



British Columbia Securities Commission

BCSC

QUARTERLY AND YEAR END REPORT

BC FORM 51 -901 F
(previously Form 61)

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. C) questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2. Toll Free in British Columbia 1-800-373-6393

INSTRUCTIONS

This report must be filed by the Exchange Issuers within 60 days of the end of their first, second and third quarters and within 140 days of their year end. "Exchange issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada. Three schedules must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements prepared in accordance with generally accepted accounting principles are required as follows:

For the first, second and third financial quarters:

Interim financial statements prepared in accordance with section 1751 of the CICA Handbook, including the following: balance sheet income statement, statement of retained earnings, cash flow statement, and notes to the financial statements.

The periods required to be presented, consistent with CICA Handbook Section 1751 are as follows:

- a balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding fiscal year
- a statement of retained earnings cumulatively for the current fiscal year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding fiscal year; and
- income statements and cash flow statements for the current interim period and cumulatively for the current fiscal year-to-date, with comparative statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year

For the financial year end:

Annual audited financial statements prepared on a comparative basis.

Exchange Issuers with a fiscal year less than or greater than 12 Months should refer to National Policy No. 51 *Changes in Ending Date of a Financial Year and in Reporting Status* for guidance. Issuers in the development stage are directed to the guidance provided in CICA Accounting Guidelines AcG-11 *Enterprises in the Development Stage* that states "enterprises in the development Stage are encouraged to disclose in the income statement and in the cash flow statement cumulative balances from the inception of the development stage."

Issues that have been involved in a reverse take-over should refer to the guidance found in BCIN #52-701 (previously NIN #91/21) with respect to such transactions including the requirement for disclosure of supplementary information regarding the legal parent's prior financial operations.

SCHEDULE B. SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. *Analysis of expenses and deferred costs*

Provide a breakdown of amounts presented in the financial statements for the following: deferred or expensed exploration, expensed research, deferred or expensed development, cost of sales, marketing expenses, general and administrative expenses, and any other material expenses reported in the income statement and any other material deferred costs presented in the balance sheet.

The breakdown should separately present, at a minimum, each component that comprises 20% or more of the total amount for a material classification presented on the face of the financial statements. All other components of a material classification may be grouped together under the heading "miscellaneous" or "other" in the cost breakdown; the total for "miscellaneous" should not exceed 30% of the total for a material classification. Breakdowns are required for the year-to-date period only. Breakdowns are not required for comparative periods.

Issuers in the development stage are reminded that Section 3(9)(b) of the BC Securities Commission's Rules requires a schedule or note to the financial statements containing an analysis of each of exploration, research, development and administration costs, whether expensed or deferred and if the issuer is a natural resource issuer, that analysis for each material property. Because the analysis required by Rule 3(9)(b) must be included in the financial statements, the information does not have to be repeated in Schedule B. Consistent with CICA Accounting Guidelines AcG-1 1, staff considers an issuer to be in the development stage when it is devoting substantially all of its operations have not commenced. Further, in staff's view, the lack of significant revenues for the past two years normally indicates that an issuer is in the development stage.

2. *Related party transactions*

Provide disclosure of all related party transactions as specified in Section 3840 of the CICA Handbook.

3. *Summary of securities issued and options granted during the period*

Provide the following information for the year-to-date period:

- (a) summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.) number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid, and
- (b) summary of options granted during the period, including date, number, name of optionee for those options granted to insiders, generic description of other optionees (e.g. employees",) exercise price and expiry date.

4. *Summary of securities as at the end of the reporting period*

Provide the following information as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion and
- (b) number and recorded value for shares issued and outstanding
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements.

5. *List the names of the directors and officers as at the date this report is signed and filed.*

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

1. General Instructions

- (a) Management discussion and analysis provides management with the opportunity to discuss an issuer's business, current financial results, position and future prospects.
- (b) Focus the discussion on material information, including liquidity, capital resources, known trends, commitments, events, risks or uncertainties, that is reasonably expected to have a material effect on the issuer.
- (c) For an issuer with active ongoing operations the discussion should be substantive (e.g. generally two to four pages in length); for an issuer with limited operations the discussion may not be as extensive (e.g. one page).
- (d) The discussion must be factual, balanced and non-promotional.
- (e) Where the discussion relates to a mineral project, as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects," the disclosure must comply with NI 43-101.

2. Description of Business

Provide a brief description of the issuer's business. Where an issuer is inactive and has no business, disclose these facts together with a description of any plans to reactivate and the business the issuer intends to pursue.

3. Discussion of Operations and Financial Condition

Provide a meaningful discussion and analysis of the issuer's operations for the current year-to-date period presented in the financial statements. Discuss the issuer's financial condition as at the date of the most recent balance sheet presented in the financial statements.

The following is a list of items that should be addressed in management's discussion and analysis of the issuer's operations and financial condition. This is not intended to be an exhaustive list of the relevant items.

- (a) expenditures included in the analysis of expenses and deferred costs required under Securities Rule 3(9)(b) and Schedule B;
- (b) acquisition or abandonment of resource properties material to the issuer including material terms of any acquisition or disposition;
- (c) acquisition or disposition of other material capital assets including material terms of the acquisition, or disposition;
- (d) material write-off or write-down of assets;
- (e) transactions with related parties, disclosed in Schedule B or the notes to the financial statements;
- (f) material contracts or commitments;
- (g) material variances between the issuer's financial results and information previously disclosed by the issuer, (for example if the issuer does not achieve revenue and profit estimates previously released, discuss this fact and the reasons for the variance);
- (h) material terms of any existing third party investor relations arrangements or contracts including:

- i. the name of the person;
- ii. the amount paid during the reporting period; and
- iii. the services provided during the reporting period;
- (i) legal proceedings;
- (j) contingent liabilities;
- (k) default under debt or other contractual obligations;
- (l) a breach of corporate, securities or other laws, or of an issuer's listing agreement with the Canadian Venture exchange including the nature of the breach, potential ramifications and what is being done to remedy it;
- (m) regulatory approval requirements for a significant transaction including whether the issuer has obtained the required approval or has applied for the approval;
- (n) management changes; or
- (o) special resolutions passed by shareholders.

4. Subsequent Events

Discuss any significant events and transactions that occurred during the time from the date of the financial statements up to the date that this report is certified by the issuer.

5. Financings, Principal Purposes and Milestones

- (a) In a tabular format, compare any previously disclosed principal purposes from a financing to actual expenditures made during the reporting period.
- (b) Explain any material variances and the impact, if any, on the issuer's ability to achieve previously disclosed objectives and milestones.

6. Liquidity and Solvency

Discuss the issuer's working capital position and its ability to meet its ongoing obligations as they become due.

How to File Under National Instrument 13-101 - System for Electronic Document Analysis and Retrieval (SEDAR)

BC Form 51 -901 F Quarterly and Year End Reports are filed under Category of Filing: Continuous Disclosure and Filing Type: Interim Financial Statements or Annual Financial Statements. Schedule A (Financial Statements) is filed under Document Type: Interim Financial Statements or Annual Financial Statements. Schedule B (Supplementary Information) and Schedule C (Management Discussion) are filed under Document Type: BC Form 51 -901 F (previously Document Type Form 61 (BC)).

Meeting the Form Requirements

BC Form 51 -901 F consists of three parts: Instructions to schedules A, B and C, issuer details and a certificate. To comply with National Instrument 13-101 it is not necessary to reproduce the instructions that are set out in BC Form 51 -901 F. A cover page to the schedules titled BC Form 51 -901 F that includes the issuer details and certificate is all that is required to meet the BC Form 51 -901 F requirements. The form of certificate should be amended so as to refer to one or two of the three schedules required to complete the report.

ISSUER DETAILS	FOR THE QUARTER ENDED	DATE OF REPORT
NAME OF ISSUER		YY/MM/DD
QHR TECHNOLOGIES INC.	September 30, 2001	01/11/29

ISSUER'S ADDRESS			
1708 Dolphin Avenue, Suite 777			

CITY/PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Kelowna BC	V1Y 9S4	(250) 717-5266	(250) 763-3122

CONTACT PERSON	CONTACT'S POSITION	CONTACT TELEPHONE NO.
Dave Goertz	Director	(250) 763-3122

CONTACT EMAIL ADDRESS	WEB SITE ADDRESS
dgoertz@achieversgroup.com	www.quadranthr.com

CERTIFICATE

The three schedules 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.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
▶ "Al Hildebrandt"	AL HILDEBRANDT	Y Y M M D D 0 1 1 1 2 9
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED
▶ "Dave Goertz"	DAVE GOERTZ	Y Y M M D D 0 1 1 1 2 9

QHR TECHNOLOGIES INC.

CONSOLIDATED FINANCIAL STATEMENTS

September 30, 2001

(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 sheets of QHR Technologies Inc. as at September 30, 2001 and the consolidated statements of loss and deficit and cash flows for the three and nine 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
November 29, 2001

“AMISANO HANSON”
Chartered Accountants

QHR TECHNOLOGIES INC.
CONSOLIDATED BALANCE SHEETS
September 30, 2001 and December 31, 2000
(Unaudited – See Notice to Reader)

	<u>ASSETS</u>	September 30, <u>2001</u>	December 31, <u>2000</u>
Current			
Cash		\$ 15,252	\$ 6,807
Accounts receivable		390,319	52,259
Prepaid expenses and deposits		3,623	24,782
		<hr/>	<hr/>
		409,194	83,848
Capital assets		76,884	99,941
Goodwill		112,489	224,975
		<hr/>	<hr/>
		\$ 598,567	\$ 408,764
		<hr/> <hr/>	<hr/> <hr/>
	<u>LIABILITIES</u>		
Current			
Bank indebtedness – operating line		\$ 50,000	\$ 90,000
– loan		-	62,500
Accounts payable – Note 3		546,577	317,388
Due to related parties – Note 3		320,880	260,129
Deferred revenue		673,355	347,799
		<hr/>	<hr/>
		1,590,812	1,077,816
		<hr/>	<hr/>
	<u>SHAREHOLDERS' DEFICIENCY</u>		
Share capital – Notes 4 and 5		2,822,634	2,822,634
Units subscribed – Notes 4 and 5		750,000	-
Contributed surplus		11	11
Deficit		(4,564,890)	(3,491,697)
		<hr/>	<hr/>
		(992,245)	(669,052)
		<hr/>	<hr/>
		\$ 598,567	\$ 408,764
		<hr/> <hr/>	<hr/> <hr/>

SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT
for the three and nine months ended September 30, 2001 and 2000
(Unaudited – See Notice to Reader)

	3 months ended September 30,		9 months ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Revenue				
Software license fees	\$ 139,219	\$ 7,000	\$ 254,961	\$ 218,821
Software services – Note 3	201,213	106,700	571,985	317,132
Consulting services and other	27,821	11,989	87,356	47,387
	<u>368,253</u>	<u>125,689</u>	<u>914,302</u>	<u>583,340</u>
Operating Expenses				
Sales and marketing – Schedule 1	15,678	153,957	82,657	549,090
Service delivery – Schedule 2	94,440	147,299	306,532	428,105
Administrative expenses – Schedule 3	219,679	113,265	470,385	360,586
Product management and development – Schedule 4	342,554	200,356	1,015,435	537,296
	<u>672,351</u>	<u>614,877</u>	<u>1,875,009</u>	<u>1,875,077</u>
Loss for the period before amortization of acquisition goodwill	(304,098)	(489,188)	(960,707)	(1,291,737)
Amortization of acquisition goodwill	(37,496)	-	(112,486)	-
Net loss for the period	(341,594)	(489,188)	(1,073,193)	(1,291,737)
Deficit, beginning of the period	(4,223,296)	(2,289,263)	(3,491,697)	(1,486,714)
Deficit, end of the period	<u>\$ (4,564,890)</u>	<u>\$ (2,778,451)</u>	<u>\$ (4,564,890)</u>	<u>\$ (2,778,451)</u>
Loss per share before amortization of acquisition goodwill	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>	<u>\$ (0.08)</u>	<u>\$ (0.11)</u>
Net loss per share	<u>\$ (0.03)</u>	<u>\$ (0.04)</u>	<u>\$ (0.09)</u>	<u>\$ (0.11)</u>

SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three and nine months ended September 30, 2001 and 2000
(Unaudited – See Notice to Reader)

	3 months ended September 30, <u>2001</u>	2000	9 months ended September 30, <u>2001</u>	<u>2000</u>
Operating Activities				
Net loss for the period	\$ (341,594)	\$ (489,188)	\$ (1,073,193)	\$ (1,291,737)
Charge to income not affecting cash:				
Amortization	45,912	14,445	141,998	37,111
	<u>(295,682)</u>	<u>(474,743)</u>	<u>(931,195)</u>	<u>(1,254,626)</u>
Changes in non-cash working capital items related to operations:				
Accounts receivable	(116,250)	54,821	(338,060)	60,643
Prepaid expenses and deposits	2,621	(759)	21,159	(8,899)
Accounts payable	102,609	(77,668)	229,189	17,172
	<u>(306,702)</u>	<u>(498,349)</u>	<u>(1,018,907)</u>	<u>(1,185,710)</u>
Investing Activities				
Acquisition of capital assets	-	(1,085)	(6,455)	(40,122)
Financing Activities				
Bank loan repayment	(25,000)	(18,750)	(62,500)	(56,250)
Deferred revenue	75,005	(93,954)	325,556	131,591
Advance payable	-	-	-	500,000
Advance from related parties	72,441	505,220	60,751	608,332
Proceeds from sale of units	200,000	-	750,000	-
	<u>322,446</u>	<u>392,516</u>	<u>1,073,807</u>	<u>1,183,673</u>
Increase (decrease) in cash during the period	15,744	(106,918)	48,445	(42,159)
Cash (cash deficiency), beginning of the period	(50,492)	18,719	(83,193)	(46,040)
Cash (cash deficiency), end of the period	<u>\$ (34,748)</u>	<u>\$ (88,199)</u>	<u>\$ (34,748)</u>	<u>\$ (88,199)</u>
Cash (cash deficiency) is comprised of:				
Cash	\$ 15,252	\$ -	\$ 15,252	\$ -
Bank indebtedness	(50,000)	(88,199)	(50,000)	(88,199)
	<u>\$ (34,748)</u>	<u>\$ (88,199)</u>	<u>\$ (34,748)</u>	<u>\$ (88,199)</u>

SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
for the three and nine months ended September 30, 2001 and 2000
(Unaudited – See Notice to Reader)

	3 months ended September 30,		9 months ended September 30,	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Schedule 1 – SALES AND MARKETING				
Amortization	\$ 184	\$ 1,735	\$ 697	\$ 4,736
Consulting	-	5,602	852	56,091
Office and miscellaneous	1,117	14,334	5,011	45,481
Product promotion	-	13,371	5,898	54,145
Rent - Note 3	164	4,224	1,848	12,671
Staff training and recruitment	1,250	232	1,250	10,075
Travel	2,006	24,561	12,776	85,811
Wages and benefits	10,957	89,898	54,325	280,080
	<u>\$ 15,678</u>	<u>\$ 153,957</u>	<u>\$ 82,657</u>	<u>\$ 549,090</u>

Schedule 2 – SERVICE DELIVERY

Amortization	\$ 1,199	\$ 2,191	\$ 3,407	\$ 5,560
Consulting	670	-	15,616	-
Office and miscellaneous	3,582	7,455	15,008	23,962
Legal fees	-	5,026	-	5,195
Rent – Note 3	2,168	7,391	12,071	22,173
Staff training and recruitment	18	685	483	4,763
Travel	19,178	15,235	54,491	63,941
Wages and benefits	67,625	109,316	205,456	302,511
	<u>\$ 94,440</u>	<u>\$ 147,299</u>	<u>\$ 306,532</u>	<u>\$ 428,105</u>

Schedule 3 – ADMINISTRATIVE EXPENSES

Accounting and audit	\$ 8,931	\$ -	\$ 43,815	\$ -
Amortization – capital assets	1,971	5,184	7,439	11,366
Consulting – Note 3	83,621	31,787	146,735	105,473
Investor relations	15,000	-	45,000	-
Interest and bank charges	28,358	3,370	41,087	10,292
Legal	16,267	16,545	23,090	56,633
Management fees – Note 3	19,500	-	49,962	-
Office and miscellaneous	15,232	14,071	27,975	43,057
Rent – Note 3	7,743	2,112	11,966	6,335
Staff training and recruitment	-	-	-	150
Travel	-	1,682	-	12,426
Transfer agent	2,553	-	5,876	-
Wages and benefits – Note 3	20,503	38,514	67,440	114,854
	<u>\$ 219,679</u>	<u>\$ 113,265</u>	<u>\$ 470,385</u>	<u>\$ 360,586</u>

.../Cont'd.

SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
for the three and nine months ended September 30, 2001 and 2000
(Unaudited – See Notice to Reader)

Continued

	3 months ended September 30,		9 months ended September 30,	
	2001	2000	2001	2000
Schedule 4 – PRODUCT MANAGEMENT AND DEVELOPMENT				
Amortization	\$ 5,061	\$ 5,335	\$ 17,968	\$ 15,449
Consulting	109,247	-	109,247	-
Office and miscellaneous	-	4,054	50,071	11,368
Legal	-	622	-	1,828
Rent – Note 3	4,003	7,391	30,425	22,173
Staff training and recruitment	15,353	4,379	14,314	7,183
Travel	14,758	3,865	67,597	10,011
Wages and benefits	194,132	174,710	725,813	469,284
	\$ 342,554	\$ 200,356	\$ 1,015,435	\$ 537,296

SEE ACCOMPANYING NOTES

QHR TECHNOLOGIES INC.
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2001
(Unaudited – See Notice to Reader)

Note 1 Interim Reporting

While the information presented in the accompanying interim three and nine months to September 30, 2001 financial statements is unaudited, it includes all adjustments which are, in the opinion of management, necessary to present fairly the consolidated financial position, results of operations and cash flows for the interim periods presented. These statements follow the same accounting policies and methods of their applications as the Company's December 31, 2000 annual financial statements. It is suggested that these consolidated financial statements be read in conjunction with the Company's annual December 31, 2000 consolidated financial statements.

Note 2 Significant Accounting Policy

Principles of Consolidation

These consolidated financial statements include the accounts of QHR Technologies Inc. and its wholly-owned subsidiary New Horizon Technologies Inc., a company incorporated under the laws of the Province of British Columbia. All significant inter-company transactions and balances have been eliminated.

Note 3 Related Party Transactions

During the three and nine months ended September 30, 2001 and 2000, the Company charged the following revenues to companies related by virtue of common directors:

	3 months ended September 30		9 months ended September 30	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Software services	\$ 789	\$ 3,000	\$ 2,328	\$ 9,350

During the three and nine months ended September 30, 2001, and 2000, the Company incurred the following expenses charged by directors, officers and private companies with common directors with the Company and a significant shareholder:

	3 months ended September 30		9 months ended September 30	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Consulting	\$ 57,376	\$ 21,000	\$ 108,026	\$ 39,000
Management fees	19,500	-	49,962	-
Wages and benefits				
– administrative expenses	-	31,263	36,900	90,000
Rent	-	21,118	-	63,352
	<u>\$ 76,876</u>	<u>\$ 73,381</u>	<u>\$ 194,888</u>	<u>\$ 192,352</u>

These revenues and expenses were measured by the exchange amount, which is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

Note 3 Related Party Transactions – (cont'd)

Due to related parties at September 30, 2001, in the amount of \$320,880 (December 31, 2000: \$260,129) are amounts owing to companies with common directors and shareholders with respect to unpaid advances, fees and expenses. These amounts are unsecured, non-interest bearing with no specific terms for repayment.

Accounts payable at September 30, 2001 includes \$22,343 (December 31, 2000: \$Nil) owing to directors or private companies with common directors.

Note 4 Share Capital – Note 5

a) Authorized:

100,000,000 Common shares without par value

b) Issued:

	<u>#</u>	<u>\$</u>
Balance, September 30, 2001 and December 31, 2000	11,950,758	2,822,634

c) Escrow:

At September 30, 2001, 6,642,000 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.

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 September 30, 2001 and September 30, 2000 and changes during the periods ending on those dates is presented below:

	<u>September 30, 2001</u>		<u>September 30, 2000</u>	
	<u>Shares</u>	<u>Weighted Average Exercise Price</u>	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Outstanding and exercisable at beginning and end of period	1,032,600	\$1.05	-	-

Note 4 Share Capital – Note 5 – (cont'd)

d) Commitments: – (cont'd)

Stock-based Compensation Plan – (cont'd)

At September 30, 2001, the Company had 932,600 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 September 28, 2005.

On September 12, 2000, the Company entered into an investor relations 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 right to purchase 100,000 common shares at \$1.50 per share. This option expires on September 23, 2003.

Share Purchase Warrants

At September 30, 2001, 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	\$1.25	April 10, 2002
440,000	\$1.50	May 5, 2002
<u>640,000</u>		

Units Subscribed

At September 30, 2001, the Company had received \$750,000 to purchase 1,000,001 units at \$0.75 each. Each unit consists of one common share and one-half common share purchase warrant. Each share purchase warrant will allow the holder thereof the right to purchase one additional common share for \$1.00 per share in year one and for \$1.25 per share in year two.

Note 5 Subsequent Event

Subsequent to September 30, 2001, the Company issued 1,000,001 common shares and 500,000 share purchase warrants pursuant to units subscriptions received for \$750,000.