

Coda Octopus Group, Inc.

INFORMATION AND DISCLOSURE STATEMENT

All information contained in this Information and Disclosure Statement has been compiled to fill the disclosure requirements of Rule 15c2-11(a)(5) promulgated by the Securities Exchange Act of 1934, as amended. The enumerated items and captions contained herein correspond to the format as set forth in the Rule.

1. **The exact name of the Issuer and its predecessor (if any):**

The exact name of the Issuer is Coda Octopus Group, Inc.

The Issuer's trading symbol on the Pink Sheets is CDOC

Its predecessor is: The Panda Project, Inc.

2. **The address of its principal executive offices:**

245 Park Avenue

39th Floor

New York, New York 10167

Phone: 212 792 4220

Fax: 917 591 7001

Email: info@codaoctopus.com

3. **The state of incorporation, if it is a corporation:**

Delaware

4. **The exact title and class of the security:**

Common Stock

5. **The par or stated value of the security:**

Par value \$.001 per share

6. **The number of shares or total amount of the securities outstanding as of the end of the issuer's most recent fiscal year:**

As of October 31, 2004, the Issuer had outstanding 22,172,656 shares of common stock.

7. **The name and address of the transfer agent:**

The issuer's transfer agent is:

Olde Monmouth Stock Transfer Co., Inc.

200 Memorial Parkway

Atlantic Highlands, New Jersey 07716

Phone: 732 872-2727

Fax: 732 872-2728

8. **The nature of the issuer's business:**

Overview

Coda Octopus is recognized internationally as a specialist in underwater technologies for imaging, data collection and mapping, with applications in defense, security, construction, survey, hydrography, research and search and recovery. The market is estimated at \$3bn annually (based on a report from Douglas-Westwood Associates, an industry expert), with segments including oil and gas, defense, ports and harbors, telecommunications, law enforcement, universities and research institutions, environmental monitoring and power generation. Our aim is to be the world's leading underwater technology company, subsequently entering other markets by exploiting our unique capabilities.

History

Coda Octopus Group, Inc. resulted from the acquisition of three companies, Coda Octopus Ltd, a UK company, Coda Octopus, Inc., a Delaware corporation, and Coda Octopus OmniTech AS, a Norwegian company, by The Panda Project, Inc. in June, 2004. Immediately following the acquisition, the company changed its name to Coda Octopus Group, Inc. and its domicile to Delaware. It also underwent a reverse recapitalization of 300:1. Coda Octopus Group, Inc. has traded on the Pink Sheets under the symbol CDOC since August 2004.

The Panda Project, incorporated in 1992, had been engaged in the design, development, manufacture, licensing and sale of interconnect solutions to generate greater throughput from silicon to board to system. By the end of 2000, it had disposed of its assets and liabilities and had become a public shell.

Coda Octopus Ltd was formed in 1994 as Coda Technologies Ltd, and developed software for subsea mapping and visualization for use with sidescan sonar, a discipline known as geophysical survey. Despite strong growth during the first five years and the capture of a dominant share of European and Asian markets, a failure to break effectively into the United States market, which constitutes 60% of the worldwide market for sidescan sonar and related products, resulted in limited revenues and operating losses.

In early 2002, new management embarked on a different strategy. An analysis of the marine technology market identified larger sectors, and management determined which markets could be entered most easily. By the middle of calendar year 2004, prior to the acquisition by Panda, the UK company had achieved the following:

merger with a competing firm, Octopus Marine Systems, Ltd., in June 2002, to form Coda Octopus Ltd. Octopus produced geophysical products in competition with Coda, and was finalizing the development of a new motion sensing product, the "F180", used for accurate positioning of survey data through correction for vessel movement, including heave, pitch and roll.

acquisition, in December 2002, of a Norwegian company, OmniTech AS. OmniTech had, over the previous ten years, developed ground-breaking three-dimensional imaging technology for the subsea environment. Called the "Echoscope", this technology is unique in that it delivers real-time 3D data acquisition and visualization. Coda Octopus immediately targeted this product at defense markets, specifically in the United States. The scientists and engineers who worked for OmniTech now form one of our research and innovation centers based in Bergen, Norway.

launch, in August 2003, of our F180 motion sensing product, having finalized the development of this product over the previous 12 months. From launch to date we have been making inroads into this market and increasing our market share continuously.

acquisition, in June 2004, of a thermal printer product line from Ultra Electronics plc, which was rebranded under the "Octopus" brand name. This product provides continuous printed output of acquired sonar data onto thermal paper or film, used in conjunction with the digital data collection and analysis performed using the company's other product ranges.

Much of the past two years has been spent re-engineering the Echoscope into a smaller and lighter version than the original, to allow the product to be used in a wider variety of applications. The Echoscope is at a very early stage in its market development. However, its applications are potentially very wide, covering bathymetry (performing volumetric analyses of the seabed) data acquisition markets, construction and, most interestingly, defense. It is in the defense area that we have scored our first major successes with the product, as a considerable amount of interest has been shown by the United States Coast Guard, NAVSEA and the Office for Naval Research (ONR) for Homeland Security and military applications. These agencies are among the first customers for Echoscope. The newest version of Echoscope started to ship in September 2005.

Following revenues of \$2.1m* for the fiscal year ended October 31st, 2004, we achieved revenues of \$2.7m* in the first nine months of this year, to July 31st, 2005. We have achieved revenues of over \$1.8m* in the latest quarter, to July 31st, 2005, taking full year revenues to more than \$4.5m*, and giving us our first quarterly profit. Our backlog of orders totals around \$1m* at the end of October 2005, and we are forecasting revenues for 2005-06 in excess of \$10m**.

* unaudited; ** forecast only– see "Risk Factors."

Competition

Geophysical Products

There is one significant competitor in this sector, Triton Imaging International, Inc., a California-based company with 40% of the worldwide market. The combined "Coda" and "Octopus" ranges of products place Coda Octopus second in the market, with around 25%, and all other players have less than 10% at this stage.

Motion Sensing

There are four key players besides us. TSS Ltd, based in Watford, England has around 30% of the market, focused on the low/mid segments. Ixsea, a French company, has around 25% of the market, covering all segments. Seatex, a Norwegian company, has around 22.5% of the market, with products across all segments. Applanix, a Canadian company, has one major product focused on the high end of the market, where we compete, and around 16% of the market. Our market share is only around 5% at the moment, but continually increasing.

3D Imaging

There is no direct competition at present and our patent position may delay if not prevent direct competition. Through the development of this technology, we have leading edge capability ready to be applied to a number of markets, revolutionizing the way data is viewed and captured and its applications.

Risk Factors

Our business involves a high degree of risk. Potential investors should carefully consider the risks and uncertainties described below and the other information in this statement before deciding whether to invest in shares of our common stock. If any of the following risks actually occur, our business, financial condition, and results of operations could be materially and adversely affected. This could cause the trading price of our common stock to decline, with the loss of part or all of an investment in the common stock.

The underwater visualization markets are highly competitive and we expect that competition will increase in these markets. Our ability to compete successfully in our markets depends on a number of factors, including:

- success in designing and subcontracting the manufacture of new products that implement new technologies;
- product quality, reliability and performance;
- customer support;
- time-to-market;
- price; and
- market acceptance of our products against our competitors' products.

If we cannot compete in all these areas, our revenues will suffer and we may never become profitable.

Our operating results may fluctuate because of a number of factors, many of which are beyond our control. If our operating results are below the expectations of public market analysts or investors, then the market price of our common stock could decline. Some of the factors that affect our results, but which are difficult to control or predict, are:

- fluctuations in the timing and amount of customer requests for product shipments;
- the reduction, rescheduling or cancellation of orders by customers;
- increases in the costs of manufacturing our products;
- the gain or loss of key customers;
- our ability to introduce and deliver new products and technologies on a timely basis;
- competitive pressures on selling prices;
- market acceptance of our products and our customers' products which incorporate our products;
- the amounts and timing of investments in research and development and the ability of our research and development effort to design and incorporate new technologies into our technologies; and
- costs associated with acquisitions and the integration of acquired companies.

Our business, financial condition and operating results would be harmed if we do not achieve anticipated revenues. Our expense levels are relatively fixed and are based on our expectations of future revenues. We have limited ability to reduce expenses quickly in response to any revenue shortfalls. Thus, a shortfall in revenues would have a deleterious effect on our survival.

Our customers are concentrated. The loss of one or more key customers or the diminished demand for our products from a key customer could significantly reduce our revenues and profits. A relatively small number of customers have accounted for a significant portion of our revenues. We have no long-term volume purchase commitments from any of our key customers. One or more of our key customers may discontinue operations as a result of consolidation, liquidation or otherwise. We cannot give assurance that our current customers will continue to place orders with us, or that we will be able to obtain orders from new customers.

Our markets are subject to rapid technological change, so our success depends heavily on our ability to develop and introduce new products. The markets for our products are characterized by:

- changing technologies;
- changing customer needs;
- competition; and
- product obsolescence.

The pursuit of technological advances may require substantial time and expense and may ultimately prove unsuccessful. If we are not successful in introducing such advances, we will be unable to bring to market new products and our revenues will suffer.

Our dependence on third-party manufacturing and supply relationships increases the risk that we will not have an adequate supply of products to meet demand or that our cost of materials will be higher than expected. The risks associated with our potential dependence upon third parties which manufacture, assemble or package certain of our products, include:

- reduced control over delivery schedules and quality;
- difficulties selecting and integrating new subcontractors;
- limited warranties on products supplied to us;
- potential increases in prices; and
- potential misappropriation of our intellectual property.

The complexity of our products may lead to errors, defects and bugs when they are first introduced, which could negatively impact our reputation with customers. Products as complex as ours may contain errors, defects and bugs when first introduced or as new versions are released. Delivery of products with production defects or reliability, quality or compatibility problems could significantly delay or hinder market acceptance of the products or result in a costly recall. Any of these events, could, in turn, damage our reputation and adversely affect our ability to retain existing customers and to attract new customers. Errors, defects or bugs could cause problems, interruptions, delays or cessation of sales to our customers causing a material adverse effect on our business, financial condition and results of operations.

Our future success depends in part on the continued service of our key design engineering, sales, marketing, manufacturing, and executive personnel and our ability to identify, hire and retain additional, qualified personnel. There is intense competition for qualified personnel in the visualization industry, in particular, both hardware and software design, product and test engineers; and we may not be able to continue to attract and retain engineers or other qualified personnel necessary for the development of our business, or to replace engineers or other qualified personnel who may leave our employment in the future. Loss of the services of, or failure to recruit, key design engineers or other technical and management personnel could be significantly detrimental to our product development.

We have in the past and may in the future make acquisitions that will involve numerous risks. We may not be able to address these risks successfully without substantial expense, delay or other operational or financial problems. The risks involved with acquisitions include:

- potential dilution to our stockholders, or use of a significant portion of our cash reserves;
- diversion of management's attention in integrating acquired companies;
- failure to retain key personnel of the acquired companies;
- difficulty in completing an acquired company's in-process research or development projects;
- the cost associated with acquisitions including one time charges or increased debt or contingent liabilities;
- difficulties competing in markets that are unfamiliar to us;
- ability of the acquired companies to meet their financial projections; and
- unanticipated events or circumstances.

Any of these risks could materially harm our business, financial condition and results of operations. Future acquisitions could adversely affect operating results.

We may not be able to protect our intellectual property adequately. We rely in great part on patents to protect our intellectual property. We cannot provide assurance that our pending patent applications or any future applications will be approved, or that any issued patents will adequately protect the intellectual property in our products or will not be challenged by third parties, or that if challenged, will be found to be valid or enforceable. Furthermore, others may independently develop similar products or processes, duplicate our products or processes or design around any patents that may be issued to us. The failure by us to meaningfully protect our intellectual property could have a material adverse effect on our business, financial condition and operating results.

Our marketplace contains companies with greater financial resources than ours. Our technology and our products based on our technology compete against other geophysical and sonar products manufactured by large corporations. These corporations have significantly greater financial resources than we do. Some of the top tier defense contractors, such as Raytheon and L3, have significant development capabilities and financial strength to create, develop, manufacture and market new competing products.

An active market for our common stock may not develop, making it difficult for you to sell your stock. There has been only a limited public market for our common stock. It is uncertain the extent to which an active trading market will develop or how liquid that market might become. An illiquid market for our stock may result in price volatility and poor execution of buy and sell orders for investors.

The sale of material amounts of our common stock could reduce the price of our common stock and encourage short sales. Stock issuances to raise money could encourage investors to sell their stock and may encourage short sales, which could place downward price pressure on our common stock.

9. **Markets, Products and Services**

The markets and segments we address are split between commercial and defense and are defined broadly as:

Commercial Seabed Survey

oil & gas
pipe and cable route surveys
subsea construction
academic research
hydrographic charting
dredging and mineral extraction

Defense & Security

harbor security
intruder protection
ship protection
obstacle avoidance
mine countermeasures
naval hydrography

Product Lines in General

Our products are marketed under two distinct brands, “Coda” and “Octopus”, each with specific brand values and niche appeal. Coda brand products are generally feature-rich, sophisticated, professional, productivity enhancing, top-end products and, as such, the Coda brand is applied to the GeoSurvey and Echoscope product lines. The Octopus brand applies to simple-to-use, rugged, work-horse, products and covers the 760 series Geophysical Acquisition Systems, F180 Position and Attitude Sensors and thermal printers.

Data acquisition and interpretation systems

Coda GeoSurvey data acquisition and interpretation provides feature rich solutions and productivity enhancing tools for the most exacting survey requirements, backed by 24/7 technical support. Designed specifically for sidescan and sub-bottom acquisition, Coda GeoSurvey has been purchased by numerous leading survey companies throughout the world.

This product range includes:

GeoSurvey Acquisition products, a range of hardware and software solutions for field acquisition of sidescan sonar and sub-bottom profiler, which includes analogue and digital interfaces, compatible with all geophysical survey systems. This is our original product range, and main products within this range include:

- DA200, for simultaneous acquisition of sidescan and shallow seismic data
- DA100, for acquisition of either sidescan or shallow seismic data
- DA50, a portable version of the DA100

GeoSurvey Productivity Suite, an integrated suite of software automating the tasks of analyzing, annotating and mosaicing complex data sets – thereby ensuring faster and more precise results.

Octopus Instruments are simple, solid and robust solutions for sidescan sonar and sub-bottom profilers. Used throughout the world by leading survey companies, navies and academic organizations, Octopus instruments are ideal where minimal training and simple installation and set-up is paramount. Coupled with intuitive but powerful post processing software, the Octopus range meets the requirements of all survey applications from the smallest inshore survey, rapid deployment naval reconnaissance to large scale site investigations.

This product range includes:

760 Series, a combined sidescan sonar and sub-bottom profiler acquisition system, for analog and digital data acquisition. This product range brings together the latest hardware and software technology as a package while retaining simplicity of operation and no nonsense practicality. It is sold as three different variants:

- 760, for combined sidescan sonar and sub-bottom profiler data acquisition;

- 460+, for sidescan sonar data acquisition only;
- 360+, for sub-bottom profiler data acquisition only.

460P Portable Sidescan Sonar Acquisition system and 460PX complete portable sidescan sonar system. The splash-proof, rugged and highly portable design allows for operation on the smallest of boats and in the most demanding of conditions. Options include a portable 24V battery pack and integrated dual frequency sidescan (460PX);

361/461 Analysis Software, a range of powerful but intuitive data processing tools for sidescan sonar and sub-bottom profiling including extensive sonar clean-up tools, navigation editing facilities, seismic processing and analysis and sidescan mosaicing and analysis.

Precision Attitude & Positioning Systems

The Octopus F180 was already under development by Octopus Marine Systems Ltd when we acquired the company in June 2002. We finalized development and introduced the product in August 2003. It reapplies technology originally developed for the extreme world of motor racing. Modifications and enhancements have resulted in a simple-to-use, off-the-shelf product that brings accurate positioning and motion data into extreme offshore conditions for precision marine survey applications worldwide. Variants within the F180 series include the F190, exclusively configured for use 'inland', eg. within ports and harbors, and the F185, with enhanced precision positioning to 1cm accuracy. Also available is Octopus iHeave, an intelligent software product for dealing with long period ocean swell compensation, fully integrated with the F180 series.

3-D Imaging

Our Coda Echoscope 3D Imaging Sonar was acquired as part of our acquisition of the Norwegian company, OmniTech AS, in late 2002, and represents the most exciting area for growth in the medium term. Echoscope, developed over 13 years, is a unique, patented technology delivering high resolution 3D images underwater in real time, with extremely accurate positioning. Comparatively, Echoscope generates over 100 times more information than the nearest alternatives. Echoscope is small (size of a brief case), connects to a regular PC and is low cost relative to most naval sonars of lesser performance. Substantial interest has already been shown in the product, particularly for defense applications in the United States. Key applications include:

- harbor defense, where the product is used to inspect vessels and harbor walls below sea level;
- forward looking obstacle avoidance, where the product is used to guide a vessel to automatically avoid obstacles;
- swimmer detection, where the product is used to detect divers for defense purposes.

Echoscope is an extremely exciting new product. It is unique, in that nothing else in the market comes close in terms of functionality, and there are few if any direct competitors at this time. The recently heightened awareness of terrorist attacks has resulted in a demand for practical and effective, but rapid methods of detecting potential threats (explosives in harbors or on the side of boats) and underwater intruders, for which the product is ideally suited.

Echoscope therefore allows the company to expand into the rapidly growing defense and homeland security markets. Being a marine product, Echoscope does draw heavily on the key skills we have learned in our traditional markets. The underlying technology developed for Echoscope has applications in the commercial sector and allows us to further expand into segments where we currently have little or no penetration, namely hydrographic survey which is by far the largest market segment within the commercial sector.

Echoscope systems will require additional items of equipment to form a complete solution allowing us to leverage existing products and services, such as motion sensors and imaging processing software, into a wider market.

10. **Facilities**

New York, New York, United States. We presently rent a furnished office in a modern office building on a lease which runs until March 31st, 2006. The lease includes use of business equipment and conference facilities. Monthly rental is \$2,500.

Edinburgh: Admiral House, 29-30 Maritime Street, Leith, Edinburgh, UK Our UK subsidiary leases a 1,500 sq. ft. office on the third floor of an office building in the commercial district of Leith in Edinburgh. This space comprises a main floor which houses sales and support staff, and a mezzanine floor housing our software development team. We are located close to the Port of Leith and Firth of Forth, helpful for trials and demonstrations. The lease is approximately £24,000 annually, on a rolling monthly basis.

Oxford: Suite 3, Business Centre, Castle Farm, Deddington, Banbury, Oxfordshire, UK Our UK subsidiary leases a 2,500 sq. ft. office and warehouse in a converted farm outbuilding in a small industrial park. This location is all on one floor and houses inventory, production, marketing and administration. We are conveniently located for access to the entire south of England and its transport connections. The lease is approximately £26,500 annually, on a rolling monthly basis.

Bergen: Sandviksboder 77C, N-5035 Bergen, Norway Our Norwegian subsidiary leases an 800 sq. ft. office above a 2000 sq. ft. warehouse (which we share) directly on the waterway connected to Bergen harbor. This office houses our research and innovation team and is an ideal location for developing and testing new products. Bergen is an ideal location in Norway, with strong commercial and transport links to the rest of Europe. The lease is £14,200 per annum, and runs through December, 2005.

11. **Management**

Jason Reid	President, CEO, Treasurer and a Director
William Ahearn	Senior Vice President R&D Division and a Director
Rodney Peacock	Director
Paul Nussbaum	Chairman of the Board of Directors
Joel Pensley	Secretary and General Counsel
Blair Cunningham	Senior Vice President Products Division
Anthony Davis	Senior Vice President Commercial Division

Jason Reid (39 years old) has served since June, 2004 as a director and President of Coda Octopus Group, Inc. He has been affiliated with Coda Octopus Ltd., the current key operating subsidiary, since 1994, initially as a founder and independent director and, since 2002, as Managing Director. He was founding partner, in 1984, of Weight Management Group Ltd, a \$20m Scottish company which competes directly with Weight Watchers International, Inc., and which is market leader in Scotland. From 1992-2004, he was Managing Director of Weight Management Group Ltd, acquiring, in 2001, Green Meadow Foods Ltd, which distributes controlled dietary foods throughout Scotland to the major retail trade. In 2003, he oversaw the successful national UK launch of a new magazine title, published by Weight Management Group Ltd. He became a non-executive director of both companies when he assumed the role of President and CEO of Coda Octopus Group, Inc. in 2004. Between 1993 and 2004 he was also chairman of a software development company in Scotland, Softworks Ltd, producing commercial software for public companies, including Bulthaup and Manchester Ship Canal. In 1997, he was a Director of William Grant Mining Ltd. From 1983-84, he attended Aberdeen University Medical School, leaving to develop a business opportunity and embark on a 20-year business career.

William Ahearn (67 years old) has served since June, 2004 as a director and Secretary of Coda Octopus Group, Inc. From 1995 to 1997, he was president of the Systems Division and Chief Scientist and, from 1997 to June 2004, he was CEO of The Panda Project, Inc. Since January 2003, he has been Vice-President, Business Development of Camelot Industries Ltd., a Hong Kong-based company; since 2002, Director Business Development for K2 Optonics; and since 1997 an

independent consultant to companies including Lucent, Motorola, T-Networks and VTel. From 1996-98, he was Vice President Systems AM Communications. From 1993 to 1995, he was Director of Multimedia Products and Corporate Technical Advisory Board of AMP Inc. He was employed by IBM Corp. from 1964 to 1993, beginning at the T. J. Watson Research Center, followed by headquarters assignments in both the United States and Europe in various research-oriented and product management capacities. In 1984, he was appointed a Research Scientist at the MIT Media Lab and is now a Visiting Scholar. He holds a B.A. in Physics from Clark University and a MSEE degree from New York University.

Rodney Peacock (58 years old) has served as a director of Coda Octopus Group, Inc. since February 2005, having previously served as a consultant the main operating subsidiary, Coda Octopus Ltd, between 1998 and 2005. He has been Managing Director of Axiom Marketing & Management Ltd, a consultancy, since 1997. From 1990 to 1997, he served as Joint Managing Director of Brand Development Company and from 1985-90, Managing Director of NPL, an Addison Group Subsidiary. He was, from 1981-85, head of the Marketing Group of Arthur Young Consultancy and from 1976-81 General Manager, Retail Products Division of Tate & Lyle. From 1970-76, he served as Brand Group Manager of United Biscuits and from 1964 to 1970, Research Chemist of Ilford Films. Mr. Peacock received his BSc (Hons) in Physics and Chemistry from London University.

Paul Nussbaum (57 years old) has served since February 2005 as a director of Coda Octopus Group, Inc. and Chairman of the Board. He is the senior managing director of the Waramaug Partners Group, a private real estate and special situations equity firm. He is the former Chairman Emeritus of Wyndham International, Inc., (NYSE:WYN), successor to Patriot American Hospitality, Inc. From 1991 to 1999 he served as Founder, Chairman & Chief Executive Officer, the Patriot American Group of Companies, including Patriot American Hospitality, Inc., a paired share real estate investment trust which owned the Wyndham, Grand Bay, Malmaison, Summerfield Suites, and Clubhouse Inn proprietary hotel brands. From 1979 to 1991, Mr. Nussbaum served as chairman of the real estate practice group of Schulte Roth & Zabel, a law firm in New York. From 1971 to 1979, he was an associate and later a partner in the Dreyer & Traub law firm in New York. Mr. Nussbaum earned his B.A. degree from the State University of New York at Buffalo and his J. D. degree from Georgetown University Law Center.

Joel Pensley (64 years old) Joel Pensley received his A.B. Degree from Princeton University in 1962 and his J. D. Degree from Columbia Law School in 1966. From 1966 to 1967, he was an attorney with Maritime Administration, Washington, D. C. From 1967 to 1970, he was an associate with maritime law firm of Burlingham Underwood & Lord, New York City, where he specialized in ship construction finance and from 1970 to 1971 with Valicenti Leighton Reid & Pine, New York City, specializing in corporate and maritime finance. Mr. Pensley started his own law practice in 1971, and continues in private practice today. He served as an Assistant Professor at New York Law School from 1971 to 1974 where he taught a variety of courses including Partnerships, Corporations, Business Transactions and Admiralty.

Blair Cunningham, (35 years old) has served as Senior Vice -President Products Division since July, 2004. From 1993 to June 2004, he served as Technical Director and from 1992 to 1993 as Systems Developer at Softworks Business Systems Solutions Ltd., an Aberdeen-based software company which developed turnkey software solutions for large public companies. From 1990-92, Mr. Cunningham was an Analyst/Programmer with Weight Management Group Ltd., Aberdeen. Mr. Cunningham received an HND in Computer Science in 1989 from Moray College of Further Education, Elgin.

Anthony Davis, (40 years old), has served as Senior Vice– President Commercial Division since 2005, previously serving as Business Development Manager from 2002-04, prior to which he was a Sales Manager between 1998 and 2002. He was a Project Manager from 1996 to 1998 at Cable & Wireless Marine, Chelmsford and a Survey Manger in Abu Dhabi for NPCC from 1994 to 1996. He served as a Project Geophysicist in Singapore for Ocean Science International from 1992 to 1994, as an Offshore Geophysicist for NESI in Delft from 1990-91 and as a Logging Engineer for Schlumberger in Aberdeen from 1987 to 1990. He earned his BSc Geology & Geophysics at Edinburgh University in 1987.

12. **The issuer's most recent balance sheet and profit and loss and retained earnings statements:**
Attached are management's consolidated financial statements for Coda Octopus Group, Inc. for the periods ended October 31st, 2003 and 2004.
13. **Similar financial information for such part of the 2 preceding fiscal years as the Issuer or its predecessor has been in existence:**
See response to No. 12
14. **Whether the broker or dealer or any associated person is affiliated, directly or indirectly with the Issuer:**
No broker or dealer or any associated person is affiliated, directly or indirectly with the Issuer.
15. **Whether the quotation is being published or submitted on behalf of any other broker or dealer, and, if so, the name of such broker or dealer:**
No quotation is being published or submitted.
16. **Whether the quotation is being submitted or published directly or indirectly on behalf of the Issuer or any director, officer or any person, directly or indirectly the beneficial owner of more than 10 percent of the outstanding units or shares or any equity security of the Issuer, and, if so, the name of such person, and the basis for any exemption under the Federal securities laws for any sales of such securities on behalf of such person:**
No quotation is being published or submitted.

Dated: October 29, 2005

By: /s/Jason Reid
Jason Reid,
President

Coda Octopus Group, Inc.
Financials, 2002-03 and 2003-04

Income Statement

	16 Months		12 Months	
	Jul 2002 to Oct 2003		Nov 2003 to Oct 2004	
Revenues	2,546,681		2,091,246	
<u>Cost of Sales:</u>				
Opening Inventory	316,489		691,727	
Add Purchases	1,835,739		1,856,303	
Less Closing Inventory	(691,727)	1,460,502	(1,250,377)	1,297,653
Gross Profit	1,086,179		753,593	
<u>Other Income:</u>				
Sundry Receipts	13,299		10,884	
Interest Income	2,615	15,914	813	11,697
	1,102,093		805,290	
<u>Costs:</u>				
Wages & Salaries	2,122,500		2,164,309	
Office Costs	288,595		234,675	
Marketing	266,363		311,452	
Recruitment & Training	29,871		73,424	
Motor & Travel	245,428		197,441	
Systems Costs	35,400		18,544	
Insurances & Healthcare	89,600		69,369	
General Costs	80,014		46,780	
Legal & Professional	50,477		71,799	
Research & Development	28,141	3,238,389	14,425	3,202,218
Ebitda	(2,136,296)		(2,396,928)	
Finance Costs	416,965		232,568	
Depreciation & Amortization	181,163		113,911	
Net Income	(2,734,424)		(2,743,407)	

These statements are prepared by management and are believed to conform to US GAAP and to represent an accurate view of the period shown.

Balance Sheet

	As at Oct 31 st , 2003	As at Oct 31 st , 2004
<u>Fixed Assets</u>		
Intangible Assets	99,334	36,443
Tangible Assets	<u>130,347</u>	<u>89,636</u>
	229,681	126,079
<u>Current Assets</u>		
Inventory	691,727	1,250,377
Debtors	985,535	1,093,043
Cash at bank and in hand	<u>28,972</u>	<u>41,855</u>
	1,706,234	2,385,275
<u>Current Liabilities</u>		
Amounts falling due within 1 year	<u>(2,152,415)</u>	<u>(2,130,122)</u>
Net Current Assets/(Liabilities)	<u>(446,181)</u>	<u>255,153</u>
 Total Assets less Current Liabilities	 (216,500)	 381,232
 Creditors due after more than 1 year	 <u>(295,248)</u>	 <u>(345,851)</u>
	<u>(511,748)</u>	<u>35,381</u>
<u>Capital & Reserves</u>		
Common Stock	852,074	22,701
Share Premium	2,033,955	2,187,412
Valuation Reserve	1,184,869	568,674
Reserves	<u>(7,896,416)</u>	<u>(2,743,406)</u>
	<u>(511,748)</u>	<u>35,381</u>

These statements are prepared by management and are believed to conform to US GAAP and to represent an accurate view of the period shown.

Coda Octopus Group, Inc.
Financials, 2004-05

Income Statement, First Half to April 30th, 2005

	Quarter 2		First Half	
	Feb-Apr 2005		Nov 2004-Apr 2005	
Revenues		923,919		1,838,731
<u>Cost of Sales:</u>				
Opening Inventory	1,488,957		1,250,377	
Add Purchases	756,283		1,302,406	
Less Closing Inventory	(1,904,461)	340,779	(1,904,461)	648,322
Gross Profit		583,140		1,190,409
<u>Other Income:</u>				
Sundry Receipts	-		-	
Interest Income	-	-	35	35
		583,140		1,190,444
<u>Costs:</u>				
Wages & Salaries	682,174		1,288,866	
Office Costs	93,678		174,277	
Marketing	57,039		176,765	
Recruitment & Training	44,277		72,578	
Motor & Travel	67,686		121,966	
Systems Costs	10,230		19,499	
Insurances & Healthcare	27,184		47,601	
General Costs	12,395		22,495	
Legal & Professional	32,942		83,010	
Research & Development	34,738	1,062,343	79,571	2,086,628
Ebitda		(479,203)		(896,184)
Finance Costs		32,056		43,076
Depreciation & Amortization		32,366		63,222
Net Income		(543,625)		(1,002,482)

These statements are prepared by management and are believed to conform to US GAAP and to represent an accurate view of the period shown.

Balance Sheet, April 30th, 2005**Fixed Assets**

Intangible Assets	25,447
Tangible Assets	<u>72,263</u>
	97,710

Current Assets

Inventory	1,904,461
Debtors	1,166,752
Cash at bank and in hand	<u>70,129</u>
	3,141,341

Current Liabilities

Amounts falling due within 1 year	<u>(3,465,591)</u>
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Net Current Assets/(Liabilities) **(324,250)**

Total Assets less Current Liabilities (226,540)

Creditors due after more than 1 year (354,662)

(581,202)

Capital & Reserves

Common Stock	23,547
Share Premium	2,833,489
Valuation Reserve	307,651
Reserves	<u>(3,745,889)</u>

(581,202)

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