

Cardinal Factor Corporation

Interim Consolidated Financial Statements

April 30, 2001

Cardinal Factor Corporation

Consolidated Balance Sheets

As at April 30

(unaudited)

	Note	2001	2000
Assets			
Current			
Prepaid expenses		\$ 6,455	\$ -
		6,455	-
Capital assets	3	17,365	6,814
		\$ 23,820	\$ 6,814

Liabilities

Current			
Bank indebtedness	4	\$ 5,610	\$ 52,303
Accounts payable and accrued liabilities		30,551	9,354
		36,161	61,657

Shareholders' Deficiency

Capital stock	5	233,737	20
Deficit		(246,078)	(54,863)
		(12,341)	(54,843)
		\$ 23,820	\$ 6,814

Approved by the Board "Andrew Colebeck" Director "Tom Reber" Director
(Signed) (Signed)

See accompanying notes.

Cardinal Factor Corporation

Consolidated Statements of Operations and Deficit

(unaudited)

	Three Months Ended April 30, 2001	Period From Incorporation (March 16, 2000) to April 30, 2000	Period From Incorporation (March 16, 2000) to April 30, 2001
Expenses			
Development costs	\$ 2,050	\$ -	\$ 17,495
Website hosting fees	-	-	15,300
Occupancy costs	7,770	-	37,491
Office and general	2,864	1,612	16,486
Professional fees	1,500	642	30,681
Management fees	29,500	-	59,377
Shareholder relations	-	-	18,093
Amortization	1,293	246	5,757
	44,977	2,500	200,680
Less: consulting income	3,665	-	6,965
Loss before write-down of goodwill	(41,312)	(2,500)	(193,715)
Write-down of goodwill	-	52,363	52,363
Net loss	(41,312)	(54,863)	(246,078)
Deficit at beginning of period	(204,766)	-	-
Deficit at end of period	\$ (246,078)	\$ (54,863)	\$ (246,078)
Loss per share	\$ 0.002	\$ 0.003	

See accompanying notes.

Cardinal Factor Corporation

Consolidated Statements of Cash Flows

(unaudited)

	Three Months Ended April 30, 2001	Period From Incorporation (March 16, 2000) to April 30, 2000	Period From Incorporation (March 16, 2000) to April 30, 2001
Cash flows from operating activities			
Net loss for period	\$ (41,312)	\$ (54,863)	\$ (246,078)
Add item not affecting cash			
Amortization	1,293	246	5,757
Write-down of goodwill	-	52,363	52,363
	(40,019)	(2,254)	(187,958)
Changes in non-cash working capital items			
Prepaid expenses	(2,590)	-	(6,455)
Accounts payable and accrued liabilities	(31,471)	-	18,967
	(74,080)	(2,254)	(175,446)
Cash flows from investing activities			
Purchase of capital assets	-	-	(13,832)
Acquisition, net of cash acquired	-	(50,069)	(50,069)
	-	(50,069)	(63,901)
Cash flows from financing activities			
Issuance of capital stock	100,000	20	233,737
Increase (decrease) in cash	25,920	(52,303)	(5,610)
Bank indebtedness at beginning of period	(31,530)	-	-
Cash (bank indebtedness) at end of period	\$ (5,610)	\$ (52,303)	\$ (5,610)

See accompanying notes.

Cardinal Factor Corporation

Notes to Consolidated Financial Statements

April 30, 2001

(unaudited)

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Cardinal Factor Corporation ("Cardinal" or the "Company") is a development stage enterprise focussed on the development of internet technology and internet business. The Company seeks to capitalize on the growth in internet based business to business technology. The Company's mission is to target lucrative opportunities to develop and market internet network based technologies through the synergies created by its wholly-owned subsidiaries.

The continuation of the Company's development activities and the attainment of profitable operations is dependent on the Company's ability to successfully complete its development programs and finance its cash requirements through a combination of equity financing and payments from strategic partners. It is not possible to predict the outcome of future development programs or the Company's ability to fund its cash requirements over the term of its development stage.

2. SIGNIFICANT ACCOUNTING POLICIES

The interim financial statements follow the same accounting policies and methods of their application as the most recent annual financial statements and should be read in conjunction with those statements.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	2001	Net 2000
Furniture and fixtures	\$ 7,307	\$ 1,060	\$ 6,247	\$ -
Computer equipment	7,470	2,727	4,743	6,814
Leasehold improvements	8,345	1,970	6,375	-
	\$ 23,122	\$ 5,757	\$ 17,365	\$ 6,814

4. BANK INDEBTEDNESS

The Company has a line of credit of \$50,000 which bears interest at the bank's prime rate plus 1.5% per annum. The line of credit is secured by a general security agreement covering all assets of the Company and personal guarantees from certain officers and directors of the Company.

Cardinal Factor Corporation

Notes to Consolidated Financial Statements

April 30, 2001

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5. CAPITAL STOCK

Authorized
unlimited common shares

	Number of Shares	Amount
Issued		
Pre-reverse takeover transactions:		
Cardinal Factor Inc.		
On incorporation, March 16, 2000	200	\$ 20
Issued for cash	85	55,716
Balance at July 18, 2000	285	\$ 55,736
Cardinal Factor Corporation		
Balance at March 16, 2000	1,502,716	\$ 1
Balance at July 18, 2000	1,502,716	\$ 1
Post reverse takeover transactions:		
Balance at July 18, 2000	1,502,716	\$ 55,736
Issued to effect reverse takeover	14,250,000	1
Issued for cash on exercise of warrants	845,000	76,500
Issued for cash on exercise of stock options	7,500	1,500
Balance at January 31, 2001	16,605,216	133,737
Issued for cash on exercise of warrants	1,090,000	100,000
Balance at April 30, 2001	17,695,216	\$ 233,737

6. STOCK OPTIONS AND WARRANTS

The Company has the following stock options outstanding to officers and directors:

Number of Options	Exercise Price	Expiry Date
1,042,500	\$0.20	February 19, 2002
50,000	\$0.40	February 19, 2002

The Company has the following warrants outstanding:

Number of Warrants	Purchase Price	Expiry Date
12,305,000	\$0.10	July 28, 2002

Cardinal Factor Corporation

Notes to Consolidated Financial Statements

April 30, 2001

(unaudited)

7. LOSS PER SHARE

The loss per share amounts were calculated using the weighted average number of shares outstanding of 17,150,216 (2000 - 15,752,716).

8. RELATED PARTY TRANSACTIONS

During the three month period ended April 30, 2001, the Company paid management fees of \$29,500 to shareholders and directors or companies owned by directors and shareholders.