

**MID-NORTH RESOURCES LIMITED**

**FINANCIAL STATEMENTS**

**JUNE 30, 2001**

**(Unaudited - Internally Prepared)**

**MID-NORTH RESOURCES LIMITED**  
**BALANCE SHEET**  
**JUNE 30, 2001**  
**(Unaudited - Internally Prepared)**

	2001 \$	2000 \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	558	12,196
Sales taxes recoverable	2,696	7,461
Prepaid expenses	1,008	-
	4,262	19,657
<b>CAPITAL ASSETS</b>	5,511	6,757
<b>MINING CLAIMS AND DEFERRED EXPENSES</b>	1,439,819	1,161,300
	1,449,592	1,187,714
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accrued interest payable	79,675	59,595
Accounts payable and accrued liabilities	142,674	40,093
Due to related parties	196,760	180,524
Note payable	30,060	30,060
	449,169	310,272
<b>SHAREHOLDERS' EQUITY</b>		
<b>CONVERTIBLE NOTES</b>	220,600	220,600
<b>SHARE CAPITAL</b>	3,314,719	3,086,494
<b>DEFICIT</b>	(2,534,896)	(2,429,652)
	1,000,423	877,442
	1,449,592	1,187,714

Approved on behalf of the Board:

“Signed by Robert B. Dunlop”  
 Robert B. Dunlop, Director

“Signed by William Aughey”

William Aughey, Director

**MID-NORTH RESOURCES LIMITED**  
**STATEMENT OF LOSS AND DEFICIT**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2001**  
**(Unaudited - Internally Prepared)**

	2001 \$	2000 \$
EXPENSES		
Professional fees	11,566	17,436
Automotive	6,653	5,215
Filing and registration fees	3,606	6,057
Rent	2,369	1,928
Travel	2,278	-
Office	1,804	3,672
Annual meeting	1,574	-
Interest on promissory note	1,202	1,199
Advertising and promotion	866	1,055
Amortization	679	588
Insurance	605	1,676
Bank charges	88	310
	<u>33,290</u>	<u>39,136</u>
NET LOSS FOR THE PERIOD	(33,290)	(39,136)
DEFICIT, Beginning of period	(2,492,782)	(2,386,164)
INTEREST ON CONVERTIBLE NOTES	(8,824)	(4,352)
DEFICIT, End of period	<u>(2,534,896)</u>	<u>(2,429,652)</u>
LOSS PER SHARE	<u>(0.002)</u>	<u>(0.004)</u>

**MID-NORTH RESOURCES LIMITED**  
**CASH FLOW STATEMENT**  
**FOR THE SIX MONTHS ENDED JUNE 30, 2001**  
**(Unaudited - Internally Prepared)**

	2001 \$	2000 \$
<b>CASH PROVIDED BY (USED FOR):</b>		
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(33,290)	(39,136)
Add non-cash items:		
Amortization	679	588
	(32,611)	(38,548)
Changes in other working capital elements		
Sales taxes recoverable	2,700	(1,603)
Accrued interest payable	10,026	10,000
Prepaid expenses	1,209	-
Accounts payable and accrued liabilities	2,177	(20,942)
Due to related parties	33,759	13,401
Cash flows provided by (used for) operating activities	17,260	(37,692)
<b>FINANCING ACTIVITIES</b>		
Issuance of shares	-	115,100
Interest on convertible notes	(8,824)	(8,800)
Cash flows (used for) provided by financing activities	(8,824)	106,300
<b>INVESTMENT ACTIVITIES</b>		
Purchase of capital asset	-	(1,740)
Increase in deferred expenses	(12,301)	(55,000)
Cash flows used for investment activities	(12,301)	(56,740)
<b>NET (DECREASE) INCREASE IN CASH DURING THE PERIOD</b>	<b>(3,865)</b>	<b>11,868</b>
CASH, Beginning of period	4,423	328
CASH, End of period	558	12,196