Lumonall Inc.
Form 10-Q
November 13, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the Quarterly Period Ended September 30, 2008

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934.

For the transition period from ______________ to ________________

Commission file number 0-28315

LUMONALL, INC.
(Exact Name of Small Business Issuer as Specified in Its Charter)

Nevada	84-1517404
(State or Other Jurisdiction of Incorporation)	(I.R.S. Employer Identification No.)

3565 King Road, Suite 102
King City, Ontario, L7B 1M3, Canada
(Address of Principal Executive Offices)

(905) 833-9845
(Issuer's Telephone Number, Including Area Code)
N/A
(Former Name, Former Address and Former Fiscal Year,
if Changed Since Last Report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	[ ]	Accelerated file	[ ]
Non-accelerated filer	[ ] (Do not check if a smaller reporting company)	Smaller reporting company	[X]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).
Yes [ ] No [X]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date:

The number of shares of common stock outstanding as of November 8, 2008: 125,429,056

Lumonall, Inc.

INDEX

2

PART I. Financial Information

Item 1. Condensed Financial Statements

Lumonall, Inc.
Condensed Balance Sheet

	September 30, 2008 (UNAUDITED)	March 31, 2008
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 6,094	$ 9,335
Accounts receivable	46,942	27,843
Prepaid expenses	6,471	-
Total current assets	59,507	37,178
TOTAL ASSETS	$ 59,507	$ 37,178
LIABILITIES AND STOCKHOLDERS' DEFICIENCY		
Current Liabilities:		
Accounts payable and accrued liabilities	343,180	273,919
Due to related parties (Note 3)	610,158	418,994
Deposits	124,294	221,131
Unissued share liability (Note 4)	4,368	149,358
Total current liabilities	1,082,000	1,063,402
Stockholders' deficiency		
Preferred stock, $0.001 par value, 5,000,000 shares authorized, No shares issued and outstanding	-	-
Common stock, $0.001 par value, 200,000,000 shares authorized, 125,429,056 and 114,615,925 shares issued and outstanding, respectively	125,429	114,616
Additional paid-in capital	2,930,532	2,723,230
Common stock units subscribed (Note 5)	255,000	-
Accumulated deficit	(4,333,454)	(3,864,070)
Total stockholders' deficiency	(1,022,493)	(1,026,224)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIENCY	$ 59,507	$ 37,178

See accompanying notes to financial statements.

Lumonall, Inc.
Condensed Statements of Operations
(UNAUDITED)

	Three months ended September 30		Six months ended September 30	
	2008	2007	2008	2007
Revenues	$ 90,146	$ -	$ 166,354	$ -
Cost of sales	52,894	-	113,314	-
Gross profit	37,252	-	53,040	-
Operating expenses:				
Management fees	96,660	55,000	191,948	115,000
Office and general	47,728	102,920	116,047	344,351
Professional and consulting	93,075	386,125	192,872	538,415
Amortization	-	5,000	-	10,000
Total operating expenses	237,463	549,045	500,867	1,007,766
Net loss before other expenses and income taxes	(200,211)	(549,045)	(447,827)	(1,007,766)
Other expenses				
Share of loss of equity accounted investee	-	-	-	623
Interest expense	8,753	-	21,558	-
Total other expenses	8,753	-	21,558	623
Net loss before income taxes	(208,964)	(549,045)	(469,385)	(1,008,389)
Provision for income taxes	-	-	-	-
Net loss	$ (208,964)	$ (549,045)	$ (469,385)	$ (1,008,389)
Weighted average number of common shares outstanding – Basic and diluted	125,429,056	101,529,176	123,950,773	98,329,348
Loss per share of common stock - Basic and diluted	(0.002)	(0.005)	(0.004)	(0.010)

See accompanying notes to financial statements.

Lumonall, Inc.
Condensed Statement of Change in Stockholders' Deficiency
March 31, 2008 to September 30, 2008
(UNAUDITED)

	Common Stock					
	Shares	Amount	Additional Paid-in Capital	Common Stock Subscribed	Accumulated Income (Deficit)	Total Stockholders' Equity
Balance, March 31, 2008	114,615,925	$ 114,616	$ 2,723,230	$ -	$ (3,864,070	$ (1,026,224
Issuance of common stock pursuant to private placement	1,400,000	1,400	68,600	-	-	70,000
Issuance of common stock pursuant to settlement with related party	9,100,000	9,100	123,390	-	-	132,490
Issuance of common stock for consulting services	313,131	313	15,312	-	-	15,625
Net loss for the period	-	-	-	-	(260,420	(260,420
Balance, June 30, 2008	125,429,056	$ 125,429	$ 2,930,532	$ -	$ (4,124,490)	$ (1,068,529)
Common stock units issuable pursuant to private placement	-	-	-	255,000		255,000
Net loss for the period	-	-	-	-	(208,964)	(208,964)
Balance, September 30, 2008	125,429,056	$ 125,429	$ 2,930,532	$ 255,000	$ (4,333,454)	$ (1,022,493)

5

Lumonall, Inc.
Condensed Statements of Cash Flows
(UNAUDITED)

	Six Months Ended September 30, 2008	2007
Net cash used in operations		
Net loss	$ (469,385)	$ (1,008,389)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization	-	10,000
Share of loss of equity accounted investee	-	623
Common stock for consulting services provided	-	135,000
Warrants issued for consulting services provided	-	240,000
Changes in operating assets and liabilities:		
Accounts receivable	(19,098)	-
Prepaid expenses	(6,471)	(11,382)
Accounts payable and accrued liabilities	87,385	24,920
Deposits	(96,837)	190,000
Net cash used in operating activities	(504,406)	(419,228)
Cash flows provided by financing activities:		
Proceeds from the Issuance of common stock	205,000	845,000
Proceeds from (payments to) related parties	296,165	(321,225)
Notes payable – related party	-	(50,000)
Net cash provided by financing activities:	501,165	473,775
Increase (decrease) in cash	(3,241)	54,547
Cash, beginning of period	9,335	1,067
Cash, end of period	$ 6,094	$ 55,614

Non cash financing activities:

During the six month period ended September 30, 2008, the Company:

Issued 313,131 common shares valued at $15,625 for consulting services.
Issued 9,100,000 common shares valued at $132,490 pursuant to a settlement with a related party.
500,000 common share units subscribed, valued at $15,000 for previous consulting services provided.
3,500,000 common share units subscribed, valued at $105,000 for previous related party services provided.

During the six month period ended September 30, 2007, the Company:

Issued 2,700,000 common shares valued at $135,000 for consulting services.

Issued 2,450,000 common shares valued at $35,770 for debt forgiveness.
Issued 12,000,000 warrants valued at $240,000 for consulting services provided.

See accompanying notes to financial statements.

Lumonall, Inc.
Notes to the Condensed Financial Statements
September 30, 2008
(Unaudited)

Note 1 – Basis of Presentation and business operations

Basis of presentation – Going concern

The financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the liquidation of liabilities in the ordinary course of business. As shown in the accompanying financial statements, we had assets of $59,507, a working capital deficit of $1,022,493 and an accumulated deficit of $4,333,454 at September 30, 2008. As a result, substantial doubt exists about our ability to continue to fund future operations using its existing resources.

In the past our operations were funded through private placement of common equity, the sale of certain assets and loans from related parties. Although the amounts due to related parties are reflected as current liabilities, there are no specific repayment terms. In order to ensure the success of the new business, we will have to raise additional financing to satisfy existing liabilities and to provide the necessary funding for future operations.

The accompanying condensed unaudited financial statements of Lumonall, Inc. (the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Item 310(b) of Regulation S-B. Accordingly, they do not include all of the information and footnotes required by U.S. generally accepted accounting principles for complete financial statements. In the opinion of management of the Company, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended September 30, 2008 are not necessarily indicative of the results that may be expected for the year ending March 31, 2009. For further information, refer to the financial statements and footnotes thereto included in the Company's annual report on Form 10-KSB for the year ended March 31, 2008.

Business operations

We were originally incorporated in the State of Colorado on May 1, 1996 as Grand Canyon Ventures Two, Incorporated. The Company changed its name to Azonic Engineering Corporation on September 23, 1998. On November 12, 1999 is was re-domiciled to the State of Nevada by merging into its wholly owned subsidiary Azonic Corporation, a Nevada corporation. On July 21, 2005 the Azonic Corporation changed its name to Midland International Corporation (referred to herein as "Midland," the "Company," Registrant" and "Issuer"). During fiscal 2008, in order to accurately reflect the nature of the Company's business, the Company changed its name from Midland International Corporation to Lumonall, Inc., effective August 16, 2007.

Description of Current Business Plan

In February 2007, we adopted a new business plan. To implement this new business plan we acquired the licensing, manufacturing and distribution rights to a process for photo luminous pigments and production of foil used in manufacturing of photo luminous materials.

Prolink North America and Prolink International AS Agreements

In February 2007, we entered into a series of agreements whereby we acquired the United States licensing, North American manufacturing and Canadian non-government distribution rights of photo luminous pigments and production of foil used in manufacturing of photo luminous materials ("PLM") and acquired a 30% interest in Prolink Property Rights AS, Norway ("PPRAS"), the holder of the world-wide intellectual property rights to the PLM products, for a cost of US$100,000. As part of the acquisition and investment we also became obligated to pay royalties of CAD$2.00 per exit sign to a maximum of CAD$1,000,000, 1% of all sales arising from other products utilizing PLM, issued a non-interest bearing note in the principal amount of US$100,000 in favor of Lumonall Canada Inc. Royalty payments also included $500,000 from future profits, payable as 15% of earnings before interest, taxes, depreciation and amortization ("EBITDA") quarterly in arrears. We also became obligated to provide Prolink North America a secured non-interest bearing demand loan to pay a maximum aggregate of $300,000 owed by Prolink North America Inc. to Prolink International AS, which balance is due upon demand.

The agreements form part of our new business plan involved with photo luminous products initially in the exit sign and safety way guidance systems sector.

In February 2007, in anticipation and as a condition precedent of a change in business direction we agreed to issue 35,000,000 shares of our common stock to a group of investors led by one of our officers and directors in exchange for management fee forgiveness by certain related parties.

In February 2008, the Company agreed to issue up to 10,000,000 shares of its common stock in full repayment of future royalties owed to Lumonall Canada Inc. ("LCI"). In addition, the stock issued was in repayment of a note payable of $50,000, which was in default and an intercompany liability of $86,860 owed by Lumonall Inc. to Lumonall Canada Inc.

Pursuant to management's recent initiatives and strategic partnerships the Company became able to procure a domestic source for photo luminescent signs and safety way guidance systems at a lower cost and more efficient route to market. Due to this new source, management felt that the carrying value of its licensing, manufacturing rights and investment as at March 31, 2008, was impaired and chose to write down their carrying value to $nil.

New Management

In April 2007, we appointed a new President and COO. Mike Hetherman, of the Willis Supply Group in Burlington, Ontario, Canada (near Toronto), has been in the Building materials Distribution business for over 20 years. In the mid 80's he started as a designer and in 1992 became partners in Willis Supply. Willis was established 40 years ago and has exclusive distribution of significant Building Material brands such as DuPont Corian®, DuPont Zodiaq®, and Arpa® Italian Laminates to name a few. Under his leadership Willis expanded from Ontario to across Canada and the Pacific Northwest USA. A few years ago, Mr. Hetherman took Willis to China and now sources many quality building products for the North American market. Today, he is sole owner of Willis, Chairman of the North American DDP (DuPont Distributor Partnership) and Chairman of the Exclusive DuPont Council.

On April 1, 2008, John Simmonds stepped down as CEO and Mike Hetherman was appointed CEO. Mike Hetherman has served as a member of the board of directors and also as President and COO. Mr. Simmonds will continue to serve as Chairman of the Board and provide strategic guidance and support to the Company.

Distributors

During the one-month period between May and June 2007, we signed a number of distributors to take this new PLM product to market. Those partners, covering a majority of North America, now include the Willis Group of Companies in Canada, and Designer Building Solutions, Butler-Johnson Corporation, Hallmark Building Supplies and Parksite, Inc. in the United States.

Industry Overview

Photoluminescent Products, Safety and Energy Conservation

Recent increases in "green" initiatives, tied with improved awareness regarding energy use and saving the environment, as well as the tragic events of 9/11, have all contributed to creating this market. Building safety alone provides significant business opportunity for our Exit Signs and Safety Way Guidance Systems, but the potential in energy saving measures in new building developments, as well as retrofitting current, out-of-date premises to lower their energy usage, is enormous. The latter initiative is also highly political in nature, with all levels of government, in both Canada and the United States striving to improve the "green" element(s) of their political platforms.

Since 9/11, there has been an increase in safety measures and initiatives in buildings. New York City created Bylaw 26 in the wake of the tragedy, requiring, amongst other things, any building over six storeys high to install Safety Way Guidance Systems in their stairwells and escape routes.

Specifically, the catalyst for Prolink International's vision and mandate occurred in 1988. During that year, a major cruise ship, The Scandinavian Star caught fire in a horrific disaster that took almost 200 lives. These deaths, as in many fire-related tragedies, were caused by smoke inhalation. However, due to the fact that a majority of the victims were found within 30 feet of exits, a short distance from salvation, it can also be said that many deaths could have been prevented had safety measures (for example, clearly identified and "lit" evacuation routes and exits) been in place, or even existed at the time.

In response to this, and many other similar tragedies, the International Marine Organization (IMO) regulated that all marine vessels be outfitted with Safety Way Guidance Systems with a recommendation that specifically identified PLM lines, markers, signs and direction indicators were the solution. Since that time Prolink International has established itself as the recognized leader in the field of superior PLM products, and has outfitted almost every cruise ship and commercial marine vessel in the entire European market.

Competition

Our primary competition comes from American Permalight, Jalite USA, Brady, Jessup, and Lunaplast, all of which offer PLM Exit Signs and Safety Way Guidance Systems in Canada and/or the United States. With the exception of Brady and Jessup, all of these competitors deal exclusively in PLM products like us.

Government Regulations

Exit Signs must be approved by the Underwriters Laboratory in both Canada and the United States. MEA (Materials and Equipment Acceptance) approvals are required at the State level. We are also an Energy Star Partner in Canada and the United States. Our PLM formulation meets most current building code standards.

Employees

As of the date of this report, we have 4 employees, including our current officers, and independent contractors. Our operations are non-union and there hasn't been any history of labor strikes or unrest at any of our facilities. We believe that our relationship with our employees is satisfactory and management is confident that there is ample available labor force in the geographic areas where are facilities are, and will be located to support expected expansion over the next 12 months. Specifically, we are anticipating moving manufacturing operations for the PLM materials to North America, and when we are in the financial position to do so, we intend to hire additional employees in the areas of sales and marketing.

Risk Factors

While there are relatively few competitors to date, ours is a highly competitive industry, based on maintaining standards and keeping ahead of government regulations and initiatives. Our failure to compete effectively could adversely affect our market share and results in operations.

There is also a significant learning curve and a certain level of acceptance of PLM Exit Signs, not only at all levels of government, but there is also a shift in thinking for our customers to accept them in place of traditional, electrically-powered signs. The status quo is difficult to change.

Similarly, despite increased awareness regarding safety measures in buildings, the acceptance and subsequent seriousness of installing Safety Way Guidance Systems to guide people to safety in the event of a blackout, fire or other emergency situation is not a foregone conclusion.

Due to the relative early stages of this industry, the authorities that create the guidelines are not always consistent in their standards. The Underwriters Laboratory seems to have some inconsistencies in its approval processes, the costs involved in getting approvals, the time required in testing and, more specifically, what they do, and do not accept with regard to PLM Exit Sign standards, possibly making it an uneven playing field in regards to the competitive landscape.

In addition, potential roadblocks could be created by differing interpretations of building and fire codes in a state or local code.

Launch of New Line of Safety Products

In April of 2008, the company announced that it has entered into a letter of intent with a manufacturer to distribute a state-of-the-art, U.S. manufactured non-slip photo luminescent stair nosing for all building applications. The new line is made of rugged aluminum with no-slip surfaces and provides critical visibility in stairwells. The strategic move provides a full complement of the best photo luminescent safety products in a timely and effective fashion.

Strategic Partnership with Pacific Stair

In June of 2008, the Company announced a letter of intent with Pacific Stair Corp. that provides for the development and distribution of innovative seismic compliant steel stair systems incorporating the companies photo luminescent technology.

Subsequent Event

On October 29, 2008, the Company received a Statement of Claim, in the amount of approximately $296,000 (CAD$315,000), filed by Edward Oliver and Derin Enterprises Inc. in the Ontario Superior Court of Justice. The legal proceeding alleges a breach of contract. The Company has not made a loss provision with respect to the claim, as management believes that the lawsuit is without merit and that a successful claim is unlikely. The Company has engaged counsel to file a statement of defence.

Note 2 – Summary of Significant Accounting Policies

The financial statements have been prepared in accordance with generally accepted accounting principles in the United States.

The financial statements have, in management's opinion been properly prepared within reasonable limits of materiality and within the framework of the significant accounting polices summarized below.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates, and such differences could be material.

Cash and cash equivalents

Cash and cash equivalents include time deposit, certificates of deposits, and all highly liquid debt instruments with original maturities of three months or less. The Company maintains cash and cash equivalents at financial institutions, which periodically exceed federal insured amounts.

Fair value of financial instruments

The carrying value of receivables, bank indebtedness, accounts payable and accrued liabilities, income taxes payable, and customer deposits approximates fair value because of the short maturity of these instruments. The carrying value of long-term debt and due to and from related parties also approximates fair value. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Income taxes

The Company provides for income taxes using the asset and liability method as prescribed by Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes". Under the assets and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Additionally, a valuation allowance is established when necessary to reduce deferred income tax assets to the amounts expected to be realized. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Basic and diluted earnings (loss) per share

The Company reports basic earnings (loss) per share in accordance with Statement of Financial Accounting Standards No. 128, “Earnings Per Share”. Basic earnings (loss) per share is computed using the weighted average number of shares outstanding during the year. Diluted earnings per share includes the potentially dilutive effect of outstanding common stock options and warrants which are convertible to common shares.

Recent issued accounting standards

In February 2007, the FASB issued FASB Statement NO. 159, “The Fair Value Option for Financial Assets and Financial Liabilities – Including an Amendment of FASB Statement No. 115” (“SFAS 159”). The fair value option established by SFAS 159 permits all entities to choose to measure eligible items at fair value at specified election dates. A business entity will report unrealized gains or loses on items for which the fair value option has been elected in earnings (or another performance indication if the business entity does not report earnings) at each subsequent reporting date. The fair value option: (a) may be applied instrument by instrument, with a few exceptions, such as investments otherwise accounted for by the equity method; (b) is irrevocable (unless a new election date occurs); and (c) is applied only to entire instruments and not to portions of instruments. FASB No. 159 is effective as of the beginning of the fiscal years beginning after November 15, 2007. The Company is currently evaluating what impact, if any, SFAS 159 will have on its financial position or results of operations.

In December 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (“SFAS”) No. 141(R), "Business Combinations”. SFAS 141(R) establishes principles and requirements for how the acquirer, recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, an any noncontrolling interest in the acquiree, recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase, and determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141(R) is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. As such, the Company is required to adopt these provisions at the beginning of the fiscal year ended March 31, 2010. The Company is currently evaluating the impact of SFAS 141(R) on its consolidated financial statements [but does not expect it to have a material effect].

In December 2007, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard (“SFAS”) No. 160, "Noncontrolling Interests in Consolidated Financial Statements, an amendment of ARB No. 51”. SFAS 160 establishes accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective for fiscal years, and interim periods within those fiscal years, beginning on or after December 15, 2008. As such, the Company is required to adopt these provisions at the beginning of the fiscal year ended March 31, 2010. The Company is currently evaluating the impact of SFAS 160 on its consolidated financial statements [but does not expect it to have a material effect].

In March 2008, FASB issued Statement of Financial Accounting Standards No. 161, “Disclosures about Derivative Instruments and Hedging Activities” (“SFAS 161”). SFAS 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring companies to enhance disclosure about how these instruments and activities affect their financial position, performance and cash flows. SFAS 161 also improves the transparency about the location and amounts of derivative instruments in a company’s financial statements and how they are accounted for under SFAS 133. SFAS 161 is effective for financial statements issued for fiscal years beginning after November 15, 2008 and interim periods beginning after that date. As such, the Company is required to adopt these provisions beginning with the quarter ending in March 2009. The Company is currently evaluating the adoption of this pronouncement and expects no material impact on the Company’s consolidated financial statements.

Note 3 – Related Party Transactions

Periodically expenses of the Company are paid by related parties on behalf of the Company. These transactions result in non-interest and interest bearing payables to related parties with no specific terms of repayment other than as described below. At September 30, 2008 amounts due to related parties amounted to $610,158. Related parties of the Company include entities under common management.

Gamecorp Ltd. (formerly Eiger Technology, Inc.) a related party (due to common officers with the Company) agreed to provide up to $600,000 funding for the development of the Company’s business. The Company is obligated to pay a 5% commitment fee of the maximum amount funded plus interest at Prime + 3% per annum. During the three month period ended September 30, 2008 Newlook Industries Corp., a related party (due to common officers with the Company) agreed to further fund the development of the Company’s business and assumed the outstanding related party liability to Gamecorp Ltd. as settlement of amounts owed to Newlook from Gamecorp. During the six month period ended September 30, 2008, the Company incurred $21,558 in interest expense.

At September 30, 2008, the amounts due to related parties were:

Newlook Industries Corp.	$ 527,252
Officers and directors	82,906
	610,158

Note 4 – Unissued Share Liability

The Company agreed to issue 9,400,000 common shares valued at $136,860 in full repayment of future royalties owed to Lumonall Canada Inc. In addition, the stock issued was in repayment of a note payable of $50,000 and for payment of an intercompany liability of $86,860 owed by Lumonall Inc., to Lumonall Canada Inc. Lumonall Canada Inc. is a related party by virtue of common directors and officers. As of September 30, 2008, 300,000 shares had not yet been issued and the Company has recorded a $4,368 un-issued share liability representing the fair value of the un-issued shares.

Note 5 – Common Stock Units Subscribed

On July 1, 2008, under a private placement the Company offered common share units of which 8,500,000 units valued at $255,000 were subscribed. Each unit consists of one common stock and one warrant. The warrants expire in six months and can be exercised for $0.05 per share. As of September 30, 2008, the common share units have not been issued and the Company has recorded $255,000 common stock units subscribed, representing the fair value of the un-issued units. Under the private placement 500,000 units were subscribed, valued at $15,000 for previous consulting services provided and 3,500,000 units were subscribed, valued at $105,000 for previous related party services provided.

Item 2. Management's Discussion and Analysis or Plan of Operation.

FORWARD-LOOKING STATEMENTS

Certain matters discussed in this Annual Report may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and as such may involve risks and uncertainties. These forward-looking statements relate to, among other things, expectations of the business environment in which the Company operates, projections of future performance, perceived opportunities in the market and statements regarding the Company's goals. The Company's actual results, performance, or achievements expressed or implied in such forward-looking statements may differ.

BACKGROUND

The Company was incorporated in the State of Colorado on May 1, 1996 as Grand Canyon Ventures Two, Incorporated. The Company changed its name to Azonic Engineering Corporation on September 23, 1998. On November 12, 1999, it was re-domiciled to the State of Nevada by merging into its wholly owned subsidiary Azonic Corporation ("Company"), a Nevada corporation. On July 21, 2005 the Company officially changed its name to Midland International Corporation ("Midland"). During fiscal 2008, in order to accurately reflect the nature of the Company's business, the Company changed its name from Midland International Corporation to Lumonall, Inc., effective August 16, 2007.

Description of Current Business Plan

Pursuant to management initiatives and strategic partnerships the Company holds a domestic source for photo luminescent signs and safety guidance systems at a lower cost and more efficient route to market.

With a North American distribution network in place, we have means to capitalize on the world wide market for photo luminescent product. Looking forward, the keys to success will be to further train and equip that network for anticipated sales, expand our product categories, and continue to develop awareness and educate the public on the benefits of PLM with regard to safety and energy conservation.

We continue to ramp up our media strategy to improve awareness regarding PLM Exit Signs and Safety Way Guidance Systems (“SWGS”), as well as lobbying all levels of government to further effect both energy saving legislation, in addition to building safety requirements.

Our online presence will also be growing, aiding in the education process for both our distributors and the general public. The new site will provide improved services for our distribution network, as well as the general public. This will likely include streaming video demonstrations (for both Exit Signs and SWGS), an on-line product catalogue, product FAQs, and a marketing materials database.

These measures, in the short term, address the North American marketplace and our presence here. As we develop our infrastructure and grow in sales, we will start capitalizing on our worldwide opportunities.

Following that, we are continuing with research and development in order to further identify other products and applications for PLM as well as expand our product categories.

RESULTS OF OPERATION

Comparison of Results of Operations for the Three Month Period Ended September 30, 2008 and 2007

We generated $90,146 in revenues during the three-month period ended September 30, 2008 compared to nil during the three month period ended September 30, 2007. The new PLM business plan was begun during the fourth quarter of fiscal 2008. Gross profit on sales during the current quarter was $37,252. Gross profits are expected to rise as volumes increase.

We incurred management fees of $96,660 in the three-month period ended September 30, 2008, compared to $55,000 in the same period ended September 30, 2007. Accrued or paid management fees during the current period were for the services of Mike Hetherman, our CEO, Gary Hokkanen, our CFO and Carrie Weiler, our Corporate Secretary. In addition, management fees included an amount paid to Wireless Age Communications, Inc., a related party due to certain common officers, directors and ownership for the services of managerial level accounting and finance personnel.

We incurred office and general expenses of $47,728 in the three-month period ended September 30, 2008 compared to $102,920 in the same period ended September 30, 2007, a decrease of approximately $55,192. Office and general expenses include travel and auto, occupancy and communications and other similar costs associated with operating the business in its current state of evolution. The higher costs for the three month period end September 30, 2007 are a result of the incremental start up costs incurred for the new business plan. During the three month period ended September 30, 2008 travel and entertainment costs totaled $41,542, advertising and promotion totaled $4,308, foreign exchange gain totaled $22,501 and other miscellaneous costs totaling $24,379. We expect operating costs to increase as volumes under the new business plan arise.

We also incurred professional and consulting fees of $93,075 in the three-month period ended, September 30, 2008 compared to $386,125 in the same period ended September 30, 2007. Professional and consulting fees during the current period included various fees associated with the new business opportunity, including general management, technical, political lobbyist and marketing functions.

We incurred interest expense of $8,753 during the three month period ended September 30, 2008 compared to nil during the three month period ended September 30, 2007. Interest expense arose from a related party liability from which the Company is obligated to pay a 5% commitment fee of the maximum amount funded plus interest at Prime + 3% per annum.

As a result, we incurred a net loss of ($208,964) during the three month period ended September 30, 2008, (approximately $0.002 per share) compared to a net loss of ($549,045) in the same period ended September 30, 2007 (approximately $0.005 per share)

Management expects the operating losses to continue until breakeven operations are achieved under the PLM business plan. Additional financing will be required in order to offset pre-breakeven operating losses.

Comparison of Results of Operations for the Six Month Period Ended September 30, 2008 and 2007

We generated $166,354 in revenues during the six-month period ended September 30, 2008 compared to nil during the six month period ended September 30, 2007. The new PLM business plan was begun during the fourth quarter of fiscal 2008. Gross profit on sales during the six months ended September 30,2008 was $53,040. Gross profits are expected to rise as volumes increase.

We incurred management fees of $191,948 in the six-month period ended September 30, 2008, compared to $115,000 in the same period ended September 30, 2007. Accrued or paid management fees during the current period were for the services of Mike Hetherman, our CEO, Gary Hokkanen, our CFO and Carrie Weiler, our Corporate Secretary. In addition, management fees included an amount paid to Wireless Age Communications, Inc., a related party due to certain common officers, directors and ownership for the services of managerial level accounting and finance personnel.

We incurred office and general expenses of $116,047 in the six-month period ended September 30, 2008 compared to $344,351 in the same period ended September 30, 2007, a decrease of approximately $228,304. Office and general expenses include travel and auto, occupancy and communications and other similar costs associated with operating the business in its current state of evolution. The higher costs for the six month period end September 30, 2007 are a result of the incremental start up costs incurred for the new business plan. During the six month period ended September 30, 2008 travel and entertainment costs totaled $65,791, advertising and promotion totaled $20,906, administrative services totaling $9,767, foreign exchange gain totaling $20,255 and other miscellaneous costs totaling $39,838. We expect operating costs to increase as volumes under the new business plan arise.

We also incurred professional and consulting fees of $192,872 in the six-month period ended, September 30, 2008 compared to $538,415 in the same period ended September 30, 2007. Professional and consulting fees during the current period included various fees associated with the new business opportunity, including general management, technical, political lobbyist and marketing functions.

We incurred interest expense of $21,558 during the six month period ended September 30, 2008 compared to nil during the six month period ended September 30, 2007. Interest expense arose from a related party liability from which the Company is obligated to pay a 5% commitment fee of the maximum amount funded plus interest at Prime + 3% per annum.

As a result, we incurred a net loss of ($469,385) during the six month period ended September 30, 2008, (approximately $0.004 per share) compared to a net loss of ($1,008,389) in the same period ended September 30, 2007 (approximately $0.010 per share)

Management expects the operating losses to continue until breakeven operations are achieved under the PLM business plan. Additional financing will be required in order to offset pre-breakeven operating losses.

LIQUIDITY AND CAPITAL RESOURCES

Our total assets increased from $37,178 at March 31, 2008 to $59,507 at September 30, 2008. The increase is primarily the result of increased activity associated with the PLM business.

Our total liabilities increased from $1,063,402 at March 31, 2008 to $1,082,000 at September 30, 2008. Accounts payable and accrued liabilities increased from $273,919 at the beginning of the year to $343,180 at the end of the current quarter. Due to related parties increased from $418,994 at March 31, 2008 to $610,158 at September 30, 2008. Deposits declined from $221,131 at the beginning of the year to $124,294 at September 30, 2008. Unissued share liability declined to $4,368 at September 30, 2008 from $149,358 at March 31, 2008.

The stockholders' deficiency decreased from ($1,026,224) at March 31, 2008 to ($1,022,493) at September 30, 2008. Operating losses were offset with an increase attributable to private placements generating net proceeds of $205,000 during the six month period ended September 30, 2008, and issuance of 9,100,000 common shares, valued at $132,490 as consideration for settlement in certain related party liabilities. In addition, during the six months ended September 30, 2008, 500,000 units were subscribed for valued at $15,000 as payment of prior consulting services and 3,500,000 units were subscribed for valued at $105,000 as payment for prior services provided by related parties. (Note 5) (See Statement of Stockholders' Deficiency contained in the financial statements).

At September 30, 2008, we had a working capital deficit of $1,022,493. We had cash balances of $6,094 at September 30, 2008 and we are largely reliant upon our ability to arrange equity private placements or alternatively advances from related parties to pay expenses as incurred. In addition to normal accounts payable and accrued liabilities of $343,180 we also owe related parties $610,158. Our only current source for capital are related party loans or private placements of common stock.

During the six month period ended September 30, 2008 we; 1) used $504,406 in cash in operating activities arising primarily from operating losses, and 2) generated $501,165 in cash from financing activities. Financing activities included cash proceeds of $205,000 from private placements of common stock and amounts from related parties of $296,165.

Our current cash resources are not sufficient to support the business over the next 12 months and we are unable to carry out any plan of business without funding. We will need additional debt or equity capital to fully implement our business plan in the future and there are no assurances that we will be able to raise this capital when needed. However, as of the date of this report, we have been successful in arranging incremental financing through equity private placements and anticipate continued success in this area. The inability to obtain sufficient funds from external sources when needed will have a material adverse affect on our results of operations and financial condition.

We cannot predict to what extent our current capital resources will impair our new business operations. However management does believe we will incur further operating losses. There is no assurance that we can continue as a going concern without continued funding. Management has taken steps to begin sourcing the necessary funding to begin to execute the business plan.

We estimate it will require additional financing to cover legal, accounting, transfer, consulting, management fees and the miscellaneous costs of being a reporting company in the next fiscal year. We do not intend to pursue or fund any research or development activities during the coming year. We do not intend to add any additional part-time or full-time employees until our activities can support it. Our business plan calls for us to not make any large capital expenditures in the coming year.

Going concern qualification: We have incurred significant losses from operations for the six month period ended, September 30, 2007, and such losses are expected to continue until we can attain higher levels of revenue. In addition, we have a working capital deficit of $1,022,493 and an accumulated deficit of $4,333,454. The foregoing raises substantial doubt about the Company's ability to continue as a going concern. Management's plans include seeking additional capital and/or debt financing. There is no guarantee that additional capital and/or debt financing will be available when and to the extent required, or that if available, it will be on terms acceptable to us. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

CONTRACTUAL OBLIGATIONS AND COMMITMENTS

We hold deposits of $124,294 from our distributors for future orders of PLM products.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

Item 4. Controls and Procedures

a) Evaluation of Disclosure Controls and Procedures:

Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed in the reports filed under the Exchange Act is accumulated and communicated to management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. As of the end of the period covered by this report, the Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the

Company's Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. Based upon and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed in the reports the Company files and submits under the Exchange Act is recorded, processed, summarized and reported as and when required.

b) Changes in Internal Control over Financial Reporting:

There were no changes in the Company's internal control over financial reporting identified in connection with the Company evaluation of these controls as of the end of the period covered by this report that could have significantly affected those controls subsequent to the date of the valuation referred to in the previous paragraph, including any correction action with regard to significant deficiencies and material weakness.

PART II. Other Information

Item 1. Legal Proceedings

On October 29, 2008, the Company received a Statement of Claim, in the amount of approximately $296,000 (CAD$315,000), filed by Edward Oliver and Derin Enterprises Inc. in the Ontario Superior Court of Justice. The legal proceeding alleges a breach of contract. The Company has not made a loss provision with respect to the claim, as management believes that the lawsuit is without merit and that a successful claim is unlikely. The Company has engaged counsel to file a statement of defence.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None

Item 3. Defaults Upon Senior Securities

None

Item 4. Submission of Matters to a Vote of Security Holders

None

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

Exhibit 31.1	Rule 13a-14(a) Certification of Chief Executive Officer. *
Exhibit 31.2	Rule 13a-14(a) Certification of Chief Financial Officer. *
Exhibit 32.1	Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *
Exhibit 32.2	Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. *

* Filed herein.

(b) Reports on Form 8-K

None

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

	Lumonall Inc.	
Date: November 13, 2008	By:	/s/ Michael Hetherman Name: Michael Hetherman Title: Chief Executive Officer and Director
	By:	/s/ Gary N. Hokkanen Name: Gary N. Hokkanen Title: Chief Financial Officer