

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

# FORM 10-QSB

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE  
SECURITIES ACT OF 1934

For the quarterly period ended May 31, 2003

☐ TRANSITION REPORT UNDER SECTION 13 OR 15(d)  
OF THE SECURITIES ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number: 000-49685

## Bi-Optic Ventures Inc.

(Name of small business issuer in its charter)

British Columbia, Canada N/A  
(Jurisdiction of Incorporation/Organization) (IRS Tax ID No.)

1030 West Georgia Street #615, Vancouver, British Columbia, Canada V6E 2Y3  
(Address of principal executive offices)

Issuer's Telephone Number: 604-689-2646

Securities to be registered pursuant to Section 12(b) of the Act: None

Securities to be registered pursuant to Section 12(g) of the Act:  
Common Shares without par value.  
(Title of Class)

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of 6/30/2003:  
4,364,235 Common Shares w/o par value

Transitional Small Business Disclosure Format (Check one): Yes ☐ No ☒

**PART 1**  
**FINANCIAL INFORMATION**

**ITEM 1. FINANCIAL STATEMENTS**

**BI-OPTIC VENTURES INC.**

**FINANCIAL STATEMENTS**

**MAY 31, 2003**

**(Prepared in Canadian Dollars)**

**REVIEW ENGAGEMENT REPORT**

**BALANCE SHEET**

**STATEMENT OF OPERATIONS AND DEFICIT**

**STATEMENT OF CASH FLOWS**

**NOTES TO FINANCIAL STATEMENTS**

**J. A. MINNI & ASSOCIATES INC.**  
CERTIFIED GENERAL ACCOUNTANT

SUITE 1104-750 WEST PENDER STREET  
VANCOUVER, BRITISH COLUMBIA  
CANADA V6C 2T8

Jerry A. Minni, C.G.A. \*  
Geoffrey S. V. Pang, C.G.A., FCCA \*\*

TELEPHONE: (604)683-0343  
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\* *Incorporated Professional*  
\*\* *Associate*

## **REVIEW ENGAGEMENT REPORT**

### **The Shareholders, Bi-Optic Ventures Inc.**

I have reviewed the balance sheet of **BI-OPTIC VENTURES INC.** as at **May 31, 2003** and the statements of operations, deficit and cash flows for the period of three months ended May 31, 2003. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Company.

A review does not constitute an audit and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

*"J.A. Minni & Associates Inc."*

**CERTIFIED GENERAL ACCOUNTANT**

**Vancouver, BC  
July 11, 2003**

BI-OPTIC VENTURES INC.  
BALANCE SHEET AS AT MAY 31, 2003  
(UNAUDITED)

ASSETS

	May 31, <u>2003</u>	Feb. 28, <u>2003</u>
CURRENT		
Cash	\$ -	\$ 107
GST recoverable	3,658	3,891
Due by related parties (Note 4)	<u>650</u>	<u>650</u>
	4,308	4,648
CAPITAL ASSETS, at cost net of accumulated amortization of \$6,218 (2003 - \$6,028)	<u>3,282</u>	<u>3,472</u>
	<u><b>\$ 7,590</b></u>	<u><b>\$ 8,120</b></u>

LIABILITIES

CURRENT		
Excess of cheques written over funds on deposits	\$ 312	\$ -
Accounts payable and accrued liabilities	<u>58,941</u>	<u>74,905</u>
	59,253	74,905
LOANS FROM AND AMOUNTS DUE TO RELATED PARTIES (Note 4)	<u>129,108</u>	<u>86,375</u>
	<u>188,361</u>	<u>161,280</u>

**SHAREHOLDERS' DEFICIENCY**

SHARE CAPITAL (Note 3)	2,639,192	2,639,192
DEFICIT	<u>(2,819,963)</u>	<u>(2,792,352)</u>
	<u>(180,771)</u>	<u>(153,160)</u>
	<u><b>\$ 7,590</b></u>	<u><b>\$ 8,120</b></u>

APPROVED BY THE DIRECTORS:

\_\_\_\_\_  
"Harry Chew"

\_\_\_\_\_  
"Sonny Chew"

The accompanying notes are an integral part of the financial statements.

BI-OPTIC VENTURES INC.

STATEMENT OF OPERATIONS AND DEFICIT

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2003

(UNAUDITED)

	3 months ended May 31,	
	<u>2003</u>	<u>2002</u>
REVENUE	\$ <u>-</u>	\$ <u>-</u>
EXPENSES		
Amortization	190	240
Bank charges and interest	69	76
Consulting	3,770	4,034
Management fees	7,500	7,500
Office and miscellaneous	429	544
Professional fees	6,600	3,800
Rent	7,500	7,500
Shareholder information and public relation	-	303
Transfer agent and regulatory fees	474	912
Travel and promotion	<u>1,079</u>	<u>1,069</u>
	<u>27,611</u>	<u>25,978</u>
<b>NET LOSS FOR THE PERIOD</b>	<b>(27,611)</b>	<b>(25,978)</b>
DEFICIT, BEGINNING OF PERIOD	<u>(2,792,352)</u>	<u>(2,659,990)</u>
<b>DEFICIT, END OF PERIOD</b>	<b><u>\$(2,819,963)</u></b>	<b><u>\$(2,685,968)</u></b>
<b>LOSS PER SHARE</b>	<b><u>\$ (0.006)</u></b>	<b><u>\$ (0.007)</u></b>

The accompanying notes are an integral part of the financial statements.

BI-OPTIC VENTURES INC.

STATEMENT OF CASH FLOWS

FOR THE THREE MONTH PERIOD ENDED MAY 31, 2003

(UNAUDITED)

	3 months ended May 31,	
	<u>2003</u>	<u>2002</u>
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	\$ (27,611)	\$ (25,978)
Items not involving cash:		
Amortization	190	240
Cash provided (used) by net changes in non-cash working capital items:		
Decrease (increase) in GST recoverable	233	1,939
Decrease (increase) in prepaid expenses and deposits	-	5,000
Increase (decrease) in amounts payable and accrued liabilities	<u>(15,964)</u>	<u>(251)</u>
	<u>(43,152)</u>	<u>(19,050)</u>
<b>FINANCING ACTIVITIES</b>		
Due to and loans from related parties	42,733	14,800
Excess of cheques written over funds on deposit	<u>312</u>	<u>54</u>
	<u>43,045</u>	<u>14,854</u>
<b>DECREASE IN CASH</b>	(107)	(4,196)
<b>CASH, BEGINNING OF PERIOD</b>	<u>107</u>	<u>4,196</u>
<b>CASH, END OF PERIOD</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part of the financial statements.

BI-OPTIC VENTURES INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MAY 31, 2003  
(UNAUDITED)

1. NATURE AND CONTINUANCE OF BUSINESS

The Company has been designated as inactive by the TSX Venture Exchange. The Company was previously in the mining business, operating as a junior mining company. On April 6, 2001, the Company changed its name from Royal Rock Ventures Inc. to Bi-Optic Ventures Inc. The Company is evaluating other business interests and projects.

The financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business. The ability of the Company to continue as a going concern is dependent upon, among other things, the continued financial support of the related parties and its ability to obtain the necessary financing for working capital, and ultimately upon its ability to generate future profitable operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Amortization

Capital assets are recorded at cost and are amortized over their estimated useful lives at 20% - 30% declining basis. Further, only one-half the amortization is taken on assets acquired during the year.

b) Financial Instruments

The company's financial instruments consist primarily of cash, GST recoverable, accounts receivable, prepaid expenses, amounts due by related parties and accounts payable, and have their fair market values approximating their carrying values.

c) Loss Per Share

Loss per share has been calculated based on the weighted average number of shares outstanding during the period. Diluted earnings per share considers the dilutive impact of the conversion of outstanding stock options and warrants as if the events had occurred at the beginning of the period. Due to the losses, potentially dilutive securities are excluded from the calculation of diluted loss per share, as they were antidilutive. Therefore, there is no difference in the calculation of basic and dilutive loss per share.

d) Use of 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 and 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.

BI-OPTIC VENTURES INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MAY 31, 2003  
(UNAUDITED)

Page 2

3. SHARE CAPITAL

a) Authorized

100,000,000 Common shares without par value.

b) Issued and fully paid

	<u>Number of shares</u>	<u>Amount</u>
Balance, February 28, 2002	3,964,235	\$ 2,599,192
Issued pursuant to warrants exercised	<u>400,000</u>	<u>40,000</u>
Balance, May 31, 2003, and February 28, 2003	<u>4,364,235</u>	<u>\$ 2,639,192</u>

c) Shares held in Escrow

As at May 31, 2003, there were no shares held in escrow (Feb. 28, 2003-Nil).

d) Share Purchase Warrants

Pursuant to the private placement of 1,200,000 common shares at \$0.10 per share, 1,200,000 non-transferable share purchase warrants were issued which entitle the holders to purchase 1,200,000 shares at \$0.10 per share for a two year period to January 3, 2004 (400,000 exercised.)

e) Stock Options

There were no stock options outstanding as at May 31, 2003, (Feb. 28, 2003-Nil).

4. RELATED PARTY TRANSACTIONS

a) During the period the Company paid management fees of \$7,500 (2002 - \$7,500), rent, accounting and professional services of \$10,000 (2002 - \$9,500) to companies controlled by directors.

b) The amounts due to and loans from related parties are non-interest bearing, unsecured, with no fixed terms of repayment. The amount due by related parties of \$650 is non interest bearing, unsecured, and repayable on demand.



BI-OPTIC VENTURES INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MAY 31, 2003  
(UNAUDITED)

Page 3

5. DIFFERENCES BETWEEN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA AND THE UNITED STATES

The Company follows Canadian generally accepted accounting principles which are different in some respects from those applicable in the United States as follows:

(a) Loss Per Share

Under US GAAP basic loss per share is calculated by dividing loss over the weighted average number of common shares outstanding during the year. The weighted average number of common shares outstanding excludes any shares that remain in escrow, but may be earned out based on the Company meeting certain performance criteria. Under Canadian GAAP the calculation of basic loss per share is similar except that escrowed shares are included in determining the weighted average number of shares outstanding. Diluted loss per share reflects the potential dilution that could occur if securities or other contracts to issue common stock were exercised. There were no outstanding stock options nor shares held under escrow at May 31, 2003, February 28, 2003 and May 31, 2002.

	May 31, <u>2003</u>	Feb 28, <u>2003</u>	May 31, <u>2002</u>
Weighted average number of shares outstanding:			
Per Canadian GAAP	4,364,235	4,165,742	3,964,235
Per US GAAP	4,364,235	4,165,742	3,964,235
Net loss per US GAAP	<u>\$ (27,611)</u>	<u>\$ (132,362)</u>	<u>\$ (25,978)</u>
Net loss per Canadian GAAP	<u>\$ (27,611)</u>	<u>\$ (132,362)</u>	<u>\$ (25,978)</u>
Loss per share per			
US GAAP (basic and diluted)	<u>\$ (0.006)</u>	<u>\$ (0.03)</u>	<u>\$ (0.007)</u>
Loss per share per			
Canadian GAAP (basic and diluted)	<u>\$ (0.006)</u>	<u>\$ (0.03)</u>	<u>\$ (0.007)</u>

BI-OPTIC VENTURES INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MAY 31, 2003  
(UNAUDITED)

Page 4

5. DIFFERENCES BETWEEN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA  
AND THE UNITED STATES - continued

b) Impairment Losses

Statement of Financial Accounting Standards No. 121 (the statement) requires that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing the review for recoverability, the Company should estimate future cash flows expected to result from the asset and its eventual disposition. If the sum of the expected future undiscounted cash flows is less than the carrying amount of the asset, an impairment loss is recognized. Impairment losses resulting from the application of the statement should be reported in the period in which the recognition criteria are met. The Company's long lived assets are capital assets.

c) Stock Options

The Company follows APB 25 for options granted to employees and directors. For employees and directors, compensation expense is recognized under the intrinsic value method. Under this method, compensation cost is the excess, if any, of the quoted market price at grant date over the exercise price. Such expense is reflected over the service period; if for prior services, expensed at date of grant; if for future services, expensed over vesting period. There were no stock options granted or outstanding at May 31, 2003 and 2002, and at February 28, 2003.

The impact of the foregoing on the financial statements is as follows:

<u>Balance Sheets</u>	May 31, <u>2003</u>	Feb 28, <u>2003</u>
Total assets per Canadian and US GAAP	<u>\$ 7,590</u>	<u>8,120</u>
Total liabilities per Canadian and US GAAP	<u>\$ 188,361</u>	<u>\$ 161,280</u>
Deficit, end of year per Canadian GAAP	<u>\$(2,819,963)</u>	<u>\$(2,792,352)</u>
Adjustment for valuation of shares for debt settlement	<u>(39,754)</u>	<u>(39,754)</u>
Deficit, end of period per US GAAP	<u>\$(2,859,717)</u>	<u>\$(2,832,106)</u>
Share capital per Canadian GAAP	<u>\$ 2,639,192</u>	<u>\$ 2,639,192</u>
Adjustment for fair value of shares for debt settlement	<u>39,754</u>	<u>39,754</u>
Share capital per US GAAP	<u>\$ 2,678,946</u>	<u>\$ 2,678,946</u>
Total shareholders' equity per Canadian and US GAAP	<u>\$ (180,771)</u>	<u>\$ (153,160)</u>

BI-OPTIC VENTURES INC.  
NOTES TO FINANCIAL STATEMENTS  
FOR THE THREE MONTH PERIOD ENDED MAY 31, 2003  
(UNAUDITED)

Page 5

5. DIFFERENCES BETWEEN GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CANADA  
AND THE UNITED STATES - continued

c) Stock Options - continued

<u>Statements of Deficit</u>	May 31, <u>2003</u>	May 31, <u>2002</u>
Net loss per Canadian and US GAAP	<u>\$ (27,611)</u>	<u>\$ (25,978)</u>
 <u>Statements of cash flows</u>	 May 31, <u>2003</u>	 May 31, <u>2002</u>
Cash flows from operating activities per <b>Canadian and US GAAP</b>	<b><u>\$ (43,152)</u></b>	<b><u>\$ (19,050)</u></b>
Cash flows from financing activities per Canadian and US GAAP	<u>43,045</u>	<u>14,854</u>
Decrease in cash per Canadian and US GAAP	<u>\$ (107)</u>	<u>\$ (4,196)</u>

## **ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

The following information contains certain forward-looking statements that anticipate future trends or events. These statements are based on certain assumptions that may prove to be erroneous and are subject to certain risks including but not limited to the risks of increased competition in the Company's industry and other risks detailed in the Company's Securities and Exchange Commission filings. Accordingly, actual results may differ, possibly materially, from the predictions contained herein.

### **Results of Operations**

The trading of the Company's common shares on the TSX Venture Exchange is regulated by the policies of the exchange that include various numerical maintenance thresholds regarding assets, funds expended on operations, and minimum working capital. The Company has been designated as inactive by the TSX Venture Exchange and failed to submit a reactivation plan to meet Tier 2 maintenance requirements by 9/30/2002. Accordingly, the Company's common shares were suspended on 10/2/2002 from trading effective 10/3/2002 for the failure to maintain Tier Maintenance Requirements in accordance with Policy 2.5 and being designated an Inactive Issuer for a period greater than 18-months. The Company is evaluating and performing due diligence on various projects for a possible acquisition or on a joint-venture basis. The common shares began trading on the NASD Electronic Bulletin Board in the United States on 4/16/2003; the symbol is BOVKF; and the closing price on 7/11/2003 was \$0.03.

The Company has not had any sources of revenue to date and has financed its activities substantially through equity financing. The Company has incurred net losses each year since inception and, as of 5/31/2003 had an accumulated deficit of (\$2,819,963). The net loss for the Three Months ended 5/31/2003 was (\$27,611) compared to (\$25,978) for the same period last year. Increased losses relates primarily to the consulting fees and associated costs incurred with respects to the Company's registration with the US Securities and Exchange Commission and listing on the NASD OTC Bulletin Board.

Operating Expenses for the Three Months Ended 5/31/2003 were \$27,611 compared to \$25,978 in the same period last year. Consulting fees were \$3,770 versus \$4,034; management fees were \$7,500 versus \$7,500; rent was \$7,500 versus \$7,500; and professional fees were \$6,600 versus \$3,800. Net Loss for the Three Months was (\$27,611) versus (\$25,978). Loss Per Share was (\$0.01) versus (\$0.01).

The Company's registration with the US Securities and Exchange Commission and listing on the NASD Electronic Bulletin Board has been completed. The Company has pursued this avenue to improve corporate communication with its shareholders, especially those in the United States.

### **Liquidity and Capital Resources**

Working Capital deficit was (\$54,945) at 5/31/2003.

Cash used in Three Months Ended 5/31/2003 Operating Activities totaled (\$43,152), including the (\$27,611) Net Loss; the only significant adjusting item was a (\$15,541) change in non-cash working capital items. Cash used in Investing Activities was \$nil. Cash provided by Financing Activities was \$43,054, including the \$42,733 from "due to and loans from related parties". There are a total of 800,000 warrants at an exercise price of \$0.10 that expire on 1/3/2004 still outstanding as at 5/31/2003.

**PART II**  
**OTHER INFORMATION**

**ITEM 1. LEGAL PROCEEDINGS**

No Disclosure Necessary.

**ITEM 2. CHANGES IN SECURITIES**

- a. No Disclosure Necessary.
- b. No Disclosure Necessary.
- c. No Disclosure Necessary.
- d. No Disclosure Necessary.

**ITEM 3. DEFAULTS UPON SENIOR SECURITIES**

No Disclosure Necessary.

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

No Disclosure Necessary.

**ITEM 5. OTHER INFORMATION**

No Disclosure Necessary

**ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K**

- a. Exhibit 99.1: Certification of Form 10-QSB

**SIGNATURES**

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bi-Optic Ventures Inc. — SEC File No. 0-49685  
Registrant

Date: July 11, 2003     /s/ Harry Chew  
Harry Chew, President/CEO/Director

## CERTIFICATIONS

I, Harry Chew, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Bi-Optic Ventures Inc.;
2. Based on my knowledge, this quarterly 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 quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly report;
4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and I 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 quarterly 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 quarterly report (the "Evaluation Date"); and
  - c) presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures based on my 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 quarterly 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 my most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: July 11, 2003

/s/ Harry Chew

Harry Chew, President/CEO and Director

**Certification Accompanying Periodic Report  
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002  
(18 U.S.C. Section 1350)**

The undersigned, Harry Chew, President/CEO and Director of Bi-Optic Ventures Inc. (the "Company"), hereby certifies that the Quarterly Report of the Company on Form 10-QSB for the period ended May 31, 2003 (the "Report")

(1) fully complies with the requirements of Section 13(a) 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 the results of operations of the Company.

Date: July 11, 2003

/s/ Harry Chew  
Harry Chew, President/CEO and Director