shares issued December 31, 2006 (Note 2)	3,046,590	
RMM 6 for 5 amalgamated Company shares (Note 2)	(507,765)	
Net assets acquired, reverse takeover accounting (Note 2)	2,538,825	$ 44,811
Share issue costs – net of tax ($106,660)	-	(244,191)
Warrants granted to agents on private placements (Note 13)	-	(67,465)
	-	$ (311,656)
Balance, March 31, 2007	51,338,825	$ 6,244,833

Share offerings

On June 29, 2006, the Directors of the Company approved a capital reorganization and a 35 for 1 stock split. After the reorganization and split, the Company had 35,000,000 common shares outstanding.

On September 6, 2006, private placements were closed raising gross proceeds of $5,750,000 through the sale of 11,500,000 common shares at $0.50 per share. Share issuance costs totaled $578,866, for net proceeds of $5,171,134. As part of the offering, the Company granted a broker's warrant to acquire a maximum of 10% of the total common shares sold pursuant to the offering at a price of $0.50 per Agent's Option Share for a period of 12 months from the closing date of the transaction. The fair values of these warrants of $67,465 have been recorded as share issue costs as a charge against share capital with a corresponding credit to contributed surplus. In connection with the private placement, each common share also has attached to it one right. Each right entitles the holder thereof to be issued an additional 0.20 common share for each right held for no additional consideration and without any further actions on the part of the holder prior to July 31, 2007, unless:

12. Share capital (cont'd)

a) A final receipt for a prospectus has been obtained and PowerComm Inc. shares are listed and posted for trading in the TSX or TSX Venture exchange; or
b) A liquidity event transaction has occurred.

It is management's opinion that the criteria will be satisfied and no right will be eligible to be exercised.

Share issue costs include commissions, corporate fees, and closing expenses paid to Research Capital Corporation, as well as legal, accounting, and initial securities fees.

b) Stock option plan

On August 15, 2006, the Company established a stock option incentive plan for certain directors, executive officers, employees and consultants. The number of shares reserved for issuance under the Stock Option plan shall not exceed 9,500,000 shares and the number of shares reserved for issuance to any one person shall not exceed 5% of the issued and outstanding shares of the Company. Of the options granted to employees, directors, officers and consultants, 1/3 will vest ninety days following common shares being listed or trading on a recognized stock exchange, 1/3 will vest one year from that anniversary date, and the remainder will vest two years from that anniversary date.

A summary of the status of the Company's stock options for the periods presented and changes during the periods ended on those dates are as follows:

Options	Shares	March 31 2007 Weighted Average Exercised Price
Outstanding, beginning of the year	-	$ -
Granted	8,795,000	0.50
Cancelled	355,000	0.50
Exercised	-	-
Outstanding, end of year	8,440,000	$ 0.50
Options exercisable, end of year	-	$ 0.50

13. Contributed surplus

For stock options granted after April 1, 2006, the Company records compensation expense using the fair value method. Fair values are determined using the Black-Scholes option pricing model. Compensation costs are recognized over the vesting period as an increase to stock based compensation expense and contributed surplus. When stock options are subsequently exercised, the fair-value of such stock options in contributed surplus is credited to share capital. During the year, contributed surplus has changed as follow:

13. Contributed surplus (cont'd)

	2007	2006
Balance, beginning of year	$ -	$ -
Acquisition of assets of AWG Ventures Inc. (Note 18)	331,014	-
Stock based compensation, recognition of fair value of stock options granted	401,415	-
Agency warrants on private placement (Note 12)	67,465	-
Balance, end of year	$ 799,894	$ -

The fair value of the stock options granted was $0.1517 per stock option, estimated using the Black-Scholes option pricing model with the following assumptions: risk-free interest rate of 4.0%, dividend yield of 0%, volatility of 25% and an expected life of five years.

14. Earnings (loss) per share

The following table sets forth the computations of basic and diluted earnings per share:

	2007	2006
Numerator for basic earnings (loss) per share	$ 1,801,116	$ (100,015)
Denominator for basic and diluted earnings (loss) per share:		
Weighted average number of common shares	44,823,913	3,500
Earnings (loss) per share		
Basic	$ 0.04	$ (28.58)
Diluted	$ 0.04	$ (28.58)

15. Start-up expenditures

During the year, the Company incurred the following expenditures for the purposes of setting up operations in Kazakhstan.

	2007	2006
Bank charges	$ 7,474	$ 6,183
Consulting	2,230	74,076
Meals and travel	27,469	55,112
Miscellaneous	23,092	92,660
Rent	23,102	14,844
Salaries and benefits	98,546	146,475
Tools	428	7,902
Vehicle	13,731	12,445
	$ 196,072	$ 409,697

16. Pension plan

The Company maintains a defined contribution pension plan for employees, whereby the Company makes annual contributions to a group registered retirement savings plan for employees. This plan is available to all employees.

The Company's required contributions are recognized in the year in which they are incurred. Included in expenses for the year ended March 31, 2007 is $97,962 (March 31, 2006 - $49,619) in respect of contributions paid for eligible employees. Included in payables and accruals at March 31, 2007 is $25,125 (March 31, 2006 $nil) of employer contributions for this plan.

17. Income taxes

Income tax expense reconciliation

Income tax expense differs from the amount computed by applying the statutory provincial and federal income tax rates to the respective years' earnings before income taxes. These differences result from the following items:

Provision for income taxes:

	2007	2006
Expected income tax expense at 32.12% (2006 – 16.12%)	$ **872,455**	$ (16,114)
Increase (decrease) resulting from:		
Income tax rate differences	**(7,224)**	6,948
Small business deductions	**(16,612)**	-
Non-deductible expenses	**29,856**	16,913
Non-deductible stock based compensation	**128,934**	-
Non-taxable portion of capital gains	**(4,442)**	-
Adjustment to non-capital losses	**(111,330)**	-
Other	**23,484**	(7,693)
Income tax expense	$ **915,121**	$ 54
Provision for income taxes:		
Current	$ **1,089,699**	$ 14,433
Future (recovery)	**(174,578)**	(14,379)
	$ **915,121**	$ 54

Income tax expense reconciliation

At March 31, 2007, the Company has non-capital losses available for carry-forward in the amount of $1,188,901 (March 31, 2006 - $nil), which will expire in 2026. For financial reporting purposes a future tax asset was recognized in 2006 for these carry-forwards.

17. Income taxes (cont'd)

Future Income tax assets/liabilities

Future income tax assets and liabilities are recognized for temporary differences between the carrying amount of the balance sheet items and their corresponding tax values as well as for the benefit of losses available to be carried forward to future tax years that are likely to be realized.

The tax effects of the temporary differences that give rise to the Company's future tax assets and liabilities are as follows:

	2007	2006
Future income tax assets – long term:		
Property, plant and equipment	$ -	$ 6,053
Deferred charges and share issue costs	235,483	3,435
Non capital losses	344,781	-
	$ 580,264	$ 9,488
Future income tax liabilities – current		
Holdbacks receivable	$ 107,819	$ -
Future income tax liabilities - long term:		
Property, plant and equipment	$ 243,603	$ -
Intangible assets	132,122	-
	$ 375,725	$ -

Based upon projections for future taxable income, management believes it is more likely than not that the Company will realize the benefits of these deductible differences. The amount of the future tax assets considered realizable, however, could be reduced in the near term if estimates of future taxable income during the carry-forward period are reduced.

18. Related party transactions

Due (to) from related parties

During the year, the Company paid cash to and received cash from Chips (2002) Inc. and FlowTech Supply Inc.; both companies are subsidiaries of AWG Ventures Inc., the controlling shareholder of PowerComm Inc. In addition, cash was paid to and received from AWG Ventures Inc. The balances are due on demand, non-interest bearing and have no set terms of repayment.

	2007	2006
Due from related parties	$ **262,418**	$ 1,125,250
Due to related parties	$ -	$ (622,678)

Accounts receivable and payable

Included in accounts receivable is $2,544 and $405 (March 31, 2006 - $6,420 and $407) from FlowTech Supply Inc. and Chips (2002) Inc., respectively.

Included in accounts payable and accruals is $8,624 and $1,537 (March 31, 2006 - $nil and $nil) owing to FlowTech Supply Inc. and Chips (2002) Inc., respectively and $16,857 (March 31, 2006 - $29,499) owing to a director of the Company for funds advanced during the period.

Unless otherwise indicated no balances are outstanding at year end.

Management fees and consulting

During the year, the Company incurred management fees expense of $310,000 (March 31, 2006 - $2,060,000) to AWG Ventures Inc.

During the year, a total of $16,800 (March 31, 2006 - $16,800) was incurred for consulting services from Logical Automation Inc., a company owned by a director of the Company.

Rental

The Company leases land, building and equipment from AWG Ventures Inc. in a five year lease. Payments during the year totalled $277,500 (March 31, 2006 - $390,000).

The Company leases land and building to Chips (2002) Inc. in a three year lease. Payments during the year totalled $43,531 (March 31, 2006 - $36,000).

The Company leases land and building to FlowTech Supply Inc. in a three year lease. Payments during the year totalled $11,607 (March 31, 2006 - $9,600).

The Company leases land and building from Jamak Enterprises, a company owned by a director of the Company. Payments during the year totalled $18,920 (March 31, 2006 - $20,640).

18. Related party transactions (cont'd)

Sales and purchases

During the year, a total of $22,809 (March 31, 2006 - $138,835) was incurred to purchase materials from Chips (2002) Inc. and $6,461 (March 31, 2006 - $2,126) was received from sales to Chips (2002) Inc.

During the year, a total of $306,661 (March 31, 2006 - $377,945) was incurred to purchase materials from Flowtech Supply Inc. and $3,342 (March 31, 2006 - $8,931) was received from sales to FlowTech Supply Inc.

The related party transactions occurred during the normal course of operations and are measured at the exchange amounts, which was the consideration established and agreed to by the related parties.

During the year, PowerComm Inc. purchased a building from Jamak Enterprises, a company owned by a director of the Company, for the exchange amount of $240,000. This transaction was completed for an exchange amount that had been negotiated and agreed to by the parties.

Acquisition of operating assets of AWG Ventures Inc.

On June 29, 2006, AWG Ventures Inc., the parent company, transferred operating assets with a fair market value of $1,000,000 to PowerComm Inc. The transfer was completed under Section 85 of the Income Tax Act on a tax deferred basis in exchange for a $450,000 promissory note and 999,900 common shares issued at a stated value of $12,200.

Since the acquisition was from a related party, the acquisition of operating assets has been recorded at carrying value as at June 29, 2006, as follows:

Net assets acquired:			
	Equipment	$	822,789
	Computer equipment		115,007
Less:	Future tax liability		(144,582)
		$	793,214

Consideration given:			
	Promissory note	$	450,000
	999,900 Class A common shares		12,200
	Contributed surplus		331,014
		$	793,214

See Note 9, bank indebtedness, for additional related party disclosure surrounding collateral security on the HSBC revolving bank loan.

19. Contingent liabilities

The Company is contingently liable for the bank debt of AWG Ventures Inc., the controlling shareholder, pursuant to a corporate guarantee provided. As at March 31, 2007, these loans in AWG Ventures Inc. amounted to $685,712 (March 31, 2006 - $800,000).

The Company is contingently liable for bank debt of the two RCA Trust loan accounts. These accounts were established for two shareholders of AWG Ventures Inc., the controlling shareholder. These loans amount to $908,326 as at March 31, 2007 (March 31, 2006 - $1,000,000).

20. Commitments

The minimum lease payments for operating leases for premises, trucks and trailers, office equipment and other equipment over the next five years are as follow:

	Premises	Truck and Trailers	Office and Other Equipment	Total
2008	$ 387,807	$ 737,388	$ 35,841	**$ 1,161,036**
2009	357,345	431,628	25,085	**814,058**
2010	149,484	79,220	19,872	**248,576**
2011	62,603	-	8,380	**70,983**
2012	54,272	-	6,129	**60,401**

21. Subsequent events

i) Prospectus

On May 7, 2007, the Company completed its prospectus offering by selling 16,154,000 units at $0.65 per unit for gross proceeds of $10,500,100.

Each unit consists of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share for $1 until May 7, 2009.

The Company has agreed to pay the agents a commission of 6% of the aggregate gross proceeds from the Offering. In addition, the Company will pay the reasonable out of pocket costs of the agents and the reasonable fees and disbursements of the agents' legal counsel, up to a maximum of $60,000.

The Company has granted to the agents an over-allotment option to purchase up to 10% of the units or 5% of the warrants at $0.65 per unit and $0.07 per warrant, with an approximate fair value of $0.04, respectively, for a period of 60 days from May 7, 2007 to cover over-allotments, if any, and for market stabilization purposes.

The Company granted to the agents 969,240 broker warrants, with an approximate fair value of $0.07, each broker warrant entitling the holders thereof to purchase one unit at $0.65 until May 7, 2008.

21. Subsequent events (cont'd)

ii) Acquisitions

Wild Card Enterprises Ltd.

On April 2, 2007, PowerComm Inc. purchased 100% of the outstanding shares of Wild Card Enterprise Ltd. Located in Drayton Valley, Alberta, Wild Card provides instrumentation services. The purchase price was $1,300,000 with a $100,000 cash deposit paid February 27, 2007, $650,000 cash paid April 1, 2007 and 894,309 shares issued at $0.615 on May 7, 2007.

Redwater Machining & Manufacturing Co. Ltd.

On May 14, 2007 PowerComm Inc. announced that they had entered into a Letter of Intent to acquire all the outstanding shares of Redwater Machining & Manufacturing Co Ltd. Located in Redwater, Alberta. Redwater Machining and Manufacturing provides machining, welding and valve services. As part of this agreement PowerComm Inc. has agreed to purchase the building and real estate assets held by the principals of Redwater Machining. The transaction is conditional upon the Company's completion of due diligence and final approval by its board.

Nextron Corporation.

On June 13, 2007 PowerComm Inc. announced that they had entered into a non-binding letter of intent to acquire all the outstanding shares of Nextron Corporation. Located in Calgary, Alberta, Nextron sells heat tracing and related controllers. Powercomm Inc. has agreed to pay $0.05 per share in cash and to issue one common share of Powercomm for each fifteen shares of Nextron. The transaction is conditional upon the Company's completion of due diligence and final approval by its board.

iii) New Building

On May 16, 2007 PowerComm Inc. announced that they had entered into a "Design, Build, Lease" contract with Imperial Equities Inc. to construct a new headquarters facility in Edmonton. Occupancy of the new 45,000 square foot facility is expected in late 2007.

22. Supplemental cash flow information

	2007	2006
Change in non-cash operating working capital: (net of effects of acquisitions of subsidiaries)		
Accounts receivable	$ (3,600,262)	$ (2,937,191)
Income taxes recoverable	1,059	152,606
Inventories	17,142	(952,340)
Prepaid expenses	(130,052)	(14,077)
Deferred costs	(72,183)	-
Accounts payable and accruals	(524,885)	2,419,846
Income taxes payable	924,276	-
	$ (3,384,905)	$ (1,331,156)
Interest and income taxes paid:		
Interest paid	$ 508,574	$ 304,933
Income taxes paid	$ 47,991	$ 15,492
Non-cash investing activities:		
Purchase of assets under capital leases	$ 1,570,017	$ 311,163
Assets acquired – Section 85 rollover (Note 18)	937,796	-
	$ 2,507,813	$ 311,163
Non–cash financing activity:		
Promissory note – related party (Note 18)	$ 450,000	$ -
Goodwill on acquisitions (Note 4)	2,137,228	-
Intangibles on acquisitions (Note 4)	720,000	-

23. Financial instruments

Credit risk

The Company's exposure to credit risk relates to accounts receivable and arises from the possibility that a counter party does not fulfil its obligations. This is minimized through a program of credit valuation of new customers and limits on the amounts of credit extended as deemed necessary. The Company performs continuous evaluation of its accounts receivable and records an allowance for doubtful accounts as required.

Interest rate risk

Demand loans and bank indebtedness are subject to interest rate cash flow risk as the required cash flow to service that debt will fluctuate as a result of the changing prime interest rate.

The Company manages its exposure to interest rate risks through a combination of fixed and floating rate borrowings to finance its operations.

23. Financial instruments (cont'd)

Foreign currency risk

The Company has assets and liabilities that are denominated in foreign currencies and thus is exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of theses rates. Management believes this exposure is not material. The Company does not use derivative instruments to reduce its exposure to foreign current risk.

Fair value of financial instruments

The Company's financial instruments include cash, accounts receivable, due from (to) related parties, bank indebtedness, accounts payable and accruals and long term debt. The fair values of all financial instruments, other than long term debt, approximate their carrying values due to their short term maturity.

The fair value of long term debt is estimated based on current rates available to the Company for similar debt of the same remaining maturities. The estimated fair value of long term debt as at March 31, 2007 is $816,200 (March 31, 2006 - $662,400). These estimates are subjective in mature as current interest rates are selected from potentially acceptable rates and accordingly, other fair value estimates are possible.

24. Segmented information

The Company has 3 separate operating segments: PowerComm, Redhill and Kazakhstan. PowerComm provides electrical and instrumentation construction, electrical and instrumentation maintenance and valve services primarily in Western Canada. Redhill, acquired on July 18, 2006, provides electrical equipment manufacturing primarily in Western Canada. An operation is in the start-up phase in Kazakhstan.

The Company does not allocate general corporate borrowings to reportable segments. These interest costs have been included in PowerComm. The Company does not allocate income tax expense to operating segments.

2007

	PowerComm	Redhill	Kazakhstan	Total
Sales	**$ 54,733,130**	**$ 2,980,319**	**$ -**	**$ 57,713,449**
Amortization	**650,386**	**145,710**	**-**	**796,096**
Earnings (loss) before taxes	**3,018,832**	**(106,523)**	**(196,072)**	**2,716,237**
Goodwill	**30,500**	**2,137,228**	**-**	**2,167,728**
Intangible assets	**75,000**	**475,178**	**-**	**550,178**
Total assets	**$ 18,841,747**	**$ 4,305,297**	**$ -**	**$ 23,147,044**

2006

	PowerComm	Redhill	Kazakhstan	Total
Sales	$ 36,380,300	$ -	$ -	$ 36,380,300
Amortization	181,887	-	-	181,887
Earnings (loss) before taxes	309,736	-	(409,697)	(99,961)
Goodwill	-	-	-	-
Intangible assets	-	-	-	-
Total assets	$ 12,202,352	$ -	$ -	$ 12,202,352

PowerComm Inc.
Schedules of Consolidated Expenses
Years Ended March 31, 2007

	2007	2006
Expenses		
Administrative wages	$ **1,845,300**	$ 1,250,598
Advertising, promotion, and travel	**702,271**	458,616
Amortization of intangible assets	**169,822**	-
Amortization of property, plant and equipment	**626,274**	181,887
Automotive and equipment rental	**1,207,360**	1,252,039
Bad debts	**114,191**	178,505
Bank charges and interest	**338,803**	301,748
Dues and fees	**22,809**	11,377
Fuel	**908,296**	782,988
Insurance and licenses	**322,162**	226,899
Management fees	**310,000**	2,060,000
Management salaries	**356,562**	211,759
Office	**462,393**	313,546
Professional and consulting fees	**314,119**	150,676
Rent	**871,874**	516,300
Repairs and maintenance	**381,780**	258,028
Stock based compensation	**401,415**	-
Telephone and utilities	**559,913**	387,370
Vehicle repair and maintenance	**456,784**	286,973
	$ **10,372,128**	$ 8,829,309

See accompanying notes to the consolidated financial statements.

APPENDIX D
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2007

POWERCOMM INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE FISCAL YEAR ENDED MARCH 31, 2007

An ISO 9001:2000 Registered Company

POWERCOMM INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE TWELVE MONTHS ENDED MARCH 31, 2007

The following Management Discussion and Analysis ("MD&A") is based on March 31,2007 financial statements and is provided to assist readers in understanding the financial performance of PowerComm Inc. (the "Corporation") during the period(s) presented. This Management Discussion and Analysis has been prepared as of June 19, 2007.

The following Management Discussion and Analysis should be read in conjunction with the consolidated financial statements and notes thereto for the twelve month period ended March 31, 2007 and is prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), however certain assumptions have been made and Earnings Before Interest, Depreciation, Taxes, and Amortization (EBIDTA), has been referenced, which is a non-GAAP calculation.

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the accuracy of the information disclosed in this MD&A. The MD&A is also reviewed and approved by the Audit Committee of the Corporation's Board of Directors.

FORWARD LOOKING STATEMENTS

The following discussion contains certain forward-looking statements, including management's assessment of future plans and operations and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond PowerComm Inc.'s control. Such risks and uncertainties include, without limitation, risks associated with the Corporation's ability to market successfully to current and new customers; supply and demand for PowerComm Inc.'s services and products and industry activity levels; capital expenditure programs; projections of commodity prices and costs; the Corporation's ability to obtain material and equipment from suppliers; operating risk liability; expansion of services and products by internal growth or acquisition; the Corporation's ability to obtain additional financing on satisfactory terms; the impact of general economic and industry conditions; changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced; competitive conditions; the lack of availability of qualified personnel or management; fluctuations in foreign exchange or interest rates, stock market volatility; and obtaining required approvals of regulatory authorities. PowerComm Inc.'s actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that PowerComm Inc. will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to PowerComm Inc. or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and PowerComm Inc. does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Further information about the factors affecting forward looking statements is available in the Corporation's Annual Information Form which has been filed Canadian Provincial securities commissions and is available on www.sedar.com.

DESCRIPTION OF THE BUSINESS

GENERAL

PowerComm Inc.'s business is divided into four general components: electrical and instrumentation construction (i.e. the physical construction of the electrical and instrumentation infrastructure of industrial facilities.); electrical and instrumentation maintenance (i.e. the maintenance, calibration, and testing of the electrical and instrumentation infrastructure of industrial facilities); valve services; and electrical equipment manufacturing.

PowerComm Inc. offers a unique suite of services that none of its competitors currently provide. To management's knowledge it is the only electrical and instrumentation contractor that also offers valve services and the only valve service company in Alberta that offers electrical and instrumentation construction and maintenance services. The Corporation carries a large inventory of replacement parts for valves that are no longer manufactured and to management's knowledge is the only valve service company that services all manufacturers' valves. The Corporation also has the largest inventory of used, rebuilt, and recertified valves in Alberta. PowerComm Inc. also provides surplus valve sales for its clients and then issues cheques to its clients when valves are sold on their behalf.

PowerComm Inc. has its corporate headquarters and its manufacturing division based in separate facilities in Edmonton, Alberta, with operational facilities in Calgary, Fort McMurray, Fort Saskatchewan, Grande Prairie, Hardisty, Lloydminster, Nisku, Olds, Provost, and Rocky Mountain House. PowerComm Inc. also operates a facility in Atyrau, Kazakhstan. The Kazakhstan office is currently a business development office, but PowerComm Inc. expects to generate sales in the near future.

PowerComm Inc. currently has in excess of 300 employees comprised of office, shop and field service personnel. PowerComm Inc.'s shop and field service personnel consist of experienced trades people and technicians including: Master Electricians, Journeyman Electricians, Power System Electricians, Journeyman Instrumentation Technicians/Mechanics and Valve Service Technicians. PowerComm Inc. is an active member of Alberta's apprenticeship and industry training system in order to ensure an ongoing supply of skilled and qualified personnel.

PowerComm Inc. has completed numerous projects to date, including over twenty multi-million dollar projects and continues to tender certain large projects. Management believes that PowerComm Inc. has established itself in all facets of electrical and instrumentation construction and maintenance, and valve services for industrial and commercial facilities. PowerComm Inc. has a client base in excess of 450 western Canadian businesses ranging from large multinational public companies to small private companies in the following industry sectors: oil and gas, petro-chemical plants, SAGD facilities, refineries and upgraders, pipelines, utility/power corporations, mining, agriculture, food processing, pulp and paper plants, plastics, forestry, drilling/service rigs, railway, wood product manufacturing and other medium to heavy industrial facilities. PowerComm Inc. provides these services to its clients through its operational facilities.

BUSINESS COMPONENTS

ELECTRICAL AND INSTRUMENTATION CONSTRUCTION

Electrical and instrumentation construction is one of the four components that comprise the business of PowerComm Inc. Electrical and instrumentation construction is the physical construction of the electrical and instrumentation infrastructure of industrial facilities. This department provides numerous services including: lump-sum proposals, time-and-material proposals, cost plus fixed-fee proposals, guaranteed maximum price proposals, risk-versus-reward proposals, wellhead optimization, turnkey projects, and quality assurance/quality control administration. PowerComm Inc. provides these services to the following industry sectors: oil and gas facilities, petro-chemical plants, SAGD facilities, drilling/service rigs, refineries and upgraders, mining, agriculture, food processing, pulp and paper plants, and other medium to heavy industrial facilities.

ELECTRICAL AND INSTRUMENTATION MAINTENANCE

Electrical and instrumentation maintenance is the second of PowerComm Inc.'s business components. Electrical and instrumentation maintenance involves the maintenance, calibration, and testing of the electrical and instrumentation infrastructure of industrial facilities. This department provides numerous services including: plant turnaround services/database development, preventative maintenance programs, medium voltage and high voltage testing, start-up and commissioning services, energy management (power consumption surveys), programmable logic controller programming and troubleshooting, wellhead optimization, meter proving, instrument testing and calibration, and quality assurance/ quality control administration. PowerComm Inc. provides these services to the following industry sectors: oil and gas facilities, petro-chemical plants, SAGD facilities, drilling/service rigs, refineries and upgraders, pipelines, mining, agriculture, food processing, pulp and paper plants, and other medium to heavy industrial facilities.

VALVE SERVICE

Valve service is the third component to PowerComm Inc.'s business and provides reconditioning and servicing of all American National Standards Institute and American Petroleum Institute pipeline and process valves, pressure relief valves, pressure safety valves and electro/pneumatic control valves. In addition to its in shop services, PowerComm Inc.'s valve service department provides mobile field service repair, wellhead services, hot-tap services, wellhead freezing, and a complete inventory management service. The Corporation's mobile field capabilities include a 45' shop (complete with testing capabilities) and seven five-ton field trucks. PowerComm Inc. provides these services to the following industry sectors: oil and gas facilities, petro-chemical plants, SAGD facilities, drilling/service rigs, refineries and upgraders, pipelines, agriculture, food processing, pulp and paper plants, and other medium to heavy industrial facilities.

ELECTRICAL EQUIPMENT MANUFACTURING (REDHILL/ CONCORDE)

By acquiring Redhill Systems Ltd. and Concorde Metal Manufacturing Ltd., PowerComm Inc. has established manufacturing operations. Redhill is a leading-edge manufacturer and supplier of medium voltage arc resistant switchgear, motor control centres, variable frequency drive motor drive systems, programmable logic controller panel manufacturing and utility equipment. Concorde is a manufacturer and supplier of galvanized steel, stainless steel and aluminum enclosures, as well as custom metal fabrication for industrial customers. The acquisition of Redhill and Concorde is expected to complement

PowerComm Inc.'s overall business mix and management believes that the acquisition will add new clients and will introduce this new client base to PowerComm Inc.'s traditional services.

Redhill allows the Corporation to provide these services to the following industry sectors: utility/ power corporations, oil and gas facilities, petro-chemical plants, SAGD facilities, drilling/ service rigs, refineries and upgraders, mining, pulp and paper plants, and other medium to heavy industrial facilities.

Concorde allows the Corporation to provide high-quality enclosures for the products manufactured by Redhill as well as to the following industry sectors: panel manufacturers, medium and low voltage equipment manufacturers, electrical contractors, electrical wholesalers and suppliers, and other commercial and industrial users.

TWELVE MONTHS ENDED MARCH 31, 2007

FINANCIAL SUMMARY

The following table sets forth selected consolidated financial information with respect to the financial operations of PowerComm Inc., which information has been derived from the consolidated financial statements of the Corporation and should be read in conjunction with the consolidated financial statements and notes thereto for the year ended March 31, 2007.

Consolidated Summary of Financial Information

	Fiscal Year ended March 31, 2007 (CDN$, except share amount)	**Fiscal Year ended March 31, 2006 (CDN$, except share amount)**	**Fiscal Year ended March 31, 2005 (CDN$, except share amount)**
Revenue	57,713,449	36,380,300	21,096,462
Gross Margin	13,489,789	9,205,208	4,466,773
Expenses	10,372,128	8,829,309	4,478,151
Net earnings (loss) before tax	2,716,237	(99,961)	(497,393)
Net earnings (loss), after tax	1,801,116	(100,015)	(383,040)
Net earnings (loss) per share (basic diluted)	0.04	(28.58)	(109.44)
Cashflow from operations before changes in non-cash working capital	2,790,560	34,771	(291,769)
Cashflow per share from operations before changes in non-cash working capital (basic diluted)	.06	9.93	(83.36)
Working capital	3,466,520	333,048	(807,047)
Cash and Cash Equivalents	46,665	30,788	6,639
Other Current	15,740,910	11,576,896	6,700,644

Consolidated Summary of Financial Information

	Fiscal Year ended March 31, 2007 (CDN$, except share amount)	Fiscal Year ended March 31, 2006 (CDN$, except share amount)	Fiscal Year ended March 31, 2005 (CDN$, except share amount)
Assets			
Property, Plant & Equipment	3,989,116	585,180	507,665
Liabilities	14,416,379	12,317,430	7,809,702
Shareholders equity:			
Amount	8,730,665	(115,178)	(15,063)
Number of Common Shares	51,338,825	100	100

CONSOLIDATION

The acquisition of Redhill Systems Ltd. and Concor Metal Manufacturing Ltd. closed July 18, 2006, and are consolidated from that period to the end of the fiscal year.

REVENUE

Annual revenues were substantially higher with a year to year gain of $21,333,149 or an increase of 59%. The fourth quarter revenue was below expectations. The decline in revenue in the quarter left the annual revenues below the anticipated target of sixty million dollars notwithstanding the year to year growth.

Fourth quarter revenue was $11,629,406, which is still a strong growth from the previous year.

Annual revenue growth was evidenced in all business sectors except Redhill / Concorde where the assimilation of the operations and product refinement retarded sales somewhat. Management believes that the measures taken in the division bode well for the coming years.

The Alberta economy suffered a slowdown that started towards the end of the third quarter and gathered momentum through the fourth quarter. The impact was a virtual shutdown of new business awarding as well as a pullback from some project commencements.

While the slowdown was mainly oil and gas related, its effects were not limited to that sector alone, but were widespread.

The extent of the slowdown exceeded management expectations. The Corporation made a conscious decision to take a “move forward position” and look to the longer term as the turn around started very early in the first quarter of the fiscal year.

In order to complete the Prospectus Offering, the regulators determined that audited financial statements were required for the nine month period. This was unexpected and required a management time commitment that was not expected to occur until the year end. Additional effort regarding the prospectus and audit requirements drew some of managements focus from the day to day operations.

EXPENSES

The growth in total expenses was 17.5% year over year, and tracked management's expectations. Cost of sales increased at a rate higher than anticipated mainly due to the overall increase in economic activity in the areas where the Corporation operates, which has caused increased competition for goods and services.

As new projects are mobilized, there will be a rationalization of the cost of sales in comparison to revenues as the majority of the construction work is through Time and Material contracts. The majority of PowerComm Inc.'s maintenance contracts adjust annually and these adjustments impact as the year progresses. Rapid growth has led to some fixed costs increases. Areas such as fleet and fuel will generate costs that take full billing cycles to recover.

Summary of Quarterly Results

		2007						
		31-Mar		31-Dec		30-Sep		30-Jun
Revenue	$	11,629,406	$	15,191,457	$	16,406,938	$	14,485,648
Net Income								
Or (Loss)		(503,171)		36,443		936,641		1,331,203
Per Share		(0.02)		-		0.02		0.04
Diluted		(0.02)		-		0.02		0.04
		2006						
		31-Mar		31-Dec		30-Sep		30-Jun
Revenue	$	8,434,929	$	10,257,296	$	9,640,301	$	8,047,774
Net Income								
Or (Loss)		(1,141,066)		200,916		704,202		335,963
Per Share		(326.01)		57.40		0.02		0.01
Diluted		(326.01)		57.40		0.02		0.01

NET EARNINGS

Net consolidated earnings for the full year were less than management's expectations. The previously discussed fourth quarter economic slowdown resulted in a loss for the period and a retrenchment in Earnings Per Share for the year.

The Corporation is not deterred by the short term adjustment and was able to maintain both profitability and substantial growth and expects Net Earnings to grow as the business plan is executed going forward.

EBITDA for the year was almost ten cents per share and has shown a substantial increase from the previous year.

RECEIVABLES AND PAYABLES

Both Receivables and Payables have increased over the twelve months. The ratio has continued in the 54% payables to receivables area which is a significant improvement over the 75% situation at year end 2006.

The Corporation has been continuing to add and train staff to manage these two critical areas of the business and will continue to strive to improve both the ratio and the amounts of these balance sheet items.

It should be noted that as the Corporation grows, the hold backs related to the construction sector will increase as well, and as an example of this almost two million dollars in holdbacks is contained in the receivable number at year end.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2007 the Current Ratio improved to 1.28 to 1 compared to 0.972 to 1 at March 31, 2006. This is a result of increase Accounts Receivable, due to increased activity, while maintaining low debt levels.

The twelve month period ended March 31, 2007 contributed to retained earnings and improved working capital. These funds have improved the capital position of PowerComm Inc. and facilitated continued expansion.

During the year, PowerComm Inc. completed a private placement of common shares for gross proceeds of $5,750,000 to be used for acquisitions and growth of PowerComm Inc. The result of the equity raise combined with increased retained earnings shows an improved balance sheet and a growth in shareholders' equity. These changes have allowed PowerComm Inc. to negotiate an expanded operating line with a Canadian chartered bank, which was increased to $7,500,000 at year end and will further increase to $10,000,000 upon completion of its Initial Public Offering.

The shareholders' equity has grown by over eight and a half million dollars year to year, and subsequent to year end, the Corporation completed the above referenced IPO to further strengthen the balance sheet.

SUMMARY – CONTRACTUAL OBLIGATIONS

Contractual Obligations (based on March 31, 2007 Consolidated Financial Statements)	Payments Due by Period				
	Total	**< 1 Year**	**1 – 3 Years**	**4 –5 Years**	**> 5 Years**
Long-Term Debt	$ 816,200	$ 428,600	$ 387,600	-	-
Capital Lease Obligations	2,185,338	520,339	1,545,148	$ 119,851	-
Operating Leases	2,355,054	1,161,036	1,062,634	131,384	-
Purchase Obligations(1)	-	-	-	-	-
Other Long-Term Debts(2)	375,725	375,725	-	-	-
Total Contractual Obligations:	$ 5,732,317	$ 2,485,700	$ 2,995,382	$ 251,235	-

Notes:

(1) "Purchase Obligations" means an agreement to purchase goods or services that is enforceable and legally binding on PowerComm Inc. that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transaction.

(2) "Other Long-Term Debts" means other long-term liabilities reflected on PowerComm Inc.'s balance sheet and is future income taxes.

OUTSTANDING SHARE DATA

During the year PowerComm Inc. acquired certain assets owned by AWG Ventures Inc. As a result of this transaction, AWG Ventures Inc. now holds 35,000,000 common shares of PowerComm Inc. Subsequently, PowerComm Inc. issued an additional 11,500,000 common shares through a private placement managed by Research Capital Corporation at $0.50 per share, resulting in gross proceeds of $5,750,000 to PowerComm Inc. PowerComm Inc. issued 2,000,000 common shares to complete the acquisition of Redhill Systems Ltd. and 300,000 common shares to complete the acquisition of E and I Construction Industries Ltd.

PowerComm Inc. has issued options to employees, management, and consultants (see note 12 of the March 31, 2007 consolidated financial statements), the outstanding options at the year end were 8,440,000, exercisable at $.50, for a period of five years. Additionally, the Corporation issued broker's warrants totalling 1,150,000 in conjunction with the Private Placement. Each broker warrant is exercisable for a one-year term at an exercise price of $0.50 per share, resulting from the share offering.

An additional 2,538,825 common shares were approved during and issued subsequent to the special shareholders meeting held on December 22, 2006. These shares were issued as part of the reverse take over by way of an amalgamation with RMM Ventures Inc. that was completed on December 31, 2006 (as described in a press release and SEDAR filing). Upon the completion of the amalgamation, the Corporation has become a reporting issuer and as such is required to comply with the continuous disclosure requirements pursuant to applicable securities law.

PowerComm Inc. had 51,338,825 shares outstanding at the end of the period, March 31, 2007.

OFF-BALANCE SHEET ARRANGEMENTS

PowerComm Inc. has no off-balance sheet arrangements other than its large fleet of leased vehicles and the operating leases are expensed on a monthly basis. Thesw commitments are disclosed in Note 11 to the March 31, 2007 consolidated financial statements. A major portion of the fleet has been converted to capital leases subject to required accounting tests, and this process will continue. Some vehicles are purchased at or before the end of the lease term because of the high mileage requirements resulting from the nature of the business. This allows PowerComm Inc. to manage its vehicle costs in a prudent manner.

FINANCIAL AND OTHER INSTRUMENTS

As at the end of the twelve months March 31, 2007 the Long Term Debt total was $816,200, of which $428,600 is determined to be the current portion, leaving $387,600 as long term. The Corporation has obligations under capital lease totalled $1,852,338, of which $520,339 is current.

PowerComm Inc. has negotiated an operating line increase to $10,000,000 with HSBC for ongoing day-to-day business. There are certain growth and future events contemplated in the covenants of this loan, all of which will be satisfied through equity sales which have been completed.

The transaction with AWG Ventures Inc. has resulted in one instrument payable to AWG Ventures Inc.; the terms of which are detailed in the financial statements Note 18, and discussed as part of "Related Party Transactions".

TRANSACTIONS WITH RELATED PARTIES

PowerComm Inc. has identified all related party transactions as disclosed in Note 18 in the accompanying audited consolidated financial statements.

PowerComm Inc. continues to do business with AWG Ventures Inc. and two of its subsidiaries: FlowTech Supply Inc. and Chips (2002) Inc. The details are described in Note 18 of the financial statements.

PowerComm Inc. leases its headquarters in Edmonton from AWG Ventures Inc. for $240,000 per annum. AWG Ventures Inc. is a company owned by the founders of PowerComm Inc. and continues to hold thirty-five million shares of PowerComm Inc.

FOURTH QUARTER

The economic slowdown that was felt throughout the corporation’s areas of operation resulted in revenues being substantially lower than projected. This reduction caused the corporation to experience a loss for the quarter of $ 503,171. The largest impact was in the construction area where several projects were delayed and postponed. The rapidity of this slowdown and the severity caused management to push forward on marketing and project procurement looking beyond the short term slowdown.

OUTLOOK

Management is confident that the continued program of growth is sound. It has not been swayed from its stated program of growth. The upturn in commodity prices is driving increased activity and a pronounced up turn in work volumes. There is an almost unanimous agreement in the industry that the remainder of 2007 will be busy and that the activity for 2008 may be record setting.

The Corporation will continue to shun expansion directly into the drilling and exploration sectors, but will emphasize its commitment to the mid and up stream areas as well as industrial sectors outside oil and gas.

PowerComm Inc. has been busy executing its acquisition strategy with two announced transactions since fiscal year end. It is the intent of the Corporation to continue this program while expanding its business by rolling out additional business lines in the new acquisitions and continuing to grow existing areas organically. The stated aim of expanding the Corporation's footprint geographically will be forefront in the coming months.

Management believes the corporate landscape in which PowerComm Inc. operates has been positively impacted by the change in the taxation treatment of income trusts by the federal government on October 31, 2006. As a result of this change conditions appear more favourable for additional acquisitions by PowerComm Inc. in the short-term, and management therefore believes it must maintain the ability to react quickly to opportunities as they arise.

As the first company of its type to overcome the hurdles of becoming a publicly traded entity, PowerComm Inc. has differentiated itself and moved to becoming the leader in its field going forward.

SUBSEQUENT EVENTS

PowerComm Inc. completed its Initial Public Offering on May 7, 2007, for gross proceeds of $10,500,100 in exchange for the issuance of 16,154,000 units. Each unit was comprised of one common share of PowerComm Inc. and one half warrant, each full warrant entitles the holder to purchase one share of PowerComm Inc. at a stipulated price of $1.00 per share for a period of two years from the date of issuance. A copy of the Final Prospectus is available on Sedar or from the corporation.

On May 9, 2007, PowerComm Inc. was listed and posted for trading on the Toronto Stock Exchange under the symbol PCG. This satisfied any penalty clauses with respect to a Liquidity Event contained in the subscription agreement for the Private Placement completed in 2006.

On January 9, 2007 PowerComm Inc. entered into a Memorandum of Understanding to acquire all of the shares of Wild Card Enterprises Ltd. (Wild Card) which agreement was amended to extend the closing date. Wild Card is located in Drayton Valley, Alberta and currently employs thirty-four skilled trades people comprised of thirty-one employees and three subcontractors. Wild Card's primary services are instrumentation construction and maintenance and meter proving. The transaction closed April 2nd with the issuance of 894,309 treasury shares and the payment of $750,000 in cash.

On May 14, 2007 PowerComm Inc. entered into a conditional Letter of Intent to acquire the outstanding shares of Redwater Machining and Manufacturing Co. Ltd. (Redwater) as well as the related real estate assets owned by the principals of Redwater. The transaction is conditional upon Due Diligence and PowerComm Inc. board approval and is expected to close the end of June 2007.

On June 13, 2007, PowerComm Inc. announced that the Corporation had entered into a non-binding Letter of Intent to acquire Nextron Corporation of Calgary. The transaction is conditional upon the completion of Due Diligence. PowerComm Inc. must have Board Approval and then make a formal Tender Offer to all the Nextron shareholders. Currently PowerComm has Lock-Up agreements with shareholders representing in excess of 80% of the issued and outstanding shares. PowerComm Inc. is proposing to pay $.05 per share of Nextron as well as issuing one share of PowerComm Inc. for each fifteen shares of Nextron Corporation. The transaction is expected to close on or about the 15th of August 2007.

DISCLOSURE CONTROLS

The Chief Executive Officer and the Chief Financial Officer are responsible for the designing internal controls over financial reporting or causing it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principals. The Company is currently improving its documentation and policies of documentation on disclosure controls and procedures. Effective disclosure controls and procedures are achieved, despite limited documentation of internal controls over financial reporting, because of the Chief Financial Officer's and Controller's direct involvement in the disclosure controls and procedures process.

ADDITIONAL INFORMATION

Additional information relating to PowerComm Inc., including the Annual Information Form, may be found on the SEDAR website by visiting www.sedar.com.

PowerComm Inc

An ISO 9001:2000 Registered Company

CORPORATE HEADQUARTERS

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APPENDIX E
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF POWERCOMM INC.
FOR THE THREE MONTHS ENDED JUNE 30, 2007

PowerComm Inc.
Consolidated Financial Statements
For the three months ended June 30, 2007
(unaudited)

Contents

PowerComm Inc.
Consolidated Statements of (Loss) and Earnings

Three months ended June 30 (unaudited, $ thousands except share and per share amounts)	2007	2006
Sales	$ 10,565	$ 14,467
Cost of sales	7,792	10,460
Gross profit	2,773	4,007
Management and administrative wages	1,088	495
General and administrative expenses	1,001	702
Vehicle and equipment expenses	924	734
Amortization of property, plant and equipment	221	52
Amortization of other intangible assets	66	1
Interest on long term debt and capital leases	85	40
Loss (gain) on disposal of property, plant and equipment	6	(13)
Start-up expenditures (Note 12)	117	44
	3,508	2,055
(Loss) earnings before income taxes	(735)	1,952
Income taxes		
Current	-	613
Future expense (recovery)	(166)	8
	(166)	621
Net (loss) earnings	$ (569)	$ 1,331
(Loss) earnings per share:		
Basic	$ (0.01)	$ 0.04
Diluted	$ (0.01)	$ 0.04
Weighted average number of common shares		
Basic	61,450,401	35,000,000
Diluted	61,450,401	35,000,000

See accompanying notes to the consolidated financial statements.

PowerComm Inc.
Consolidated Statements of Retained Earnings

Three months ended June 30 (unaudited, $ thousands)	**2007**	2006
Retained earnings (deficit), beginning of the period	**$ 1,686**	$ (115)
Net (loss) earnings	**(569)**	1,331
Retained earnings, end of period	**$ 1,117**	$ 1,216

See accompanying notes to the consolidated financial statements.

PowerComm Inc.
Consolidated Balance Sheets

($ thousands)	June 30 2007 (unaudited)	March 31 2007
Assets		
Current		
Cash	$ 1,987	$ 47
Accounts receivable	10,246	11,518
Inventories (Note 5)	4,330	3,668
Prepaid expenses	393	293
Income taxes recoverable	506	-
Due from related parties (Note 6)	590	262
	18,052	15,788
Property, plant and equipment	6,532	3,989
Advances for acquisitions	1,170	-
Deferred costs	-	72
Goodwill	2,529	2,168
Other intangible assets	640	550
Future income taxes	580	580
	$ 29,503	$ 23,147
Liabilities		
Current		
Bank indebtedness	$ 445	$ 4,172
Accounts payable and accrued liabilities	5,967	6,200
Income taxes payable	-	891
Future income taxes	108	108
Current portion of long term debt	792	429
Current portion of obligations under capital lease	557	520
	7,869	12,320
Future income taxes	376	376
Long term debt	353	388
Obligations under capital lease	1,420	1,332
	10,018	14,416
Shareholders' Equity		
Share capital (Note 7)	17,014	6,245
Contributed surplus (Note 8)	1,354	800
Retained earnings	1,117	1,686
	19,485	8,731
	$ 29,503	$ 23,147

Contingent liabilities (Note 9)
Subsequent events (Note 12)

On behalf of the Board

(signed) ***"Wayne R. Rutherford"*** Director   *(signed)* ***"Garry G. Wetsch"*** Director

See accompanying notes to the consolidated financial statements.

PowerComm Inc.
Consolidated Statements of Cash Flows

Three months ended June 30 (unaudited, $ thousands)	**2007**	2006
Increase (decrease) in cash		
Operating		
Net (loss) earnings	**$ (569)**	$ 1,331
Amortization of other intangible assets	**66**	1
Amortization of property, plant and equipment	**221**	52
Stock based compensation	**200**	-
Future income taxes (recovery)	**-**	8
Loss (gain) on disposal of property, plant and equipment	**6**	(13)
	(76)	1,379
Change in non-cash operating working capital	**405**	(2,859)
	329	(1,480)
Investing		
Purchase of property, plant and equipment	**(1,528)**	(62)
Proceeds from disposal of property, plant and equipment	**24**	24
Purchase of goodwill	**-**	(31)
Purchase of intangible assets	**-**	(80)
Business acquisitions (Note 4)	**(1,555)**	-
	(3,059)	(149)
Financing		
Repayment of bank indebtedness	**(4,221)**	482
Advances from related parties	**-**	1,226
Advances to related parties	**(327)**	-
Repayment on long term debt	**(48)**	(34)
Repayment of obligations under capital lease	**(162)**	(73)
Proceeds from issuance of share capital	**9,428**	-
	4,670	1,601
Net increase (decrease) in cash	**1,940**	(28)
Cash		
Beginning of period	**47**	31
End of period	**$ 1,987**	$ 3

Supplemental cash flow information (Note 11)

See accompanying notes to the consolidated financial statements.

1. Basis of presentation

These unaudited interim consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles (GAAP) and include the assets, liabilities and results of operations, after the elimination of intercompany transactions and balances of the Company and its wholly owned subsidiaries. The accounting principles and methods of computation adopted in these consolidated financial statements are the same as those of the audited consolidated financial statements for the year ended March 31, 2007 except as disclosed in Note 3.

Omitted from these financial statements are certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with Canadian GAAP. The consolidated financial statements and notes presented should be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2007 filed with the appropriate securities commissions.

The consolidated statements of (loss) and earnings, retained earnings and cash flows for interim periods are not necessarily indicative of results on an annual basis due to short term variations such as weather, customer capital spending, seasonal behaviours in customer spending such as plant shutdown work, and the Company's ability to manage its project related business so as to avoid or minimize periods of relative inactivity due to project scheduling.

Certain comparative figures have been reclassified to conform to the current period's presentation.

2. Reverse takeover

PowerComm Inc. ("PowerComm") became a reporting issuer on December 31, 2006, under securities legislation by entering into a reverse takeover transaction whereby it acquired RMM Ventures Inc. ("RMM"), a non-operating public company. Under this amalgamation, for every 6 RMM shares held, RMM shareholders received 5 amalgamated Company shares. As a result, RMM shareholders received 2,538,825 amalgamated Company shares and PowerComm shareholders received 48,800,000 amalgamated Company shares. The continuing name of the amalgamated company is PowerComm.

For accounting purposes, PowerComm has been treated as the purchaser. The legal parent, RMM, is deemed to be a continuation of PowerComm. Effective December 31, 2006, these consolidated financial statements are issued under the name of PowerComm, the legal subsidiary. RMM's assets and liabilities are included in the consolidated financial statements at their fair values as assigned by PowerComm on the date of acquisition of RMM. The comparative figures presented are those of PowerComm (non-amalgamated).

($ thousands, except share data)

2. Reverse takeover (continued)

The purchase price has been allocated to the net identifiable assets based on their estimated fair value as:

Net assets		
Current assets	**$**	**92,901**
Current liabilities		**62,278**
	$	**30,623**

After the current assets were realized and the current liabilities were paid on April 2, 2007, net assets totalled $44,811.

3. Accounting policy changes

Financial instruments

Effective April 1, 2007 the Company adopted the recommendations of Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, Section 3865, *Hedges*, Section 1530, *Comprehensive Income,* Section 3251, *Equity* and Section 3861, *Financial Instruments – Disclosure and Presentation*. The application of these new standards did not have a significant effect on the Company's financial position or results of operations in the current periods presented. As of June 30, 2007 the Company had no other comprehensive income or accumulated other comprehensive income.

a) Financial assets and financial liabilities

Prior to the adoption of the new standards, all of the Company's financial assets and financial liabilities were accounted for on an accrual basis at their carrying amount, net of any adjustments for other-than temporary impairment.

Under the new standards, financial assets and financial liabilities are initially recognized at fair value and are subsequently accounted for based on their classification as described below. The classification depends on the purpose for which the financial instruments were acquired and their characteristics. Except in very limited circumstances, the classification is not changed subsequent to initial recognition. Transaction costs are recognized immediately in income or are capitalized, depending upon the nature of the transaction and the associated product.

Held-for-trading

Financial assets and financial liabilities that are purchased and incurred with the intention of generating profits in the near term are classified as held-for-trading. An entity may also designate any financial instrument upon initial recognition as held-for-trading. These instruments are measured at fair value with changes in fair value recognized in investment income.

3. Accounting policy changes (continued)

Available-for-sale

Financial assets, classified as available-for-sale will be measured at fair value with changes in fair value recorded in other comprehensive income. The fair value of a financial instrument on initial recognition is normally the transaction price. Subsequent to initial recognition, fair values for financial assets are determined by bid prices quoted in active markets. Securities that are classified as available-for-sale and do not have a readily available market value are recorded at cost. Available-for-sale securities are written down to fair value through other comprehensive income whenever it is necessary to reflect other-than-temporary impairment. Gains and losses realized on disposal of available-for-sale securities are recognized in other income (expenses).

Held-to-maturity

Securities that have a fixed maturity date, where the Company intends and has the ability to hold to maturity, are classified as held-to-maturity and measured at amortized cost using the effective interest rate method.

Loans and receivables and other financial liabilities

Loans and receivables and other financial liabilities are measured at amortized cost using the effective interest rate method.

As at June 30, 2007 the Company had the following financial assets and financial liabilities and is selecting the following classifications:

	Classification	Measurement
Financial assets		
Cash and cash equivalents	Held-for-trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Financial liabilities		
Bank indebtedness	Held-for-trading	Fair value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost
Long term debt	Other financial liabilities	Amortized cost

b) Derivatives and hedge accounting

Embedded derivatives

Derivatives may be embedded in other financial instruments (host instruments). Prior to the adoption of the new standards, such embedded derivatives were not accounted for separately from the host instrument. Under the new standards, embedded derivatives are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host instrument and the terms of the embedded derivatives are measured at fair value with subsequent changes recognized in income. In accordance with CICA Handbook Section 3855, the Company conducted a search for embedded derivatives in all contractual arrangements dated subsequent to March 31, 2003 and are still in existence as of April 1, 2007 and did not identify any embedded features that require separate presentation from the related host contract.

3. Accounting policy changes (continued)

b) Derivatives and hedge accounting (continued)

Hedge accounting

Under the previous standards, derivatives that met the requirements for hedge accounting were generally accounted for on an accrual basis. Under the new standards, all derivatives are recorded at fair value and are recorded in prepaid expenses and other assets or accounts payable and accrued liabilities. As of June 30, 2007 the Company had no hedging agreements.

c) Comprehensive income

Comprehensive income (loss) is composed of the Company's net income and other comprehensive income (loss). Other comprehensive income (loss) includes unrealized gains (losses) on available-for-sale financial assets. As of June 30, 2007 the Company had no other comprehensive income or accumulated other comprehensive income.

Accounting changes

Effective April 1, 2007, the Company adopted the revised recommendations of CICA Handbook Section 1506, *Accounting Changes*, replacing section 1506 of the same title. The revised section adopts relevant parts of International Financial Reporting Standard IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*. The Company has determined that adoption of Section 1506 did not have a significant effect on the Company's financial position or results of operations in the current periods presented.

Investments

Effective April 1, 2007, the Company adopted the recommendations of CICA Handbook Section 3051, *Investments*, replacing section 3050 of the same title. Section 3051 continues to establish standards for accounting for investments subject to significant influence and for measuring and disclosing certain other non-financial instrument investments. It also contains guidance on the accounting treatment when there is a loss in the value of an investment that is subject to Section 3051. The Company has determined that adoption of Section 3051 did not have a significant effect on the Company's financial position or results of operations in the current periods presented.

Determining the variability to be considered in applying AcG-15

Effective April 1, 2007, the Company adopted the recommendations of CICA Handbook Abstract No.163, *Determining the Variability to be considered in Applying AcG-15* (EIC-163). EIC-163 deals with situations where an entity enters into arrangements, such as derivative contracts, to reduce or eliminate variability created by certain assets or operations of the entity or mismatches between the overall asset and liability profiles of the entity, thereby protecting certain liability and equity holders from exposure to such variability. The Company has determined that adoption of Section EIC-163 did not have a significant effect on the Company's financial position or results of operations in the current periods presented.

($ thousands, except share data)

4. Business acquisitions

Wild Card Enterprises Ltd.

On April 2, 2007, the Company acquired all of the outstanding shares of Wild Card Enterprises Ltd. (Wild Card). Wild Card, in Drayton Valley, Alberta, provides instrumentation maintenance and meter proving services to the Drayton Valley area.

The acquisition of Wild Card is a business combination transaction and was accounted for using the purchase method of accounting. These consolidated financial statements reflect the results of the consolidated operations of Wild Card from the date of acquisition.

The value of the shares was based on the price, less the warrants, of the public offering of $0.615. These shares are subject to a four month hold.

The components of the total purchase price were as follows:

Cash	$	750
894,309 common shares		550
Acquisition costs		35
Total consideration	$	1,335

The purchase price has been allocated to the net identifiable assets acquired based on their estimated fair value as follows:

Current assets	$	1,338
Property, plant and equipment		630
Goodwill		407
Other intangible assets		156
Current liabilities		(988)
Future income tax liability		(45)
Long term debt		(163)
Net assets acquired	$	1,335

The Company is in the process of finalizing the valuation of the net assets acquired, including goodwill and other intangible assets; thus the allocation of the purchase price is subject to revision.

Redwater Machining and Manufacturing Co. Ltd.

On June 29, 2007, the Company acquired the real estate assets held by the principals of Redwater Machining and Manufacturing Co. Ltd. The purchase price was $1,900 with $1,500 paid in cash and 666,667 common shares issued at $0.60. This was the first of two transactions in which the Company is acquiring the business. The second transaction is the acquisition of the shares which will be accounted for as a business combination on July 2, 2007.

($ thousands, except share data)

5. Inventories

Inventories are comprised of the following:

	June 30 2007	March 31 2007
Raw materials	$ 3,391	$ 2,953
Work in process	939	715
	$ 4,330	$ 3,668

6. Due from related parties

During the period, the Company paid $250,000 cash to AWG Ventures Inc., a controlling shareholder of the Company. The payment was not in the normal course of business but was made in order to facilitate the segregation of the banking agreements relating to AWG Ventures and the Company. The remaining amounts are related to normal course of business transactions. The balances are due on demand, non-interest bearing and have no set terms of repayment.

	June 30 2007	March 31 2007
Due from related parties	$ 590	$ 262

7. Share capital

a) Authorized

Unlimited number of common shares without nominal or par value
Unlimited number of retractable, redeemable preferred shares – none issued

Issued and outstanding – Common shares	Number of Shares	Amount
Balance, March 31, 2007	51,338,825	$ 6,245
Acquisition of Wild Card Ltd. (Note 4)	894,309	550
Public Offering – net of issue costs	16,154,000	9,773
Warrants granted to agents on public offering	-	(354)
Acquisition of Redwater Machining and Manufacturing Co. Ltd. (Note 4)	1,333,333	800
Balance, June 30, 2007	69,720,467	$ 17,014

($ thousands, except share data)

7. Share capital (continued)

Share offerings

On April 1, 2007 the Company issued 894,309 shares at $0.615 as partial payment for the acquisition of Wild Card Enterprises Ltd.

On May 7, 2007, the Company completed its prospectus offering (offering) by selling 16,154,000 units at $0.65 per unit for gross proceeds of $10,500. Each unit consists of one common share and one half of one share purchase warrant. Each whole warrant entitles the holder to purchase one common share for $1 until May 7, 2009. The Company paid the agents a commission of 6% of the aggregate gross proceeds from the offering. In addition, the Company paid the reasonable out of pocket costs of the agents and the reasonable fees and disbursements of the agents' legal counsel. As of July 5, 2007 the agents exercised the over-allotment option related to the offering and the Company issued an additional 606,900 units for a gross proceeds of $431.

The Company granted to the agents 969,240 broker warrants each broker warrant entitling the holders thereof to purchase one unit at $0.65 until May 7, 2008.

On June 29, 2007 the Company issued 1,333,333 shares at $0.60 as partial payment for the acquisition of Redwater Machining and Manufacturing Co. Ltd and real estate assets held by the principals of Redwater Machining and Manufacturing Co Ltd. (Note 3).

b) Stock option plan

A summary of the status of the Company's stock options to employees, directors, executive officers and consultants for the periods presented and changes during the periods ended on those dates are as follows:

Options	**June 30 2007**	March 31 2007
Outstanding, beginning of the period	8,440,000	-
Granted	225,000	8,795,000
Cancelled	20,000	355,000
Exercised	-	-
Outstanding, end of the period	8,645,000	8,440,000
Options exercisable, end of period	-	-
Weighted average exercise price	$ 0.50	$ 0.50
Weighted average contractual life remaining at June 30, 2007	4.35	4.59

Stock options are exercisable at exercise prices of $0.50 and $0.62

For stock options granted the Company records compensation expense using the fair value method. Fair values are determined using the Black-Scholes pricing model. Compensation costs are recognized over the vesting period as an increase to stock based compensation expense and contributed surplus. When stock options are subsequently exercised, the fair-value of such stock options in contributed surplus is credited to share capital.

($ thousands, except share data)

7. Share capital (continued)

b) Stock option plan (continued)

The Company uses Black-Scholes pricing model to value the stock options at each grant date, under the following weighted average assumptions.

		June 30 2007		March 31 2007
Weighted average grant-date fair value per share option	**$**	**0.1412**	$	0.1517
Expected dividend rate		**0.0%**		0.0%
Expected volatility		**25%**		25%
Risk-free interest rate		**4.33%**		4.0%
Expected life in years		**5.0**		5.0

c) Warrants

Issued and outstanding – Warrants

	Number of Warrants		June 30 2007 Weighted Average Exercised Price
Outstanding, beginning of the period	-	$	-
Granted			
Public offering	8,077,000		1.00
Broker warrants – private placement	1,150,000		0.50
Broker warrants – public offering	969,240		0.65
Cancelled	-		-
Exercised	-		-
Outstanding, end of the period	10,196,240	$	0.90

For warrants issued the Company determines their value using the fair value method. The value is recognized as a decrease in share capital and an increase in contributed surplus. When warrants are subsequently exercised, the fair value of such warrants in contributed surplus is credited to share capital.

The Company uses Black-Scholes pricing model to value the warrants at each grant date, under the following weighted average assumptions.

		June 30 2007	March 31 2007
Weighted average grant-date fair value per warrant	**$**	**0.354**	-
Expected dividend rate		**0.0%**	-
Expected volatility		**25%**	-
Risk-free interest rate		**4.23%**	-
Weighted average expected life in years		**1.77**	-

($ thousands, except share data)

8. Contributed surplus

During the period, contributed surplus has changed as follow:

	June 30 2007	March 31 2007
Balance, beginning of period	**$ 800**	$ -
Acquisition of assets of AWG Ventures Inc.	**-**	331
Stock based compensation expense	**200**	401
Warrants issued on public offering	**190**	-
Warrants issued on private placement	**164**	68
Balance, end of period	**$ 1,354**	$ 800

9. Contingent liabilities

The Company is contingently liable for the bank debt of AWG Ventures Inc., the controlling shareholder, pursuant to a corporate guarantee provided. As of June 30, 2007 these loans in AWG Ventures Inc. amounted to $657 (March 31, 2007 - $686).

The Company is contingently liable for bank debt of the two RCA Trust loan accounts. These accounts were established for two shareholders of AWG Ventures Inc., the controlling shareholder. As of June 30, 2007 these loans in AWG Ventures Inc. amounted to $883 (March 31, 2007 - $908).

10. Subsequent events

Redwater Machining and Manufacturing Co. Ltd.

On July 2, 2007 the Company purchased 100% of the outstanding shares of Redwater Machining & Manufacturing Co. Ltd. (Redwater). Located in Redwater, Alberta, Redwater provides machining, welding and valve services. As part of this agreement the Company purchased the building and real estate assets held by the principals of Redwater. The purchase price was $1,170, with $770 cash paid and 666,667 shares issued at $0.60 on June 29, 2007.

Nextron Corporation

On July 17, 2007 the Company entered into an amended non-binding letter of intent to acquire all the outstanding shares of Nextron Corporation (Nextron). Located in Calgary, Alberta, Nextron manufacturers heat trace controllers and distributes heat tape. The Company has agreed to pay $0.05 per share in cash and to issue one common share of Powercomm for each fifteen shares of Nextron. The Company has completed its due diligence and the tender document will be mailed in August.

($ thousands, except share data)

11. Supplemental cash flow information

	June 30 2007	June 30 2006
Interest and income taxes paid:		
Interest paid	$ 84	$ 123
Income taxes paid	$ 927	$ 14
Non-cash investing activities:		
Purchase of assets under capital leases	$ 237	$ 59
Assets acquired – Section 85 rollover	-	938
	$ 237	$ 997

12. Segmented information

The Company has 3 separate operating segments: PowerComm, Redhill and Kazakhstan. PowerComm provides electrical and instrumentation construction, electrical and instrumentation maintenance and valve services primarily in Western Canada. Redhill provides electrical equipment manufacturing primarily in Western Canada. An operation is in the start-up phase in Kazakhstan.

The Company does not allocate general corporate borrowings to reportable segments. These interest costs have been included in PowerComm. The Company does not allocate income tax expense to operating segments.

June 30, 2007

	PowerComm	Redhill	Kazakhstan	Total
Sales	$ 9,613	$ 952	$ -	$ 10,565
Amortization	272	15	-	287
Loss before taxes	(395)	(223)	(117)	(735)
Property, plant and equipment	5,755	777	-	6,532
Goodwill	392	2,137	-	2,529
Intangible assets	165	475	-	640
Total assets	$ 26,019	$ 3,484	$ -	$ 29,503

June 30, 2006

	PowerComm	Redhill	Kazakhstan	Total
Sales	$ 14,467	$ -	$ -	$ 14,467
Amortization	53	-	-	53
Earnings (loss) before taxes	1,996	-	(44)	1,952
Property, plant and equipment	1,570	-	-	1,570
Goodwill	31	-	-	31
Intangible assets	79	-	-	79
Total assets	$ 19,916	$ -	$ -	$ 19,916

APPENDIX F
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTHS ENDED JUNE 30, 2007

POWERCOMM INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE FIRST QUARTER ENDED JUNE 30, 2007

POWERCOMM INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FOR THE THREE MONTHS ENDED JUNE 30, 2007

The following Management Discussion and Analysis (MD&A) is based on June 30, 2007 financial statements and is provided to assist readers in understanding the financial performance of PowerComm Inc. (PowerComm, the Corporation) during the period(s) presented. This MD&A has been prepared as of August 14, 2007.

The following MD&A should be read in conjunction with the consolidated financial statements and notes thereto for the three-month period ended June 30, 2007 and is prepared in accordance with Canadian generally accepted accounting principles (GAAP).

RESPONSIBILITY OF MANAGEMENT AND THE BOARD OF DIRECTORS

Management is responsible for the information contained in this MD&A, and is subject to approval of the Audit Committee and the board of directors. The President and Chief Executive Officer and the Chief Financial Officer attested that the internal controls over financial reporting are designed to provide reasonable assurance that the Corporation's financial reporting is reliable.

FORWARD LOOKING STATEMENTS

The following discussion contains certain forward-looking statements, including management's assessment of future plans and operations and capital expenditures and the timing thereof, that involve substantial known and unknown risks and uncertainties, certain of which are beyond PowerComm Inc.'s control. Such risks and uncertainties include, without limitation, risks associated with the Corporation's ability to market successfully to current and new customers; supply and demand for PowerComm Inc.'s services and products and industry activity levels; capital expenditure programs; projections of commodity prices and costs; the Corporation's ability to obtain material and equipment from suppliers; operating risk liability; expansion of services and products by internal growth or acquisition; the Corporation's ability to obtain additional financing on satisfactory terms; the impact of general economic and industry conditions; changes in laws and regulations (including the adoption of new environmental laws and regulations) and changes in how they are interpreted and enforced; competitive conditions; the lack of availability of qualified personnel or management; fluctuations in foreign exchange or interest rates, stock market volatility; and obtaining required approvals of regulatory authorities. PowerComm Inc.'s actual results, performance or achievements could differ materially from those expressed in, or implied by, these forward-looking statements and, accordingly, no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur, or if any of them do so, what benefits, including the amount of proceeds, that PowerComm Inc. will derive therefrom. Readers are cautioned that the foregoing list of factors is not exhaustive. All subsequent forward-looking statements, whether written or oral, attributable to PowerComm Inc. or persons acting on its behalf are expressly qualified in their entirety by these cautionary statements. Furthermore, the forward-looking statements contained in this document are made as of the date of this document and PowerComm Inc. does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.

Further information about the factors affecting forward-looking statements is available in the Corporation's Annual Information Form, which has been filed with Canadian Provincial Securities Commissions and is available on www.sedar.com.

DESCRIPTION OF THE BUSINESS

PowerComm Inc.'s business is divided into four general components: electrical and instrumentation construction (i.e. the physical construction of the electrical and instrumentation infrastructure of industrial facilities.); electrical and instrumentation maintenance (i.e. the maintenance, calibration, and testing of the electrical and instrumentation infrastructure of industrial facilities); valve services; and electrical equipment manufacturing.

PowerComm Inc. offers a unique suite of services that none of its competitors currently provide. To management's knowledge it is the only electrical and instrumentation contractor that also offers valve services and the only valve service company in Alberta that offers electrical and instrumentation construction and maintenance services. The Corporation carries a large inventory of replacement parts for valves that are no longer manufactured and to management's knowledge is the only valve service company that services all manufacturers' valves. The Corporation also has the largest inventory of used, rebuilt, and recertified valves in Alberta. PowerComm Inc. also provides surplus valve sales for its clients and then issues cheques to its clients when valves are sold on their behalf.

PowerComm Inc. has its corporate headquarters and its manufacturing division based in separate facilities in Edmonton, Alberta, with operational facilities in Calgary, Drayton Valley, Fort McMurray, Fort Saskatchewan, Grande Prairie, Hardisty, Lloydminster, Nisku, Olds, Provost, Redwater and Rocky Mountain House. PowerComm Inc. also operates a facility in Atyrau, Kazakhstan. The Kazakhstan office is currently a business development office, but PowerComm Inc. expects to generate sales in the near future.

PowerComm Inc. currently has in excess of 400 employees comprised of office, shop and field service personnel. PowerComm Inc.'s shop and field service personnel consist of experienced trades people and technicians including: Master Electricians, Journeyman Electricians, Power System Electricians, Journeyman Instrumentation Technicians/Mechanics and Valve Service Technicians. PowerComm Inc. is an active member of Alberta's apprenticeship and industry training system in order to ensure an ongoing supply of skilled and qualified personnel.

PowerComm Inc. has completed numerous projects to date, in excess of twenty, multi-million dollar projects and continues to tender certain large projects. Management believes that PowerComm Inc. has established itself in all facets of electrical and instrumentation construction and maintenance, and valve services for industrial and commercial facilities. PowerComm Inc. has a client base in excess of 450 western Canadian businesses ranging from large multinational public companies to small private companies in the following industry sectors: oil and gas, petro-chemical plants, SAGD facilities, refineries and upgraders, pipelines, utility/ power corporations, mining, agriculture, food processing, pulp and paper plants, plastics, forestry, drilling/service rigs, railway, wood product manufacturing and other medium to heavy industrial facilities. PowerComm Inc. provides these services to its clients through its operational facilities.

THREE MONTHS ENDED JUNE 30, 2007

HIGHLIGHTS OF THE QUARTER

During the quarter the Corporation achieved a series of accomplishments, all of which are critical to the continued success and growth of PowerComm.

The acquisition of Wild Card Enterprises Ltd. in Drayton Valley closed on April 2, 2007 and serves to further expand the geographic footprint of the Corporation and provides a solid and proven presence in the high-activity area of west-central Alberta. Further, the traditional suite of services (instrumentation maintenance and meter proving) offered out of the Drayton Valley location will be expanded locally to include electrical construction and maintenance and valve services while the expertise in instrumentation and meter proving in Drayton Valley will be disseminated throughout PowerComm's locations.

On May 7, 2007 the Corporation completed its Initial Public Offering (IPO), raising 10.5 million dollars through the sale of common shares. The equity capital will facilitate the continued expansion and growth-through-acquisition goals of PowerComm management as well as continuing to improve the Corporation's financial position.

Subsequent to the completion of the IPO the shares of PowerComm were listed and posted on the Toronto Stock Exchange, thus marking a major milestone event in the Corporation's history to date.

The Corporation completed the purchase of the land assets related to Redwater Machining and Manufacturing Co. Ltd. On June 29, 2007. The purchase of the land assets was a requirement of the acquisition of the operating business. The acquisition of the operating business did not close until July 2, 2007. This strategic acquisition provides the Corporation with an operating facility in a central location for upcoming upgrader construction and other oilsands-related construction activity.

Further, the Corporation announced the negotiation and execution of an amended non-binding Letter of Intent to acquire Nextron Corporation, a public company that manufactures heat trace controllers and has an exclusive distributorship for heat tape in Canada. This transaction is expected to close in the second quarter.

CONSOLIDATION

The acquisition of Redhill Systems Ltd. and Concorde Metal Manufacturing Ltd. closed July 18, 2006, and are consolidated for the quarter ended September 30, 2006. The acquisition of Wild Card Enterprises Ltd. closed April 2, 2007 and are consolidated for the period ended June 30, 2007

SALES

Revenue declined in the first quarter compared to the same period in the previous year by approximately 3.9 million dollars. This decline was primarily within the Electrical and Instrumentation Construction business component where there was limited activity. The combination of the significant market slowdown combined with project commencement delays accounted for at least 4 million dollars of the revenue decline.

Towards the end of the period there was a marked increase in activity and requests for quotes and proposals and the backlog of work (work with a firm purchase order but not yet commenced) grew to just over 13 million dollars, to be completed over the fiscal year. The current backlog is significantly larger than the Corporation's historical backlog amounts.

In addition, the Grande Prairie area office was virtually shutdown as the combination of extreme winter snowfall and heavy spring rainfall made accessing almost all sites impossible until late June. The result of these unusual and extreme weather conditions was a severe drop in revenue from the area.

The Alberta economy suffered a slowdown that started early in calendar year 2007 and gathered momentum through the first quarter of the calendar year. This resulted in a virtual shutdown of new business awarding as well as a pullback from some project commencements. There was a reversal of this trend at the end of the first half of the calendar year.

GROSS PROFIT

Gross margin, as a percentage of Sales, remained stable, at 26.2% for the period compared to 27.7% for the first quarter of 2006 even with a drop in revenues for the period.

EXPENSES

Management and administrative wages, general and administrative expenses and vehicle and equipment expenses increased mainly due to the acquisition of Redhill Systems, Concorde Metal Manufacturing, and Wild Card Enterprises. These three entities each operate facilities and the attached overheads with each accounts for the majority of the increase. Other factors relating to the increase include the costs of operating as a public company and stock based compensation.

Management continues to monitor and work to control costs but does not expect these costs to decrease as the Corporation continues to focus on growth.

NET EARNINGS (LOSS)

The period saw the Corporation incur a loss as a result of the decrease in revenues of approximately 3.9 million dollars. Gross margins remained relatively unchanged while overhead expenses rose by approximately 1.0 million dollars, due in part to the change to a public company, and the addition of three acquisitions since the prior period. As well included in these expenses is almost 0.2 million dollars from the expensing of Stock Based Compensation.

The decrease in revenues in construction generally related to the loss for the period while the slowdown also was evident in a loss at Redhill/ Concorde.

QUARTERLY INFORMATION

The following table sets forth selected quarterly information for the Corporation for the past eight quarters:

($ thousands, except per share data)	Q1 2008	FY 2007				Q2-Q4 2006		
	Jun 30	**Mar 31**	**Dec 31**	**Sep 30**	**Jun 30**	**Mar 31**	**Dec 31**	**Sep 30**
Net sales	10,565	11,629	15,191	16,407	14,467	8,435	10,257	9,640
Cost of sales	7,792	9,212	11,983	12,064	10,460	6,645	7,750	6,914
Cost of sales as percentage of net sales	74%	79%	79%	74%	72%	79%	76%	72%
Net (loss) earnings	(569)	(503)	36	937	1,331	(1,341)	364	704
Income per share								
Basic	-0.01	-0.01	0.00	0.02	0.04	-0.04	0.01	0.02
Diluted	-0.01	-0.01	0.00	0.02	0.04	-0.04	0.01	0.02

RECEIVABLES AND PAYABLES

Both receivables and payables decreased slightly while the ratio of receivables to payables showed little change from the previous period. As the Corporation continues to grow and make acquisitions, it will continue to emphasize the management of its receivables.

LIQUIDITY AND CAPITAL RESOURCES

The quarter saw the closing of the Corporation's Initial Public Offering and again an improved balance sheet. Bank indebtedness was virtually eliminated and cash increased. The corporate liquidity improved and shareholders equity increased by over 10.5 million dollars. As at June 30, 2007 the current ratio improved to 2.29:1; compared to 1.28:1 at year-end. Management believes this ratio is high but it positions the Corporation well to continue its planned growth.

Property, plant, and equipment grew by slightly more than 2.5 million dollars; mostly coming from equipment received in the acquisition of Wild Card Enterprises and the purchase of the land related to Redwater Machining.

OUTSTANDING SHARE DATA

During the quarter the Corporation completed its previously discussed IPO, which resulted in the issuance of an additional 16,154,000 common shares and 8,077,000 warrants for gross proceeds of 10.5 million dollars. The warrants entitle the holder to purchase one common share for $1.00 until May 7, 2009. This transaction also resulted in the issuance of an additional 969,240 broker's warrants, each entitling the holder to purchase one unit at $0.65 until May 7, 2008.

The acquisitions of Wild Card Enterprises and Redwater Machining and Manufacturing resulted in the issuance of a total of 2,227,642 common shares.

PowerComm Inc. had 69,720,467 shares outstanding at the end of the period, June 30, 2007. A more detailed description of the share capital is contained in Note 7, of the Consolidated Financial Statements attached hereto.

OFF-BALANCE SHEET ARRANGEMENTS

PowerComm Inc. has no off-balance sheet arrangements.

FINANCIAL INSTRUMENTS

Effective April 1, 2007, the Corporation adopted the recommendations of the Canadian Institute of Chartered Accountants (CICA) Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, Section 3865, *Hedges*, Section 1530, *Comprehensive Income*, Section 3251, *Equity*, and Section 3861, *Financial Instruments – Disclosure and Presentation*. The adoption of the new standards resulted in changes in accounting for financial instruments but did not create any other comprehensive income or accumulated other comprehensive income.

For a description of the principal changes in accounting for financial instruments due to the adoption of the accounting standards, and for further details on changes in accounting policies, see Note 3, Accounting Policy Changes, in the notes to our consolidated financial statements for the three months ended June 30, 2007.

TRANSACTIONS WITH RELATED PARTIES

PowerComm Inc. continues to do business with AWG Ventures Inc. and two of its subsidiaries: FlowTech Supply Inc. and Chips (2002) Inc. During the period the corporation made a short-term non-interest bearing loan to AWG Ventures in order to simplify the final segregation of their historic banking arrangements. The Corporation expects the banking arrangements to be finalized and the loan to be repaid by the end of the second quarter.

PowerComm Inc. leases its headquarters in Edmonton from AWG Ventures Inc. for $240,000 per annum. AWG Ventures Inc. is a company owned by the founders of PowerComm and continues to hold 35 million shares of PowerComm Inc.

OUTLOOK

Management is confident that the continued program of growth is sound and it has not been swayed from its stated program of growth. The upturn in commodity prices is driving increased activity and a pronounced up turn in work volumes. Management anticipates the remainder of 2007 will be busy and will continue into 2008.

With the current backlog of almost 13 million dollars and other expected work PowerComm is expecting to have a busy year and to surpass last years sales.

PowerComm Inc. has been busy executing its acquisition strategy with two announced transactions since fiscal year end. It is the intent of the Corporation to continue this program while expanding its business by rolling out additional business lines in the new acquisitions and continuing to grow existing areas organically. The stated aim of expanding the Corporation's footprint geographically will be forefront in the coming months.

SUBSEQUENT EVENTS

Previously announced in the quarter, the Corporation has completed its due diligence with respect to the acquisition of Nextron Corporation. It is expected that the Tender Document will be mailed in August and the transaction is expected to be completed in September or October.

DISCLOSURE CONTROLS

The Chief Executive Officer and the Chief Financial Officer are responsible for designing the internal controls over financial reporting or causing it to be designed under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with Canadian generally accepted accounting principals. The Corporation is currently improving its documentation and policies of documentation on disclosure controls and procedures. Effective disclosure controls and procedures are achieved, despite limited documentation of internal controls over financial reporting, because of the Chief Financial Officer's direct involvement in the disclosure controls and procedures process.

ADDITIONAL INFORMATION

Additional information relating to PowerComm Inc., including the Annual Information Form, may be found on the SEDAR website by visiting www.sedar.com.

POWERCOMM INC

An ISO 9001:2000 Registered Company

CORPORATE HEADQUARTERS

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APPENDIX G
PART 16 OF THE BUSINESS CORPORATIONS ACT (ALBERTA)
TAKE-OVER BIDS - COMPULSORY PURCHASE

Definitions

194 In this Part,

(a) "**dissenting offeree**" means an offeree who does not accept a take-over bid and a person who acquires from an offeree a share for which a take-over bid is made;

(b) "**offer**" includes an invitation to make an offer;

(c) "**offeree**" means a person to whom a take-over bid is made;

(d) "**offeree corporation**" means a corporation whose shares are the object of a take-over bid;

(e) "**offeror**" means a person, other than an agent, who makes a take-over bid, and includes 2 or more persons who, directly or indirectly,

(i) make take-over bids jointly or in concert, or

(ii) intend to exercise jointly or in concert voting rights attached to shares for which a take-over bid is made;

(f) "**share**" means a share with or without voting rights and includes

(i) a security currently convertible into such a share, and

(ii) currently exercisable options and rights to acquire such a share or such a convertible security;

(g) "**take-over bid**" means an offer made by an offeror to shareholders to acquire all the shares of any class of shares of an offeree corporation not already owned by the offeror, and includes every take-over bid by a corporation to repurchase all the shares of any class of its shares that leaves outstanding voting shares of the corporation.

Compulsory acquisition of shares of dissenting offeree

195

(1) A take-over bid is deemed to be dated as of the date on which it is sent.

(2) If within the time limited in a take-over bid for its acceptance or within 120 days after the date of a take-over bid, whichever period is the shorter, the bid is accepted by the holders of not less than 90% of the shares of any class of shares to which the take-over bid relates, other than shares of that class held at the date of the take-over bid by or on behalf of the offeror or an affiliate or associate of the offeror, the offeror is entitled, on the bid being so accepted and on complying with this Part, to acquire the shares of that class held by the dissenting offerees.

(3) The rights of an offeror and offeree under this Part are subject to any unanimous shareholder agreement.

Offeror’s notices

196

(1) An offeror may acquire shares held by a dissenting offeree by sending by registered mail within 60 days after the date of termination of the take-over bid and in any event within 180 days after the date of the take-over bid, an offeror’s notice to each dissenting offeree stating that

(a) the offerees holding not less than 90% of the shares to which the bid relates have accepted the take-over bid,

(b) the offeror is bound to take up and pay for or has taken up and paid for the shares of the offerees who accepted the take-over bid,

(c) a dissenting offeree is required to elect

(i) to transfer the offeree’s shares to the offeror on the terms on which the offeror acquired the shares of the offerees who accepted the take-over bid, or

(ii) to demand payment of the fair value of the offeree’s shares

A. by notifying the offeror, and

B. repealed 2005 c8 s45,

within 20 days after the offeree receives the offeror’s notice,

(d) a dissenting offeree who does not notify the offeror is deemed to have elected to transfer the offeree’s shares to the offeror on the same terms that the offeror acquired the shares from the offerees who accepted the take-over bid, and

(e) a dissenting offeree shall send the share certificates of the class of shares to which the take-over bid relates to the offeree corporation within 20 days after the offeree receives the offeror’s notice.

(2) Concurrently with sending the offeror’s notice under subsection (1), the offeror shall send or deliver to the offeree corporation a notice of adverse claim in accordance with section 77 with respect to each share held by a dissenting offeree.

Surrender of share certificate and payment of money

197

(1) A dissenting offeree to whom an offeror’s notice is sent under section 196(l) shall, within 20 days after the offeree receives that notice, send the offeree’s share certificates of the class of shares to which the take-over bid relates to the offeree corporation.

(2) Within 20 days after the offeror sends an offeror’s notice under section 196(l), the offeror shall pay or transfer to the offeree corporation the amount of money or other consideration that the offeror would have had to pay or transfer to a dissenting offeree if the dissenting offeree had elected to accept the take-over bid under section 196(l)(c)(i).

Offeree corporation’s obligations

198

(1) The offeree corporation is deemed to hold in trust for the dissenting offerees the money or other consideration it receives under section 197(2), and the offeree corporation shall deposit the money in a separate account in a bank or other body corporate any of whose deposits are insured by the Canada Deposit Insurance Corporation or guaranteed by the Quebec Deposit Insurance Board, and shall place the other consideration in the custody of a bank or such other body corporate.

(2) Within 30 days after the offeror sends an offeror’s notice under section 196(l), the offeree corporation shall, if the offeror has paid or transferred to the offeree corporation the money or other consideration referred to in section 197(2),

(a) issue to the offeror a share certificate in respect of the shares that were held by dissenting offerees,

(b) give to each dissenting offeree who elects to accept the take-over bid terms under section 196(1)(c)(i) and who sends or delivers the offeree’s share certificates as required under section 197(1), the money or other consideration to which the offeree is entitled, disregarding fractional shares, which may be paid for in money, and

(c) send to each dissenting shareholder who has not sent the shareholder’s share certificates as required under section 197(l) a notice stating that

(i) the shareholder’s shares have been cancelled,

(ii) the offeree corporation or some designated person holds in trust for the shareholder the money or other consideration to which the shareholder is entitled as payment for or in exchange for the shareholder’s shares, and

(iii) the offeree corporation will, subject to sections 199 to 205, send that money or other consideration to the shareholder forthwith after receiving the shareholder’s shares.

Offeror’s right to apply

199

(1) If a dissenting offeree has elected to demand payment of the fair value of the offeree’s shares under section 196(l)(c), the offeror may, within 20 days after the offeror has paid the money or transferred the other consideration under section 197(2), apply to the Court to fix the fair value of the shares of that dissenting offeree.

(2) If an offeror fails to apply to the Court under subsection (1), a dissenting offeree may apply to the Court for the same purpose within a further period of 20 days after the 20 day period referred to in subsection (1) has elapsed.

(3) Where no application is made to the Court under subsection (2) within the 20-day period provided for in that subsection, the dissenting offeree is deemed to have elected to transfer the offeree’s shares to the offeror on the same terms that the offeror acquired the shares from the offerees who accepted the take-over bid.

No security for costs

200 A dissenting offeree is not required to give security for costs in an application made under this Part.

Procedure on application

201 If more than one application is made under sections 196 and 199, the offeror or a dissenting offeree may apply to have the applications heard together.

Court to fix fair value

202 On an application under this Part, the Court shall fix a fair value for the shares of each dissenting offeree who is a party to the application.

Power of Court

203 The Court may in its discretion appoint one or more appraisers to assist the Court to fix a fair value for the shares of a dissenting offeree.

Final order

204 The final order of the Court is to be made against the offeror in favour of each dissenting offeree who has elected to demand payment of the fair value of the offeree's shares for the fair value of the offeree's shares as fixed by the Court.

Additional powers of Court

205 In connection with proceedings under this Part, the Court may make any order it thinks fit and, without limiting the generality of the foregoing, it may do any or all of the following:

(a) fix the amount of money or other consideration that is required to be held in trust under section 198(1);

(b) order that that money or other consideration be held in trust by a person other than the offeree corporation;

(c) allow a reasonable rate of interest on the amount payable to each dissenting offeree from the date the offeree sends or delivers the offeree's share certificates under section 197(l) until the date of payment;

(d) order that any money payable to a shareholder who cannot be found be paid to the Crown and section 228(3) applies in respect of money so paid.

Corporation's offer to repurchase its own shares

206

(1) If the take-over bid is an offer by a corporation to repurchase its own shares section 196(2) does not apply, and section 197(2) does not apply, but the corporation shall comply with section 198(l) within 20 days after it sends an offeror's notice under section 196(l).

(2) Subsection (3) applies if:

(a) the take-over bid is an offer by a corporation to repurchase its own shares, and

(b) the corporation is prohibited by section 34

(i) from depositing or placing the consideration for the shares pursuant to section 198(l), or

(ii) paying the amount for the shares fixed by the Court pursuant to section 202.

(3) If the conditions referred to in subsection (2) are met, the corporation

(a) shall re-issue to the dissenting offeree the shares for which the corporation is not allowed to pay, and

(b) is entitled to use for its own benefit any money or consideration deposited or placed under section 198(1), and

the dissenting offeree is reinstated to the offeree's full rights, as a shareholder.

Office of the Depositary, Olympia Trust Company

By Mail

Olympia Trust Company
2300, 129 – 9th Avenue SE
Calgary, Alberta
T2G 0P6
Attention: Corporate Actions

By Hand or by Courier

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Calgary, Alberta
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Attention: Corporate Actions

Toronto

Olympia Transfer Services Inc.
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Any questions and requests for assistance may be directed by Shareholders to the Depositary at the telephone number and locations set out above.