



**Interim consolidated financial statements
November 30, 2008**

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

Nuvolt Corporation Inc.**CONSOLIDATED INTERIM STATEMENTS OF INCOME****AND COMPREHENSIVE INCOME**Three-month periods ended
(Unaudited)**Novembre 30,**
2008
(1st quarter)November 30,
2007
(1st quarter)

GROSS REVENUE	\$	702,869	\$	348,083
COST OF GOODS SOLD		<u>397,768</u>		<u>225,537</u>
GROSS PROFIT		<u>305,101</u>		<u>122,546</u>
OTHER OPERATING EXPENSES				
Research and development expenses		305,850		32,415
Capitalized amount		<u>(305,850)</u>		<u>(32,415)</u>
Research and development expenses, net		-		-
Selling expenses		67,691		97,196
Administrative expenses		127,939		154,320
Financial expenses		<u>39,590</u>		<u>42,604</u>
		<u>235,220</u>		<u>294,120</u>
INCOME (LOSS) FROM OPERATIONS		<u>69,881</u>		<u>(171,574)</u>
OTHER ITEMS				
Interest income		41		11,798
CNRC, contribution for hiring		2,585		-
Change in fair value of money market funds				<u>5,686</u>
		<u>2,626</u>		<u>17,484</u>
INCOME (LOSS) BEFORE INCOME TAXES		<u>72,507</u>		<u>(154,090)</u>
INCOME TAXES				
Current		-		-
Tax benefit arising from the use of prior year losses carried forward		<u>-</u>		<u>-</u>
		<u>-</u>		<u>-</u>
NET INCOME (NET LOSS) AND COMPREHENSIVE INCOME	\$	<u>72,507</u>	\$	<u>(154,090)</u>
Earning per share (Note 19)				
Net income, non-diluted and diluted per share	\$	0,0014	\$	(0,0029)

Additional information to the statement of income (Note 5)

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

Nuvolt Corporation Inc.

CONSOLIDATED INTERIM STATEMENTS OF DEFICIT	November 30,	November 30,
Three-month periods ended	2008	2007
(Unaudited)	(1st quarter)	(1st quarter)
BALANCE , beginning of period	\$ (6,420,977)	\$ (5,719,041)
Net income (net loss)	<u>72,507</u>	<u>(154,090)</u>
Shares issuance costs	<u>-</u>	<u>-</u>
BALANCE , end of period	\$ (6,348,470)	\$ (5,873,131)

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

Nuvolt Corporation Inc.

CONSOLIDATED INTERIM BALANCE SHEETS	November 30,	August 31,
As at	2008	2008
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS		
Cash	\$ 9,634	\$ 13,170
Accounts receivable (Note 6)	1,039,599	771,540
Inventories (Note 7)	242,312	334,640
Prepaid expenses	17,564	14,916
	1,309,109	1,134,266
NOTES RECEIVABLE (Note 8)	8,391	8,391
CAPITAL ASSETS (Note 9)	62,371	64,221
INTANGIBLE ASSETS (Note 10)	105,839	100,378
DEFERRED CHARGES (Note 11)	1,234,664	998,972
	\$ 2,720,374	\$ 2,306,228

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

Nuvolt Corporation Inc.

CONSOLIDATED INTERIM BALANCE SHEETS (continued)	November 30,	August 31,
As at	2008	2008
	(Unaudited)	(Audited)
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	\$ -	\$ 21,828
Bank loan (Note 12)	200,000	210,000
Accounts payable (Note 13)	1,177,030	821,943
Deferred revenue	29,990	11,512
Current portion of long-term debt (Note 14)	55,530	49,189
Current portion of debenture (Note 15)	167,778	167,778
	1,630,328	1,282,250
LONG-TERM DEBT (Note 14)	307,760	319,686
DEBENTURE (Note 15)	211,479	212,729
	2,149,567	1,814,665
SHAREHOLDERS' EQUITY (DEFICIENCY)		
Capital stock (Note 16)	5,377,565	5,377,565
Stock options (Note 17)	166,201	159,464
Warrants (Note 18)	718,444	718,444
Contributed surplus	657,067	657,067
Deficit	(6,348,470)	(6,420,977)
	570,807	491,563
	\$ 2,720,374	\$ 2,306,228

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

Nuvolt Corporation Inc.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS	November 30,	November 30,
Three-month periods ended	2008	2007
(Unaudited)	(1st quarter)	(1st quarter)
OPERATING ACTIVITIES		
Net income (net loss)	\$ 72,507	\$ (154,090)
Items not affecting cash		
Amortization of capital assets	4,805	11,518
Amortization of intangible assets	440	440
Amortization of deferred development expenses	(2,187)	4,123
Interest capitalized on long-term debt	5,913	6,906
Interest capitalized on debenture	10,750	15,762
Stock based compensation	6,736	-
	<u>98,964</u>	<u>(115,341)</u>
Net change in non-cash working capital items (Note 20)	<u>65,529</u>	<u>(17,031)</u>
	<u>164,493</u>	<u>(132,371)</u>
INVESTING ACTIVITIES		
Collection of notes receivable	-	4,232
Acquisition of capital assets	(2,953)	(5,871)
Acquisition of intangible assets	(5,901)	(3,378)
Increase in deferred development expenses	<u>(303,849)</u>	<u>(62,759)</u>
	<u>(312,703)</u>	<u>(67,776)</u>
FINANCIAL ACTIVITIES		
Change in bank loan	(10,000)	0,000
Amounts payable to shareholders	125,000	0,000
Long-term debt variance	63,501	(28,347)
Repayment of debenture	<u>(12,000)</u>	<u>(16,000)</u>
	<u>166,501</u>	<u>(44,347)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	18,291	(244,494)
CASH AND CASH EQUIVALENTS, beginning of period	(8,659)	1,260,755
CASH AND CASH EQUIVALENTS, end of period	\$ 9,632	\$ 1,016,261

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

Nuvolt Corporation Inc.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS	November 30,	November 30,
Three-month periods ended	2008	2007
(Unaudited)	(1st quarter)	(1st quarter)

Cash and cash equivalents include :

Cash	\$	9,634	\$	84,330
Money market funds		-		343,852
Garanteed investment certificate, 4.30 %		-		588,079
	\$	9,634	\$	1,016,261

Cash flows related to operating activities include interest payments of \$39,590
(November 30, 2007 - \$47,374)

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

Nuvolt Corporation Inc.

NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at November 30, 2008

1 - STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

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

2 - SIGNIFICANT ACCOUNTING POLICIES

Principle of consolidation

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

Interim financial information

Financial information as of November 30, 2008 and for the three-month period ended November 30, 2008 and 2007, are unaudited; however, in the opinion of the management, all the necessary adjustments to fairly present the results of the quarter have been recorded. Interim results may not necessarily be indicative of results anticipated for the year.

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

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

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

3 - CHANGE TO SIGNIFICANT ACCOUNTING POLICY

Inventories

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

4 - FUTURE CHANGE TO SIGNIFICANT ACCOUNTING POLICY

International financial reporting standards

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

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

As at November 30, 2008

5. ADDITIONAL INFORMATION TO THE STATEMENT OF INCOME

	November 30, 2008 (3 months)	November 30, 2007 (3 months)
Amortization of capital assets	4 805 \$	11 518 \$
Amortization of intangible assets	440 \$	440 \$
Stock-based compensation	6 736 \$	- \$
Exchange loss	(4 760) \$	(4 051) \$
Interests on long-term debt and debenture	31 214 \$	39 049 \$
Interests on short-term debt	8 376 \$	3 554 \$

6 - ACCOUNTS RECEIVABLE

	November 30, 2008 \$	August 31, 2008 \$
Trade	634 868	417 464
Security deposit	9 522	-
Travelling expenses advances, without interest	3 200	5 100
Advances to shareholders, without interest	-	3 505
Recoverable income taxes		3 186
Commodity taxes	43 839	64 461
Research and development tax credits	348 169	277 824
	1 039 598	771 540

7 - INVENTORIES

	November 30, 2008 \$	August 31, 2008 \$
Raw materials	105 080	86 600
Goods in process	47 708	66 780
Finished goods	89 524	181 260
	242 312	334 640

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

8 - NOTES RECEIVABLE

	November 30, 2008 \$	August 31, 2008 \$
Notes receivable from Shareholders, without interest, maturing upon dividend payment	8 391	8 391

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

As at November 30, 2008

9 - CAPITAL ASSETS

	November 30, 2008		August 31, 2008	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Leasehold improvements	2 277	2 277	-	-
Reference works	71 824	70 329	1 495	1 993
Tools and equipment	208 354	185 690	22 665	24 953
Data processing equipment and software	76 673	62 510	14 163	12 355
Commercial booths			-	6 135
Rolling stock	29 126	22 056	7 070	7 643
Furniture and fittings	79 552	62 574	16 978	11 142
	467 807	405 436	62 371	64 221

10 - INTANGIBLE ASSETS

	November 30, 2008		August 31, 2008	
	Cost	Accumulated amortization	Net book value	Net book value
Patents	133 531	27 692	105 839	100 378

During the quarter, the Company incurred \$5,901 (2007 - \$3,378) for patents.

Intangible assets of a cost of \$100,638 (2007- \$40,149) were not amortized.

11 - DEFERRED CHARGES

	November 30, 2008	August 31, 2008
	\$	\$
Development costs	1 234 664	998 972

During the quarter, the Company incurred development costs of \$305,850 (2007 - \$64,755) and recognized research and development tax credits of \$70,158.

As at November 30, 2008, the development expenses for a cost, net of research and development tax credits, of \$1,234,664 (2007- \$998,972) were not amortized.

12 - BANK LOAN

The Company has available credit facility amounting \$250,000, bearing interest at the bank prime rate plus 2%, secured by accounts receivable and by inventories. The credit facility has been renewable on December 31, 2008.

As at November 30, 2008, \$200,000 of credit facility was used and a letter of credit for a total amount of \$10,000 expiring January 16, 2009 had been issued.

Under the terms of the credit agreement, the Company must comply with a debt covenant relating to the maintenance of a financial ratio. As at November 30, 2008, the Company was not in compliance with this debt covenant.

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

As at November 30, 2008

13 - ACCOUNTS PAYABLE

	November 30, 2008	August 31, 2008
	\$	\$
Accounts payable and accrued liabilities	770 329	650 743
Salaries and commitment fees	92 234	56 280
Provision for warranties	11 643	7 182
Customer deposits	2 823	7 738
Note payable to Caisse populaire Desjardins, prime rate + 4%	75 000	-
Amounts payable to shareholders, 10%*	225 000	100 000
	1 177 030	821 943

*The terms and conditions of the amounts payable to shareholders are currently under negotiation.

14 - LONG-TERM DEBT

	November 30, 2008	August 31, 2008
	\$	\$
Total long-term debt	363 291	368 875
Current portion	55 530	49 189
	307 760	319 686

15 - DEBENTURE

	November 30, 2008	August 31, 2008
	\$	\$
Debenture, non guaranteed and non convertible, nominal rate of 12%, implicate rate of 25%, repayable in monthly capital instalments of \$4,000 from December 2007 to June 2008 and of \$12,556 from July 2008 to June 2011	379 257	380 507
Current portion	167 778	167 778
	211 479	212 729

As at November 30, 2008, the Company had defaulted on capital repayments. However, the creditor waived his right to collect the receivable until September 1, 2009.

The Company is currently negotiating with the creditor to change the repayment schedule.

16 - CAPITAL STOCK

Authorized and unlimited number of shares, without par value

Common shares, participating and voting

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

	November 30, 2008		August 31, 2008	
	Number	Stated value	Number	Stated value
Outstanding, beginning of period	52 810 329	5 377 565 \$	52 743 234	5 362 400 \$
Issuance of shares			67 095	15 165 \$
Outstanding, end of period	52 810 329	5 377 565 \$	52 810 329	5 377 565 \$

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

As at November 30, 2008

17 - STOCK OPTIONS

	November 30, 2008		August 31, 2008	
	Options	Weighted average exercise price(\$)	Options	Weighted average exercise price (\$)
Beginning of period	3,840,656	0.15	902,116	0.15
Granted	-	0.10	3,054,000	0.10
Cancelled	-	0.10	(26,000)	0.10
Exercised	-	0.15	(89,460)	0.15
End of period	3,840,656	0.11	3,840,656	0.11
Options exercisable, end of period	3,290,656		2,464,656	
Weighted average fair value of options granted during the year	-		0.0035	

18 - WARRANTS

	November 30, 2008		August 31, 2008	
	Warrants	Weighted average exercise price(\$)	Warrants	Weighted average exercise price (\$)
Outstanding, beginning of period	15 866 666	0,19 \$	3 333 333	0,15 \$
Granted			12 533 333	0,20 \$
Outstanding, end of period	15 866 666	0,19 \$	15 866 666	0,19 \$
Warrants that might be exercised, end of period	15 866 666	0,19 \$	15 866 666	0,19 \$

19 - EARNING PER SHARE

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

For the three-month period ended November 30, 2008, there is no difference between the basic and diluted net income (net loss) per share since the average market price is lower than the exercise price of the stock option and the warrants. Consequently, the diluted net income (net loss) per share for this year was calculated using the basic weighted average number of shares outstanding.

For the three-month period ended November 30, 2007, the diluted net loss per share was the same as the basic net loss per share since the dilutive effect of stock options and of the warrants was not included in the calculation: otherwise the effect would have been anti-dilutive. Accordingly, the diluted net loss per share for this year was calculated using the basic weighted average number of shares outstanding.

Nuvolt Corporation Inc.**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS**As at November 30, 2008

20 - ADDITIONAL INFORMATION TO THE STATEMENT OF CASH FLOWS

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

	November 30, 2008 (3 months)	November 30, 2007 (3 months)
Accounts receivable	(194 664)	25 182
Inventories	91 811	(52 989)
Prepaid expenses	(4 862)	(12 987)
Accounts payable	154 417	26 326
Deferred revenue	18 827	(2 563)
	65 529	(17 030)

21 - SEGMENT INFORMATIONS

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

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

Revenues by geographic region are detailed as follows:

	November 30, 2008 (3 months)	November 30, 2007 (3 months)
Canada	220 084	291 104
United-States	482 785	56 979
	702 869	348 083

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