

DEV INVESTMENTS INC.

(Unaudited)

SECOND QUARTER INTERIM REPORT

For the Period from December 1, 2002 to May 31, 2003

DEV INVESTMENTS INC.

Balance Sheet

May 31, 2003 (with comparative figures for November 30, 2002)

	May 31, 2003 (Unaudited)	November 30, 2002 (Audited)
Assets		
Current assets:		
Cash and short term deposits	\$ 122,099	\$ 128,390
Accrued interest	2,750	2,750
Funds held in trust	20,000	1,002
Prepaid expenses	2,119	119
Advances to related parties	6,000	6,000
Loan receivable	55,850	79,850
	<hr/>	<hr/>
	\$ 208,818	\$ 218,111
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Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,678	\$ 4,172
Shareholders' equity:		
Share capital	329,214	329,214
Deficit	(122,074)	(115,275)
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	207,140	213,939
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	\$ 208,818	\$ 218,111
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See accompanying notes to financial statements.

DEV INVESTMENTS INC.

Statements of Loss and Deficit

	Three Months Ended May 31 (Unaudited)		Six Months Ended May 31 (Unaudited)	
	2003	2002	2003	2002
Interest income	550	600	774	600
Expenses				
Professional fees	0	4,976	0	4,976
Rent	2,250	1,562	3,010	2,929
Corporate fees	4,163	3,860	4,163	6,053
Office and sundry	0	82	400	130
	6,413	10,480	7,573	14,088
Loss for the period	(5,863)	(9,880)	(6,799)	(13,488)
Deficit-Beginning of period	(116,211)	(14,069)	(115,275)	(10,461)
Deficit-End of period	(122,074)	(23,949)	(122,074)	(23,949)
Loss per common share	.034	.004	.034	.004

(The accompanying notes are an integral part of these financial statements)

DEV INVESTMENTS INC.

Statements of Cash Flows

	Three Months Ended May 31 (Unaudited)		Six Months Ended May 31 (Unaudited)	
	2003	2002	2003	2002
Operating activities				
Cash paid to suppliers	(8,413)	(1,415)	(11,065)	(13,790)
Interest received	550	630	774	600
	(7,863)	(785)	(10,291)	(13,190)
Investing activities				
Advances to related parties	0	5,000	0	5,000
Loan repayment	24,000		24,000	0
Cash (required) provided	(16,137)	4,215	13,709	(8,190)
Cash and equivalents-Beginning of period	125,962	307,506	128,390	307,506
Cash and equivalents-End of period	142,099	311,721	142,099	299,316
Cash and equivalents comprised of:				
Cash in bank	22,009	304,762	22,009	298,314
Short term deposits	100,000	0	100,000	0
Funds held in trust	20,000	6,959	20,000	1,002
	142,099	311,721	142,099	299,316

(The accompanying notes are an integral part of these financial statements)

DEV INVESTMENTS INC.

Notes to Financial Statements (Unaudited)

The Corporation was incorporated by Certificate of Incorporation issued pursuant to the provisions of the Business Corporations Act (Alberta) on November 7, 2000 and commenced operations with the initial issuance of shares the same day. The articles of incorporation were amended by a Certificate of Amendment on April 9, 2001 to remove the private company provisions and the restrictions on share transfers. The principle business of the Corporation is to identify and evaluate corporations, assets or businesses with a view to their potential acquisition. The Corporation has completed a Capital Pool Company public offering by way of prospectus and its shares are listed for trading on the TSX Venture Exchange although the shares are currently suspended from trading under a cease trade order.

1. Accounting policies:

These interim financial statements should be read in conjunction with the Company's most recent annual financial statements.

These unaudited interim financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do conform in all respects to the requirements of Canadian generally accepted accounting principles for annual financial statements. These interim financial statements follow the same accounting policies and methods of application as the most recent annual financial statement

2. Share capital:

	Number of Shares	Amount
Authorized:		
Unlimited number of common shares		
Unlimited number of preferred shares		
Common Shares Issued:		
November 7, 2000 – initial subscription	1,500,000	\$ 112,500
October 10, 2001 – public offering	2,000,000	300,000
Total	3,500,000	412,500
Deduct costs related to public offering		(83,286)
Balance, February 28, 2003	3,500,000	329,214

DEV INVESTMENTS INC.

Notes to Financial Statements, continued
(Unaudited)

There were no share transactions for the six months ended May 31, 2003.

Stock options

	Price	Number	Expiry Date
Directors' options	\$0.15	350,000	July 19,2006

Escrow shares

As at May 31, 2003, there are 1,500,000 common shares held in escrow. The escrow shares are subject to release and restrictions governed by regulatory authority.

3. Advances to related parties

The Corporation advanced \$6,000; (2001 - \$9,000) to a director of the corporation. These advances are due on demand, bear no interest, unsecured and have been repaid subsequent to May 31, 2003.

4. Loan Receivable

The Corporation advanced to Hypower Fuel Inc. a loan of \$79,850. During the quarter \$24,000 has been received by the Company. The advances are unsecured, bear interest at 4% per annum and are due upon demand. The remaining balance of \$55,850 plus interest has been repaid subsequent to May 31, 2003.

5. Subsequent event - Qualifying transaction

Effective April 17, 2003 the company entered into an arm's length Letter of Intent with Shear Minerals Ltd. And Mantle Minerals Ltd., pursuant to which the companies will enter into an Option Agreement under which this company will have the option to acquire up to a 60% working interest in certain mineral claims located in the Northwest Territories.

This company must expend \$300,000 of exploration costs on this property within 18 months of the date of the Option Agreement to acquire a 51% working interest; the company must expend and additional \$500,000 of exploration costs on the property thereafter to acquire an additional 9% working interest.

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**Notes to Financial Statements, continued
(Unaudited)**

The closing of the transaction underlying the Option Agreement will constitute the company's "Qualifying Transaction" defined in the policies of the TSX Venture Exchange. Concurrent with closing the above noted transaction the company expects to complete an equity placement financing of up to 5,000,000 common shares and \$500,000.