

Consolidated Statements of Cash Flows

Years ended December 31,

	2001	2000 (Restated, see note 3)
Cash flows from operating activities		
Net loss for the year	\$ (26,621,467)	\$ (11,561,180)
Items not affecting cash		
Loss (gain) on disposal of investments	5,910,933	(5,231,461)
Reversal of previously recognized unrealized gains (losses), on disposal of investments	(2,453,116)	18,234,162
Unrealized losses on investments, net	25,276,199	678,566
Amortization	72,637	15,657
Future income taxes	(4,487,004)	(3,281,503)
	<u>(2,301,818)</u>	<u>(1,145,759)</u>
Changes in non-cash working capital balances related to operations		
Advances to affiliated companies	(379,637)	574,448
Prepaid and other receivables	588,389	54,042
Due to brokers	(3,110,301)	1,708,763
Accounts payable and accrued liabilities	133,630	(442,623)
Advances from affiliated companies	4,824,203	1,132,590
Income taxes receivable	262,330	(546,322)
	<u>16,796</u>	<u>1,335,139</u>
Cash flows from financing activities		
Purchase of shares under buyback plan <i>(note 7(b))</i>	(132,900)	—
Proceeds from partial repayment of promissory note	22,500	22,500
Proceeds from issue of share capital	20,250	543,225
	<u>(90,150)</u>	<u>565,725</u>
Cash flows from investing activities		
Purchase of capital assets	(303,469)	(56,354)
Purchase of investments	(8,556,155)	(49,427,596)
Proceeds on disposal of investments	8,684,546	46,377,936
Restricted cash	50,000	(400,000)
	<u>(125,078)</u>	<u>(3,506,014)</u>
Net decrease in cash and cash equivalents during the year	(198,432)	(1,605,150)
Cash and cash equivalents, beginning of year	289,619	1,894,769
Cash and cash equivalents, end of year	\$ 91,187	\$ 289,619
Supplemental cash flow information		
Income taxes paid	\$ 44,000	\$ 378,657
Interest paid	\$ 371,930	\$ 268,067

See accompanying notes to the consolidated financial statements