WestBond Enterprises Corporation

Quarterly Report
September 30, 2005

Management Discussion and Analysis

dated November 18, 2005, to accompany the interim consolidated financial statements for the three month period ended September 30, 2005

Caution Regarding Forward Looking Statements – ***This discussion includes statements about our expectations for the future. We believe that our expectations are reasonable; however, actual outcomes may differ materially from our expectations due to changes in operating performance, availability of and prices for raw materials, availability of trained labour, US$/Cdn$ exchange rate fluctuations, unexpected competition, and other technical, market and economic factors.***

Description of Our Business

We, WestBond Enterprises Corporation or the "Company," are a paper converter that supplies disposable paper products to many markets. A full description of our business and products is contained in the Management Discussion and Analysis included in our 2005 Annual Report. A pdf version of the 2005 Annual Report may be downloaded from our web site at www.westbond.ca or from the SEDAR web site at www.sedar.com. For a printed copy, please contact the Company. Additional information on the Company is also available on our web site and on the SEDAR web-site.

Discussion of Operations and Financial Condition

You should refer to our interim consolidated financial statements for the three and six month periods ended September 30, 2005 and our consolidated financial statements for the year ended March 31, 2005 while you read this discussion. Those financial statements provide significant, material information that is not meant to be, nor is it, included in this discussion. This discussion is meant to provide information not included in the financial statements and an explanation of some of the financial statement information. You should also refer to the Management Discussion and Analysis that was included in our 2005 Annual Report. Information included in that discussion is only up-dated in this discussion. Information that has not changed materially since July 15, 2005, the date of the Management Discussion and Analysis in the 2005 Annual Report, is not repeated here.

Sales were $3,079,285 for the six months ended September 30, 2005, which is slightly more than for the same period last year, and $1,487,265 for the three months ended September 30, 2005, which is slightly less than the same period last year. Net income was $117,552, or $0.011 per share, for the six months ended September 30, 2005 and $36,137, or $0.004 per share, for the three months ended September 30, 2005. These results are not as profitable as the same periods last year, primarily due to increased overhead expenses. The gross profit margin was 26% during the three months ended September 30, 2005 and 25% during the six months ended September 30, 2005, compared to 30% and 29% during the same periods last year.

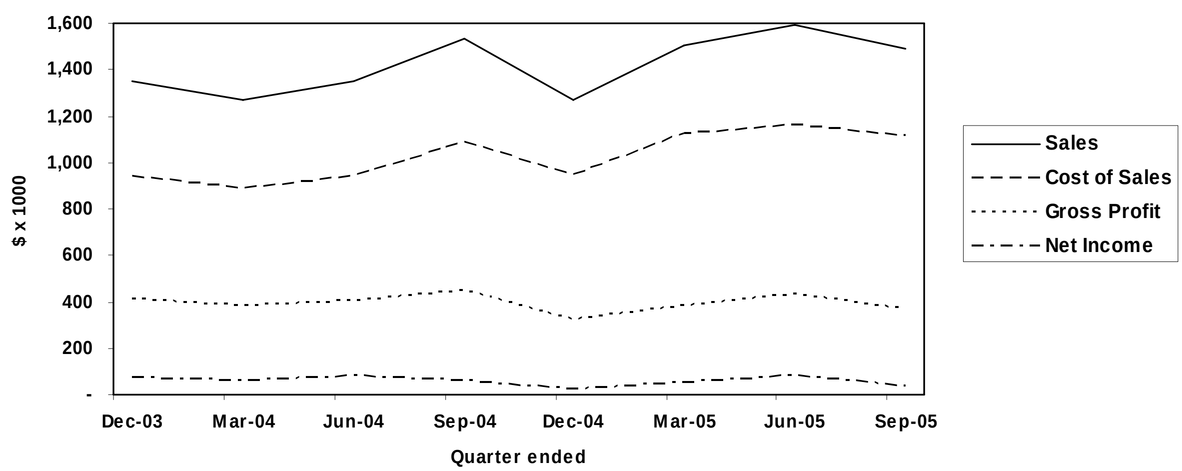
In September 2005 we purchased the equipment of a California based paper converter. The equipment includes two more winders for the personal hygiene line and a facial tissue folder, which will allow us to greatly expand our product mix and capacity. It also includes a number of other machines that will increase our operating efficiency.

We have recently entered into an agency agreement with National Sales of Sacramento, California, who will exclusively represent WestBond's complete product lines throughout the western United States. The owners of National have many years experience in the sales and distribution of paper products and their extensive customer base will be immediately available as potential customers for WestBond. Large orders for new customers in California and Oregon have already been shipped during November. We expect significant increases in sales, commencing in the third quarter of this fiscal year.

Summary of Quarterly Results

The following table summarises the results of operations for the past eight quarters. We have extracted the data from our consolidated financial statements, which are prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles.

	Quarters ended							
Cdn$ x 1,000	**Sep 30 2005**	**Jun 30 2005**	**Mar 31 2005**	**Dec 31 2004**	**Sep 30 2004**	**Jun 30 2004**	**Mar 31 2004**	**Dec 31 2003**
Sales	1,487	1,592	1,502	1,269	1,534	1,347	1,274	1,350
Cost of sales	1,118	1,157	1,124	948	1,085	941	888	937
Gross profit	369	435	378	321	449	406	386	413
Selling and marketing expenses	125	136	120	108	138	120	117	123
General and administrative expenses	176	163	169	164	205	158	168	171
Net income before taxes	68	136	89	49	106	128	101	119
Income tax expense	31	55	39	24	46	47	39	47
Net income	37	81	50	25	60	81	62	72
Net income per share, basic and diluted - Cdn$	0.004	0.008	0.005	0.002	0.006	0.008	0.006	0.007
Sales - % change over previous quarter	-6.6	6.0	18.4	-17.3	13.8	5.8	-5.6	3.4
Costs, expenses and net income - % of Sales								
Cost of sales	75.2	72.7	74.8	74.7	70.7	69.8	69.6	69.4
Selling and marketing expenses	8.5	8.6	8.0	8.5	9.0	8.9	9.2	9.1
General and administrative expenses	11.8	10.2	11.3	12.9	13.4	11.8	12.6	12.1
Income tax expense	2.1	3.4	2.5	1.9	3.0	3.5	3.1	3.5
Net income	2.4	5.1	3.4	2.0	3.9	6.0	5.5	5.9



Sales

Sales for the six months ended September 30, 2005 are 6.9% higher than the same period last year. Sales for the three months ended September 30, 2005 are 3% lower than for the same period last year and 7% lower than for the three months ended June 30, 2005. The decrease in sales was due to timing issues in obtaining sufficient paper supplies, which resulted in unshipped orders at the end of the quarter. We have now located additional paper suppliers, which we expect will alleviate this problem.

	Three months ended September 30		Change over last year	Six months ended September 30		Change over last year
Product Line	2005 $	2004 $		2005 $	2004 $	
Personal hygiene	719,963	718,623	+0.2%	1,556,882	1,529,777	+1.8%
Clinical and long-term care	717,458	766,853	-6.4%	1,436,725	1,258,363	+14.2%
Other	49,844	48,116	+3.6%	85,678	92,802	-7.7%
	1,487,265	1,533,592	-3.0%	3,079,285	2,880,942	+6.9%

We anticipate sales from all product lines to increase in future periods. We have recently engaged a sales agent, based in Sacramento, California, to expand our sales activities aggressively throughout the western United States. The agent has an extensive customer base in California and Oregon.

Cost of Sales

All categories of cost of sales increased, as a percentage of sales, in 2005 compared to 2004.

	Three months ended September 30		Six months ended September 30	
	2005 % of sales	2004 % of sales	2005 % of sales	2004 % of sales
Materials	53.5%	53.3%	53.3%	52.5%
Labour	7.9%	6.6%	7.6%	7.1%
Variable overhead	6.2%	4.9%	5.7%	4.5%
Fixed overhead	4.8%	3.7%	4.7%	3.9%
Depreciation	2.8%	2.4%	2.7%	2.3%
Gross Margin	24.8%	29.3%	26.1%	29.7%

Our normal operating range for materials has been 48% to 53% and the average for the year ended March 31, 2005 was 52.9%. Materials cost increases are due to fluctuations in the yield factors (the amount of product that a certain weight of paper will produce) and to increased paper prices. The paper yield factors should improve as recently hired employees develop more experience in operating our equipment.

Paper prices continue to be affected by changes in the US/Cdn dollar exchange rate. Higher US dollar prices have been offset by more favourable exchange rates, although indications are that the exchange rates will not be as favourable as they have been recently. The supply problems we encountered last year appeared again briefly, causing us to delay shipping of an estimated $100,000 in sales orders for the quarter. We have located an additional source, in China, for our paper, which should eliminate this problem.

The labour fluctuations, which are also subject to shifts in the product mix, are within our usual operating ranges. We have experienced an increase in direct labour costs over the last several months, which is a temporary problem caused by recently hired employees being less productive than experienced employees. We are increasing our labour force to handle the increase in sales that we expect.

Overhead, as a percentage of sales, has increased in 2005 over 2004 as a result of increased maintenance activities, rent for additional warehouse space, stock transfer costs between the warehouse and the factory, additional depreciation on new equipment, and the appointment of a full-time production manager. Our purchase of additional equipment in September 2005 will increase both our fixed costs, for additional warehouse space and insurance, and our depreciation charges.

Selling Expenses

Selling expenses were lower during 2005 compared to 2004, at 8.5% of sales, compared to 9.0%. Higher freight rates during 2005 were offset by fewer commissioned sales and other expenses. A new sales agency agreement, which we expect will increase sales to the USA significantly, will cause selling expenses to increase in future periods.

General and Administrative Expenses

General and administrative expenses were lower in 2005 than in 2004 by $29,658 for the three months ended September 30 and by $25,401 during the six month period, caused primarily by decreased corporation promotion costs and professional fees. Corporate promotion costs decreased as a result of lower investor relations consultant fees. Professional fees are lower because of fees related to the transition of the Company to the new *Business Corporations Act* (British Columbia) during 2004.

Liquidity, Financial Position and Capital Resources

Our financial position continued to improve during the six months ended September 30, 2005. This is the result of continued profitable operations and positive operating cash flows. We continue to invest surplus cash in equipment and to pay down long-term debt. In September 2005 we received a new term loan of $465,000 which we used to purchase additional equipment that will allow us to expand our product mix, capacity and operating efficiency. Most of the equipment should be in operation by the end of November 2005. We will use the additional capacity to expand our sales efforts in the western United States.

Our operating cash flows averaged $51,292 per month during the six months ended September 30, 2005, before accounting for fluctuations in non-cash working capital. We also have a revolving bank loan facility of $650,000, of which $386,801 was drawn at September 30, 2005.

We spent $642,000 on equipment additions during the six months ended September 30, 2005, which we financed through long-term debt and cash flow. We expect to spend another $100,000 to $200,000 on improvements to our equipment over the next several months. These improvements should increase our production efficiency, reducing materials and labour costs (as a portion of sales), and lessen maintenance activities, which will reduce our variable overhead (as a portion of sales). We expect to pay for these equipment improvements from operating cash flow.

Share Capital

The Company has only one class of share capital, common shares without par value. The Company also has a stock option plan and a shareholder rights plan.

	November 18, 2005
Authorized common shares without par value	Unlimited
Issued common shares	10,003,800
Shares issuable on exercise of outstanding stock options	1,520,000
Shares available for future stock option grants	480,000

The stock option plan permits the directors of the Company to grant incentive options to the employees, directors, officers and consultants of the Company. The maximum number of shares issuable under the stock option plan is 2,000,000.

The shareholder rights plan (the “Plan”) is meant to protect the Company’s shareholders from unfair, abusive or coercive takeover strategies. The Plan will remain in effect until April 29, 2006. The Plan, in effect, allows holders of common shares to purchase additional common shares from the Company at a 50% discount to the prevailing market price on the occurrence of certain triggering events, including acquisition by a person or group of persons of 20% or more of the shares of the Company in a transaction not approved by the board of directors of the Company. The rights under the Plan are not exercisable by the acquiring person or group of persons. The rights under the Plan are not triggered by purchases of shares made pursuant to a take-over bid that is made to all shareholders on identical terms by way of a take-over bid circular prepared in compliance with applicable securities laws, and certain other conditions set out in the agreement signed to implement the Plan.

WestBond Enterprises Corporation

Interim Consolidated Financial Statements
September 30, 2005

Notice to Reader

The accompanying interim consolidated financial statements of WestBond Enterprises Corporation for the three and six month periods ended September 30, 2005 have been prepared by and are the responsibility of the company's management. They are unaudited and have not been reviewed by independent auditors.

WESTBOND ENTERPRISES CORPORATION

Consolidated Balance Sheets

(Unaudited - See Notice to Reader)

(Canadian Dollars)

	September 30 2005	March 31 2005
	$	$
A S S E T S		
CURRENT ASSETS		
Cash and cash equivalents	62,937	20,866
Accounts receivable	722,654	762,875
Inventory	703,726	827,817
Prepaid expenses	45,646	65,821
	1,534,963	1,677,379
PLANT AND EQUIPMENT	2,905,906	2,350,018
	4,440,869	4,027,397
L I A B I L I T I E S		
CURRENT LIABILITIES		
Bank indebtedness	386,801	424,217
Accounts payable and accrued liabilities	532,253	692,999
Current portion of term loans (note 2)	244,584	150,012
	1,163,638	1,267,228
TERM LOANS (note 2)	657,891	362,469
FUTURE INCOME TAX LIABILITIES	363,559	298,662
	2,185,088	1,928,359
S H A R E H O L D E R S' E Q U I T Y		
SHARE CAPITAL (note 3)		
Authorized - unlimited common shares without par value		
Issued and outstanding - 10,003,800 shares	2,038,836	2,038,836
STOCK OPTIONS	170,768	131,577
RETAINED EARNINGS (DEFICIT)	46,177	(71,375)
	2,255,781	2,099,038
	4,440,869	4,027,397

APPROVED BY THE BOARD OF DIRECTORS:

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

WESTBOND ENTERPRISES CORPORATION

Consolidated Statements of Operations and Retained Earnings

(Unaudited - See Notice to Reader)

(Canadian Dollars)

	Three months ended September 30		Six months ended September 30	
	2005	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Sales	1,487,265	1,533,592	3,079,285	2,880,942
Cost of Sales				
Materials	795,428	816,712	1,639,927	1,513,437
Labour	117,848	100,575	233,300	204,519
Variable overhead	91,729	74,839	176,356	129,141
Fixed overhead	71,572	56,553	143,451	111,929
Depreciation and amortization	41,311	36,079	81,687	66,710
	1,117,888	1,084,758	2,274,721	2,025,736
Gross Profit	369,377	448,834	804,564	855,206
Expenses				
Selling and marketing				
Shipping	93,770	99,183	201,807	187,214
Salaries, commissions and employee benefits	24,467	27,143	47,688	52,998
Other	8,156	11,677	13,742	17,642
	126,393	138,003	263,237	257,854
General and administrative				
Administration and office	31,949	29,917	58,551	54,695
Corporate promotion	14,197	31,286	25,984	50,214
Interest on term loans	8,612	8,413	15,073	17,332
Interest on other debt	6,317	4,952	12,614	9,864
Professional fees	8,306	23,724	14,081	32,076
Salaries and employee benefits	106,043	106,790	211,445	198,968
	175,424	205,082	337,748	363,149
Income for the Period before Taxes	67,560	105,749	203,579	234,203
Income Taxes				
Current	(6,618)	-	21,130	-
Future	38,041	46,028	64,897	93,392
	31,423	46,028	86,027	93,392
Net Income for the Period	36,137	59,721	117,552	140,811
Retained Earnings (Deficit)				
- Beginning of Period	10,040	(206,583)	(71,375)	(287,673)
- End of Period	46,177	(146,862)	46,177	(146,862)
Net Income per Share, basic and diluted	0.004	0.006	0.011	0.014

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

WESTBOND ENTERPRISES CORPORATION

Consolidated Statements of Cash Flows

(Unaudited - See Notice to Reader)

(Canadian Dollars)

	Three months ended September 30		Six months ended September 30	
	2005	**2004**	**2005**	**2004**
	$	**$**	**$**	**$**
Cash Flows from Operating Activities				
Net income for the period	36,137	59,721	117,552	140,811
Adjustments to reconcile net income to cash flows from operating activities				
- depreciation and amortization	43,536	39,419	86,112	73,271
- stock option expense	19,595	22,348	39,191	34,169
- future income tax expense	38,041	46,028	64,897	93,392
	137,309	167,516	307,752	341,643
Net change in non-cash working capital related to operating activities	208,859	(63,579)	23,741	(13,823)
	346,168	103,937	331,493	327,820
Cash Flow from Investing Activity				
Purchase of plant and equipment	(557,339)	(90,676)	(642,000)	(267,969)
Cash Flows from Financing Activities				
Term loan proceeds	465,000	-	465,000	-
Repayment of term loans	(37,503)	(62,052)	(75,006)	(124,104)
Decrease in bank indebtedness	(159,454)	(56,954)	(37,416)	(13,217)
Issue of shares on exercise of stock options	-	-	-	58,500
	268,043	(119,006)	352,578	(78,821)
Increase (Decrease) in Cash and Cash Equivalents	56,872	(105,745)	42,071	(18,970)
Cash and Cash Equivalents				
- Beginning of Period	6,065	128,049	20,866	41,274
- End of Period	62,937	22,304	62,937	22,304
Interest Paid	14,522	12,040	27,261	27,807

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

WESTBOND ENTERPRISES CORPORATION
Notes to the Interim Consolidated Financial Statements
September 30, 2005
(unaudited)

1. Interim Period Reporting

While the information presented in these interim consolidated financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to the fair presentation of the interim periods reported. These interim consolidated financial statements are prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles. The accounting policies used and the methods of their application are the same as for the consolidated financial statements for the year ended March 31, 2005. As certain note information has been condensed or omitted, these financial statements should only be read in conjunction with the audited consolidated financial statements for the year ended March 31, 2005.

2. Term Loans

During the six months ended September 30, 2005, the company received an additional term loan of $465,000 repayable in equal monthly instalments of $7,881 plus interest at bank prime rate plus 0.75%. The interest on the other term loans outstanding was also reduced to bank prime rate plus 0.75%.

3. Share Capital

Stock Options - The following stock options are outstanding at September 30, 2005.

Expiry date	Total number of shares under option	Weighted average remaining contractual life	Weighted average exercise price	Number of shares under option that are vested	Weighted average exercise price
December 18, 2006	175,000	1.2 years	$0.300	175,000	$0.300
December 12, 2007	410,000	2.2 years	$0.120	410,000	$0.120
May 6, 2008	200,000	2.6 years	$0.150	200,000	$0.150
July 7, 2009	635,000	3.8 years	$0.270	396,875	$0.270
	1,420,000	2.8 years	$0.213	1,181,875	$0.202

Subsequent to September 30, 2005 the company granted an option to purchase 100,000 shares at $0.24 per share until November 30, 2007.

4. Related Party Transactions

During the six months ended September 30, 2005, the company incurred $9,686 (2004 - $19,503) in legal fees in the normal course of operations with firms in which a director of the company was a partner. $4,181 (2004 - $19,503) of the fees are included in professional fees and $5,505 (2004 - $nil) are included in plant and equipment. At September 30, 2005, accounts payable and accrued liabilities include $9,442 (March 31, 2005 - $nil) due to the firm.