

QHR TECHNOLOGIES INC.

(formerly Consolidated Team Resources Corp.)

CONSOLIDATED FINANCIAL STATEMENTS

October 31, 2000

(Unaudited – See Notice to Reader)

TERRY AMISANO LTD.
KEVIN HANSON, C.A.

AMISANO HANSON
Chartered Accountants

NOTICE TO READER

We have compiled the consolidated balance sheet of QHR Technologies Inc. (formerly Consolidated Team Resources Corp.) as at October 31, 2000 and the consolidated statements of loss and deficit and cash flows for the ten months then ended from information provided by management. We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of such information. Readers are cautioned that these statements may not be appropriate for their purposes.

Vancouver, Canada
December 6, 2000

“AMISANO HANSON”
Chartered Accountants

QHR TECHNOLOGIES INC.
(formerly Consolidated Team Resources Corp.)
CONSOLIDATED BALANCE SHEETS
October 31, 2000 and 1999
(Unaudited – See Notice to Reader)

	<u>ASSETS</u>		
		October 31, <u>2000</u>	October 31, <u>1999</u>
Current			
Accounts receivable		\$ 38,887	\$ 263,040
Prepaid expenses and deposits		8,773	7,333
		47,660	270,373
Due from a related party		-	632,115
Capital assets		108,892	90,009
Goodwill		262,468	-
		\$ 419,020	\$ 992,497
	<u>LIABILITIES</u>		
Current			
Bank overdraft		\$ 46,431	\$ 8,506
Current portion of bank loan		75,000	75,000
Accounts payable		219,804	79,952
Due to related parties		83,244	1,926,705
Deferred revenue		303,327	100,079
		727,806	2,190,242
Bank loan		-	75,000
		727,806	2,265,242
	<u>SHAREHOLDERS' DEFICIENCY</u>		
Share capital		2,755,234	738
Contributed surplus		11	11
Deficit		(3,064,031)	(1,273,494)
		(308,786)	(1,272,745)
		\$ 419,020	\$ 992,497

SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
(formerly Consolidated Team Resources Corp.)
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
for the ten months ended October 31, 2000 and 1999
(Unaudited – See Notice to Reader)

	<u>2000</u>	<u>1999</u>
Revenue		
Software license fees	\$ 234,571	\$ 248,813
Software services	351,197	232,073
Consulting services and other	53,955	50,505
	<hr/>	<hr/>
	639,723	531,391
	<hr/>	<hr/>
Operating Expenses		
Sales and marketing – Schedule 1	144,031	17,528
Service delivery – Schedule 2	322,890	79,682
	<hr/>	<hr/>
	466,921	97,210
	<hr/>	<hr/>
Gross profit	172,802	434,181
	<hr/>	<hr/>
Other Expenses		
Administrative expenses		
Amortization – capital assets	12,678	9,700
– goodwill	37,495	-
Consulting	156,699	16,185
Interest and bank charges	13,994	4,241
Legal, accounting and audit fees	81,082	1,051
Management fees	10,000	-
Office and miscellaneous	43,223	20,989
Rent	7,040	2,977
Staff training and recruitment	150	10,815
Travel	12,987	11,106
Transfer agent	4,285	-
Wages and benefits	129,616	83,471
	<hr/>	<hr/>
	509,249	160,535
Product management and development – Schedule 3	1,240,870	875,065
	<hr/>	<hr/>
	1,750,119	1,035,600
	<hr/>	<hr/>
Net loss for the period	(1,577,317)	(601,419)
Deficit, beginning of the period	(1,486,714)	(672,075)
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Deficit, end of the period	\$ (3,064,031)	\$ (1,273,494)
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SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
(formerly Consolidated Team Resources Corp.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the ten months ended October 31, 2000 and 1999
(Unaudited – See Notice to Reader)

	<u>2000</u>	<u>1999</u>
Operating Activities		
Net loss for the period	\$ (1,577,317)	\$ (601,419)
Charge to income not affecting cash:		
Amortization	79,088	30,858
	<hr/>	<hr/>
	(1,498,229)	(570,561)
Changes in non-cash working capital items related to operations:		
Accounts receivable	82,270	(250,131)
Prepaid expenses and deposits	(560)	(2,812)
Accounts payable	13,772	(3,000)
	<hr/>	<hr/>
	(1,402,747)	(826,513)
Investing Activities		
Cash acquired from business acquisition	118,515	-
Advances to related parties	17,022	(2,500)
Acquisition of capital assets	(43,171)	(33,878)
	<hr/>	<hr/>
	92,366	(36,378)
Financing Activities		
Bank loan	(62,500)	150,000
Deferred income	223,096	34,381
Proceeds from issuance of common shares	1,326,200	-
Cancellation of common shares	-	251
Due to related parties	(176,806)	666,530
	<hr/>	<hr/>
	1,309,990	851,162
Decrease in cash during the period	(391)	(11,729)
Cash (cash deficiency), beginning of the period	(46,040)	3,223
Cash deficiency, end of the period	<u>\$ (46,431)</u>	<u>\$ (8,506)</u>
Cash deficiency is comprised of:		
Cash	\$ 3,569	\$ -
Bank indebtedness	(50,000)	(8,506)
	<hr/>	<hr/>
	<u>\$ (46,431)</u>	<u>\$ (8,506)</u>

Non-cash Transactions – Note 7

SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
(formerly Consolidated Team Resources Corp.)
for the ten months ended October 30, 2000 and 1999
(Unaudited – See Notice to Reader)

	<u>2000</u>	<u>1999</u>
Schedule 1 – SALES AND MARKETING		
Amortization	\$ 1,016	\$ 177
Consulting	15,161	-
Office and miscellaneous	11,525	1,228
Product promotion	17,026	3,366
Professional fees	742	-
Rent	2,824	447
Staff training and recruitment	2,080	339
Travel	28,153	3,260
Wages and benefits	65,504	8,711
	<u>\$ 144,031</u>	<u>\$ 17,528</u>
 Schedule 2 – SERVICE DELIVERY		
Amortization	\$ 4,239	\$ 962
Consulting	1,030	-
Office and miscellaneous	17,371	1,693
Professional fees	3,481	-
Rent	16,506	2,605
Staff training and recruitment	3,389	6,307
Travel	48,419	10,582
Wages and benefits	228,455	57,533
	<u>\$ 322,890</u>	<u>\$ 79,682</u>
 Schedule 3 – PRODUCT MANAGEMENT AND DEVELOPMENT		
Amortization	\$ 23,660	\$ 20,019
Consulting	-	10,850
Office and miscellaneous	147,500	50,655
Professional fees	5,574	-
Rent	44,020	23,739
Staff training and recruitment	19,824	38,227
Travel	119,285	68,904
Wages and benefits	881,007	662,671
	<u>\$ 1,240,870</u>	<u>\$ 875,065</u>

SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
(formerly Consolidated Team Resources Corp.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
October 31, 2000
(Unaudited – See Notice to Reader)

Note 1 Interim Reporting

While the information presented in the accompanying interim ten months to October 31, 2000 financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the financial position, results of operations and cash flows for the interim periods presented. It is suggested that these financial statements be read in conjunction with the company's annual April 30, 2000 audited financial statements.

Note 2 Significant Accounting Policy

Principles of Consolidation

These consolidated financial statements include the accounts of QHR Technologies Inc. (formerly Consolidated Team Resources Corp.) and its wholly-owned subsidiary New Horizon Technologies Inc., a company incorporated under the laws of the Province of British Columbia. This consolidation has been accounted for using the purchase method of accounting, as a reverse take-over (Note 3). All significant inter-company transactions and balances have been eliminated.

Note 3 Business Combination – Note 2

On June 28, 2000, the company completed the acquisition of 100% of the issued common shares of New Horizon Technologies Inc. ("NHT") and changed its name to QHR Technologies Inc. ("QHR"). As consideration, the company issued 7,380,000 common shares to the existing NHT shareholders. As a result of this transaction, the shareholders of NHT acquired control of the company and consequently NHT is deemed to be the acquirer. The acquisition has been accounted for using the purchase method of accounting as a reverse take-over and the consolidated financial statements are a continuation of the operations of NHT and not the company. The operations of the company are included in the consolidated statement of loss from June 28, 2000, the effective date of the acquisition.

The net assets acquired are as follows:

Total current assets	\$ 199,914
Goodwill	299,963
Total liabilities	(50,862)
	\$ 449,015
Deemed consideration:	
3,291,358 common shares of the company prior to the acquisition of NHT	\$ 449,015

Note 3 Business Combination – (cont'd)

The comparative figures are those of NHT as at October 30, 1999 and for the ten months then ended.

As described above, the consolidated statements of loss and deficit and cash flows for the period ended October 31, 2000, do not include the results of operations or cash flows of the company for the period from May 1, 2000 to June 28, 2000, the date of the reverse take-over transaction. These results were as follows:

Statement of Loss

Expenses	
Consulting	\$ 3,822
Finance costs	2,171
Legal fees	64,373
Management fees	5,000
Office costs	107
Transfer agent fees	4,300
	<hr/>
Loss for the period	\$ 79,773
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Statement of Cash Flows

Operating Activities	
Net loss for the period	\$ (79,773)
Changes in non-cash working capital balances related to operations:	
Accounts receivable	(5,649)
Prepaid expenses	1,915
Accounts payable	(378)
	<hr/>
	(83,885)
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Investing Activities	
Deferred costs	23,800
Promissory note	100,000
	<hr/>
	123,800
	<hr/> <hr/>

QHR Technologies Inc.
(formerly Consolidated Team Resources Corp.)
Notes to the Consolidated Financial Statements
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(Unaudited – See Notice to Reader)

Note 3 Business Combination – (cont'd)

Financing Activity	
Proceeds from shares subscribed	(200,000)
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Decrease in cash during the period	(160,085)
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Cash, beginning of the period	278,600
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Cash, end of the period	\$ 118,515
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Note 4 Share Capital

a) Authorized:

100,000,000 Common shares without par value

b) <u>Issued:</u>	October 31, 2000		October 31, 1999	
	#	\$	#	\$
Balance, beginning of the period	8,430,000	1,050,738	1,000,000	1,000
Less: cancelled shares	-	-	(370,000)	(262)
10:1 share split	-	-	6,750,000	-
Pursuant to the acquisition of New Horizon Technologies Inc.	(8,430,000) 7,380,000	- 449,015	- -	- -
Less: issue costs	-	(70,719)	-	-
- outstanding common shares of the company prior to reverse take-over	3,291,358	-	-	-
<u>Post-acquisition Transactions:</u>				
For cash:				
Pursuant to the a private placement				
– at \$1.25	800,000	1,000,000	-	-
– at \$1.00	400,000	400,000	-	-
Less: issuance costs	12,000	(73,800)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Balance, end of the period	11,883,358	2,755,234	7,380,000	738
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As a result of accounting for the reverse take-over, the October 31, 2000 amount of share capital is that of New Horizon Technologies Inc. The number of shares issued and outstanding is that of the company.

c) Escrow:

At October 31, 2000, 7,380,000 shares are held in escrow by the company's transfer agent. The release of these shares is subject to the direction of the relevant regulatory authorities

Note 4 Share Capital – (cont'd)

d) Commitments:

Stock-based Compensation Plan

The company has granted employees and directors common share purchase options. These options are granted with an exercise price equal to the market price of the company's stock on the date of the grant.

A summary of the status of the stock option plan as of October 31, 2000 and October 30, 1999 and changes during the periods ending on those dates is presented below:

	<u>October 31, 2000</u>		<u>October 31, 1999</u>	
	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding at beginning of period	-	-	-	-
Exercised	-	-	-	-
Forfeited	-	-	-	-
Granted	1,100,000	\$1.05	-	-
Options outstanding and exercisable at end of period	<u>1,100,000</u>	<u>\$1.05</u>	<u>-</u>	<u>-</u>

At October 31, 2000, the company had 1,000,000 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held at \$1.00 per share. These options expire on June 27, 2005.

On September 12, 2000, the company entered into an investor relation contract with a company for \$5,000 per month for one year. In addition, the company granted an option to this company entitling it the option to acquire 100,000 common shares at \$1.50 per share. The option expires on September 23, 2003.

Note 4 Share Capital – (cont'd)

d) Commitments:

Share Purchase Warrants

At October 31, 2000, the company had 640,000 share purchase warrants outstanding entitling the holders thereof the right to purchase one common share for each warrant held as follows:

<u>#</u>	<u>Exercise Price</u>	<u>Expiry Date</u>
200,000	\$1.00	April 10, 2001
	or at \$1.25	April 10, 2002
440,000	\$1.25	May 5, 2001
	or at \$1.50	May 5, 2002
<u>640,000</u>		

Note 5 Comparative Figures

Certain of the comparative figures have been reclassified to conform with the presentation adopted for the current year.

Note 6 Subsequent Event

Subsequent to October 31, 2000, the company issued 17,400 common shares pursuant to the exercise of 17,400 share purchase options at \$1.00 per share.

Note 7 Non-cash Transactions

Investing and financing activities that do not impact on current cash flows are excluded from the statement of cash flows. During the period ended October 31, 2000, the company issued 7,380,000 common shares to acquire 100% of New Horizon Technologies Inc. The cost of this transaction was \$449,015. In addition, the company issued 12,000 common shares as an administration fee to its sponsor. These transactions were excluded from the statements of cash flows.

FORM 61

QUARTERLY REPORT

Incorporated as part of: _____ **Schedule A**

X _____ **Schedules B & C**
(Place X in appropriate category)

ISSUER DETAILS:

NAME OF ISSUER QHR TECHNOLOGIES INC.
(formerly Consolidated Team Resources Corp.)
ISSUER ADDRESS 750 WEST PENDER STREET, SUITE 604
 VANCOUVER, B.C. V6C 2T7

CONTACT PERSON JAMES R. BOND

CONTACT'S POSITION PRESIDENT

CONTACT TELEPHONE NUMBER (604) 689-0188

FOR QUARTER ENDED OCTOBER 31, 2000

DATE OF REPORT DECEMBER 19, 2000

CERTIFICATE

THE SCHEDULES(S) REQUIRED TO COMPLETE THIS QUARTERLY REPORT ARE ATTACHED AND THE DISCLOSURE CONTAINED THEREIN HAS BEEN APPROVED BY THE BOARD OF DIRECTORS. A COPY OF THIS QUARTERLY REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT. PLEASE NOTE THIS FORM IS INCORPORATED AS PART OF BOTH THE REQUIRED FILING OF SCHEDULE A AND SCHEDULES B & C.

JAMES R. BOND "JAMES R. BOND" 00/12/19
NAME OF DIRECTOR SIGN (TYPED) DATE SIGNED (YY/MM/DD)

DAVE GOERTZ "DAVE GOERTZ" 00/12/19
NAME OF DIRECTOR SIGN (TYPED) DATE SIGNED (YY/MM/DD)

(Signatures for this Form should be entered in TYPED form)

QHR TECHNOLOGIES INC.
(formerly Consolidated Team Resources Corp.)
QUARTERLY REPORT
for the ten months ended October 31, 2000

Schedule A: Financial Information

- See financial statements attached

Schedule B: Supplementary Information

1. For the current fiscal year-to-date:

General and Administrative

- See financial statements attached

Aggregate amount of expenditures made to parties not at arm's length

\$ 182,500

2. For the quarter under review

- a) The following common shares were issued during the quarter. Nil
- b) The following options were granted during the quarter: Nil

3. As at the end of the quarter

- a) See Note 4 to the financial statements
- b) See Note 4 to the financial statements
- c) See Note 4 to the financial statements
- d) Directors:- James R. Bond, Lukas H. Lundin, Al Hildebrandt and Dave Goertz

Schedule C: Management Discussion

- See attached

QHR TECHNOLOGIES INC.
(formerly Consolidated Team Resources Corp.)
QUARTERLY REPORT
for the ten months ended October 31, 2000

Schedule C: Management Discussion

On December 10, 1999, the Company announced a Letter of Intent to acquire 100% of New Horizon Technologies Inc. ("NHT"). Trading in the Company's shares were halted on this date. Subsequent to this date, management successfully completed its due diligence of the proposed transaction and executed a Share Purchase Agreement with the shareholders of NHT on February 15, 2000. On June 27, 2000 the Company completed all conditions and closed the acquisition of NHT.

The share purchase transaction resulted in a Reverse Takeover ("RTO") of the Company as defined by the policies and guidelines of the Canadian Venture Exchange ("CDNX") and was accounted for as such. Two previous directors remained on the Board of Directors after the transaction closed.

To complete the acquisition of NHT on June 27, 2000, the Company:

1. Closed a private placement of 400,000 units at a price of \$1.00 CDN per unit. Each unit consisted of one common share and one-half of one non-transferable share purchase warrants. Each full share purchase warrant entitled the purchaser to buy one common share at a price of \$1.00 per share in the first year or \$1.25 per share in the second year. There were no finders fees attached to the placement.
2. Issued 7,380,000 common shares that are subject to escrow provisions mandated by the CDNX policies in exchange for all the outstanding common shares of NHT.
3. Issued incentive options for 1,000,000 common shares of QHR to the management and employees of NHT at an exercise price of \$1.00 per share for a period of five years.
4. Closed a brokered private placement of 800,000 units at a price of \$1.25 per common share. Each unit consisted of one common share and one-half of one non-transferable share purchase warrant. Each full share purchase warrant entitled the purchaser to buy one common share at a price of \$1.25 per share in the first year or \$1.50 per share in the second year. Haywood Securities Inc., the Company's corporate sponsor, received 40,000 agent warrants representing 5% of the brokered private placement. Each agent's warrant was exercisable into one common share of the Company for a term of two years, at a price of \$1.25 in the first year or \$1.50 in the second year. The Company paid the administration fee of \$15,000 with 12,000 common shares at a deemed price of \$1.25.
5. Changed the name of the company to QHR Technologies Inc.

Closing transactions resulted in the issued and outstanding common shares being increased to 11,883,358 common shares. The dilution effects of the warrants and options granted in the transaction will increase issued share capital to 13,623,358 common shares.

Common shares resumed trading through the facilities of the CDNX on June 28, 2000. Since the return to trade, the common shares have traded between \$1.25 per share to \$2.50 per share. At the date of this report, common shares traded in the \$1.65 per share range.

NHT is an innovative Canadian, software company that has developed an enterprise software solution for automating all facets of human resource ("HR") issues in large complex organizations. NHT is focused on the design, development, marketing and implementation of computer software for HR management in large enterprises such as health care facilities. NHT's payroll and HR software products enable managers to collect, track and utilize employee information from many sources including staff scheduling and workload measurement. This information is available from one central data repository. The product is marketed under the trade name, Quadrant HR (trademarks are pending in Canada and the United States). No other company currently integrates this combination of products, which gives NHT a unique marketing opportunity that the Company wishes to develop and exploit in the marketplace.

Quadrant HR is designed to automate the current business practice of many HR managers that perform their duties manually or with limited computer support such as general-purpose spreadsheet applications. It eliminates the practice of recording personnel data several different times in order to complete the requirements of staff scheduling, workload measurement and payroll. The software model is designed to provide a reliable single-entry personnel database that is accessible by all managers that significantly improve the effectiveness and efficiency of the organization's HR management.

QHR and NHT consolidated their operations for the purpose of financial reporting and the financial statements are a continuation of the operations of NHT. The operations of QHR are included in the consolidated statement of loss from June 28, 2000. The attached statements are prepared on a consolidated basis. Approximately \$350,000 was expended for legal, auditing and accounting, valuations, sponsorship and filing fees to complete the RTO. The Company's year end has been changed to December 31 during the period.

Recognized revenues to October 31, 2000 reached \$639,723, an increase of 20% over the previous year with gross profits recorded at 27% of revenues. Backlog revenue reached \$303,327 up 203% from the previous year. The Company invested \$1,240,870 in product and market development during the period. This investment has begun to establish QuadrantHR in the marketplace and the revenue stream has grown consistently over the past several months. Management is very encouraged by this result and the prospects for 2001.

The company has over 22 clients using various software products and on September 25, 2000, QHR entered a Joint Marketing Agreement with Medical Services Management Inc. (MSM) of Wakefield Massachusetts, for the purpose of developing business from healthcare organizations. MSM currently provides healthcare applications to over 500 North American, United Kingdom and South African healthcare providers. This agreement will generate software sales of a minimum of US\$1,725,000 in 2001.

On September 12, 2000, the Company entered an Agreement for Investor Relations with Dragonfly Promotions Ltd., a British Columbia company, wholly owned by Mr. James Lee, a businessman with 15 years on investment industry experience. The agreement runs for twelve months. Either party can terminate the agreement upon 30 days notice to the other party. In consideration of the services provided by Dragonfly, QHR has agreed to pay Dragonfly a monthly fee of \$5,000.00. In addition to the monthly fee, QHR granted an incentive option to Dragonfly entitling Dragonfly to acquire up to 100,000 common shares of QHR at an exercise price of \$1.50 per share. During the term of the agreement, 25,000 shares of the stock option will vest and be eligible for exercise at the end of each consecutive 90 day period.

Management's business plan for 2001 is to accelerate the development of the Quadrant HR business model. It will attract the resources it requires to develop Web enabled and Oracle based products. In addition to an increasing customer base, QHR plans to enhance corporate growth through mergers and acquisitions, as well as, e-commerce.