

Consolidated Statements of Cash Flows

Years Ended December 31,

	2002	2001
Cash flows from operating activities		
Net loss for the year	\$ (8,757,859)	\$ (26,621,467)
Items not affecting cash		
Loss (gain) on disposal of investments	(668,032)	5,910,933
Reversal of previously recognized unrealized gains (losses), on disposal of investments	1,349,372	(2,453,116)
Unrealized losses on investments, net	6,492,525	25,276,199
Amortization	88,329	72,637
Future income taxes	—	(4,487,004)
	(1,495,665)	(2,301,818)
Changes in non-cash working capital balances related to operations		
Advances to affiliated company	1,384,537	(379,637)
Prepaid and other receivables	(65,090)	588,389
Due to brokers	1,055,724	(3,110,301)
Accounts payable and accrued liabilities	(180,923)	133,630
Advances from affiliated company	669,254	4,824,203
Income taxes receivable	106,032	262,330
	1,473,869	16,796
Cash flows from financing activities		
Purchase of shares under buyback plan (note 7(b))	(94,398)	(132,900)
Proceeds from partial repayment of promissory note	—	22,500
Proceeds from issue of share capital	—	20,250
	(94,398)	(90,150)
Cash flows from investing activities		
Purchase of capital assets	(7,182)	(303,469)
Purchase of investments	(15,729,514)	(8,556,155)
Proceeds on disposal of investments	14,152,144	8,684,546
Restricted cash	350,000	50,000
	(1,234,552)	(125,078)
Net increase (decrease) in cash and cash equivalents during the year	144,919	(198,432)
Cash and cash equivalents, beginning of year	91,187	289,619
Cash and cash equivalents, end of year	\$ 236,106	\$ 91,187
Supplemental cash flow information		
Income taxes paid	\$ —	\$ 44,000
Interest paid	\$ 320,788	\$ 371,930

See accompanying notes to the consolidated financial statements