

PLANEX VENTURES LTD.

FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000

DYKE & HOWARD

CHARTERED ACCOUNTANTS

L.R. Bisaro Ltd.
T.C. Hamar Ltd.
M.E. Louie Ltd.

D.W. Louie Ltd.
M.O. Nakanishi Ltd.
R.B. Macfarlane Ltd.

AUDITORS' REPORT

To the Board of Directors of
Planex Ventures Ltd.

We have audited the balance sheet of Planex Ventures Ltd. as at January 31, 2000 and the statements of loss and deficit and cash flow for the period from incorporation on January 11, 2000 to January 31, 2000. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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 financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2000 and the results of its operations and its cash flow for the period from incorporation on January 11, 2000 to January 31, 2000 in accordance with generally accepted accounting principles.

"Dyke & Howard"

Vancouver, B.C.
February 6, 2000,
except as to Notes 3 and 5 which are as of February 28, 2000

Chartered Accountants

PLANEX VENTURES LTD.
BALANCE SHEET
AS AT JANUARY 31, 2000

	\$
A S S E T S	
CURRENT ASSETS	
Cash and cash equivalents	118,255
Amounts receivable	566
	<u>118,821</u>
DEFERRED SHARE ISSUE COSTS (Note 3)	7,500
	<u>126,321</u>
L I A B I L I T I E S	
CURRENT LIABILITIES	
Accounts payable and accrued liabilities	<u>1,091</u>
S H A R E H O L D E R S ' E Q U I T Y	
SHARE CAPITAL (Note 3)	126,300
RETAINED EARNINGS (DEFICIT)	(1,070)
	<u>125,230</u>
	<u>126,321</u>

APPROVED BY THE DIRECTORS

_____, Director

_____, Director

PLANEX VENTURES LTD.
STATEMENT OF LOSS AND DEFICIT
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000

	\$
EXPENSES	
Filing fees	445
Miscellaneous	125
Professional fees	500
NET INCOME (LOSS) FOR THE PERIOD	<u>(1,070)</u>
RETAINED EARNINGS (DEFICIT) - BEGINNING OF PERIOD	-
RETAINED EARNINGS (DEFICIT) - END OF PERIOD	<u><u>(1,070)</u></u>

**PLANEX VENTURES LTD.
STATEMENT OF CASH FLOW
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000**

	\$
CASH PROVIDED FROM (USED FOR)	
OPERATING ACTIVITIES	
Net income (loss) for the period	(1,070)
Increase in amounts receivable	(566)
Increase in accounts payable and accrued liabilities	1,091
	<u>(545)</u>
FINANCING ACTIVITIES	
Issuance of common shares	126,300
Deferred share issue costs	(7,500)
	<u>118,800</u>
INCREASE IN CASH DURING THE PERIOD	118,255
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	-
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>118,255</u>
 CASH AND EQUIVALENTS IS COMPRISED OF:	
Cash	28,555
Short-term deposits	90,000
	<u>118,255</u>

PLANEX VENTURES LTD.
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD FROM JANUARY 11, 2000
(Date of Incorporation) TO JANUARY 31, 2000

1. OPERATIONS

The Company was incorporated under the Company Act of British Columbia on January 11, 2000 and is in the process of listing its common shares on the Canadian Venture Exchange as a junior capital pool company. Once listed the Company proposes to identify and evaluate potential business acquisitions and to negotiate acquisition or participation agreements subject to regulatory and shareholder approval.

2. ACCOUNTING POLICIES

Basis of Presentation

These financial statements have been prepared in accordance with generally accepted accounting principles which necessarily involves the use of estimates. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policy summarized below.

Cash Equivalents

Cash includes cash and short-term deposits maturing within 90 days of the original date of acquisition.

Deferred Share Issue Costs

Cost incurred relating to the Company's planned initial public offering have been recorded as deferred share issue costs. On completion of the offering these costs will be offset against share capital.

Financial Instruments

The Company's financial instruments consist of cash, amounts receivable and accounts payable and accrued liabilities. The fair market value of the Company's financial instruments approximate their carrying amounts due to their short term to maturity.

3. SHARE CAPITAL

Authorized

100,000,000 common shares without par value

Issued

1,684,000 common shares for cash

\$

126,300

PLANEX VENTURES LTD.
NOTES TO FINANCIAL STATEMENTS
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3. SHARE CAPITAL (continued)

Under the requirements of the Canadian Venture Exchange, the 1,684,000 issued common shares will be held in escrow and may not be released from escrow and traded without the written consent of the regulatory authorities.

On January 12, 2000, as amended on February 28, 2000, the Company entered into an agreement relating to a public offering of 1,700,000 common shares at \$0.15 per share. Pursuant to the terms of the agency agreement, the agent will receive a commission of 10% of the gross proceeds of the public offering and will be granted a non-transferable option to purchase up to 170,000 common shares of the Company at \$0.15 per share during the first 18 months following listing of the Company's shares on the Canadian Venture Exchange.

The agent has also agreed to act as the Company's sponsor for listing on the Canadian Venture Exchange. In connection with this agreement, the Company has paid the agent a corporate finance fee of \$7,500 which has been recorded as deferred share issue costs as of January 31, 2000.

The Company has also agreed to file a prospectus with the regulatory authorities relating to the offer for sale of the above offering to the public.

4. UNCERTAINTY DUE TO YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1999 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Company, including those related to customers, suppliers, or other third parties, have been fully resolved.

5. SUBSEQUENT EVENTS

Subsequent to January 31, 2000, the Company granted stock options to the officers and directors of the Company to purchase 318,000 common shares of the Company at \$0.15 per share, expiring five years from the date of listing of the Company's shares on the Canadian Venture Exchange.

See also Note 3.