

**MID-NORTH RESOURCES LIMITED**

**FINANCIAL STATEMENTS**

**MARCH 31, 2001**

**(Unaudited - See Notice to Reader)**

## **NOTICE TO READER**

I have compiled the balance sheet of Mid-North Resources Limited as at March 31, 2001 and the statements of loss and deficit and cash flow for the period then ended from information provided by management. I 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.

Calgary, Alberta  
May 14, 2001

STUART W. PETERSON  
PROFESSIONAL CORPORATION  
Chartered Accountant

**MID-NORTH RESOURCES LIMITED**  
**BALANCE SHEET**  
**MARCH 31, 2001**  
(Unaudited - See Notice to Reader)

|                                            | 2001<br>\$  | 2000<br>\$  |
|--------------------------------------------|-------------|-------------|
| <b>ASSETS</b>                              |             |             |
| <b>CURRENT</b>                             |             |             |
| Cash                                       | 252         | 588         |
| Sales taxes recoverable                    | 2,043       | 6,402       |
| Prepaid expenses                           | 1,613       | -           |
|                                            | 3,908       | 6,990       |
| <b>CAPITAL ASSETS</b>                      |             |             |
|                                            | 5,841       | 5,322       |
| <b>MINING CLAIMS AND DEFERRED EXPENSES</b> |             |             |
|                                            | 1,439,819   | 1,106,300   |
|                                            | 1,449,568   | 1,118,612   |
| <b>LIABILITIES</b>                         |             |             |
| <b>CURRENT</b>                             |             |             |
| Accrued interest payable                   | 74,662      | 54,651      |
| Accounts payable and accrued liabilities   | 148,582     | 57,917      |
| Due to related parties                     | 176,259     | 183,824     |
| Note payable                               | 30,060      | 30,060      |
|                                            | 429,563     | 326,452     |
| <b>SHAREHOLDERS' EQUITY</b>                |             |             |
| CONVERTIBLE NOTES                          | 220,600     | 220,600     |
| SHARE CAPITAL                              | 3,314,719   | 2,971,394   |
| DEFICIT                                    | (2,515,314) | (2,399,834) |
|                                            | 1,020,005   | 792,160     |
|                                            | 1,449,568   | 1,118,612   |

Approved on behalf of the Board:

“Signed by Robert B. Dunlop”  
Robert B. Dunlop, Director

“Signed by James Ramsay”  
James Ramsay, Director

**MID-NORTH RESOURCES LIMITED**  
**STATEMENT OF LOSS AND DEFICIT**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2001**  
**(Unaudited - See Notice to Reader)**

|                               | 2001<br>\$         | 2000<br>\$         |
|-------------------------------|--------------------|--------------------|
| EXPENSES                      |                    |                    |
| Professional fees             | 3,777              | -                  |
| Consulting and other fees     | 3,500              | 2,250              |
| Automotive                    | 3,276              | 2,397              |
| Travel                        | 2,278              | -                  |
| Rent                          | 1,236              | 1,419              |
| Advertising and promotion     | 853                | 541                |
| Office                        | 817                | 1,093              |
| Filing and registration fees  | 815                | 3,371              |
| Insurance                     | 605                | 1,676              |
| Interest on promissory note   | 601                | 606                |
| Amortization                  | 350                | 283                |
| Bank charges                  | 12                 | 33                 |
|                               | <u>18,120</u>      | <u>13,669</u>      |
| NET LOSS FOR THE PERIOD       | (18,120)           | (13,669)           |
| DEFICIT, Beginning of period  | (2,492,782)        | (2,381,717)        |
| INTEREST ON CONVERTIBLE NOTES | <u>(4,412)</u>     | <u>(4,448)</u>     |
| DEFICIT, End of period        | <u>(2,515,314)</u> | <u>(2,399,834)</u> |
| LOSS PER SHARE                | <u>(0.0017)</u>    | <u>(0.0016)</u>    |

**MID-NORTH RESOURCES LIMITED**  
**STATEMENT OF CASH FLOW**  
**FOR THE THREE MONTHS ENDED MARCH 31, 2001 AND 2000**  
**(Unaudited - See Notice to Reader)**

|                                                          | 2001<br>\$     | 2000<br>\$ |
|----------------------------------------------------------|----------------|------------|
| <b>CASH PROVIDED BY (USED FOR):</b>                      |                |            |
| <b>OPERATING ACTIVITIES</b>                              |                |            |
| Net loss for the period                                  | (18,120)       | (13,669)   |
| Add non-cash items:                                      |                |            |
| Amortization                                             | 350            | 283        |
|                                                          | (17,770)       | (13,386)   |
| Changes in other working capital elements                |                |            |
| Prepaid expenses                                         | 604            | -          |
| Sales taxes recoverable                                  | 3,354          | (544)      |
| Accrued interest payable                                 | 5,013          | 5,055      |
| Accounts payable and accrued liabilities                 | 8,084          | (3,118)    |
| Due to related parties                                   | 13,258         | 16,701     |
|                                                          | 12,543         | 4,708      |
| Cash flows provided by (used for) operating activities   |                |            |
| <b>FINANCING ACTIVITIES</b>                              |                |            |
| Interest on convertible notes                            | (4,412)        | (4,448)    |
| Cash flows used for financing activities                 | (4,412)        | (4,448)    |
| <b>INVESTMENT ACTIVITIES</b>                             |                |            |
| (Increase) decrease in deferred expenses                 | (12,302)       | -          |
| Cash flows used for investment activities                | (12,302)       | -          |
| <b>NET INCREASE (DECREASE) IN CASH DURING THE PERIOD</b> | <b>(4,171)</b> | <b>260</b> |
| CASH, Beginning of period                                | 4,423          | 328        |
| CASH, End of period                                      | 252            | 588        |