PACIFIC WILDCAT RESOURCES CORP.
(An exploration stage company)

Consolidated Financial Statements

For the Years Ended June 30, 2001 and 2000

Management's Responsibility For Financial Reporting

The consolidated financial statements of Pacific Wildcat Resources Corp. have been prepared by and are the responsibility of the Company's management. The consolidated financial statements are prepared in accordance with accounting principles generally accepted in Canada and reflect management's best estimates and judgement based on information currently available.

Management has developed and is maintaining a system of internal controls to obtain reasonable assurance that the Company's assets are safeguarded, transactions are authorized and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities. The Audit Committee reviews the results of the audit and the annual consolidated financial statements, with the Company's management and the independent auditors, prior to the Audit Committee's submission to the Board of Directors for approval.

The consolidated financial statements for the year ended June 30, 2001 have been audited by PricewaterhouseCoopers LLP and their report outlines the scope of their examination and gives their opinion on the consolidated financial statements.

"W. David Black"
Director and Deputy Chairman

"Brian Flower"
Director and President

Vancouver, British Columbia
September 28, 2001

Auditors' Report

To the Shareholders of Pacific Wildcat Resources Corp.

We have audited the consolidated balance sheets of Pacific Wildcat Resources Corp. (an exploration stage company) as at June 30, 2001 and 2000 and the consolidated statements of loss and deficit, and cash flows for the years then ended. 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 audits.

We conducted our audits in accordance with Canadian 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis.

"PricewaterhouseCoopers LLP"
Chartered Accountants

Vancouver, British Columbia
September 28, 2001

Consolidated Balance Sheets
As at June 30,
(Expressed in Canadian dollars)

	2001	2000
ASSETS		
Current Assets		
Cash and Cash Equivalents	**$ 164,071**	$ 96,712
Accounts receivable	**42,514**	7,668
	206,585	104,380
Resource Assets (Note 3)	**566,304**	4,496,171
	$ 772,889	$ 4,600,551
LIABILITIES		
Current Liabilities		
Accounts payable (Note 6)	**$ 120,974**	$ 17,863
SHAREHOLDERS' EQUITY		
Share Capital (Note 5)	**$ 10,279,690**	10,060,940
Deficit	**(9,627,775)**	(5,478,252)
	651,915	4,582,688
	$ 772,889	$ 4,600,551

Nature of Operations and Going Concern (Note 1)

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Directors:

"W. David Black" (signed)
W. David Black
Director

"Brian Flower" (signed)
Brian Flower
Director

Consolidated Statements of Loss and Deficit
For the Years ended June 30,
(Expressed in Canadian dollars except share amounts)

	2001	2000
Expenses		
Property Expenses		
Write-down of resource assets	**$ 3,845,027**	$ -
Expenditures on resource assets	**203,224**	-
	4,048,251	-
General & Administrative		
Consulting services (Note 6)	**62,500**	-
Administrative fees (Note 6)	**(9,386)**	(19,633)
Corporate relations	**18,167**	8,867
Professional services	**14,833**	8,603
Insurance	**10,083**	11,018
Directors' fees and expenses	**1,557**	4,000
Foreign exchange	**2,761**	14,627
Interest	**(2,721)**	(1,053)
Office	**3,478**	6,626
	101,272	32,695
Loss for the Year	**$ 4,149,523**	$ 32,695
Deficit – Beginning of Year	**5,478,252**	5,445,557
Deficit - End of Year	**$ 9,627,775**	$ 5,478,252
Loss per share	**(0.425)**	(0.004)
Weighted Average Number of Shares Outstanding	**9,755,684**	9,000,476

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows
For the Years ended June 30,
(Expressed in Canadian dollars)

	2001	2000
Cash flows from operating activities		
Loss for the year	**$ (4,149,523)**	$ (32,695)
Add (subtract) Items not affecting cash:		
Write-down of resource assets	**3,845,027**	-
Foreign exchange loss (gain)	**2,761**	14,627
Changes in non-cash working capital	**68,265**	96,067
	(233,470)	77,999
Cash flows from financing activities		
Share capital issued	**218,750**	-
Cash flows from investing activities		
Refund of security deposit on resource assets	**121,446**	-
Exploration expenditures on resource assets	**(36,606)**	(45,750)
	84,840	(45,750)
Foreign exchange Gain (Loss) on Cash and Cash Equivalents held in a Foreign Currency	**(2,761)**	(14,627)
Increase (Decrease) in Cash and Cash Equivalents	**67,359**	17,622
Cash and Cash Equivalents – Beginning of year	**96,712**	79,090
Cash and Cash Equivalents – End of year (see Note 2)	**$ 164,071**	$ 96,712

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of Operations and Going Concern

Pacific Wildcat Resources Corp. ('the Company") is currently involved in mineral exploration in Southeast Asia and has not yet determined whether its mineral interests contain ore reserves that are economically recoverable. To date the company has not earned significant revenues and is considered to be in the exploration stage. The recoverability of the associated deferred costs is dependent upon the discovery of economically recoverable reserves, obtaining the necessary exploitation permits, adequate financing to complete the development and future profitable production or net proceeds from the sale of the mineral concessions.

Management has estimated that the Company has sufficient working capital of $85,611 (2000 - $78,849) to meet minimum operating expenditure, as well as care and maintenance expenditures on mineral properties, for the next year. If the Company is to advance its mineral properties or undertake other related activities, it will be necessary to obtain additional financing and there can be no assurance that it will be able to do so in the future.

These financial statements have been prepared on a going concern basis which assumes the Company will be able to realize assets and discharge liabilities in the normal course of business for the foreseeable future. Accordingly, it does not give effect to adjustments, if any, that would be necessary should the Company be unable to continue as a going concern and, therefore, be required to realize its assets and liquidate its liabilities in other than the normal course of business and at amounts which may differ from those shown in the financial statements.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, according to industry standards for the current stage exploration of such properties, these procedures may not guarantee the Company's title. Properties may be subject to undisclosed prior agreements or transfers and title may be affected by undetected defects.

2. Significant Accounting Policies

a) Basis of Presentation

The consolidated financial statements include the accounts of the Company, and its subsidiary Bornite Pty. Ltd. ("Bornite") and its proportionate interest in the Sulut Joint Venture.

b) Cash and Cash Equivalents

Cash and Cash Equivalents includes highly liquid short-term deposits and investments with original maturities of three months or less.

c) *Resource Assets*

i) *Mineral Properties and Related Deferred Costs*

Costs related to interests in mineral properties, including related acquisition, exploration, development, field support and fixed asset costs are deferred on a project-by-project basis until the properties achieve commercial production or are abandoned. Costs relating to properties, which are determined to be uneconomic or abandoned, are expensed at the time the determination is made. The amount deferred represents costs incurred to date and does not necessarily reflect present or future values.

Exploration and related administration costs incurred either prior to the acquisition of properties, or on properties not acquired, are expensed.

The company is in the process of exploring and developing its resource assets and has not determined the amount of reserves available in its properties. Senior management annually reviews the carrying values of resource assets and assess whether there has been any impairment in value.

d) *Joint Venture Accounting*

The Company follows the proportionate consolidation method of accounting for joint ventures. The Company's interest in the Sulut Joint Venture is reflected in resource assets.

e) *Loss per Share*

Loss per share has been calculated based on the weighted average number of shares issued and outstanding during the year. Fully diluted loss per share has not been presented, as the exercise of stock options would be anti-dilutive.

f) *Foreign Currency Translation*

The Company translates monetary assets and liabilities at exchange rates prevailing at the year-end. All other assets and liabilities are translated at applicable historical exchange rates. Revenues and expenses are translated at average rates in effect during the period. Translation gains and losses are included in earnings.

g) *Use of Estimates*

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the period. Actual results could materially differ from those reported.

h) *Financial Instruments*

The carrying value of cash and cash equivalents, accounts receivable and accounts payable approximate their fair value.

i) *Income Taxes*

Effective July 1, 2000, the Company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes. Under these recommendations, the liability method of tax allocation is used, based upon differences between financial reporting and tax bases of assets and liabilities. Previously, the deferral method was used, based on the differences in the timing of reporting income and expenses in financial statements and tax returns. The new standard has been adopted retroactively without any restatement of the consolidated financial statements for the year ended June 30, 2001 being required.

Income taxes are calculated using the liability method accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Temporary differences arising on acquisitions result in future income tax liabilities or assets.

j) *Stock based Compensation*

The Company from time to time issues stock options as described in note 5(c). No compensation expense is recorded when stock options are issued under this plan. Consideration paid on exercise of stock options is credited to share capital.

(Expressed in Canadian dollars)

3. Resource Assets

	2001	2000
Sulut	**$ 500,000**	$ 4,308,421
Other assets	**66,304**	187,750
	$ 566,304	$ 4,496,171

The Sulut gold property (KP 366, Sulut) is located adjacent to the town of Kotabunan on the northeastern tip of the island of Sulawesi in Indonesia. In January 1996 the Company entered into a shareholders agreement with PT Bima Duta Samudra and PT Triavora Manca Teknik and, under the terms of the agreement, the three parties joint-ventured the Sulut property with PT Aneka Tambang, the general mining arm of the Indonesian government. Subsequently and as operator of the joint venture, Pacific Wildcat funded and directed infill drilling on two prospects, Doup and Bentang, to confirm a 1.2 million ounce resource as well as an extensive regional reconnaissance program. This work was performed under the Indonesian Contract of Work system in order to meet the holding requirement of the current Seventh Generation Contract of Work which was awarded in February, 1998.

The Company has currently fulfilled the exploration expenditure commitment as set out in the Contract of Work. Under the terms of the Contract of Work, an application has been filed for a mandatory, second 25% area reduction.

During the year end June 30, 2001, the Company wrote-down the Sulut property by $3,845,027 to $500,000 which represents management's best estimate of the recoverable amount.

Other assets include a security deposit for the Sulut property.

4. Income Tax

Income tax losses available to reduce future taxable income are $658,331 in Canada, expiring in the years up to and including 2002 - 2008. The future benefits of these tax losses have not been reflected in these consolidated financial statements.

The Company has additional estimated future tax deductions exceeding accounting deductions of $6,732,781. The realization of income benefits related to these future potential tax deductions is uncertain at this time and cannot be viewed as more likely than not. Accordingly, no future income tax asset has been recognized for accounting purposes.

(Expressed in Canadian dollars)

5. Share Capital

a) *Authorized:* 20,000,000 common shares without par value

b) *Common Shares Issued, Outstanding and Allotted*

	2001		2000	
	Number of Shares	**Amount**	Number of shares	Amount
Beginning balance – issued	**9,000,476**	**10,060,940**	9,000,476	10,060,940
Share capital issued	**2,000,000**	**200,000**	-	-
Stock options exercised	**125,000**	**18,750**	-	-
Ending balance – issued	**11,125,476**	**10,279,690**	9,000,476	10,060,940

On February 1, 2001, the Company entered into a non-brokered private placement financing with Sons of Gwalia Ltd. ("Gwalia") for a 2,000,000 units at a price of $0.10 per unit. Each unit consisted of one fully paid and non-assessable share and one non-transferrable share purchase warrant entitling the holder thereof to purchase one additional share of the Company for a period of 24 months at an an exercise price of $0.12 per share until February 1, 2002 and thereafter $0.15. per share until February 1, 2003.

c) *Stock Options Outstanding*

The directors are authorized to grant up to 10% of the outstanding common shares in stock options to directors, officers, consultants and employees to acquire common shares. The exercise price of the options is no less than the average price for the preceding ten trading days of issuance. In certain circumstances, the options vest over a period of time.

As at June 30, 2000, directors and officers of the Company held 310,000 stock options all with an exercise price of $0.38 per share and an expiry date of August 27, 2001. During the year ended June 30, 2001, the Company reduced the exercise price from $0.38 to $0.15 per share and 75,000 options were exercised.

During the year ended June 30, 2001, 590,000 stock options were issued, 50,000 were exercised, to the directors and officers of the Company all with an exercise price of $0.15 per share and an expiry date of February 7, 2006.

(Expressed in Canadian dollars)

At as June 30, 2001, the outstanding stock options were:

Options	Expiry Date	Exercise Price
235,000	August 27, 2001	$0.15
540,000	February 7, 2006	$0.15

Subsequent to year end 160,000 of the options with an expiry date of August 27, 2001 were exercised and the remaining 75,000 expired.

6. Related Party Transactions

Viceroy Resource Corporation and Sons of Gwalia Ltd. ("Gwalia") consented to a waiver of any accrued but unpaid fees as at June 30, 2000 resulting in a credit in administrative fees of $9,386 in 2001 (2000 - $19,633).

On February 1, 2001, the Company entered into a management services agreement with Chapelle Capital Corp. a company partly-owned by a director of the Company. Under this agreement, fees of $62,500 (2000 – nil) were paid.

On August 2, 2001 the Company entered into a development rights agreement with its major shareholder, Gwalia. Development rights relate only to properties held by the Company which contain in excess of two (2) million pounds of tantalum in the category of (indicated/inferred) mineral resource under the Australian Code for Reporting of Mineral Resources and Ore Resources. For qualifying properties introduced by Gwalia, the latter can acquire an undivided fifty percent (50%) interest in and management of the property by reimbursing Pacific Wildcat for all of its direct costs plus twenty percent (20%). For qualifying properties discovered or acquired by the Company independent of Gwalia, the latter can acquire an undivided fifty percent (50%) interest in and management of the property by paying fifty percent (50%) of the estimated net present value of the property. Further, Gwalia has the right to purchase all or part of the Company's annual tantalum production and act as the Company's sole and exclusive marketing agent, both subject to terms negotiated in good faith and reflective of arms length, third party agreements. With respect to financing, Gwalia have the right to arrange one hundred percent (100%) of any financing in respect of the Company's share of the cost of any mining operations where third party financing would involve the financier earning a right to earn a direct interest in the property. These financing rights are conditional on Gwalia owning not less than twenty-five percent (25%) of the issued share capital of Pacific Wildcat.

7. Segmented Information

The Company is involved in mineral exploration in Southeast Asia. All of the Company's interests in resource assets are in Indonesia as set out in Note 3.

FORM 51-901F

QUARTERLY REPORT

Incorporated as part of Schedule B & C

ISSUER DETAILS:	
Name of Issuer	**PACIFIC WILDCAT RESOURCES CORP.**
Issuer=s Address	Suite 900, 475 Howe Street Vancouver, B.C., V6C 2B3
Issuer Telephone Number	(604) 669-8985
Issuer Web Site:	www.bmts.bc.ca/paw/
Contact Person	Brian Flower
Contact Position	President
Contact Fax Number	(604) 684-9877
Contact Email	paw@bmts.bc.ca
For Quarter Ended	June 30, 2001
Date of Report	November 12, 2001
CERTIFICATE *The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.*	
"Brian Flower"	*2001/11/12*
Name of Director	**Date Signed**
"David M. Calabrigo"	*2001/11/12*
Name of Director	**Date Signed**

PACIFIC WILDCAT RESOURCES CORP.

QUARTERLY REPORT - JUNE 30, 2001

1. ANALYSIS OF EXPENSES & DEFERRED COSTS

Expenses
The breakdown is provided on the income statement.

Deferred Resource Property Expenditures

Sulut

Field Program	
Drilling and roadwork	$1,263,015
Consulting fees and expenses	994,275
Housing and camp	39,850
Other	872,540
	3,169,680
Administration	
Travel and lodging	276,875
Consulting fees and expenses	241,901
Other	794,695
	1,313,471
Deferred Resource Property Expenditures - Sulut	4,483,151
Less Resource Property Expenditures Written Down and Expensed	3,983,151
Deferred Resource Property Expenditures - Sulut	500,000
Other	66,304
Total Deferred Resource Property Expenditures	$ 566,304

2. RELATED PARTY TRANSACTIONS

As at December 31, 2000, Viceroy Resource Corporation and Sons of Gwalia Ltd. ("Gwalia") consented to a waiver of any accrued but unpaid fees.

On February 1, 2001, the Company entered into a management services agreement with Chapelle Capital Corp. a Company jointly-owned by Brian Flower. Under this agreement, fees of $37,500 were paid during the quarter.

On August 2, 2001 the Company entered into a development rights agreement with its major shareholder, Gwalia. Development rights relate only to properties held by the Company which contain in excess of two (2) million pounds of tantalum in the category of (indicated/inferred) mineral resource under the Australian Code for Reporting of Mineral Resources and Ore Resources. For qualifying properties introduced by Gwalia, the latter can acquire an undivided fifty percent (50%) interest in and management of the property by reimbursing Pacific Wildcat for all of its direct costs plus twenty percent (20%). For qualifying properties discovered or acquired by the Company independent of Gwalia, the latter can acquire an undivided fifty percent (50%) interest in and management of the property by paying fifty percent (50%) of the estimated net present value of the property. Further, Gwalia has the right to purchase all or part of the Company's annual tantalum production and act as the Company's sole and exclusive marketing agent, both subject to terms negotiated in good faith and reflective of arms length, third party agreements. With respect to financing, Gwalia have the right to arrange one hundred percent (100%) of any financing in respect of the Company's share of the cost of any mining operations where third party financing would involve the financier earning a right to earn a direct interest in the property. These financing rights are conditional on Gwalia owning not less than twenty-five percent (25%) of the issued share capital of Pacific Wildcat.

3. SUMMARY OF SECURITIES ISSUED AND OPTIONS GRANTED DURING THE PERIOD

Securities Issued
On February 1, 2001, Pacific Wildcat entered into a non-brokered private placement financing with Gwalia for 2,000,000 units at a price of $0.10 per unit. Each unit consisted of one (1) fully paid and non-assessable share and one (1) non-transferable share purchase warrant entitling the holder thereof to purchase one additional share of the Company for a period of 24 months at an exercise price of $0.12 per warrant share during the first year and $0.15 per warrant share during the second year.

Options Granted
None.

4. SUMMARY OF SECURITIES AS AT END OF REPORTING PERIOD

Authorized Capital
20,000,000 common shares without par value

Number and Recorded Value for Shares Issued and Outstanding
11,125,476 common shares Issued and Outstanding with a recorded Share Capital of $10,279,690 or $0.92 per share. Against Share Capital there is a recorded Deficit of $9,627,775 resulting in Shareholder's Equity of $651,915 or $0.06 per share.

Outstanding Options
There are 775,000 options outstanding at a price of $0.15 per share expiring on either August 27, 2001 or February 7, 2006 (125,000 were exercised during the quarter).

Outstanding Warrants
2,000,000 non-transferable share purchase warrants are held by Gwalia. Each warrant entitles the holder to purchase one additional share of the Company for a period of 24 months ending February 1, 2003. The warrants are exercisable at a price of $0.12 per warrant share during the first year and $0.15 per warrant share during the second year.

Shares in Escrow or Pooling Agreements
None.

5. LIST OF DIRECTORS & OFFICERS

Directors

W. David Black, *Vancouver, B.C.*
David M. Calabrigo, *White Rock, B.C.*
Jack H. Caplan, *North Vancouver, B.C.*
Brian Flower, *North Vancouver, B.C.*
Christopher J. Lalor, *Cottesloe, Western Australia*
Peter K. Lalor, *Cottesloe, Western Australia*

Officers

Peter K. Lalor - Chairman
W. David Black - Deputy-Chairman
Brian Flower - President & CEO
David M. Calabrigo - Corporate Secretary
Susan M. Neale - Corporate Accountant
David A. Paull - Manager, Business Development

PACIFIC WILDCAT RESOURCES CORP.

QUARTERLY REPORT - JUNE 30, 2001

1. DESCRIPTION OF BUSINESS

Pacific Wildcat Resources Corp. ("Pacific Wildcat" or the "Company") is in the mineral exploration and development business.

To date, the Company's major activity has been gold exploration in Southeast Asia centered on Indonesia. With Sons of Gwalia Ltd. ("Gwalia") now the Company's major shareholder, Pacific Wildcat's exploration, development and acquisition mandate will be expanded to include industrial and strategic minerals and metals other than gold and the geographic focus will extend outside of Southeast Asia.

2. DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION

As part of the new business plan, management has redoubled its efforts to reduce holding costs, safeguard title and deal off its one remaining mineral interest, the Sulut gold property located near the town of Kotabunan on the northeastern tip of Sulawesi, Indonesia. With respect to reducing holding costs, all property leases and employees have been terminated and all equipment, sold. Work on the property remains suspended. A mandatory, twenty-five percent (25%) area reduction was made to keep the Contract of Work pertaining to the property in good standing. Management has been and is in discussion with parties potentially interested in either farming-in on or acquiring the Company's position in the property. Political and economic turmoil in Indonesia, heightened by the September terrorist attacks in the United States, as well as a lack of investor interest in funding gold exploration, continue to hamper management's efforts to re-activate or deal off Sulut.

Whilst the Company has reported gold resources for the Sulut property, no determination has yet been made as to whether the property contains ore reserves that are economically recoverable. The recoverability of the associated deferred costs is dependent upon the discovery of economically recoverable reserves, obtaining the necessary exploitation permits, adequate financing to complete the development and future profitable production or net proceeds from the sale of the mineral concessions.

No material property or project acquisitions or dispositions were made during the year. The Company has written down the carrying value of the Sulut property to $500,000 to better reflect current market conditions. The Company has also made full provision for Indonesian agency fees and property assessments against the Sulut and Jambi properties. The latter assessments total in excess of US$47,000 of which approximately US$42,500 relates to Jambi. The Company will be filing an objection to the Jambi assessment. This objection will be made on the basis that ministry records do not appear to include most of the exploration monies expended on the property nor do they take into account that approximately seventy percent (70%) of the Contract of Work area was sterilized by the government's creation of a National Park and forest reserves.

Summary of Deferred Expenditures

	Sulut, Indonesia	Other
Balance - March 31, 2001	$ 500,000	$ 66,304
Additions/Deductions	15,447	-
Write-offs/Expenses	(15,447)	-
Balance - June 31, 2001	$ 500,000	$ 66,304

On February 1, 2001, the Company entered into a management services agreement with Chapelle Capital Corp., a company jointly-owned by Brian Flower. The Company has no other material contracts or commitments.

The Company does not have any investor relations contracts. Brian Flower, Director and David Paull, Manager, Business Development are available to answer shareholder inquiries.

On February 1, 2001, Pacific Wildcat announced the appointment of three senior officers: Peter K. Lalor, formerly President of the Company, was appointed Chairman; W. David Black, formerly Chairman, was appointed Deputy-Chairman and Brian Flower, formerly Treasurer, was appointed President.

The Company is not involved in any legal proceedings, it has no contingent liabilities, nor does it have any debt obligations. There are no pending regulatory approvals nor is the Company in breach of any corporate or securities laws.

There have been no special resolutions passed by shareholders in the period.

3. SUBSEQUENT EVENTS

None.

4. FINANCINGS, PRINCIPAL PURPOSES AND MILESTONES

On January 5, 2001, Gwalia Consolidation Ltd., a wholly-owned subsidiary of Gwalia, completed the purchase of 1,987,520 Pacific Wildcat shares from Viceroy Resource Corporation. This purchase increased Gwalia’s holdings in Pacific Wildcat to 4,637,500 shares representing 51% of the issued and outstanding common shares of the Company. On February 1, 2001 Gwalia entered into a non-brokered private placement with the Company which increased Gwalia’s interest from 51 to 60.3 percent.

Pacific Wildcat’s funds on hand whilst not committed, will be directed towards finding attractive new projects for the Company. In this regard, Pacific Wildcat directors have endorsed a management proposal to broaden the Company’s exploration, development and acquisition mandate to include industrial and strategic minerals and metals other than gold and to expand the geographic focus outside of Southeast Asia.

The Company will draw and build on its association with Gwalia in developing and executing a new business plan, one aspect of which will be to seek advanced minerals, notably tantalum, opportunities. Accounting for approximately fifty percent of annual primary concentrate supply, Gwalia’s Advanced Minerals Division is the world’s largest producer of tantalum, a mineral with high tech applications in industries such as electronics and aerospace. This Division also produces lithium minerals, tin and silica sand. Gwalia's market leadership and technical prowess in advanced minerals together with its financial strength will afford Pacific Wildcat a considerable resource upon which to draw.

5. LIQUIDITY AND SOLVENCY

The net loss for the year was $4,149,523 of which $3,845,027 related to the write-down of Sulut. This compares to a loss of $32,695 in the previous year. A new management services contract increased one component of General and Administrative expense by $62,500 over the previous year, however, administrative fees per se were lower in the year as a consequence of Viceroy and Gwalia consenting to waive accrued fees and the introduction of lower cost administrative service contracts. Financing activities consisting of one private placement and the exercise of stock options provided $218,750. Application for a security deposit refund of US$25,000 relating to the area reduction at Sulut is embodied in the accounts receivable figure. Amounts released from securities deposits have been used to offset agency fees payable. With the full provision for Indonesian charges, working capital as of June 30, 2001 was $85,611 and Cash and Cash Equivalents stood at $164,071. Company's monthly operating costs consist of corporate management services ($12,500) and general and administrative expense (approximately $3,800 including Sulut holding costs).

The Company has adequate funds to meet anticipated holding costs but no internal source of funding. The cash it has on hand may be sufficient to find a new project, however it would not be sufficient to fund it. The future of the Company depends on its ability to either farm-out or sell Sulut or find an attractive new project and then to finance it.

6. DISCLOSURE

The Company has adopted newly introduced accounting and disclosure policies and comparative figures have been restated as required.