

# **DEV INVESTMENTS INC.**

**(Unaudited)**

**THIRD QUARTER INTERIM REPORT**

**For the Period from December 1, 2002 to August 31, 2003**

# DEV INVESTMENTS INC.

## Balance Sheet

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

	August 31, 2003 (Unaudited)	November 30, 2002 (Audited)
<b>Assets</b>		
Current assets:		
Cash and short term deposits	\$ 106,942	\$ 128,390
Accrued interest	740	2,750
Funds held in trust	40,000	1,002
Prepaid expenses	720	119
Advances to related parties	0	6,000
Loan receivable	49,414	79,850
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	\$ 198,816	\$ 218,111
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 1,678	\$ 4,172
Shareholders' equity:		
Share capital	329,214	329,214
Deficit	(133,076)	(115,275)
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	196,138	213,939
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	\$ 198,816	\$ 218,111

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

# DEV INVESTMENTS INC.

## Statements of Loss and Deficit

	Three Months Ended August 31 (Unaudited)		Nine Months Ended August 31 (Unaudited)	
	2003	2002	2003	2002
Interest income	740	600	1,514	850
Expenses				
Professional fees	7,165	4,976	7,165	30,883
Rent	1,520	1,562	4,530	2,929
Corporate fees	2,802	3,860	6,966	6,247
Office and sundry	255	82	654	595
	11,742	10,480	19,315	40,654
<b>Loss for the period</b>	<b>(11,002)</b>	<b>(9,880)</b>	<b>(17,801)</b>	<b>(39,804)</b>
<b>Deficit-Beginning of period</b>	<b>(122,074)</b>	<b>(14,069)</b>	<b>(115,275)</b>	<b>(10,461)</b>
<b>Deficit-End of period</b>	<b>(133,076)</b>	<b>(23,949)</b>	<b>(133,076)</b>	<b>(50,265)</b>
<b>Loss per common share</b>	<b>.038</b>	<b>.004</b>	<b>.038</b>	<b>.015</b>

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

# DEV INVESTMENTS INC.

## Statements of Cash Flows

	Three Months Ended August 31 (Unaudited)		Nine Months Ended August 31 (Unaudited)	
	2003	2002	2003	2002
<b>Operating activities</b>				
Cash paid to suppliers	(10,343)	(1,415)	(21,408)	(40,180)
Interest received	2,750	630	3,524	0
	(7,593)	(785)	(17,884)	(40,180)
<b>Investing activities</b>				
Advances to related parties	0	5,000	0	5,000
Advances from related parties	6,000	0	6,000	0
Loan repayment	6,436	0	30,436	0
	12,436	5,000	36,436	5,000
<b>Cash (required) provided</b>	4,843	4,215	18,552	(35,180)
<b>Cash and equivalents-Beginning of period</b>	142,099	307,506	128,390	307,506
<b>Cash and equivalents-End of period</b>	146,942	311,721	146,942	272,326
<b>Cash and equivalents comprised of:</b>				
<b>Cash in bank</b>	6,942	304,762	6,942	271,324
<b>Short term deposits</b>	100,000	0	100,000	0
<b>Funds held in trust</b>	40,000	6,959	40,000	1,002
	146,942	311,721	146,942	272,326

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

# DEV INVESTMENTS INC.

## Notes to Financial Statements (Unaudited)

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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.

### 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:

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	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, August 31, 2003	3,500,000	329,214

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# DEV INVESTMENTS INC.

Notes to Financial Statements, continued  
(Unaudited)

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There were no share transactions for the nine months ended August 31, 2003.

## Stock options

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

## Escrow shares

As at August 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 during the quarter.

### **4. Loan Receivable**

The Corporation advanced to Hypower Fuel Inc. a loan of \$79,850. During the quarter \$6,436 plus accrued interest of \$2,750 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 \$49,414 plus interest is outstanding as of August 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.

# **DEV INVESTMENTS INC.**

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

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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.