SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-KSB

[X] Annual report pursuant to Section 13 or 15(d) of The Securities Exchange Act of 1934

For the fiscal year ended September 30, 2002

[ ] Transition report pursuant to Section 13 or 15(d) of the Exchange Act

Commission file number 0-32663

BIOMASSE INTERNATIONAL, INC.

(exact name of small business issuer as specified in its charter)

Florida
(State or other jurisdiction of
incorporation or organization)

65-0909206
(IRS Employer Identification No.)

4720 Boulevard Royal, Suite 103, Trois Rivieres Ouest, Quebec, Canada G9A 4N1
(Address of principal executive offices)

(819) 374-3131
(Registrant's telephone number)

Check whether the issuer (1) filed all reports required to be filed by Section 13 of 15(d) of the Exchange Act during the past 12 months, and (2) has been subject to such filing requirements for the past 90 days.

YES [ ] NO [X]

As of September 30, 2002 the Registrant had 55,000,000 shares of its Common Stock outstanding

Transitional Small Business Disclosure Format: YES [ ] NO [X]

PART I

ITEM 1. BUSINESS

(a) Business Development

Biomasse International Inc. (the "Company"), a Florida corporation, was organized on March 19, 1999. The Company has not been involved with any bankruptcy, receivership or similar proceedings. The Company has not had any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets that is not in the ordinary course of business.

(b) Business of Issuer

The main business goal of Biomasse is to provide to the pulp and paper industry the most practical, economical and efficient way of giving enhanced value to the waste sludge (and other solid residues) generated by their wastewater treatment systems.

We have acquired and improved a waste-to-energy process originally developed by Marc Dufresne (1978) Inc., of Trois-Rivieres, Quebec This process is capable of processing pulp and paper mills waste sludge and wood residues in an efficient and environmentally-friendly way into steam. This innovative process integrates state-of-the-art technologies that combine fuel conditioning, efficient combustion, steam generation and flue gas treatment. The steam generated by this process can be used to generate electrical power or heat.

We believe that the North American pulp and paper industry is facing many challenges caused by an increasingly competitive world market. Pulp and paper plants in Canada are lagging behind their competitors in the U.S.A. and Europe in productivity and in quality of their products. It is generally accepted in the industry that globally, the industry is now in a restructuring phase to reduce its costs of operations and diversify its product line. Production of steam and power from waste sludge and other residues and minimal use of landfill is one of the solutions for the reduction of operating costs in the pulp and paper industry.

As is generally known, the pulp and paper industry produces, through its activities, enormous amounts of waste sludge. Production of pulp and paper generates by-products that exit the mill in waterborne, airborne or solid forms. As mills reduce their emissions of airborne particles by installing stack scrubbers and their waterborne particles and oxygen-consuming solutes by installing clarifiers and secondary treatment systems, more and more of these by-products end up in the solid residue stream. Thus, our research shows that the rising use of secondary treatment facilities is continuously increasing, considerably, the amount of sludge generated by this industry.

We are aware that the sludge is currently being buried, and this practice constitutes a method of disposal that has a major impact on the environment. As is generally known, landfill consumes valuable space, may lead to long-term leaching problems, and wastes the potential value of these residues. Due to the severe regulations covering the burial of these wastes, their disposal has become increasingly costly. New regulations in Quebec, in Canada and in the USA stipulate that landfill sites must be impermeable and that the lixivium, or liquid effluent, must be collected and treated to prevent water contamination and soil/ground water table contamination.

As is generally known, the organic substances found in the sludge tend to decompose once buried, leading to the formation of gases containing a large fraction of methane produced by anaerobic degradation of buried sludge and other organic constituents that substantially contribute to the greenhouse effect. These gases also contain strong smelling compounds that constitute a major source of odor pollution for neighboring populations. We are aware that this pollution, combined with the costs related to the management and the development of landfill sites, as well as the transport costs of sludge, that are bulky with a high water content, have led the pulp and paper mills to consider alternatives to landfill.

Waste sludge contains an important fraction of organic matter that has an attractive energy recovery potential. Our research shows that energy production from organically rich industrial wastes, such as paper mills sludge, is now considered by a majority of industrialized countries as an intrinsic aspect of a responsible care policy. This disposal approach involves several strategic advantages. This approach reduces the volume of residues to be buried by at least 90%. The production of energy using these wastes leads to significant economies in terms of traditional non-renewable fossil fuels, also providing a net reduction of the emission rates of gases believed responsible for the greenhouse effect.

However, pulp and paper mills' conventional combustion systems are either not well- suited or are simply inadequate for sludge combustion. For this reason the combustion of sludge in conventional systems often lead to:

- a decrease in the boiler's capability to produce steam with the addition of wet wastes;
- an important consumption of auxiliary fuel such as natural gas or oil to maintain boiler output and sufficiently high combustion temperatures due to inconsistency of waste fuel moisture and the high water content in the wastes;
- higher maintenance costs due to ash clogging in the boiler grate; and
- an increase in particle emissions and slag.

Our state-of-the-art process addresses the shortcomings observed in the currently used methods of energy production from pulp and paper wastes. Additionally, our solution is innovative in that it offers the customer a financing program. Our process can be designed, installed, operated and entirely financed by third parties. Our income is based on the sale of steam and electricity to the plant and/or on a transport charge for removing the sludge from their premises. The main economical and environmental advantages of our process can be summarized as follows:

- no investment costs and minimal operation costs for the pulp and paper mill customer;
- reduction of more than 90% of solid waste to be buried; extensive reduction of management costs of landfill, sludge transportation and handling costs;
- reduction of maintenance costs on inadequate conventional boilers burning sludge;
- increase in total efficiency of the existing steam facilities by using available flue gases of existing boilers;
- reduction of the total amount of traditional non-renewable fossil fuels used in the plant;
- elimination of methane emission of landfill and reduction of the global emission rates of gases responsible of the greenhouse effect;
- elimination of problems related to odorous emission of landfills.

Our company offers our process to the pulp and paper mills in a progressive strategic sequence. This sequence first begins with an evaluation of the feasibility and profitability of a Waste-to-energy project for both parties. As a marketing tool, we will provide this evaluation at no cost to mills where we believe the possibility exists for us to introduce our process.

Additionally, in the medium term, we plan to modify and adapt our process to new applications such as power generation from the organic fraction of the municipal solid wastes.

The North American pulp and paper industry is a cornerstone of the American, Canadian and Quebec economies, employing several tens of thousands of workers in regions across North America. There are approximately 379 mills in the U.S. and 121 mills across Canada with 64 in Quebec alone.

Canada's, and particularly Quebec's, pulp and paper industry has always been synonymous with massive exports. Due to market globalization and strong international competition, this industry constantly has to reach new customers and meet new demands. To increase its productivity, diversify its production and improve its environmental performance, the pulp and paper industry in Quebec has proceeded with massive investments over the years. In the pulp and paper sector, capital expenditures reached $6.4 billion between 1987 and 1997, representing 20 % of all manufacturing investments made in Quebec. Between 1989 and 1996, Canadian mills spent $3.7 billion on the biggest environmental upgrade in the industry's history. During the same period, the industry invested $1.0 billion in building up the capacity to recycle recovered paper. Today, 23 mills across Canada are capable of recycling, and 62 mills use recovered paper in whole or in part as a source of fiber.

Technical challenges facing the North American industry are centered on using recycled materials cost-effectively, meeting environmental regulations, and reducing energy and operation costs. Other pressures include the diminishing amount of land available for tree farms and landfill, and a lack of capital for carrying out long-term research and development projects.

As the dynamics of the industry have been changing, the North American pulp and paper industry began facing several challenges. Below are the main threats the North American industry faces today:

- Although global consumption of papers is on the increase, this increase has been mainly in foreign markets, particularly in the Far East. This forces North American companies to have to compete for the world market against worldwide paper companies, putting downward pressure on prices and upward pressure on quality and technology.

- To be able to be competitive globally, companies have to be present in the potentially large and growing markets. To achieve that, many foreign companies have merged, combining resources and increasing their presence worldwide. This places additional pressure on companies to increase their exposure in these markets and to become more efficient.

- As capacity in North America is increasing, prices are likely to drop and companies would have to operate more efficiently to maintain the same level of profitability.

Given the above stated challenges, we believe that in order to compete in today's environment, pulp and paper companies have to satisfy the following four conditions:

1. Low production costs: The four main elements of production costs that have to be optimized are:

    - Lower cost of the fiber by increasingly finding close and abundant sources of recycled paper;

    - Improving the efficiency of the equipment by gradually replacing old machinery with newer ones;

    - Lower cost of labor by exerting pressure on unions to become more in line with the realities of the international global market; and

    - Reducing energy and operating costs by increasing the fraction of solid residues (wood and sludge) used for steam and electricity generation and reducing operating costs related to the landfill management.

    Our process aims to considerably reduce the residues and landfill management costs, and to recycle these residues in a practical form: steam and power generation at low costs, contributing to reduce the global production costs of the mills.

2. Market diversification: Since the fastest growth is being found in Asia and to a lesser extent in Europe, it is important that US, Canadian and Quebec companies penetrate these markets effectively. Competing in these markets implies reducing their production costs as described above to price their products in parity with the other global companies;

3. Product diversification: New types of paper have to be developed to meet the increasingly demanding needs of consumers. Companies also have to shift their focus from the declining newsprint paper segment and focus more on writing and printing paper and specialized paper which commands higher profit margins;

4. Meeting Environmental Regulations: Pulp and paper plants are on the constant lookout for alternatives and less expensive methods to reduce the total amount of traditional non-renewable fossil fuels used in the plant, elimination of methane emission of landfill and reduction of the global emission rates of gases believed responsible for the greenhouse effect, and elimination of problems related to odorous emission of landfills.

The solid waste management and disposal practices by the U.S. Industry was studied in 1992 by the National Council of the Paper Industry for Air and Stream Improvement, Inc., as reported in their Technical Bulletin 641. The total amount of solid wastes generated by the American pulp and paper industry in 1989 alone was estimated in this study to be 12.3 millions dry metric tons. The total amount of sludge generated in the same year was estimated to be 4.2 million dry metric tons. Sludge consists of fibers, organic matter, ash, inert matter and moisture. When the amount of sludge generated is expressed on a dry basis, the moisture content is excluded. For example, a mill that produces 50,000 dry metric tons per year of sludge having 70% moisture content generates 166,667 metric tons per year of humid or wet sludge. In 1989, the amount of sludge being use as landfill or lagooned accounted for approximately 70% of the total, while burning for energy accounted for approximately 21%. This shows a growing trend to energy conversion that almost doubled during the previous ten years. In 1979, the amount of sludge being used as landfill or lagooned accounted for 86% of the total, while burning for energy accounted for 11%. The considerable amount of sludge being carted to landfills every day represents an important amount of fuel for our process. The overall average total disposal costs for mills using landfill sites constructed since 1985 was $9.80 per cubic yard or $20.84 per wet metric ton, compared to an average for all sites, regardless of age, of $6.40 dollars per cubic yard or $13.61 per wet metric ton. This data represents current total landfill disposal costs consisting of capital plus operating costs. Estimated costs for disposal of solid wastes in new as yet un-constructed landfill sites were reported in this study to be approximately $15 per cubic yard or $31.90 per wet metric ton. Consequently, the 1989 annual total direct costs of sludge used as landfill in the U.S. is estimated to have been more than $146 million for the pulp and paper industry alone. This estimate is based on an average sludge humidity of 72.6%, and an average cost of landfill of $13.61 per wet metric ton. The process offered by Biomasse enables the pulp and paper mills to avoid most of these sludge disposal costs.

In early 1990, approximately one-half of the industry's landfill sites had less than 6 years capacity remaining. Approximately 80 percent of the landfill sites had less than 20 years capacity remaining. It was estimated back in 1990 that by the end of 1999, the paper industry would require approximately 200 new landfill sites or major expansions on existing sites, with a total additional area of approximately 10,000 acres. This assumed that the amounts of solid waste would remain unchanged by 1999.

The generation and management of solid waste residues by the Canadian pulp and paper mills were studied in 1995 by the Pulp and Paper Research Institute of Canada. Statistics and information presented in this section originate from this study. In 1995, the amount of solid residues generated by the Canadian paper industry was estimated at 7.3 millions of dry metric tons per year. Of this total, 47% was wood and bark used for fuel, 13% was wood and bark not used as fuel, 23% was sludge, 12% was inorganic, and 5% was in a miscellaneous category. Generation of secondary sludge increased by 247% from 1994. Sludge generation rates represents 44% of the total generation rates for solid residues other than wood and bark used as fuel. In 1995, almost half of the total generated sludge was deposited in landfill sites. The real generation of sludge is 5,705,000 metric tons per year, when their respective mean moistures are considered. The following table summarizes the generation rates of solid residues by the Canadian industry, in 1995:

Solid residues		Generation rates (thousands metric tons/year)	%
Sludge	Fraction of total sludge generation: 1704		23%
	Primary sludge:	42%	
	Secondary sludge:	26%	
	Deinkink sludge:	12%	
	Combined sludge:	18%	
	Intake sludge:	2%	
Wood and bark		4354	60%
Inorganics		873	12%
Miscellaneous		375	5%
TOTAL:		7306	100%

Use of landfill is still a dominant option for solid residues management. Of the waste used as landfill, 82% goes to private sites owned by the paper mills instead of public landfill sites. Land-spreading, composting and recycling account for only a small fraction of the residues. In 1995, approximately one third of the sludge was burned. A small fraction of the sludge, approximately 13%, were land spread or composted, but almost half of the total sludge generated was deposited in landfill sites. Much of the increment in secondary sludge is used as landfill, despite the problems that secondary sludge produces in these sites. Sludge management is considered to be among the most frequent concerns of the pulp and paper industry. Incineration of sludge is confirmed as a major problem in recent study. A lot of mills have chosen the use of landfill as a temporary measure, intending to find better ways to use sludge in the longer term. The amount of sludge available for utilization in Canada was reported by the Pulp and Paper Research Institute of Canada, in its April 1997 report, to be approximately 1,159,000 dry metric tons per year. The amount of wood and bark was approximately 868,000 dry metric tons per year in the same study. The costs of sludge and residues land filling outlined herein was estimated with the help of local Canadian pulp and paper associations. The estimated costs include handling and transportation, and management of the landfill site. They exclude any investment or social costs. These costs are estimated to range between $3.41 and $23.86 per wet metric ton, with a mean of approximately $8.18 per wet metric ton. Consequently, the annual (1995) total direct costs of wood residues and sludge land filling in Canada can be estimated to have been more than $37 million for the pulp and paper industry alone. The amount of solid residues generated by the Quebec industry was estimated in 1998 by the Environmental Ministry of Quebec to have been 3.1 millions of wet metric tons. Of this total, the total amount of generated sludge is 1,800,000 wet metric tons (58%) with 690,000 wet metric tons that were buried (38%). In Quebec, the 1998 estimated total direct costs of wood residues and sludge land filling is estimated to have been more than $8.2 million.

Much work has been done with land application of pulp and paper mill sludge in the last 15 years. In volume 96 of Pulp and Paper Canada, Pickell and Wunderlich studied the practices and future options of sludge disposals. As mentioned in this study, the sludge has been successfully used as a replacement for manure in agricultural applications, as well as for land reclamation projects. There seems to be no available data about the costs of these applications. The lowest cost method of spreading the sludge appears to be by using dry applications that eliminate the need to re-wet the sludge before spreading. Recent studies published by Pulp & Paper Canada, 1995, show that the projected costs for this approach could be reduced to $38.17 per wet metric ton to apply approximately 36,000 wet tons onto 400 hectares. Finally, composting has been examined but has not gained a lot of support as the process can require a considerable capital investment for equipment and buildings. Odor can also be a problem and production costs can be as high as $20.45 per ton, and the market for compost is limited.

Our process

The basis of our process is the transformation of solid organic wastes into steam. Steam is the most convenient source of energy that is used in pulp and paper plants for heating, drying or for any other energy-intensive process. Our operation combines the service of transporting waste sludge and wood residues brought from the plant to the process, solid fuel preparation, minimizes solid fuels storage, efficient combustion, steam production and flue gases treatment. The available flue gases from new and existing boilers are used to thermally dry solid fuels and/or preheat combustion air. Our process offers the possibility to operate in mixed combustion to produce steam. The process is flexible and easily adapts itself to the individual conditions of each pulp and paper mill. The main objective of the flexibility and adaptability features of the process is to maximize the use of components and utilities that are already available on site, and that can be incorporated into our process. This approach aims to minimize the investment and operational costs, benefiting both parties. For example, these components and utilities can be

- stocking yards;
- exhaust chimney;
- main-power to operate our system;
- treatment and processing of the process outputs:
- filtered exhaust gases; o wet scrubber liquid output in the mill's waste water treatment basin;
- solid boiler outputs such as ash and clay for land filling;
- electricity to operate our process;

- operating control room;
- condensation processing and pumping; and
- existing buildings to install our equipment.

Our process was externally evaluated by known experts of the chemical engineering department of the Ecole Polytechnique de Montreal (Engineering School of the Montreal University) and their findings were published by Guy and Legros in June 1997 in the University Journal. This scientific evaluation of our process validated the principles of its technology.

The product that we sell is steam and/or a combination of steam and electricity, if the project integrates a cogeneration system. We do not intend to sell the production system that generates the end product. We plan merely to sell the output: steam and electricity. Our plan is to bill our customers based on the volume of steam generated. We will also charge a transport fee for the sludge admitted to the process. We will not charge for the installation, operation and maintenance of the system. The pricing is set on the basis of 1,000 lbs of steam produced and the amount of produced and delivered power (kWh). And will be dependent on the each mill's guarantee to buy a minimum amount of steam (and kWh) from us, and provide a minimum constant mass flow of waste sludge and wood residues, if available. The price of the steam is also based on the confirmed investment, installation, operating and maintenance costs, financing costs of the project to us, as well as the number of components and utilities provided to us by the pulp and paper mill. Due to union regulations, we will be unable to have our employees operate the system. As a result, the mill will provide the personnel to operate the system. We will train the operator(s) as part of our service, but the mill will be completely responsible for paying the salary and benefits of the operator(s). However, these expenses will be charged back to us and are calculated and incorporated into our pricing model. We will remain the owner of the process and contractually sell the steam over a period of time, selected by us to achieve a return on our investment with a reasonable built in profit. The pulp and paper mill can capitalize its gains at the end of the contract.

Our responsibilities can be summarized as follows:
- design of the process taking into account available components
- manufacturing and subcontracting of process components
- installation and start-up of the process
- operation and maintenance of the process which can be done in collaboration with or by the customer's operator, supervised by our representative

The customer's responsibilities can be summarized as follows:
- salary of the provided operator
- environment conformity permits for operation
- components and utilities that can be provided advantageously, by the plant

The primary target market for our process is the North American pulp and paper industry. Once established in this industry, we intend to offer our process to the wood processing industries (saw mills, furniture manufacturers, etc.). In the longer term, we plan to adapt our process to generate power from another problematic solid residue: the organic fraction of municipal solid wastes. After realizing a few projects in North America, we expect to also expand our market to other continents if opportunities are offered. There are approximately 500 pulp and paper mills in North America. Based on available studies, these mills generate more than 19.6 million of dry metric tons of solid residues per year. The real generation of wastewater treatment sludge can be estimated to be 21 million of wet metric tons per year. As discussed earlier, wet residue is sludge with a high moisture content making it heavier and more difficult to dispose of in an environmentally safe fashion. The total direct costs of sludge sent to landfill sites in North America can be estimated to more than $200 million annually. A large fraction of the North American pulp and paper mills do not currently attribute any enhanced value to this residue that we have shown can be efficiently transformed into valuable steam and electricity and contribute significantly to reductions in their production costs. We also intend to capitalize on the fact that pulp and paper companies often operate several plants in the same state or geographic region. Once our processes has been installed in one plant and its benefits become clear, the installation of the process in other plants of the same paper company can reasonably be expected.

We believe that after the industry sees the success of our initial installations that we will be able to obtain more contracts. Our first objective is to identify the most profitable "sludge & residues-to-energy" projects in North America. To enable us to target the projects with the most profit potential, we have contracted with the engineering firm, McBurney of Norcross, Georgia to assist us in analyzing the needs of potential clients. Using publicly available data, we are able to survey information on likely candidates and perform preliminary determinations of projects that would be the most profitable for us. To do so, we have developed a questionnaire soliciting information from most likely potential customers on their solid waste management and current disposal practices. Typical required information are: flow rate generation of sludge and other wood residues, solid wastes disposal costs, age of currently used landfill and availability of landfill sites, residues combustion problems, landfill site management problems, de-watering problems, utility costs, fuel costs, current costs of steam production by the mill, sludge characteristics, etc.

Thereupon, we intend to follow up by establishing direct contact with management and the engineering department of those pulp and paper mills that have been deemed most suitable for us. We intend to establish a direct contact with the management and the engineering of the most suitable pulp and paper mills. We will offer our expertise and services to evaluate the feasibility and the profitability of a waste-to-energy project, for both parties, in collaboration with the mill. This collaboration will be dictated by involvement agreements. The proposed studies could be partially or fully financed by the mills. Our analyses will be proposed with an optimal sharing of responsibilities, as outlined previously under the product, pricing and benefits sections. We further intend to promote our process in industry trade shows, public seminars and in industry publications. We will intensify this promotion of our process and approach once we have completed our first major Waste-to-Energy project.

Competition

The Company believes that the combination of our improved steam generating process, and the "turnkey" business model offered to the industry has no direct competition. In addition, the specialized boilers used in our process, that are uniquely designed and built by McBurney are available to us exclusively when sold to any Canadian clients initially contacted by us.

Environmental costs

We currently have only negligible expenses relating to environmental compliance laws. Our process was specifically designed to be environmentally-friendly and to comply with generally popular environmental laws. Based upon our research, we do not expect to incur any significant expenses in adapting our process to comply with local environmental laws in the jurisdictions we are marketing our process. Approximately 20% of our equipment expenses for installing our system is for environmental compliance. This cost is built into our pricing.

Employees

We currently have four full time employees, three of whom are senior management. One is engaged in financial activities, one is in charge sales and marketing activities and one oversees our legal and compliance issues. Additional financing permitting, we intend to hire up to three additional employees. None of our employees are represented by a labor union. We believe that relations with our employees are good.

ITEM 2. PROPERTIES

The Company maintains its corporate offices at 4720 boulevard Royal, Suite 103, Trois-Rivieres-Ouest, Quebec,Canada where we have approximately 1,115 square feet at an annual rental of US $8,600 including all utilities and applicable taxes. The property is leased for three years expiring June 30, 2004.

ITEM 3. LEGAL PROCEEDINGS

The Company entered into an agreement to secure financing whereby the Company would receive $250,000 US at the signing of a 12% secured convertible debenture and an additional $250,000 US in the near future. The $500,000 US debenture is convertible into common stock at a conversion price of the lesser of $.225 or the average of the lowest 3 inter-day trading prices during the 20 trading days immediately prior to the conversion date discounted by 50%. The debenture holder will also receive for each $1.00 of debenture investment, warrants to purchase 3 shares of the Company's common stock. The warrant term shall be for three years. The exercise price of the warrant is the lessor of of $0.107, subject to adjustment under certain antidilution provisions, and the average of the lowest three inter-day trading prices for our common stock during the twenty trading day period ending one trading day prior to the date of exercise. During the current year, the debenture holder filed suit against the Company for non compliance with the terms of the agreement. At September 30, 2002 the Company had no legal representation on this matter. The Company has been in negotiations with the debenture holder to settle this matter without any further legal proceedings.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5. MARKET PRICE OF COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) The Company's common shares commenced quotation on the NASD Bulletin Board June 21, 2001 and continues to be quoted under the ticker symbol BIMS.

Quarter ended	High	Low
September 30, 2002	0.13	0.02
June 30, 2002	0.29	0.05
March 31, 2002	0.21	0.90
December 31, 2001	1.35	0.85
September 30, 2001	1.55	1.01
June 30, 2001 (1)	0.87	1.25
March 31, 2001	N/A	N/A
December 31, 2000	N/A	N/A

(1) from June 21, when quotation commenced.

(b) Holders: As of September 30, 2002, the Registrant had 55,000,000 shares of its Common Stock outstanding, held by approximately 89 shareholders. Of the 55,000,000 shares of common stock outstanding, 29,208,167 are currently subject to the resale restrictions and limitations of Rule 144. In general, under Rule 144 as currently in effect, subject to the satisfaction of certain other conditions, a person, including an affiliate, or persons whose shares are aggregated with affiliates, who has owned restricted shares of common stock beneficially for at least one year is entitled to sell, within any three-month period, a number of shares that does not exceed 1% of the total number of outstanding shares of the same class. In the event the shares are sold on an exchange or are reported on the automated quotation system of a registered securities association, you could sell during any three-month period the greater of such 1% amount or the average weekly trading volume as reported for the four calendar weeks preceding the date on which notice of your sale is filed with the SEC. Sales under Rule 144 are also subject to certain manner of sale provisions, notice requirements and the availability of current public information about us. A person who has not been an affiliate for at least the three months immediately preceding the sale and who has beneficially owned shares of common stock for at least two years is entitled to sell such shares under Rule 144 without regard to any of the limitations described above.

As at September 30, 2002, the Company had 3,659,657 warrants issued and outstanding. Each Warrant entitles the holder to purchase one Share of restricted Common Stock at an exercise price of $1.10, subject to adjustment, until January 31, 2004. For the shares underlying these warrants, 119,592 have no registration rights, and for 3,543,400 warrants, the underlying common shares were registered through an SB-2 registration statement date April 11, 2001.

(c) Dividends: The Company has had no earnings to date, nor has the Company declared any dividends to date. The payment by the Company of dividends, if any, in the future, rests within the discretion of its Board of Directors and will depend, among other things, upon the Company's earnings, its capital requirements and its financial condition, as well as other relevant factors. The Company has not declared any cash dividends since inception.

ITEM 6. PLAN OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and related notes that are included under Item 7. Statements made below which are not historical facts are forward-looking statements. Forward-looking statements involve a number of risks and uncertainties including, but not limited to, general economic conditions, our ability to complete development and then market our services, competitive factors and other risk factors as stated in other of our public filings with the Securities and Exchange Commission.

Our main business purpose is to provide the pulp and paper industry with the most practical, economical and efficient way of disposing of the sludge they produce as a by-product of their operations. Our proprietary technology also allows us to give enhanced value to the waste sludge and other residues generated by their wastewater treatment systems. We own a process to convert, by combustion, in an environmentally safe manner, the waste residue produced by pulp and paper mills into steam. We intend to profit by charging mills for the disposal of their sludge by converting it to steam, which will be less than they are currently paying for shipping and storage of waste sludge. As an added benefit to the mill, it can, in turn, use the steam as energy thereby creating a low cost, clean energy source.

We signed our first agreement on April 12, 2002 with J. Ford Ltee., a pulp and paper manufacturer in Quebec, Canada. This agreement is for five years with a revenue stream of approximately $1 million US per year to Biomasse. The equipment for this projuect is in the construction phase and we anticipated the project to begin generating revenue by December 2002. Due to financing difficulties we experienced with this project, the installation has yet to take place and tentatively is scheduled to begin in the later part of the second calendar quarter of 2003, which postpones our revenue generation to October 2003 from this project.

We intend to concentrate initially on the North American pulp and paper companies. During the past year we identified several potential customers, The Great Northern Paper Company of Millinocket, Maine and Kruger in Bromptonville, Quebec. We completed the profitability and feasibility studies for these installation and based upon the study's very positive conclusions, we believe we are close to finalizing a ten-year contract for the sale of steam utilizing our process with both of these organizations in the near future. Once these contracts are finalized, a nine to twelve month installation process will ensue. We do not expect to generate any substantial revenue until the installation is completed and the system has been tested and is operational. Our studies indicate that the cost of equipment and installation for a plant suitable for Great Northern Paper Company and Kruger Bromptonville is estimated at approximately $7,000,000 and $9,200,000 respectively.

Liquidity

As reflected in our September 30, 2002 balance sheet, we have minimal cash on hand. The Company's operations are not generating sufficient cash to maintain its present operations. The Company had a negative working capital of approximately $864,372 at September 30, 2002. The company has reviewed all non-essential activities and expenditures and has aggressively curtailed these items to assist in reducing the cash used in operating activities. Monthly operating expenses including rent, communications, travel, consulting, and professional fees and other general and administrative are approximately $30,000. When we listed on the OTC bulletin board, the number of our employees increased to four with the addition of a Vice President of Legal Affairs as well as an administrative person. Once this happened, executive and management salaries are estimated to be approximately $20,000 per month. We have several options to fund the above monthly expenditures: In our contract with the pulp and paper manufacturers, we are requiring a deposit with the signing of the contract of approximately one months revenue. In the case of the J Ford Ltee project, that equates to approximately $83,000 US. These deposits will then contribute to the satisfying our overall monthly expenditures. Additional capital and/or borrowings will be necessary in order for the Company to continue in existence until attaining and sustaining profitable operations. The Company is aggressively pursuing strategic alliances which will bring a cash infusion, restructuring and a forward looking business plan.

ITEM 7. FINANCIAL STATEMENTS

The financial statements are included herein commencing on page F-1.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT.

Name	Age	Position
Benoit DuFresne	39	President and Director
Jean Gagnon	57	Vice President, Secretary and Director
Pierre H. Vincent	47	Vice President – Legal and Governmental affairs and Director
Maurice Robert	52	Director
Marcel Mongrain	69	Director
Denis Durand	47	Director

Benoit Dufresne, President

Mr. Benoit Dufresne was educated in biotechnology and business law and has specialized training in communications from the Canadian Army. He worked as financial director for Marc Dufresne (1978) Inc. from 1986 to 1999. During this tenure, he managed a budget of over $10,000,000 for Sibco Inc., an international conglomerate consisting of over 12 corporations. Mr. Dufresne was vice-president of Thermaltech Afrique S.A., a Moroccan corporation specializing in energy technology from 1994 to 1998. Also, from 1987 and continuing until 1998, he was president of, and active on a part-time basis for, Thermaltech Canada inc., a corporation specializing in various technologies related to the energy industry.

Mr. Jean Gagnon, Chief Financial Officer

Mr. Jean Gagnon has more than twenty years of experience in the financial markets industry including, marketing analysis, business development, planning and organizing, restructuring and reorganizing, problem solving and contract negotiation. From 1981 to 1987, Mr. Gagnon was the director of sales and marketing for the financing firm Borg Warner Acceptance Canada. In 1987, Mr. Gagnon founded Societe Merivel Inc., a consulting firm specializing in commercial leasing. The company was responsible for the implementation and administration of many companies for which he created, presented and negotiated successfully more than 3,000 contracts in commercial leasing activities with different financial institutions. He was president of Societe Merivel until 1995. In 1996, Mr. Gagnon joined Bombardier Capital as director of operations and business development for this financing firm until 1998, during which year he became VP finance for the predecessor project to Biomasse.

Mr. Pierre H. Vincent, Vice President Legal and Governmental Affairs

Mr. Pierre H. Vincent is a practicing lawyer since his admission to the Quebec Bar in 1976 and he also holds a Masters degree in Commerce from University of Sherbrooke. Aside from his law practice, from 1995 to 1998, Mr. Vincent was VP Legal Matters for Uniforet Inc., a Quebec based public company in the forestry industry. During this period he was responsible for legal matters, strategies and activities related to the environment. He was also corporate secretary responsible to define and implement a strategic plan concerning the environmental policy for Uniforet. For nine years, during 1984 to 1993, he sat as a Member of Parliament for the Canadian Government. During this period he was, at various times, Minister of Environment, Minister of Consumer and Business Affairs, Parliamentary Secretary to the Minister of Finance, to the Vice Prime Minister and to the Minister of Revenue.

Mr. Maurice Robert, Director

Mr. Maurice Robert is a professional mechanical engineer specializing in project management. Mr. Robert has a degree in Mechanical Engineering and a Masters Degree in Arts. Since 1998 he has been president and chief executive officer of Polydex Inc., a company which specializes in international development and consulting engineering in the construction industry. From 1981 to 1998 he was an associate at VFP Consultants Inc., during which time he managed a team of 30 professional engineers and technicians and was director and technical director of the mechanical engineering department.

Mr. Marcel Mongrain, Director

Mr. Mongrain, President of Marlu inc., businessman, is best known for owning and operating, over the past 25 years, 10 McDonald's franchises, creating over 400 jobs and generating over 23 million dollars of business yearly. By establishing the very first franchise in the area, followed by 8 other locations and the very first bistro type McDonalds in Quebec, he has become a well known and respected businessman in the Trois-Rivieres and surrounding areas.

Mr. Denis Durand, Director

Mr. Denis Durand holds a Masters degree in Economics from Universite Laval. Since 1993, he has been a senior partner at Jarislowsky Fraser limited, a firm of investment consultants located in Montreal. He has also occupied different positions at some well-known companies since the beginning of his career in 1973. He also sits on a few other boards of directors.
Directors serve for one year terms and until replaced at an annual meeting of shareholders.

Indemnification of Directors and Officers

Section 145 of the Florida General Corporation Law, as amended, authorizes the Company to Indemnify any director or officer under certain prescribed circumstances and subject to certain limitations against certain costs and expenses, including attorney's fees actually and reasonably incurred in connection with any action, suit or proceeding, whether civil, criminal, administrative or investigative, to which a person is a party by reason of being a director or officer of the Company if it is determined that such person acted in accordance with the applicable standard of conduct set forth in such statutory provisions. The Company's Certificate of Incorporation contains provisions relating to the indemnification of director and officers and the Company's By-Laws extends such indemnities to the full extent permitted by Florida law. The Company may also purchase and maintain insurance for the benefit of any director or officer which may cover claims for which the Company could not indemnify such persons.

Compensation of Directors

Directors are to receive, each, a $500 honorarium for each attendance at a Board of Directors meeting, plus an annual stipend of $2,000 to cover expenses, plus 20,000 warrants per year to a maximum of 100,000 warrants. These warrants have an exercise price of $1.10 and an expiry date of approximately three years post issuance. As at September 30, 2002, no warrants have as yet been issued.

ITEM 10: EXECUTIVE COMPENSATION.

(b) Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Other Compensation	Long Term Compensation (Options)
Benoit DuFresne	2002	100,000	-	10,000 (1)	-
President	2001	49,600	-	10,200 (1)	-
Jean Gagnon	2002	82,400	-	-	-
Vice President	2001	40,900	-	-	-
Pierre H. Vincent	2002	50,000	-	-	-
Vice President	2001	16,600	-	-	-

(1) Car allowance

(c) Option/SAR Grants in Last Fiscal Year

None

(d) Aggregated Option/SAR Exercises in Last Fiscal Year and FY-End Option/SAR Values

None

(e) Long-Term Incentive Plans – Awards in Last Fiscal Year

None

(f) Compensation of Directors

Director are to receive each an $500 honorarium for each attendance at a Board of Directors meeting, plus an annual stipend of $2,000 to cover expenses, plus 20,000 warrants per year to a maximum of 100,000 warrants. These warrants have an exercise price of $1.10 and an expiry date of approximately three years post issuance. As at September 30, 2001, no warrants have as yet been issued.

(g) Employment contracts and termination of employment and change-in-control arrangements

On January 1st, 2000, Mr. Benoit Dufresne entered into a five (5) year employment agreement commencing January 1st, 2000. The agreement provides for an annual salary of $85,000. Mr. Dufresne may also receive bonuses as determined by the board of directors.

On January 1st, 2000, Mr. Jean Gagnon entered into a five (5) year employment agreement commencing January 1st, 2000. The agreement provides for an annual salary of $70,000. Mr. Gagnon may also receive bonuses as determined by the board of directors.

On May 1, 2001, Mr. Pierre Vincent entered into a (5) year employment agreement commencing on June 1, 2001. The agreement provides for an annual salary of $50,000. Mr. Vincent will also earn warrants for his activities as a member or the board of directors. He may also receive bonuses as determined by the board of directors.

(h) Report on repricing of options/SARs

None

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information as of September 30, 2002 regarding the beneficial ownership of the Company's Common Stock, Class B $.001 par value, as of the date hereof and after the Offering by (i) each person known by the Company to own beneficially more than five percent of the Company's outstanding shares of Common Stock, (ii) each director and executive officer of the Company who owns shares and (iii) all directors and executive officers of the Company as a group. Unless otherwise indicated, all shares of Common Stock are owned by the individual named as sole record and beneficial owner with exclusive power to vote and dispose of such shares. None of the people listed below owns any other securities of the Company. There are no arrangements which may result in a change in control of the Company.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percentage of Class
Benoit DuFresne (1)	8,820,359	16.04
Jean Gagnon	1,923,957	3.50
Societe Merivel Inc. (2)	4,535,689	8.25
W.A.F.A. Investment Corp (3)	6,633,819	12.06
Abdel Jabbar Abouelouafa (4)		
Sibco Inc. (5)	5,346,460	9.72
Marc Dufresne (6)	950,565	1.73
Douglas Furth	6,881,000	12.51
Sarah Speno	10,000,000	18.18
All officers and directors as a group (2 persons)	18,190,876	33.07

(1) Does not include the securities owned by Sibco Inc. or Marc Dufresne (1978) Inc.
(2) Controlled by Jean Gagnon, our Vice President Finance.
(3) Owned by W.A.F.A. TRUST which is controlled by the Abouelouafa family.
(4) Mr. Abouelouafa is our consultant. Does not include shares and warrants held by W.A.F.A. Investment Corp.
(5) Owned by Benoit and Simon Dufresne.
(6) Owned 50 % by Sibco Inc.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

None

ITEM 13. EXHIBITS, FINANCIAL STATEMENTS, AND REPORTS ON FORM 8-K

(a)

1. Financial Statements The financial statements are listed in the Index to Financial Statements on page F-1 and are filed as part of this annual report.

2. 99.1 and 99.2 Certification, dated February 19, 2003, of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

3. None.

(b) Reports on Form 8-K: None.

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Biomasse International, Inc.

We have audited the accompanying balance sheets of Biomasse International, Inc. as of September 30, 2002 and 2001 and the related statements of operations, shareholders' equity (deficiency) and cash flows for the year 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 generally accepted auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Biomasse International, Inc. at September 30, 2002 and 2001, and the results of its operations and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 5 to the financial statements, the Company has experienced an operating loss for the fiscal year ended September 30, 2002. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Mark Cohen
Mark Cohen C.P.A.
A Sole Proprietor Firm

Hollywood, Florida
December 31, 2002

BIOMASSE INTERNATIONAL, INC.
(A COMPANY IN THE DEVELOPMENT STAGE)
BALANCE SHEET

Assets

	September 30, 2002	September 30, 2001
Current Assets		
Cash and cash equivalents	$ 314	$ 1,350
Receivables, net	73,987	685
Other current assets	12,904	10,781
Total current assets	87,205	12,815
Property and equipment, net	16,541	24,670
Prepaid equipment costs	472,614	-
Intangibles, net	34,528	56,528
Other assets	3,434	8,234
Total assets	**614,323**	**102,246**
Liabilities and Shareholder's Equity		
Current Liabilities		
Bank overdraft	10,400	1,814
Accounts payable and accrued expenses	567,020	170,369
Accrued salaries and payroll related benefits	195,399	48,977
Deferred Revenue	125,082	-
Other current liabilities	53,676	56,601
Total current liabilities	951,577	277,761
Convertible debenture	250,000	-
Shareholder's Equity		
Common Stock, class A, $1.00 par value; authorized 5,000,000 shares; issued and outstanding 0 in 2002 and 2001	-	-
Common Stock, class B, $.001 par value; authorized 55,000,000 shares; issued and outstanding 55,000,000 and 16,223,280 respectively	55,000	19,135
Paid in Capital	1,315,702	649,344
Treasury Stock	-	(2,912)
Deficit accumulated during the development stage	(1,948,115)	(841,082)
Accumulated other comprehensive income/(loss)	(9,841)	-
Total Shareholder's Equity	(587,255)	(175,514)
Total liabilities and shareholder's equity	**$ 614,323**	**$ 102,246**

Read the accompanying summary of significant accounting notes to financial statements, which are an integral part of this financial statement.

BIOMASSE INTERNATIONAL, INC.
(A COMPANY IN THE DEVELOPMENT STAGE)
STATEMENT OF OPERATIONS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001
FROM INCEPTION (MARCH 19, 1999) THROUGH SEPTEMBER 30, 2002

	Year Ended September 30,		Inception (March 19, 1999)
	2002	2001	September 31, 2002
Revenues:	$ 15,284	$ 54,667	$ 69,951
Cost of Revenues:	1,811	58,724	60,535
Gross Profit	13,473	(4,057)	9,416
Operating Expenses:			
Travel	25,272	20,458	84,875
Professional fees	84,036	29,859	203,982
Consulting fees	496,198	122,313	686,332
Salaries and payroll related benefits	292,159	76,528	368,687
Rent	12,288	15,090	40,911
Depreciation	5,565	1,341	7,489
Amortization	22,000	22,000	75,472
Selling, general and administrative expenses	182,177	56,086	290,528
	1,119,694	343,674	1,758,276
Operating Loss	(1,106,221)	(347,731)	(1,748,861)
Other Income/(Expense)			
Interest Income - related party	48	178	872
Interest Expense	(860)	(326)	(1,186)
Foreign exchange	-	1,059	1,059
Loss on impairment of asset	-	(200,000)	(200,000)
Total Other Income	(812)	(199,089)	(199,255)
Net Loss	(1,107,033)	(546,821)	(1,948,115)
Basic weighted average common shares outstanding	21,681,391	16,052,108	
Basic Loss per common share	$ (0.0510)	$ (0.0217)	

Read the accompanying summary of significant accounting notes to financial statements, which are an integral part of this financial statement.

BIOMASSE INTERNATIONAL, INC.
(A COMPANY IN THE DEVELOPMENT STAGE)
STATEMENT OF SHAREHOLDERS' EQUITY
FROM INCEPTION (MARCH 19, 1999) THROUGH SEPTEMBER 30, 2002

	Common Class A		Common Class B		Treasury Shares - Class B						
	Shares	Amount	Shares	Amount	Shares	Amount	Paid in Capital	Share Subscription Receivable	Deficit during Development Stage	Other Comprehensive Income/(Loss)	Total Shareholder's Equity
Balance, beginning: March 19, 1999	-	$ -	-	$ -	-	$ -	$ -	$ -	$ -	$ -	$ -
April 01, 1999 sale of Class B common stock			17,684,723	17,685			-				17,685
April 01, 1999 contract settlement - BBT Consulting Group, Inc.			500,000	500			-				500
April 01, 1999 non cash advisory services							10,000		(10,000)		-
April 26, 1999											
Issuance of stock to Marc Dufresne (1978) Inc. for license rights			588,000	588			587,412		-		588,000
Dividend to affiliate - Marc Dufresne (1978) Inc. for license rights							(478,000)				(478,000)
July 07, 1999											
Issuance of stock to Marc Dufresne (1978) Inc. for equipment			306,000	306			305,694		-		306,000
Dividend to affiliate - Marc Dufresne (1978) Inc. for equipment							(106,000)				(106,000)
September 30, 1999 sale of Class B common stock through circular offering			56,500	57			56,444		-		56,500
Net loss year ended September 30, 1999									(81,101)		(81,101)
Balance: September 30, 1999	-	-	19,135,223	19,135	-	-	375,550	-	(91,101)	-	303,584
November 29, 1999											
Repurchased treasury shares from Marc Dufresne (1978) Inc.					(4,500,000)	(4,500)					(4,500)
Proceeds from the sale of Class B through circular offering					3,000	3	2,997				3,000
Issuance of stock to Marc Dufresne (1978) Inc. for settlement of note payable					56,565	57	56,509				56,566
Sale of Class B common through circular offering					70,400	70	70,330				70,400
September 30, 2000 subscription of Class B common through circular offering					400,000	400	399,600	(390,000)			10,000
September 30, 2000 office rent applied to paid in capital							500				500
Net loss for the twelve month period ended September 30, 2000									(203,161)		(203,161)
Balance, ending: September 30, 2000	-	-	19,135,223	19,135	(3,970,035)	(3,970)	905,485	(390,000)	(294,262)	-	236,388
Office rent applied to paid in capital							4,500				4,500
Receipts for share subscription receivable								3,500			3,500
Cancellation of share subscription					(386,500)	(387)	(386,114)	386,500			-
Exercise of warrants					1,325,000	1,325					1,325
Issuance of options for professional services							6,000				6,000
Sale of Class B common through circular offering					119,592	120	119,472				119,592
Net loss for the twelve month period ended September 30, 2001									(546,821)		(546,821)
Balance, ending: September 30, 2001	-	-	19,135,223	19,135	(2,911,943)	(2,912)	649,344	-	(841,082)	-	(175,514)
Repurchase of shares					(3,335)	(3)	(3,330)				(3,333)
Issuance of shares for consulting services			18,789,722	18,790	2,915,278	2,915	318,550				340,255
Issuance of shares for settlement of liabilities			17,075,055	17,075			351,137				368,212
Foreign currency translation										(9,841)	(9,841)
Net loss for the twelve month period ended September 30, 2002									(1,107,033)		(1,107,033)
Balance, ending: September 30, 2002	-	$ -	55,000,000	$ 55,000	-	$ -	$1,315,702	$ -	$(1,948,115)	$ (9,841)	$ (587,255)

Read the accompanying summary of significant accounting notes to financial statements, which are an integral part of this financial statement.

BIOMASSE INTERNATIONAL, INC.
(A COMPANY IN THE DEVELOPMENT STAGE)
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001
FROM INCEPTION (MARCH 19, 1999) THROUGH SEPTEMBER 30, 2002

	For the years ended September 30,		Inception (March 19, 1999)
	2002	2001	September 30, 2002
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net Income (Loss)	(1,107,033)	$ (546,821)	$ (1,948,115)
Adjustments to reconcile net income (loss) to net cash used in operating activities:			
Depreciation and amortization	27,565	23,341	82,962
Loss on abandonment of property	1,187	-	1,187
Rent expense offset to paid in capital	-	4,500	5,000
Issuance of shares for consulting services	340,255	-	340,255
Issuance of warrants for advisory services	-	-	10,000
Issuance of options for professional services	-	6,000	6,000
Loss on impairment of asset	-	200,000	200,000
Changes in Operating assets and liabilities:			
Receivables	(73,302)	10,717	(73,987)
Other Current Assets	(2,123)	763	(12,904)
Prepaid equipment costs	(472,614)	-	(472,614)
Other Assets	4,800	3,946	(3,434)
Accounts Payable and Accrued Liabilities	1,030,744	192,476	1,308,505
Net cash provided by/(used in) operating activities	(250,518)	(105,075)	(557,144)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of property and equipment	(518)	(22,883)	(27,112)
Net cash provided by/(used in) investing activities	(518)	(22,883)	(27,111)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from:			
Notes payable, principally related parties		-	56,566
Proceeds from convertible debenture	250,000		250,000
Purchase of treasury stock		-	(4,500)
Exercise of warrants		1,325	1,325
Sales of common stock		123,092	281,177
Net cash provided by/(used in) financing activities	250,000	124,417	584,569
Net increase (decrease) in cash and cash equivalents	(1,036)	(3,541)	314
Cash and cash equivalents, beginning of period	1,350	4,891	-
Cash and cash equivalents, end of period	$ 314	$ 1,350	$ 314

Supplemental Schedule of noncash investing and financing activities:

issued 588,000 shares of common stock for license rights from affiliate (recorded at predecessor basis)	110,000
issued 306,000 shares of common stock for equipment from affiliate (recorded at predecessor basis)	200,000
issuance of 56,565 shares of common stock in settlement of note payable (related party)	56,566

Read the accompanying summary of significant accounting notes to financial statements, which are an integral part of this financial statement.

BIOMASSE INTERNATIONAL, INC.
(A COMPANY IN THE DEVELOPMENT STAGE)
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED SEPTEMBER 30, 2002 AND 2001

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Biomasse International, Inc., was incorporated in the State of Florida on March 19, 1999. The company has acquired a unique technology to process and dispose of the waste created by pulp and paper companies in an efficient and environmentally-friendly way. The pulp and paper industry in Canada is facing many challenges caused by an increasingly competitive world market. Pulp and paper plants in Canada are lagging behind their competitors in the U.S.A. and Europe in productivity and in quality of their products. The industry is now in a restructuring phase to reduce its costs of operations and diversify its products line. The industry is also increasingly scrutinized by environmental agencies as this industry is a major producer of toxic waste. Environmental regulations are becoming tighter and the public is becoming more environmentally-conscious. Biomasse International, Inc.'s technology addresses both problems: to eliminate the toxic waste by incinerating it and then from the waste material to produce steam energy which can be used for the operation of machinery in the plants. The plant thus saves the cost of trucking the waste to distant locations to bury it, and at the same time it eliminates the waste completely, meeting the most stringent environmental concerns.

Biomasse International, Inc. prepares its financial statements in accordance with generally accepted accounting principles. This basis of accounting involves the application of accrual accounting; consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred. Financial statement items are recorded at historical cost and may not necessarily represent current values.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Certain amounts included in the financial statements are estimated based on currently available information and management's judgment as to the outcome of future conditions and circumstances. Changes in the status of certain facts or circumstances could result in material changes to the estimates used in the preparation of financial statements and actual results could differ from the estimates and assumptions. Every effort is made to ensure the integrity of such estimates.

Fair value of financial instruments:

The carrying amounts of cash and equivalents, accounts receivable, accounts payable and accrued liabilities approximate their fair values because of the short duration of these instruments.

Intangible assets

Intangible assets consist principally of intellectual property and rights related to the technology to process and dispose of waste created by pulp and paper companies. Intangible assets are amortized on a straight line basis over 5 years.

Impairment of long-lived assets:

Long-lived assets held and used by the Company are reviewed for possible impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of the assets to the future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. The fair value of an asset is the amount at which the asset could be bought or sold in a current transaction between willing parties, that is, other than in a forced or liquidation sale. Quoted market prices in active markets are the best evidence of fair value and shall be used as the basis for the measurement, if available. If quoted market prices are not available, the estimate of fair value shall be based on the best information available in the circumstances. The estimate of fair value shall consider prices for similar assets and the results of valuation techniques to the extent available in the circumstances. Valuation techniques include the present value of estimated expected future cash flows using a discount rate commensurate with the risk involved, option-pricing models, matrix pricing and fundamental analysis.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Cash and cash equivalents:

The Company considers all highly liquid investments with original maturities of ninety days or less to be cash and cash equivalents. Such investments are valued at quoted market prices.

Receivables:

The Company believes that the carrying amount of receivables at September 30, 2002 and 2001 approximate their fair values at such date.

Property, equipment and depreciation:

Property and equipment are stated at cost less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives as follows when the property and equipment is placed in service:

	Estimate Useful Life (In Years)
Office Furniture and Equipment	10
Computer Equipment	3
Machinery and Equipment	10

Repairs and maintenance are charged to operations as incurred, and expenditures for significant improvements are capitalized. The cost of property and equipment retired or sold, together with the related accumulated depreciation, are removed from the appropriate asset and depreciation accounts, and the resulting gain or loss is included in operations.

Revenue Recognition

The Company's revenues recognized to date are consultation services. In December 1999, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 101 ("SAB 101"), "Revenue Recognition," which provides guidance on the recognition, presentation and disclosure of revenue in financial statements filed with the SEC. SAB 101 outlines the basic criteria that must be met to recognize revenue and provide guidance for disclosures related to revenue recognition policies. Management believes that Biomasse International, Inc.'s revenue recognition practices are in conformity with the guidelines of SAB 101.

Earnings (Loss) per share calculation:

Earnings (Loss) per common share are calculated under the provisions of SFAS No. 128, "Earnings per Share," which establishes standards for computing and presenting earnings per share. SFAS No. 128 requires the Company to report both basic earnings (loss) per share, which is based on the weighted-average number of common shares outstanding during the period, and diluted earnings (loss) per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive common shares outstanding. Options and warrants are not considered in calculating diluted earnings (loss) per share since considering such items would have an anti-dilutive effect.

Recent Accounting Pronouncements:

The Statement of Financial Accounting Standards Board (SFAS) No. 141, "Business Combinations," was issued by the Financial Accounting Standards Board (FASB) in July 2001. This Statement establishes standards for accounting and reporting for business combinations. This statement requires the purchase method of accounting to be used for all business combinations, and prohibits the pooling-of-interests method of accounting. This Statement is effective for all business combinations initiated after June 30, 2001 and supercedes APB Opinion No. 16, "Business Combinations" as well as Financial Accounting Standards Board Statement of Financial Accounting Standards No. 38, "Accounting for Preacquisition Contingencies of Purchased Enterprises." The adoption of this statement by the Company did not have a material impact on its financial condition or results of operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

The Statement of Financial Accounting Standards Board (SFAS) No. 142, "Goodwill and Other Intangible Assets," was issued by the Financial Accounting Standards Board (FASB) in July 2001. This Statement addresses how intangible assets that are acquired individually or with a group of other assets should be accounted for in financial statements upon their acquisitiion. This statement requires goodwill amortization to cease and for goodwill to be periodically reviewed for impairment, for fiscal years beginning after October 31, 2001. SFAS No. 142 supercedes APB Opinion No. 17, "Intangible Assets." The adoption of this statement by the Company did not have a material impact on its financial condition or results of operations.

The Statement of Financial Accounting Standards Board (SFAS) No. 143, "Accounting for Asset Retirement Obligation," was issued by the Financial Accounting Standards Board (FASB) in August 2001. This Statement will require companies to record a liability for asset retirement obligations in the period in which they are incurred, which typically could be upon completion or shortly thereafter. The FASB decided to limit the scope to legal obligation and the liability will be recorded at fair value. This Statement is effective for fiscal years beginning after June 15, 2002. The Company does not expect the adoption of this statement to have a material impact on its financial condition or results of operations.

The Statement of Financial Accounting Standards Board (SFAS) No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," was issued by the Financial Accounting Standards Board (FASB) in October 2001. This Statement provides a single accounting model for long-lived assets to be disposed of and replaces SFAS No. 121 "Accounting for the Impairment of Long-Lived Assets and Long-Lived Assets to Be Disposed Of." This Statement is effective for fiscal years beginning after December 15, 2001. The Company does not expect the adoption of this statement to have a material impact on its financial condition or results of operations.

NOTE 3 – DETAILS OF FINANCIAL STATEMENT COMPONENTS

	September 30, 2002	September 30, 2001
Property and equipment:		
Furniture & Fixtures	$ 2,333	$ 3,971
Computer Equipment	8,415	8,415
Equipment	12,939	14,208
(Acquired from affiliate and recorded at predecessor basis with the cost over such basis recorded as a dividend to affiliate).	23,687	26,594
Accumulated depreciation	7,146	1,924
	16,541	24,670
Intangibles:		
Intellectual property	110,000	110,000
(Acquired from affiliate and recorded at predecessor basis with the cost over such basis recorded as a dividend to affiliate).		
Accumulated amortization	75,472	53,472
	$34,528	$ 56,528

On November 29, 1999, the Company was advised by Marc Dufresne (1978) Inc., a majority shareholder and affiliate, of a financial difficulty concerning Marc Dufresne (1978) Inc.. By way of a licensing agreement dated April 26, 1999, the Company exercised it right to cancel the agreement and acquire the intellectual property at no cost as a penalty to Marc Dufresne (1978) Inc., for its inability to perform its contractual obligation.

NOTE 4 – COMMITMENTS AND CONTIGENCIES

Office Leases

On May 6th 2001, the Company entered into an agreement to lease office space for a period of three years starting on July 1, 2001 and ending on June 30, 2004. The annual lease payment is $11,150.00 CAD.

The following is a schedule by years of future minimum rental payments required under operating leases that have initial or remaining noncancelable lease terms in excess of one year as of September 30, 2002:

Year ending September 30:	
2003 –	$ 15,641
2004 –	6,139
2005 –	-
2006 –	-
2007 –	- .
	$ 21,780

NOTE 5 – GOING CONCERN

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. The Company reported net losses of $1,107,033 and $546,821 for the twelve months ended September 30, 2002 and 2001 respectively as well as reporting net losses of $1,948,115 from inception (March 19, 1999) to September 30, 2002. As reported on the statement of cash flows, the Company incurred negative cash flows from operating activities of $250,518 and $105,075 for twelve months ended September 30, 2002 and 2001 respectively and has reported deficient cash flows from operating activities of $557,145 from inception (March 19, 1999). Continuation of the Company as a going concern is dependent upon obtaining sufficient working capital for its planned activity. Additional capital and/or borrowings will be necessary in order for the Company to continue in existence until attaining and sustaining profitable operations. The Company is aggressively pursuing strategic alliances which will bring a cash infusion, restructuring and a forward looking business plan.

NOTE 6 – CONVERTIBLE DEBENTURE

The Company entered into an agreement to secure financing whereby the Company shall receive $250,000 US at the signing of a 12% secured convertible debenture and an additional $250,000 US in the near future. The $500,000 US debenture is convertible into common stock at a conversion price of the lesser of $.225 or the average of the lowest 3 inter-day trading prices during the 20 trading days immediately prior to the conversion date discounted by 50%. The debenture holder will also receive for each $1.00 of debenture investment, warrants to purchase 3 shares of the Company's common stock. The warrant term shall be for three years. The exercise price of the warrant is the lessor of of $0.107, subject to adjustment under certain antidilution provisions, and the average of the lowest three inter-day trading prices for our common stock during the twenty trading day period ending one trading day prior to the date of exercise. During the current year, the debenture holder filed suit against the Company for non compliance with the terms of the agreement. At September 30, 2002 the Company had no legal representation on this matter. The Company has been in negotiations with the debenture holder to settle this matter without any further legal proceedings.

NOTE 8 – INCOME TAXES

The Company did not provide any current or deferred United States federal, state or foreign income tax provision or benefit for the period presented because it has experienced operating losses since inception. The Company has provided a full valuation allowance on the deferred tax asset, consisting primarily of net operating loss carryforwards, because of uncertainty regarding its realizability.

NOTE 9 – SHAREHOLDERS' EQUITY

Common stock

The Company has 5,000,000 shares of class A common stock which to date have never been issued. Management has no intent of issuing any of these shares and will be canceling these shares by filing an amendment to the articles of incorporation with the State of Delaware.

Treasury stock

On November 29, 1999, the Company was advised by Marc Dufresne (1978) Inc., a majority shareholder and affiliate, of a financial difficulty concerning Marc Dufresne (1978) Inc.. By way of a licensing agreement dated April 26, 1999, the Company exercised it right to cancel the agreement and repurchase 4,500,000 shares held by Marc Dufrresne (1978) Inc at $0.001 per share. These shares are being held by Biomasse International, Inc. as treasury shares. The company uses the cost method of accounting for treasury stock. The company has made these shares available first for sale through its circular offering and also before any other unissued common shares are sold. The total number of treasury shares available at September 30, 2002 is zero.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant caused this registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

/s/Benoit Dufresne Benoit Dufresne	Director,Chairman, President	Date: February 19, 2003
/s/Jean Gagnon Jean Gagnon	Director, VP- Finance	Date: February 19, 2003
/s/ Marcel Mongrain Marcel Mongrain	Director	Date: February 19, 2003

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Benoit Dufresne, certify that:

1. I have reviewed this revised annual report on Form 10-KSB of Biomasse International, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/Benoit Dufresne
Benoit Dufresne Director,Chairman, President Date: February 19, 2003

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Jean Gagnon, certify that:

1. I have reviewed this annual report on Form 10-KSB of Biomasse International, Inc.;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present, in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Securities Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. I have disclosed, based on my most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

/s/Jean Gagnon
Jean Gagnon Director, VP- Finance Date: February 19, 2003

EXHIBIT 99.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Biomasse International, Inc.. (the "Company") on Form 10-KSB for the period ended September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Benoit Dufresne, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and,

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Benoit Dufresne
Benoit Dufresne Director, Chairman, President Date: February 19, 2003

EXHIBIT 99.2

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Biomasse International, Inc. (the "Company") on Form 10-KSB for the period ended September 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I Jean Gagnon, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and,

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/Jean Gagnon
Jean Gagnon Director, VP- Finance Date: February 19, 2003