Altius Minerals Corporation

Consolidated Financial Statements

April 30, 2002 and 2001

Auditors' Report

To the Shareholders
Altius Minerals Corporation

We have audited the consolidated balance sheets of Altius Minerals Corporation as at April 30, 2002 and 2001 and the consolidated statements of loss and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Corporation as at April 30, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"Collins Barrow Calgary LLP"
CHARTERED ACCOUNTANTS

Calgary, Alberta
August 16, 2002

Altius Minerals Corporation

Consolidated Balance Sheets

April 30, 2002 and 2001

	2002	2001
Assets		
Current assets		
Cash and cash equivalents	$ 63,844	$ 558,449
Marketable securities, at cost (market value - $1,030,160; 2001 - $200,400)	1,030,160	200,000
Accounts receivable (note 3)	115,699	43,598
Prepaid expenses	4,184	8,743
	1,213,887	810,790
Mineral properties and deferred exploration costs (Schedule)	683,515	471,845
Capital assets (note 4)	31,968	24,377
	$ 1,929,370	$ 1,307,012
Liabilities		
Current liability		
Accounts payable and accrued liabilities	$ 35,315	$ 68,435
Shareholders' Equity		
Share capital (note 6)	3,227,468	2,228,313
Deficit	(1,333,413)	(989,736)
	1,894,055	1,238,577
	$ 1,929,370	$ 1,307,012

Approved by the Board,

"Brian Dalton", Director

"Roland Butler", Director

Altius Minerals Corporation
Consolidated Statements of Loss and Deficit
Years Ended April 30, 2002 and 2001

	2002	2001
Interest income	$ 35,201	$ 31,088
Expenses		
General and administrative	286,704	289,537
Mineral properties abandoned or impaired	78,331	73,796
Amortization	11,021	6,720
	376,056	370,053
Loss before the following	(340,855)	(338,965)
Loss on disposal of marketable securities	(2,822)	-
Net loss	(343,677)	(338,965)
Deficit, beginning of year	(989,736)	(650,771)
Deficit, end of year	$ (1,333,413)	$ (989,736)
Net loss per share (note 6[f])	$ (0.03)	$ (0.03)

Altius Minerals Corporation

Consolidated Statements of Cash Flows

Years Ended April 30, 2002 and 2001

	2002	2001
Operating activities		
Net loss	$ (343,677)	$ (338,965)
Items not affecting cash		
Mineral properties abandoned or impaired	78,331	73,796
Amortization	11,021	6,720
Loss on disposal of marketable securities	2,822	-
	(251,503)	(258,449)
Change in non-cash working capital balances related to operating activities	19,045	15,977
	(232,458)	(242,472)
Financing activities		
Proceeds from issuance of shares, net of issuance costs	974,155	696,123
Change in non-cash working capital balances related to financing activities	(38,125)	-
	936,030	696,123
Investing activities		
Acquisition of marketable securities, net of disposal proceeds	(832,982)	(200,000)
Acquisition of mineral properties and deferred exploration costs, net of recoveries	(265,001)	(166,589)
Acquisition of capital assets	(18,612)	(18,644)
Change in non-cash working capital balances related to investing activities	(81,582)	24,031
	(1,198,177)	(361,202)
Net (decrease) increase in cash and cash equivalents	(494,605)	92,449
Cash and cash equivalents, beginning of year	558,449	466,000
Cash and cash equivalents, end of year	$ 63,844	$ 558,449
Cash and cash equivalents consists of:		
Deposits with banks	$ 63,844	$ 208,234
Term deposits	-	350,215
	$ 63,844	$ 558,449

Altius Minerals Corporation

Consolidated Schedule of Mineral Properties and Deferred Exploration Costs

Year Ended April 30, 2002

	Balance, Beginning of Year	Net Additions	Abandoned or impaired	Balance, End of Year
Rambler (note 7[a])	$ -	$ 87,194	$ -	$ 87,194
South Tally Pond (note 7[b])	46,492	26,424	-	72,916
Lockport	67,839	(2,214)	-	65,625
Moosehead	98,827	(40,575)	-	58,252
Shamrock	38,783	613	(120)	39,276
Rocky Brook (note 7[c])	9,130	26,853	-	35,983
Miguel’s Trend	21,034	14,002	-	35,036
Butler’s Pond (note 7[d])	31,323	2,598	-	33,921
Cross Hills (note 7[e])	11,466	20,305	-	31,771
Mustang Trend	21,413	5,750	-	27,163
Point Leamington	27,767	(1,130)	(160)	26,477
Taylor Brook (note 7[f])	7,514	6,488	-	14,002
Baie d’Espoir	-	10,657	-	10,657
Flint Cove	4,657	162	(180)	4,639
Victoria River (note 7[g])	1	2,457	-	2,458
Twilite (note 7[h])	-	1,725	-	1,725
Jocko Pond	-	1,160	-	1,160
Linear	-	596	-	596
Robert’s Arm (note 7[i])	5,947	(5,682)	(140)	125
Wild Cove	9,597	44	(9,640)	1
Fortune Bay	10,206	21,772	(31,978)	-
Lake Michael	4,160	588	(4,748)	-
Red Bay	3,838	7,640	(11,478)	-
Kippen’s Ridge	1	325	(326)	-
General exploration	-	1,854	(1,854)	-
Security deposits	51,850	100,395	(17,707)	134,538
	$ 471,845	$ 290,001	$ (78,331)	$ 683,515

Altius Minerals Corporation

Consolidated Schedule of Mineral Properties and Deferred Exploration Costs

Year Ended April 30, 2001

	Balance, Beginning of Year	Net Additions	Abandoned or impaired	Balance, End of Year
Moosehead	$ 90,737	$ 8,090	$ -	$ 98,827
Lockport	70,731	(2,892)	-	67,839
South Tally Pond	-	46,492	-	46,492
Shamrock	36,980	1,803	-	38,783
Butler's Pond	28,287	3,516	(480)	31,323
Point Leamington	39,371	(11,604)	-	27,767
Mustang Trend	12,730	8,683	-	21,413
Miguel’s Trend	19,335	1,741	(42)	21,034
Cross Hills	2,678	8,788	-	11,466
Fortune Bay	-	10,206	-	10,206
Wild Cove	9,278	319	-	9,597
Rocky Brook	-	9,130	-	9,130
Taylor Brook	7,514	-	-	7,514
Robert's Arm	3,827	2,120	-	5,947
Flint Cove	-	4,657	-	4,657
Lake Michael	1,853	2,307	-	4,160
Red Bay	-	3,838	-	3,838
Kippen's Ridge	1,892	(40)	(1,851)	1
Victoria River	1	-	-	1
Seahorse Tadpole	3,574	1,332	(4,906)	-
Le Pouvoir	-	2,271	(2,271)	-
General exploration	-	47,093	(47,093)	-
Security deposits	50,264	18,739	(17,153)	51,850
	$ 379,052	$ 166,589	$ (73,796)	$ 471,845

1. Nature of operations

The Corporation's principal business activities include mineral property exploration and development. The Corporation is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain mineral reserves that are economically recoverable.

The recoverability of the amounts shown for mineral properties and deferred exploration costs is dependent upon the discovery of economically recoverable mineral reserves, the ability of the Corporation to obtain necessary financing to complete the development of the properties, and the generation of sufficient income through future production from or the disposition of such assets.

2. Significant accounting policies

(a) Principles of consolidation

The consolidated financial statements include the accounts of the Corporation and its wholly-owned subsidiaries, Altius Resources Inc. and 11073 Newfoundland Limited.

(b) Cash and cash equivalents

Cash and cash equivalents consists of amounts on deposit with banks and term deposits with a maturity of one year or less when purchased.

(c) Marketable securities

Marketable securities are carried at the lower of cost and market value.

(d) Mineral properties and deferred exploration costs

The amount shown for mineral properties and deferred exploration costs includes the direct costs of acquiring, maintaining, exploring and developing properties, an allocation of management fees and salaries based on time spent, and other costs directly related to specific properties. All other costs, including administrative overhead, are expensed as incurred. Mineral properties acquired for share consideration are recorded at the fair value of the shares at the date of acquisition.

Incidental revenue derived from management fees are recorded first as a reduction of the specific mineral property and deferred exploration costs to which the fees relate, then as a reduction to general exploration costs, and any excess as a reduction to general and administrative expense.

Management periodically reviews the carrying values of mineral properties and deferred exploration costs with internal and external mining professionals. A decision to abandon, reduce or expand activity on a specific project is based upon many factors including general and specific assessments of mineral reserves, anticipated future mineral prices, anticipated costs of developing and operating a producing mine, the expiration date of mineral property leases, and the general likelihood that the Corporation will continue exploration on the project. The Corporation does not set a pre-determined holding period for properties with unproven reserves. However, properties which have not demonstrated suitable prospects at the conclusion of each phase of an exploration program are re-evaluated to determine if future exploration is warranted and that carrying values are appropriate.

If a mineral property is abandoned or it is determined that its carrying value cannot be supported by future production or sale, the related costs are charged against operations in the year of abandonment or determination of impairment of value. The amounts recorded as mineral properties and deferred exploration costs represent unamortized costs to date and do not necessarily reflect present or future values.

The accumulated costs of mineral properties and deferred exploration costs that are developed to the stage of commercial production will be amortized to operations on a unit-of-production basis over economically recoverable reserves.

(e) Capital assets

Capital assets are recorded at cost. Amortization is provided using the following methods and annual rates:

Computer software	100% straight line
Computer equipment	30% declining balance
Office equipment	20% declining balance

(f) Measurement uncertainty

The valuation of the mineral properties and deferred exploration costs are based on management's best estimate of the future recoverability of these assets. The amount recorded for amortization of capital assets is based on management's best estimate of the remaining useful lives of these assets.

By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements from changes in such estimates in future periods could be significant.

(g) Income taxes

Income taxes are accounted for using the liability method of income tax allocation. Under the liability method, income tax assets and liabilities are recorded to recognize future income tax inflows and outflows arising from the settlement or recovery of assets and liabilities at the carrying values. Income tax assets are also recognized for the benefits from tax losses and deductions that cannot be identified with particular assets or liabilities, provided those benefits are more likely than not to be realized. Future income tax assets and liabilities are determined based on the tax laws and rates that are anticipated to apply in the period of realization.

(h) Flow-through shares

Share capital includes flow-through shares issued pursuant to certain provisions of the Income Tax Act (Canada) (the "Act"). The Act provides that, where share issuance proceeds are used for exploration and development expenditures, the related income tax deductions may be renounced to subscribers. Accordingly, these expenditures provide no income tax deduction to the Corporation.

Share capital is reduced and a future income tax liability is recorded equal to the estimated amount of future income taxes payable by the Corporation as a result of the renunciations when the expenditures are made. Where at the time of issuance the Corporation has unrecorded net tax assets exceeding the deductions renounced, no future income tax liability is recorded.

(i) Stock options

The Corporation has a stock option plan as described in note 6(e). No compensation expense is recognized when stock options are issued. Any consideration paid on exercise of stock options is credited to share capital.

(j) Government assistance

Government assistance received or receivable in respect of mineral property exploration costs is reflected as a reduction of the cost of the property and the related deferred exploration costs.

(k) Diluted income per share

The Corporation changed its policy for calculating diluted income per share during the year ended April 30, 2001 to comply with new standards approved by the Canadian Institute of Chartered Accountants. The most significant change is that when calculating diluted income per share, under the new standard, it is assumed that proceeds received on the exercise of stock options and warrants are used to repurchase Corporation shares at the weighted average market price during the period; whereas under the old standard, it is assumed that proceeds received on the exercise of stock options and warrants are invested to earn an assumed rate of return.

The new standard had no effect on the April 30, 2001 results.

3. Accounts receivable

	2002	2001
Employees	$ 38,000	$ -
Trade	77,699	43,598
	$ 115,699	$ 43,598

The $38,000 (2001 - $NIL) receivable from employees is pursuant to the exercise of stock options. These amounts were collected subsequent to April 30, 2002.

4. Capital assets

	2002			2001		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer equipment and software	$ 30,145	$ 16,064	$ 14,081	$ 20,736	$ 9,517	$ 11,219
Office equipment	28,939	11,052	17,887	19,736	6,578	13,158
	$ 59,084	$ 27,116	$ 31,968	$ 40,472	$ 16,095	$ 24,377

5. Income taxes

(a) Significant components of the future tax asset at April 30, 2002 and 2001 are as follows:

	2002	2001
Temporary differences related to mineral properties and deferred exploration costs	$ 93,052	$ 51,375
Tax values of capital assets in excess of net book values	11,692	6,940
Share issuance costs	11,406	26,123
Non-capital loss carryforwards	478,133	406,337
Other	845	-
Valuation allowance	(595,128)	(490,775)
	$ -	$ -

(b) Income taxes differ from that which would be expected from applying the effective Canadian federal and provincial income tax rates of 43.12% to the loss before income taxes as follows:

	2002	**2001**
Expected tax recovery	$ (148,194)	$ (146,162)
Future tax benefit not recognized	126,808	114,058
Resource allowance	22,163	30,915
Other	(777)	1,189
	$ -	$ -

(c) The Corporation has the following non-capital loss carryforwards for which no benefit has been recognized in the financial statements:

Expiry Date	**Amount**
2004	$ 23,721
2005	191,230
2006	185,392
2007	248,538
2008	293,460
2009	166,501
	$ 1,108,842

6. Share capital

(a) Authorized
Unlimited number of common voting shares
Unlimited number of First Preferred shares
Unlimited number of Second Preferred shares

The First and Second Preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions, and conditions attached to the shares of each series.

(b) Issued - Common shares

	2002		2001	
	Number	**Stated Value**	**Number**	**Stated Value**
Balance, beginning of year	13,054,284	$ 2,228,313	11,140,867	$ 1,532,190
Exercise of stock options	175,000	62,450	97,250	25,450
Exercise of warrants (note 6[c])	1,605,000	722,250	1,816,667	670,833
Pursuant to a private placement (note 6[d])	200,000	200,000	-	-
Pursuant to acquisition of mineral properties	30,000	25,000	-	-
Adjustment on cancellation of shares	-	-	(500)	(160)
	15,064,284	3,238,013	13,054,284	2,228,313
Less: Share issuance costs		10,545		-
Balance, end of year		$ 3,227,468		$ 2,228,313

(c) Warrants issued pursuant to private placements in prior years were exercised during the years ended April 30, 2002 and 2001, resulting in the issuance of 1,605,000 common shares at $0.45 per share, for aggregate proceeds of $722,250 (2001 - 700,000 at $0.40 per share and 1,116,667 at $0.35 per share, for aggregate proceeds of $670,833).

(d) Pursuant to a private placement, the Corporation issued 200,000 units at $1.00 per unit for aggregate proceeds of $200,000. Each unit consists of one flow-through common share and a warrant to purchase one additional flow-through common share at $1.20 per share until December 27, 2003. As of April 30, 2002, no warrants have been exercised. In accordance with the terms of the offering and pursuant to certain provisions of the Income Tax Act, the Corporation renounced, for income tax purposes, exploration expenditures in the amount of $200,000 effective December 31, 2001. To April 30, 2002, $56,620 has been expended on exploration. The Corporation is committed to spend the remaining $143,380 on exploration expenditures by December 31, 2002.

(e) The Corporation has a stock option plan under which directors, officers, employees and consultants of the Corporation and of its subsidiaries are eligible to receive stock options. The aggregate number of shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued shares of the Corporation at the time of granting the options. The maximum number of common shares optioned to any one optionee shall not exceed 5% of outstanding common shares of the Corporation. Options granted under the plan generally have a term of five years but may not exceed five years and vest at terms to be determined by the directors at the time of grant. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) on which the Corporation's common shares are then listed.

A summary of the status of the Corporation's stock option plan as of April 30, 2002 and 2001 and changes during the years ending on those dates is as follows:

	2002		2001	
	Number of Options	**Weighted Average Exercise Price**	**Number of Options**	**Weighted Average Exercise Price**
Outstanding, beginning of year	770,250	$ 0.33	767,500	$ 0.31
Granted	500,000	0.55	100,000	0.44
Exercised	(175,000)	0.36	(97,250)	0.26
Outstanding and exercisable, end of year	1,095,250	$ 0.43	770,250	$ 0.33

Subsequent to April 30, 2002, 65,800 common shares were issued upon the exercise of stock options for aggregate proceeds of $20,660.

The following table summarizes information about stock options outstanding and exercisable at April 30, 2002:

Range of Exercise Prices	**Number**	**Weighted Average Remaining Contractual Life**	**Weighted Average Exercise Price**
$0.20 - $0.29	75,250	0.47 years	$ 0.20
$0.30 - $0.39	490,000	1.56	0.34
$0.40 - $0.49	45,000	3.70	0.44
$0.50 - $0.59	485,000	4.27	0.55
	1,095,250	2.77 years	$ 0.43

(f) Net loss per share

Net loss per share has been calculated using the weighted average number of common shares of 13,593,406 (2001 - 12,021,160) outstanding during the year. The exercise of options and warrants would not be dilutive.

7. Commitments

(a) Rambler

Pursuant to an option agreement to purchase an interest in certain Rambler mineral claims and a mining lease, the Corporation can elect to issue 25,000 common shares on each of November 1, 2002, 2003 and 2004, and 100,000 common shares on November 1, 2005. The Corporation must incur exploration expenditures of $500,000 within a four year period commencing November 1, 2001, with a minimum expenditure in each year equal to the minimum amount required to maintain the property in good standing with the Department of Mines and Energy of the Government of Newfoundland and Labrador.

Upon completion of the above option payments and the required expenditures, the Corporation will have earned a 100% interest in the property, subject to the retention by the Vendor of a 1% Royalty.

The Corporation has the option and right to purchase the Royalty at any time thereafter for $500,000.

The Corporation has a commitment to rent office and core shed facilities on the property at an amount of $1,833 per month during the period of the option agreement.

(b) South Tally Pond

Pursuant to an option agreement, the Corporation has the option and right to acquire an interest in two mineral licenses representing 190 mining claims. The Corporation must incur expenditures in respect of exploration and development of the property totalling at least $500,000 on or before December 18, 2004.

Upon completion of the required $500,000 expenditures, the Corporation will have earned a 100% interest in the property, subject to the retention by the Vendor of a 2% Royalty, and the right by the Vendor to purchase up to 100% of concentrate produced from the property on a commercially competitive basis.

In addition, upon commencement of production on any part of the property, the Corporation agrees to either issue to the Vendor 1,000,000 common shares or, in the event that the Corporation assigns its interest to a third party, 1,000,000 common shares pro-rated to the participating interests of the Corporation and the third party, or pay the Vendor $2,000,000.

(c) Rocky Brook

Pursuant to an option agreement to purchase an interest in certain Rocky Brook mineral claims, the Corporation can elect to issue 10,000 common shares on April 26, 2002, 15,000 common shares on April 26, 2003 and 50,000 common shares on April 26, 2004. The Corporation issued 10,000 common shares subsequent to April 30, 2002 in consideration of the April 26, 2002 election.

Upon completion of the above option payments, the Corporation will have earned a 100% interest in the property, subject to retention by the Vendor of a 2% Royalty.

The Corporation has the option and right to purchase 50% of the Royalty at any time thereafter for $1,000,000.

(d) Butler's Pond

Pursuant to an amended option agreement to purchase an interest in certain Butler's Pond mineral claims, the Corporation can elect to pay $10,000 and issue 20,000 common shares on the earlier of the date on which the Corporation has reached an agreement with a joint venture/option partner to proceed with exploration on the property or November 29, 2005, and pay $15,000 and issue 30,000 common shares one year later.

Upon completion of the above option payments and issuance of common shares, the Corporation will have earned a 100% interest in the mineral claims, subject to retention by the Vendor of a 1.5% Royalty.

The Corporation has the option and right to purchase 50% of the Royalty at any time thereafter for $1,000,000.

(e) Cross Hills

Pursuant to an option agreement to purchase an interest in certain Cross Hills mineral claims, the Corporation can elect to pay $5,000 and issue 10,000 common shares on January 14, 2003, pay $15,000 and issue 15,000 common shares on January 14, 2004, and pay $500,000 on the date which is twelve months following the commencement by the Corporation of commercial production of the mineral claims.

Upon completion of the above option payments, the Corporation will have earned a 100% interest in the mineral claims, subject to the retention by the Vendor of a 2.5% Royalty.

The Corporation has the option and right to purchase 60% of the Royalty at any time thereafter for $1,500,000.

(f) Taylor Brook

Pursuant to an amended option agreement to purchase an interest in certain Taylor Brook mineral claims, the Corporation can elect to pay $5,000 on each of July 14, 2002 (which has been paid subsequent to April 30, 2002) and 2003.

Upon completion of the above option payments, the Corporation will have earned a 100% interest in the mineral claims, subject to retention by the Vendor of a 2% Royalty.

The Corporation has the option and right to purchase 50% of the Royalty at any time thereafter for $1,000,000.

(g) Victoria River

Pursuant to a joint venture agreement, the Corporation has entered the third stage and has elected not to exercise their option to contribute in full to the joint venture funding and accordingly has accepted a dilution in their interest from 49% to 43.63%.

(h) Twilite

Subsequent to April 30, 2002, the Corporation entered into an option agreement to purchase an interest in certain Twilite mineral claims. The Corporation paid $5,000 and will issue 5,000 common shares, subject to regulatory approval. The Corporation can elect to pay $5,000 and issue 5,000 common shares on November 12, 2002, pay $10,000 and issue 10,000 common shares on November 12, 2003, pay $12,500 and issue 10,000 common shares on November 12, 2004, and pay $200,000 on the date which is twelve months following the commencement by the Corporation of commercial production of the property.

Upon completion of the above option payments, the Corporation will have earned a 100% interest in the property, subject to the retention by the Vendor of a 2% Royalty.

The Corporation has the option and right to purchase 50% of the Royalty at any time thereafter for $1,500,000.

(i) Robert's Arm

Pursuant to an option agreement to purchase an interest in a Robert's Arm mining lease for up to a three year period, the Corporation must perform exploration work to keep the property in good standing and pay $5,000 on January 1, 2003 to continue the option for the third year. At any time during the term, the Corporation may take an absolute assignment of the mining lease in consideration of $400,000 payable in either cash and/or common shares of the Corporation.

(j) Equipment and office space leases

The Corporation is committed under leases on equipment and office space including operating costs (in addition to note 7[a]) for the following future minimum lease payments over the next four years:

2003	$	15,757
2004		16,698
2005		17,642
2006		12,180
	$	62,277

8. Government assistance

During the year ended April 30, 2002, the Government of Newfoundland and Labrador contributed a total of $221,491 (2001 - $176,493) to the Corporation under the Junior Company Exploration Assistance Program. The amounts were recorded as a reduction of deferred exploration costs on the respective properties. According to the contribution agreements, the projects to which contributions were related were required to be completed to the satisfaction of the Minister of Mines and Energy ("the Minister") by a specific date. Repayment of contributions are required if the Corporation fails to comply with terms of the agreements, the Corporation becomes bankrupt or insolvent, distress or execution is levied or issued against properties of the Corporation used in the projects, the Corporation ceases to carry on business, the Corporation defaults in performance of any of the conditions contained in the contribution agreement, or if the Corporation uses any funds provided under the agreements for any purpose other than authorized by the Minister.

On April 23, 2002, the Corporation received approval for a contribution of 50% of eligible costs on a specific project, to a maximum of $100,000, provided that the project is completed by August 20, 2002. As of April 30, 2002, there were no costs incurred on this project.

Subsequent to April 30, 2002, the Corporation received approval for another contribution of 50% of eligible costs on another specific project, to a maximum of $72,132, provided that the project is completed by September 20, 2002.

9. Financial instruments

The fair values of accounts receivable and accounts payable and accrued liabilities are estimated to approximate their carrying values due to the short-term nature of these financial instruments.

10. Subsequent event

Subsequent to April 30, 2002, pursuant to a private placement, the Corporation issued 1,000,000 units at $1.05 per unit, for aggregate proceeds of $1,050,000. Each unit consists of one common share and one-half of a common share purchase warrant. One whole warrant entitles the holder to purchase one common share at $1.25 per share until May 16, 2003 and at $1.50 per share thereafter until May 16, 2004.

The Corporation paid a cash commission of $73,500 to the agent for placing the units. The Corporation also issued 100,000 warrants to the agent to purchase one common share at $1.25 per share until May 16, 2003.

11. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation.