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

## FORM 10-KSB

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE ACT OF 1934

**Fiscal Year Ended February 29, 2004**

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF  
THE SECURITIES EXCHANGE 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  
(State or Incorporation or Organization)

N/A  
(IRS Employer ID No.)

1030 West Georgia Street, Suite #615, Vancouver, British Columbia 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)

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. ☒ Yes ☐ No

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. ☒

The issuer's revenues for its most recent fiscal year. \$nil.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked price of such common equity, as of a specified date within the past 60 days: May 14, 2004 = CDN\$1,989,220

Common Shares outstanding at May 14, 2004: 6,664,235 shares

SEC 2337 (12-03) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

**Bi-Optic Ventures Inc.**  
**Form 10-KSB Annual Report**  
**Fiscal Year Ended February 29, 2004**

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## **PART I**

### **ITEM 1. DESCRIPTION OF BUSINESS**

#### **Introduction**

Bi-Optic Ventures Inc. (hereinafter is also referred to as the "Company" and/or the "Registrant") currently has no material business activity

The Company's principal office is located at:

#615 - 1030 West Georgia Street, Vancouver, British Columbia, Canada V6E 2Y3

Telephone: 604-689-2646

Facsimile: 604-689-1289

The contact person is Harry Chew, President and Director.

The Company's authorized capital includes 100,000,000 common shares without par value. As of 2/29/2004, there were 5,164,235 common shares outstanding. As of 5/14/2004, there were 6,664,235 common shares outstanding.

The Company's common shares are listed on the NEX Board of the TSX Venture Exchange in Canada with the symbol "BOV.H". The Company's common shares are listed on the NASD Electronic Bulletin Board in the United States with the symbol "BOVKF.OB".

The Company's fiscal year ends on the last day of February.

The Company's financial statements are stated in Canadian Dollars (CDN\$) and are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP).

Herein, all amounts are stated in Canadian Dollars, unless otherwise indicated.

#### **Historical Corporate Development**

The Company was incorporated in British Columbia on 5/31/1984 under the name Golden Rock Resources Ltd. The name was changed to Bismimillah Ventures Inc. on 3/22/1993, to Royal Rock Ventures Inc. on 11/10/1997, and to Bi-Optic Ventures Inc. on 4/6/2001.

From incorporation through Fiscal 1997, the Company was involved in the exploration of mineral properties.

From July 1999 to February 2001, the Company was active in attempting to acquire Biopath Research Inc. ("Biopath"). Biopath is engaged in the business of research regarding and the design and development of innovative medical diagnostic products for use in homes, hospitals and in physicians' offices as well as other point of care locations. Pursuant to the 7/28/1999 purchase agreement, the Company agreed to: issue 2,625,000 performance common shares; issue 500,000 warrants at \$1.12 per share in four equal installments; and to advance \$300,000 to Biopath for demand promissory notes. The Company advanced \$248,600 and \$49,797 during Fiscal 2000/Fiscal 2001; the monies advanced by the Company to Biopath, being \$298,397 to date, are secured by a first fixed and floating charge upon all the assets of Biopath and an assignment of invention.

Effective February 2001, the Company ceased pursuing the acquisition of Biopath. The Company wrote off \$49,418 of deferred acquisition costs and \$298,397 in secured advances to Biopath during Fiscal 2001.

#### Private Placement Financings

Fiscal 2000: 800,000 Warrants Exercised at \$0.35  
Fiscal 2001: None  
Fiscal 2002: 993,854 Shares for \$119,262 in debt  
1,200,000 Units at \$0.10 per unit  
Fiscal 2003: 400,000 Warrants Exercised at \$0.10  
Fiscal 2004: 800,000 Warrants Exercised at \$0.10  
Fiscal 2005-to-Date: Private Placement of 1,500,000 Units at \$0.16 per unit

#### Business

Until recently, the Company had been in negotiations to acquire a 50-percent undivided interest in two diamond properties located in the Otish Mountain, Quebec area. The Company has abandoned this attempt and is examining various business ventures and properties. Such investigations, due diligence and negotiations are preliminary as of 5/14/2004.

#### Employees

As of 5/14/2004, the Company had two employees, its two executive officers.

#### ITEM 2. DESCRIPTION OF PROPERTY

The Company's executive offices are located in rented premises of approximately 950 sq. ft. at 1030 West Georgia Street, Suite #615, Vancouver, British Columbia, Canada V6E 2Y3. Monthly rent is \$2,500. The Company began occupying this facility in November 2002 and considers the facility adequate for current needs.

The Company maintains no other offices or property.

#### ITEM 3. LEGAL PROCEEDINGS

The Company knows of no material, active or pending legal proceedings against them; nor is the Company involved as a plaintiff in any material proceeding or pending litigation. The Company knows of no active or pending proceedings against anyone that might materially adversely affect an interest of the Company.

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

--- No Disclosure Necessary ---

## PART II

### ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

#### Market Information

The Company's initial public offering of its common shares was effective on the Vancouver Stock Exchange under the auspices of the British Columbia Securities Commission on 12/23/1986 under a former name, "Golden Rock Resources Ltd.". The Vancouver Stock Exchange was absorbed by the Canadian Venture Exchange, which was absorbed by the TSX Venture Exchange. The current stock symbol on the TSX Venture Exchange NEX Board is "BOV.H".

Table No. 1 lists the volume of trading and high, low and closing sales prices on the TSX Venture Exchange and NEX Board for actual trades of common shares of the Company for the last eight fiscal quarters. 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'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. Effective the re-opening of trading on 8/13/2003, the Company's listing was transferred from the TSX Venture Exchange to the NEX Board of the TSX Venture Exchange, a new trading forum for listed companies that have fallen below ongoing listing standards. The closing price was \$0.35 on 5/14/2004.

Table No. 1  
TSX Venture Exchange  
Common Shares Trading Activity

Fiscal Quarter Ended	Volume	High	Low	Closing
2/28/2004	136,950	\$0.29	\$0.20	\$0.22
11/30/2003	341,950	0.30	0.06	0.14
8/31/2003	156,700	0.08	0.05	0.06
5/31/2003	nil	---	---	---
2/28/2003	nil	---	---	---
11/30/2002	564,000	\$0.16	\$0.06	\$0.10
8/31/2002	1,855,800	0.26	0.09	0.20
5/31/2002	104,000	0.18	0.07	0.13

The Company's common shares were listed on the NASD Electronic OTC Bulletin Board under the symbol "BOVKF.OB" in April 2003.

Table No. 2 lists the volume of trading and high, low and closing sales prices on the NASD Electronic OTC Bulletin Board for the Company's common shares for: the last three fiscal quarters. Trading started on 6/19/2003. On 5/14/2004, the closing price was US\$0.285.

Table No. 2  
NASD Electronic Bulletin Board  
Common Shares Trading Activity

Fiscal Quarter Ended	Volume	High	Low	Prices US Dollars Closing
2/28/2004	20,000	\$0.23	\$0.04	\$0.23
11/30/2003	25,000	0.13	0.04	0.10
8/31/2003	191,000	0.11	0.03	0.04

#### Share Purchase Warrants

In March 2004, the Company issued 1,500,000 units at \$0.16 per unit, each unit consisting of one common share and one warrant. Each warrant entitles the holder to purchase one additional common share of the Company at a price of \$0.215 per share, until 3/9/2005. The shares, warrants and any shares issued upon exercise of the warrants are subject to a hold period and may not be traded in British Columbia until 7/9/2004, except as permitted by the *Securities Act* and the Rules made thereunder and the TSX Venture Exchange.

#### Stock Options

The Company does not have a stock option plan in place currently, NEX companies are not allowed to grant stock options.

No stock options were granted or exercised during Fiscal 2004 or Fiscal 2003. As of 5/14/2004, no stock options are outstanding.

### The TSX Venture Exchange

The TSX Venture Exchange is a result of the acquisition by the Toronto Stock Exchange of the Canadian Venture Exchange ("CDNX") from its member firms on 8/1/2001. The CDNX resulted from the merger between the Vancouver Stock Exchange and the Alberta Stock Exchange that took place on 11/29/1999, to form the CDNX. The TSX Venture Exchange currently operates as a complementary but independent exchange from its parent, the Toronto Stock Exchange.

The initial roster of the CDNX was made up of venture companies previously listed on the Vancouver Stock Exchange or the Alberta Stock Exchange and later incorporated junior listings from the Montreal Stock Exchange, the Winnipeg Stock Exchange, and the CDN Over-The-Counter Market. The TSX Venture Exchange is a venture market as compared to the TSX Stock Exchange that is Canada's senior market and the Montreal Exchange that is Canada's market for derivatives products.

The TSX Venture Exchange currently has five service centers: Calgary, Toronto, Vancouver, Winnipeg and Montreal. These service centers provide corporate finance, surveillance and marketing expertise. The corporate office for the TSX Venture Exchange is located in Calgary and the operations office is located in Vancouver.

The TSX Venture Exchange is a self-regulating organization owned and operated by the Toronto Stock Exchange, which in turn is owned by its member brokerage firms. It is governed by representatives of member firms and the public.

Organizationally, the TSX Venture Exchange is comprised of seven business areas: Corporate Finance Services, Trading and Market Information Services, Compliance, Marketing, Technology, Corporate Affairs and Human Resources.

The TSX Venture Exchange acts as a business link between TSX members, listed companies and investors. TSX Venture Exchange policies and procedures are designed to accommodate companies still in their formative stages and recognize those that are more established. Listings are predominately small and medium sized companies.

Investors in Canada are protected by the Canadian Investor Protection Fund ("CIPF"). The CIPF is a private trust fund established to protect customers in the event of the insolvency of a member of any of the following self-regulatory organizations: the TSX Venture Exchange; the Montreal Exchange; the Toronto Stock Exchange; the Toronto Futures Exchange; and the Investment Dealers Association of Canada. Post-trade monitoring of market activity occurs in the market surveillance department. Sophisticated software analyses trade data from TRADETSX to detect possible market improprieties. A variety of surveillance and investigative tools allow the TSX Venture Exchange to perform electronic market monitoring and trade reviews. The surveillance department is also responsible for monitoring and reviewing listed company activities and detecting breaches of the listing policies or the listing agreement. Market surveillance and listed company surveillance activities are closely coordinated.

Enforcement action taken by surveillance department may include the following:

- 1) forcing companies to correct misleading or inaccurate disclosure which includes new releases or internet postings;
- 2) requiring the resignation of unacceptable directors and officers;
- 3) requiring cancellation and return shares to treasury;
- 4) requiring undertakings from directors and officers that they will ensure compliance with the listing agreement and listings policies in the future;
- 5) requiring the termination of unacceptable investor relations services;
- 6) halting and suspending trading in the shares of companies;
- 7) de-listing companies that have contravened exchange by-laws/rules/policies.

The market surveillance department issues TSX notices to inform the public of halts, suspensions, de-lists and other enforcement actions. All TSX notices can be found on the TSX website or INFOTSX. In the public interest, trading halts or suspensions are maintained until the surveillance department is satisfied that there is adequate disclosure of the company's affairs and a level playing field for investors.

In addition to market surveillance, the TSX Venture Exchange's compliance department is comprised of an investigative services team that conducts investigations into alleged violations of securities trading. The TSX Venture Exchange Conduct Review Committee determines whether a case for discipline exists. Disciplinary cases either result in a settlement reached between TSX Venture Exchange and the respondent or they proceed to a disciplinary hearing. The public can attend disciplinary hearings, view the exhibits filed and obtain copies of the decisions issued by the panel. If the hearing panel's decision is not acceptable to either TSX Venture Exchange or the respondent, an appeal process may be initiated.

#### **Holders**

The Company's common shares are issued in registered form and the following information is taken from the records of Pacific Corporate Trust Company (located in Vancouver, British Columbia, Canada), the registrar and transfer agent for the common shares.

On 5/17/2004, the shareholders' list for the Company's common shares showed 50 registered shareholders and 6,664,235 common shares outstanding. 43 of these shareholders were Canadian residents, holding 6,614,131 shares representing about 99% of the issued and outstanding common shares. Five of these shareholders were U.S. residents, holding 44,996 shares representing less than 1% of the issued and outstanding common shares. Two of these shareholders were residents of other countries, holding 5,100 shares representing less than 1% of the issued and outstanding common shares.

The Company has researched the indirect holding by depository institutions and the indirect holdings of other financial institutions and estimates that there are 300 "holders of record" and beneficial owners of its common stock. The Company believes there are 13 holders of record of the Company's 1,500,000 share purchase warrants, none in the United States.

#### **Dividends**

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the foreseeable future. The present policy of the Company is to retain future earnings for use in its operations and expansion of its business. There are no restrictions that limit the ability of the Company to pay dividends on common equity or that are likely to do so in the future.

#### **Securities Authorized For Issuance Under Equity Compensation Plans.**

-- No Disclosure Necessary --

#### **Use of Proceeds From Registered Securities is for working capital**

#### **Recent Sales of Unregistered Securities:**

The Company relied on the exemptions from registration under Regulation S for the following private placements of securities to only Canadian residents:

Fiscal 2001:	None
Fiscal 2002:	993,854 Shares for \$119,262 in debt 1,200,000 Units at \$0.10 per unit
Fiscal 2003:	400,000 Shares at \$0.10 upon warrant exercises
Fiscal 2004:	800,000 Shares at \$0.10 upon warrant exercises
Fiscal 2005-to-date:	1,500,000 Units at \$0.16 per unit, private placement (finder's fee of \$2,912 was paid)



**ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION****Selected Financial Data**

Selected financial data as shown in Table No. 4 for the Company for Fiscal 2004/2003/2002 Ended February 28th (February 29th for FY2004) was derived from the financial statements of the Company that have been audited by Manning Elliott, Chartered Accountants and J.A. Minni & Associates Inc., Certified General Accountants, as indicated in their auditors' reports included elsewhere in this Annual Report. The selected financial data set forth for the Fiscal 2001/2000 are derived from the Company's audited Fiscal 2001/2000 financial statements, not included herein.

The selected financial data should be read in conjunction with the financial statements and other financial data included elsewhere in this Annual Report.

Effective 4/6/2001, the Company completed a one-for-two stock consolidation. All references to number of shares and to per-share data reflect post-consolidation basis unless otherwise indicated.

The Company has not declared any dividends since incorporation and does not anticipate that it will do so in the near future.

Table No. 4  
Selected Financial Data  
(\$ in 000, except per share data)

	Year Ended 2/28/2004	Year Ended 2/28/2003	Year Ended 2/28/2002	Year Ended 2/28/2001	Year Ended 2/29/2000
<hr/>					
<u>CANADIAN GAAP</u>					
Revenue	\$0	\$0	\$0	\$0	\$0
Operating Expenses	(\$121)	(\$132)	(\$452)	(\$190)	(\$286)
Net Loss	(\$121)	(\$132)	(\$452)	(\$190)	(\$284)
Loss per Share	(\$0.02)	(\$0.03)	(\$0.18)	(\$0.11)	(\$0.20)
<hr/>					
Dividends per Share	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Wtg. Avg. Shares (000)	4864	4166	2536	1770	1441
Period-end Shares O/S	5164	4364	3964	1770	1770
<hr/>					
Working Capital (Deficit)	(\$149)	(\$157)	(\$65)	(\$152)	\$86
Long-Term Debt/Loans Payable	0	0	0	0	0
Capital Stock	2719	2639	2599	2360	2360
Shareholders' Equity (Deficit)	(146)	(153)	(61)	152	341
Total Assets	28	8	18	315	373

## Plan Of Operations

### Source of Funds for Fiscal 2005

The Company's primary source of funds since incorporation has been through the issuance of common stock and loans. The Company has had no revenue from operations to date and does not anticipate revenues in the foreseeable future.

The Company had working capital deficit of (\$148,876) at 2/29/2004. During March 2004, the Company raised \$240,000 from a private placement of 1,500,000 units of common stock and warrants. The Company has had discussions with third parties about additional equity offering and/or loans; but the talks as of 5/14/2004 were preliminary.

### Use of Funds for Fiscal 2005

During Fiscal 2005, the Company estimates that it might expend \$120,000 on general/administrative expenses; although, this figure is subject to uncertainties including any possible acquisitions. It is impossible to precisely estimate the probable expenditures associated with any possible acquisitions that might be consummated during Fiscal 2005.

### Anticipated Changes to Facilities/Employees

The Company has no plans to acquire any new facilities. The Company has no plans to add any additional personnel; however, if a business acquisition is consummated, additional personnel might be required.

## Management's Discussion and Analysis of Financial Condition and Results of Operations

### Private Placement Financings

Fiscal 2000:	800,000 Warrants Exercised at \$0.35
Fiscal 2001:	None
Fiscal 2002:	993,854 shares issued for \$119,262 in debt 1,200,000 Units Sold at \$0.10 per unit
Fiscal 2003:	400,000 Warrants Exercised at \$0.10
Fiscal 2004:	800,000 Shares at \$0.10 upon warrant exercises
Fiscal 2005-to-date:	1,500,000 Units at \$0.16 per unit, private placement

### Overview

The Company was incorporated in British Columbia on 5/31/1984.

From incorporation into Fiscal 1997, the Company was actively involved in the exploration of its mineral properties.

From July 1999 to February 2001, the Company was active in attempting to acquire Biopath Research Inc. ("Biopath"). Biopath is engaged in the business of research regarding and the design and development of innovative medical diagnostic products for use in homes/hospitals/physicians' offices as well as other point of care locations. Pursuant to the 7/28/1999 purchase agreement, the Company agreed to: issue 2,625,000 performance common shares; issue 500,000 warrants at \$1.12 per share in four equal installments; and to advance \$300,000 to Biopath for demand promissory notes. The Company advanced \$248,600 and \$49,797 during Fiscal 2000/Fiscal 2001; the monies advanced by the Company to Biopath, being \$298,397, are secured by a first fixed and floating charge upon all the assets of Biopath and an assignment of invention.

Effective February 2001, the Company ceased pursuing the acquisition of Biopath. The Company wrote off the \$49,418 of deferred acquisition costs in Fiscal 2003. The Company anticipates that its secured advances to Biopath will not be collected, resulting in a \$298,397 write-off in Fiscal 2002.

Until recently, the Company had been in negotiations to acquire a 50-percent undivided interest in two diamond properties located in the Otish Mountain, Quebec area. The Company has abandoned this attempt and is examining various business ventures and properties. Such investigations, due diligence and negotiations are preliminary as of 5/14/2004.

### **Liquidity and Capital Resources**

Effective 3/9/2004, the Company closed a private placement of 1,500,000 Units at a price of \$0.16 per Unit, for gross proceeds of \$240,000. Each Unit consists of one common share and one non-transferable share purchase warrant (a "Warrant"). Each Warrant entitles the holder to purchase an additional common share at a price of \$0.215 until 3/9/2005. The Company paid a finder's fee of \$2,910 in connection with this private placement. As at 2/29/2004, the Company had received \$48,400 in share subscriptions.

#### **Fiscal 2004 Ended 2/29/2004**

Working Capital deficit was (\$148,876) at 2/29/2004.

Working Capital deficit was (\$156,632) at 2/28/2003.

Working Capital deficit was (\$ 65,150) at 2/28/2002.

Working Capital deficit was (\$151,911) at 2/28/2001.

Cash used in Fiscal 2002 Operating Activities totaled (\$104,876), including the (\$121,340) Net Loss; the only significant adjusting item was a (\$15,768) change in operating assets and liabilities. Cash used in Investing Activities was \$nil. Cash provided by Financing Activities was \$128,400 for shares issued and to be issued.

#### **Fiscal 2003 Ended 2/28/2003**

Working Capital deficit was (\$156,632) at 2/28/2003.

Cash used in Fiscal 2003 Operating Activities totaled (\$44,089), including the (\$132,362) Net Loss; the only significant adjusting item was a \$87,393 change in operating assets and liabilities. Cash used in Investing Activities was \$nil. Cash provided by Financing Activities was \$40,000 for common shares issued upon warrant exercises.

## **Results of Operations**

### **Fiscal 2004 Ended 2/28/2004**

The Company's common shares began renewed trading in August 2003. Effective the re-opening of trading, the Company's listing was transferred from the TSX Venture Exchange to the NEX Board of the TSX Venture Exchange, a new trading forum for listed companies that have fallen below ongoing listing standards

The Company is evaluating and performing due diligence on various projects for a possible acquisition or on a joint-venture basis; but none are yet probable.

Operating Expenses for Fiscal 2004 Ended 2/28/2004 were \$121,340 compared to \$132,362 for last year. "Consulting/management fees" were lower (\$38,657 vs. \$54,715): (\$30,000 vs. \$30,000) paid/accrued to Myntek Management Services Inc.; and (\$8,657 vs. \$24,715) paid to third parties. "Professional fees" were higher (\$32,826 vs. \$24,600): (\$13,500 vs. \$11,000) paid/accrued to Wynson Management Services Ltd.; and (\$19,326 vs. \$13,600) paid to third parties, the increase due to legal fees incurred during this year where none were incurred the previous year.

Net Loss for was (\$121,340). Loss Per Share was (\$0.02).

### **Fiscal 2003 Ended 2/28/2003**

The Company was designated as inactive by the TSX Venture Exchange. The Company was required to submit a reactivation plan to meet Tier 2 maintenance requirements by 9/30/2002. When this did not happen trading was suspended in November 2002.

Management is currently working on a reactivation plan for the Company for submission to the TSX Venture Exchange for approval. The Company is evaluating and performing due diligence on various projects for a possible acquisition or on a joint-venture basis; but none are yet probable.

Operating Expenses for Fiscal 2003 Ended 2/28/2003 were \$132,362 compared to \$452,033 for last year; the decrease relates primarily to the Company reduction in bad debts/advances to Biopath written off last year. Rent/administrative fees were \$30,000, unchanged from last year. Management fees were \$30,000, unchanged from last year. Consulting fees were \$24,715 compared with \$8,784 for last year. Net Loss for was (\$132,362). Loss Per Share was (\$0.03).

## **ITEM 7. FINANCIAL STATEMENTS**

The financial statements and notes thereto as required are attached hereto and found immediately following the text of this Annual Report. The audit report of Manning Elliott is included herein immediately preceding the audited financial statements.

### **Audited Financial Statements: Fiscal 2004/2003/2002**

Auditor's Report, dated 5/17/2004

Balance Sheets at 2/29/2004 and 2/28/2003

Statements of Loss and Deficit

For the years ended 2/29/2004 and 2/28/2003

Statements of Cash Flows

For the years ended 2/29/2004 and 2/28/2003

Notes to Financial Statements

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

On 3/15/2004, the Company's independent auditor, J.A. Minni & Associates ("Minni"), resigned as the Company's independent auditor. The audit reports of Minni as of and for the years ended 2/28/2003 and 2/28/2002 did not contain any adverse opinion or disclaimer of opinion, and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

The Audit Committee recommended and the Board of Directors accepted the resignation of Minni. During the fiscal years ended 2/28/2003 and 2/28/2002 and during the subsequent interim period through the date of the resignation, there were no disagreements with Minni on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures. Minni has not advised the Company of any reportable events as defined in of Regulation S-B, Item 304(a)(1)(iv)(A).

The Company engaged Manning Elliott as its independent auditors to provide the requisite audit services for the Company. This firm commenced its engagement effective 3/15/2004 as requested and approved by the Audit Committee and Company's Board of Directors. At the time of the engagement, there had been no need to consult the new auditor on any matters relating to (i) the application of accounting principles to a specific completed or contemplated transaction, or the type of audit opinion that might be rendered on the Company's financial statements and no written or oral advice was provided that might have been considered an important factor by the Company in reaching a decision as to the accounting, auditing or financial reporting issue; or (ii) any matter that was the subject of a disagreement or event identified in response to paragraph (a)(1)(iv) of this Item 304 of Regulation S-B. The Company did not consult with Manning Elliott, Chartered Accountants on any matter at any time prior to the engagement.

Refer to Form 8-K dated 3/24/2004, for copies of:

- a. Notice of Change of Auditor
- b. Letter to J.A. Minni & Associates Inc. (old)
- c. Letter to Manning Elliott (new)
- d. Manning Elliott Letter to Company regarding Notice
- e. J.A. Minni & Associates Letter to Company re: Notice
- f. J.A. Minni & Associates Letter to Company re: Form 8-K

**ITEM 8A. CONTROLS AND PROCEDURES**

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's President and Corporate Secretary, of the effectiveness of the design and operation of the Company's "disclosure controls and procedures" [as defined in the Exchange Act Rule 13a-15(e)] as of the end of the period covered by this report. Based upon that evaluation, the President and Corporate Secretary concluded that the Company's disclosure controls and procedures are effective in timely alerting them to material information relating to the Company required to be included in the Company's periodic SEC filings, and that information is recorded, processed, summarized and reported as and when required.

There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

There was no significant change in the Company's internal control over financial reporting that occurred during the Company's most recently completed fiscal year ended 2/29/2004 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. Nor were there any significant deficiencies or material weaknesses in the Company's internal controls requiring corrective actions.

### PART III

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

Table No. 5 lists as of 5/14/2004 the names of the Directors of the Company. The Directors have served in their respective capacities since their election and/or appointment and will serve until the next Annual Shareholders' Meeting or until a successor is duly elected, unless the office is vacated in accordance with the Articles/By-Laws of the Company.

Table No. 5  
Directors

Name	Age	Date First Elected or Appointed
Harry Chew	43	February 1999
Sonny Chew	35	July 2000
David J.L. Williams	50	July 2000
(1) Member of Audit Committee.		

Table No. 6 lists as of 5/14/2004 the names of the Executive Officers of the Company. The Executive Officers serve at the pleasure of the Board of Directors.

Table No. 6  
Executive Officers

Name	Position	Age	Date of Board Approval
Harry Chew (1)	President	43	February 1999
Terrance G. Owen (2)	Corporate Secretary	58	August 2002
(1) He spends about a third of his time on the affairs of the Company.			
(2) He spends about 10% of his time on the affairs of the Company.			

#### Board of Director Committees

The Company has an Audit Committee, which recommends to the Board of Directors the engagement of the independent auditors of the Company and reviews with the independent auditors the scope and results of the Company's audits, the Company's internal accounting controls, and the professional services furnished by the independent auditors to the Company. The current members of the Audit Committee are: Harry Chew, Sonny Chew, and David J.L. Williams. The Audit Committee met three times during Fiscal 2004.

## **Business Experience**

*Harry Chew*, President and a Director of the Company, is a graduate of Simon Fraser University in Burnaby, British Columbia and has been a Certified General Accountant since 1986. He also is: President of Myntek Management Services Inc., since 1986, a private company providing management services; and President of the Pacific Paragon Group of Companies, since 1993, private companies providing management consulting services. Mr. Chew currently is a director and/or officer of the following public Canadian companies: Cierra Pacific Ventures Ltd., Paradym Ventures Inc., and Pacific Stratus Ventures Ltd. He devotes about one-third of his time to the affairs of the Company. He lives in Vancouver, British Columbia, Canada.

*Sonny Chew*, Director of the Company, is a graduate of Simon Fraser University in Burnaby, British Columbia. He also is: President of Wynson Management Services Ltd., since 1992, a private management and bookkeeping consulting company; and Director of Finance and Administration of the Pacific Paragon Group of Companies, since 1993, private companies providing management consulting services. Mr. Chew is a director and/or officer of the these public Canadian companies: Cierra Pacific Ventures Ltd., Pacific Rodera Ventures Inc., Paradym Ventures Inc., and Pacific Stratus Ventures Ltd. He devotes about one-fourth of his time to the affairs of the Company. He lives in Vancouver, British Columbia, Canada.

*Terrance G. Owen*, Corporate Secretary of the Company, obtained a Bachelor of Science (with honors) in Biology from the University of Victoria in 1968, a Masters degree in Biology from the University of New Brunswick in 1970, a Ph.D. in Zoology from the University of British Columbia in 1974 and a Masters in Business Administration from Simon Fraser University in British Columbia in 1991. Mr. Owen is President and CEO of Alda Pharmaceuticals Corp., a British Columbia pharmaceutical corporation engaged in the development and commercialization of innovative infection control products based on its proprietary technology, Alda is listed on the TSX Venture Exchange. He lives in New Westminister, British Columbia, Canada.

*David J.L. Williams*, a Director of the Company, a former professional hockey player, has been employed since March 1983 by TWE Enterprises Ltd., a private company providing management consulting services. Mr. Williams is a director and/or officer of the following public Canadian companies: Cierra Pacific Ventures Ltd., Pacific Rodera Ventures Inc., and Paradym Ventures Inc. He lives in West Vancouver, British Columbia, Canada.



#### Involvement in certain legal proceedings

There have been no events during the last five years that are material to an evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, promoter or control person including:

- a) any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- b) any conviction in a criminal proceeding or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- c) being subject to any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction, permanently enjoining, barring, suspending or otherwise limiting his/her involvement in any type of business, securities or banking activities;
- d) being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities or commodities law, and the judgment has not been reversed, suspended, or vacated.

#### Family Relationships

Sonny Chew is the brother of Harry Chew. Other than this, there are no family relationships between any of the officers or directors of the Company.

#### Other Relationships/Arrangements

There are no arrangements or understandings between any two or more Directors or Executive Officers, pursuant to which he/she was selected as a Director or Executive Officer. There are no material arrangements or understandings between any two or more Directors or Executive Officers.

#### Compliance with Section 16(a) of the Exchange Act.

The Company is not subject to Section 16(a) of the Exchange Act.

#### Audit Committee Financial Expert

The Company does not have an "audit committee financial expert" serving on its audit committee. The Company's Audit Committee consists of two unrelated directors and the President of the Company, all of whom are both financially literate and very knowledgeable about the Company's affairs. Because the Company's structure and operations are straightforward, the Company does not find it necessary to augment its Board with a financial expert.

#### Code of Ethics

The Company has not adopted a written "code of ethics" that meets the new United States' Sarbanes-Oxley standards; the Board of Directors believes that existing Canadian standards and procedures is adequate for its purposes. The Company has not seen any need to adopt a written code of ethics on the basis that its corporate culture effectively deters wrongdoing and promotes honest and ethical conduct, full, fair and accurate, timely, and understandable disclosure in reports and documents, the compliance with applicable governmental laws, rules and regulations; the prompt internal reporting of violations of the code; and accountability for adherence to the code.

#### **ITEM 10. EXECUTIVE COMPENSATION**

The Company has no formal plan for compensating its Directors for their service in their capacity as Directors. Directors are entitled to reimbursement for reasonable travel and other out-of-pocket expenses incurred in connection with attendance at meetings of the Board of Directors. The Board of Directors may award special remuneration to any Director undertaking any special services on behalf of the Company other than services ordinarily required of a Director. During Fiscal 2004, no Director received and/or accrued any compensation for his services as a Director, including committee participation and/or special assignments.

Total compensation paid/accrued (directly/indirectly) to all Officers/Directors for Fiscal 2004 was \$43,500, including \$30,000 paid to Myntek Management Services Inc. and \$13,500 paid to Wynson Management Services Ltd.; refer to ITEM 12. No stock options/SARS were granted or exercised during the most recent fiscal year. No other compensation was granted.

Management functions of the Company are not to any substantial degree performed by a person other than the directors or senior officers of the Company. The Company has a management contract dated 5/1/2000 with Myntek Management Services Inc., a private British Columbia company owned as to 50% by Harry Chew, President & Director of the Company and 50% by his spouse. Under the agreement, Myntek Management Services Inc. is paid a management fee of \$2,500 per month, plus reasonable expenses related to the performance of its duties. For the year ended 2/29/2004, management fees in the amount of \$30,000 were paid or accrued to Myntek Management Services Inc.

During Fiscal 2004, no funds were set aside or accrued by the Company to provide pension, retirement or similar benefits for Directors or Executive Officers. The Company has no plans or arrangements in respect of remuneration received or that may be received by Executive Officers of the Company in Fiscal 2005 to compensate such officers in the event of termination of employment (as a result of resignation, retirement, change of control) or a change of responsibilities following a change of control, where the value of such compensation exceeds US\$60,000 per Executive Officer.

**ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS  
AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The Company is a publicly-owned corporation, the shares of which are owned by residents of the United States, Canada, and other countries. The Company is not controlled directly/indirectly by another corporation/any foreign government.

Table No. 7 lists as of 5/14/2004 all persons/companies the Registrant is aware of as being the beneficial owner of 5% or more of the common stock of the Registrant. All Officer/Director addresses c/o Bi-Optic Ventures Inc.: 1030 West Georgia Street, Suite #615, Vancouver, British Columbia V6E 2Y3.

Table No. 7  
Shareholdings of 5% Shareholders

Title of Class	Name of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class #
Common	Harry Chew (1)	816,750	11.9%
Common	607286 BC Ltd. (2)	600,000	9.0%
Common	461886 BC Ltd. (3)	400,000	6.8%
<b>Total</b>	<b>Five Percent Shareholders</b>	<b>1,816,750</b>	<b>26.9%</b>
(1) 27,500 shares are held indirectly by Pacific Paragon Investment Fund Ltd a private company controlled 50% by the spouse of Mr. Harry Chew and 50% by Mrs. Jodie Nitta. 220,000 represent share purchase warrants.			
(2) This Company is controlled by Richard T. Nomura. Its primary address is 460 Nanaimo Street, #301, Vancouver, BC V5L 4W3.			
(3) This Company is controlled by T.Y. Nitta. Its primary address is 2680 Shell Road, #243, Richmond, BC V6X 4C9.			
# Based on 6,664,235 shares outstanding as of 5/14/2004 and currently exercisable share purchase warrants held by each shareholder.			

Table No. 8 lists as of 5/14/2004 all Directors and Executive Officers who beneficially own the Registrant's voting securities and the amount of the Registrant's voting securities owned by the Directors and Executive Officers as a group.

Table No. 8  
Shareholdings of Directors and Executive Officers

Title of Class	Name/Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class #
Common	Harry Chew (1)	816,750	11.9%
Common	Sonny Chew (2)	300,000	2.2%
Common	David J.L. Williams (2)	200,000	1.4%
<b>Total Directors and Officers</b>		<b>1,316,750</b>	<b>15.5%</b>

(1) 27,500 shares are held indirectly by Pacific Paragon Investment Fund Ltd a private company controlled 50% by the spouse of Mr. Harry Chew and 50% by Mrs. Jodie Nitta.

220,000 of these represent share purchase warrants.

(2) 100,000 of these represent share purchase warrants.

All address are c/o the Company: Bi-Optic Ventures Inc.  
1030 West Georgia Street, Suite #615  
Vancouver, B.C. V6E 2Y3

# Based on 6,664,235 shares outstanding as of 5/14/2004 and currently exercisable share purchase warrants held by each shareholder.

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Securities authorized for issuance under equity compensation plans.

--- No Disclosure Necessary ---

## **ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Management functions of the Company are not to any substantial degree performed by a person other than the directors or senior officers of the Company. The Company has a management contract dated 5/1/2000 with Myntek Management Services Inc., a private British Columbia company owned as to 50% by Harry Chew, President & Director of the Company and 50% by his spouse. Under the agreement, Myntek Management Services Inc. is paid a management fee of \$2,500 per month, plus reasonable expenses related to the performance of its duties. For the fiscal years ended 2/29/2004 and 2/28/2003, management fees in the amount of \$30,000 were paid or accrued in each year to Myntek Management Services Inc.

During Fiscal 2004, the Company paid \$13,500 (2003- \$11,000) to Wynson Management Services Ltd., a private company controlled by Sonny Chew, a Director of the Company, and his spouse, for bookkeeping and accounting services.

During Fiscal 2001, the Company borrowed \$24,000 from Pacific Paragon Investment Fund Ltd., a private company owned as to 50% by the spouse of Harry Chew, to fund operations. No interest is paid on such borrowings and there is no formal date for repayment. The loans were repaid in full in March 2004.

During Fiscal 2002, the Company borrowed: \$700 from Harry Chew, \$535 from Sonny Chew, \$3,000 from Myntek Management Services Inc., and \$5,185 from Pacific Paragon Investment Fund Ltd., to fund operations. These amounts are unsecured, are non-interest bearing, and are repayable after 3/31/2003. The loans were repaid in full in March 2004.

Other than described above, there have been no transactions since 2/29/2001, or proposed transactions, which have materially affected or will materially affect the Company in which any Director, Executive Officer, or beneficial holder of more than 10% of the outstanding common stock, or any of their respective relatives, spouses, associates or affiliates has had or will have any direct or material indirect interest.

## **ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K**

2. Plan of acquisition, reorganization, arrangement, liquidation, or succession: No Disclosure Necessary
3. Articles of Incorporation/By-Laws:  
Incorporated by reference to Form 10-SB Registration Statement Filed 3/13/2002, as amended.
4. Instruments defining the rights of holders, incl. indentures  
--- Refer to Exhibit #3 ---
9. Voting Trust Agreements: No Disclosure Necessary.
10. Material Contracts:  
Incorporated by reference to Form 10-SB Registration Statement Filed 3/13/2002, as amended;
11. Statement re Computation of Per Share Earnings: No Disclosure Necessary
16. Letter on Change of Certifying Accountant:  
Incorporated by reference to Form 8-K filed 3/24/2004
18. Letter on change in accounting principles: No Disclosure Necessary
20. Other documents or statements to security holders: No Disclosure Necessary
21. Subsidiaries of the Registrant: No Disclosure Necessary
22. Published report regarding matters submitted to vote  
--- Incorporated by reference to Form 10-SB Registration Statement Filed 3/13/2002, as amended, and Form 10-QSB's ---
23. Consent of Experts and Counsel: No Disclosure Necessary
24. Power of Attorney: No Disclosure Necessary
31. Rule 13a/15d-14(a) Certifications 33
32. Section 1350 Certifications 34
33. Additional Exhibits: No Disclosure Necessary

**ITEM 14. CONTROLS AND PROCEDURES**

The audit committee is directly responsible for the appointment, compensation and oversight of auditors; the audit committee has in place procedures for receiving complaints and concerns about accounting and auditing matters; and has the authority and the funding to engage independent counsel and other outside advisors.

The Audit Committee may delegate to one or more designated members of the Audit Committee the authority to grant pre-approvals required by this policy / procedure. The decisions of any Audit Committee member to whom authority is delegated to pre-approve a service shall be presented to the full Audit Committee at its next scheduled meeting.

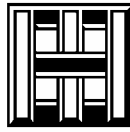
In accordance with the requirements of the US Sarbanes-Oxley Act of 2002 and rules issued by the Securities and Exchange Commission, we introduced a procedure for the review and pre-approval of any services performed by Manning Elliott, including audit services, audit related services, tax services and other services. The procedure requires that all proposed engagements of Manning Elliott for audit and permitted non-audit services are submitted to the finance and audit committee for approval prior to the beginning of any such services.

Fees, paid/accrued, including reimbursements for expenses, for professional services rendered by J.A. Minni & Company to the Company are detailed below.

Fiscal Years ended 2/29/2004 and 2/28/2003		
Principal Accountant Fees and Services	2004	2003
Audit Fees	\$3,531	\$6,795
Audit Related Fees (1)	\$3,638	\$6,688
Tax Fees (2)	\$ 856	\$1,070
All Other Fees	<u>\$nil</u>	<u>\$nil</u>
Total	<u>\$8,025</u>	<u>\$14,552</u>

(1) These services consisted of review of interim financials.

(2) These services consisted of preparation of corporate tax return.



MANNING ELLIOTT  
CHARTERED ACCOUNTANTS

11th floor, 1050 West Pender Street, Vancouver, BC, Canada V6E 3S7

Phone: 604. 714. 3600 Fax: 604. 714. 3669 Web: manningelliott.com

### **Independent Auditors' Report**

To the Board of Directors and Stockholders of  
Bi-Optic Ventures Inc.  
(A Development Stage Company)

We have audited the accompanying balance sheet of Bi-Optic Ventures Inc. as of February 29, 2004, and the related statements of operations, cash flows and stockholders' deficit for the year then 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 audit. The accompanying balance sheet of Bi-Optic Ventures Inc. as of February 28, 2003, and the related statements of operations, cash flows and stockholders' deficit for the year then ended were audited by other auditors in their report dated May 22, 2003. Those auditors expressed an unqualified opinion on those financial statements and included an explanatory paragraph describing the substantial doubt about the Company's ability to continue as a going concern.

We conducted our audit in accordance with 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 audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements referred to above present fairly, in all material respects, the financial position of Bi-Optic Ventures Inc. as of February 29, 2004, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has no business operations and has suffered recurring operating losses since inception. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also discussed in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ "Manning Elliott"

CHARTERED ACCOUNTANTS  
Vancouver, Canada  
May 17, 2004

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
Balance Sheets  
(expressed in Canadian dollars)

	February 29, 2004 \$	February 28, 2003 \$
Assets		
Current Assets		
Cash	23,631	107
Amounts receivable	2,073	3,891
Total Current Assets	25,704	3,998
Property and Equipment (Note 3)	2,776	3,472
Total Assets	28,480	7,470
Liabilities and Stockholders' Deficit		
Current Liabilities		
Accounts payable	63,185	69,905
Accrued liabilities	3,500	3,500
Due to related parties (Note 4(c))	107,895	85,725
Total Liabilities	174,580	160,630
Stockholders' Deficit		
Common Stock: 100,000,000 common shares authorized without par value; 5,164,235 and 4,364,235 shares issued and outstanding, respectively	2,719,192	2,639,192
Common Stock Subscribed (Note 7)	48,400	—
Deficit Accumulated During the Development Stage	(2,913,692)	(2,792,352)
Total Stockholders' Deficit	(146,100)	(153,160)
Total Liabilities and Stockholders' Deficit	28,480	7,470
Contingent Liability (Note 1)		
Subsequent Event (Note 7)		

(The accompanying notes are an integral part of the financial statements)



Bi-Optic Ventures Inc.  
(A Development Stage Company)  
Statements of Operations  
(expressed in Canadian dollars)

	Accumulated from May 31, 1984 (Date of Inception) to February 29, 2004 \$	For the Year Ended February 29, 2004 \$	February 28, 2003 \$
Revenue	-	-	-
Expenses			
Acquisition costs written off	347,815	-	-
Amortization	5,122	696	880
Bad debts	20,658	-	-
Consulting and management fees (Note 4(a))	296,606	38,657	54,715
Cost recoveries	(11,123)	-	-
Interest and bank charges	5,538	249	416
Investor and public relations	37,393	1,420	1,658
Office, rent and telephone (Note 4(a))	174,765	33,035	33,598
Professional fees (Note 4(b))	196,147	32,826	24,600
Transfer agent and regulatory fees	49,872	8,618	8,435
Travel and promotion	59,226	5,839	8,062
Less: Interest income	(2,606)	-	(2)
Total Expenses	1,179,413	121,340	132,362
Net Loss Before Discontinued Operations	(1,179,413)	(121,340)	(132,362)
Loss from Discontinued Operations	(1,734,279)	-	-
Net Loss for the Period	(2,913,692)	(121,340)	(132,362)
Basic Net Loss Per Share		(0.02)	(0.03)
Weighted Average Shares Outstanding		4,864,000	4,166,000

(Diluted loss per share has not been presented as the result is anti-dilutive)

(The accompanying notes are an integral part of the financial statements)

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
Statements of Cash Flows  
(expressed in Canadian dollars)

	Accumulated from May 31, 1984 (Date of Inception) to February 29, 2004 \$	For the Year Ended February 29, 2004 \$	February 28, 2003 \$
Cash Flows to Operating Activities			
Net loss	(2,913,692)	(121,340)	(132,362)
Adjustments to reconcile net loss to net cash used by operating activities			
Acquisition costs written off	347,815	—	—
Amortization	6,724	696	880
Bad debts	20,658	—	—
Cost recoveries	11,123	—	—
Investments written off	7,475	—	—
Mineral properties written off	380,751	—	—
Changes in operating assets and liabilities			
Amounts receivable	(22,731)	1,818	(489)
Prepaid expenses	—	—	5,000
Accounts payable and accrued liabilities	314,476	(8,220)	15,996
Due to related parties	107,895	22,170	66,886
Net Cash Used by Operating Activities	(1,739,506)	(104,876)	(44,089)
Cash Flows to Investing Activities			
Net cash used in discontinued operations	(373,364)	—	—
Acquisition of property and equipment	(9,500)	—	—
Net Cash Used In Investing Activities	(382,864)	—	—
Cash Flows From Financing Activities			
Issuance of common shares	2,146,001	128,400	40,000
Net Cash Provided by Financing Activities	2,146,001	128,400	40,000
Change in Cash	23,631	23,524	(4,089)
Cash - Beginning of Period	—	107	4,196
Cash - End of Period	23,631	23,631	107
Non-Cash Financing and Investing Activities			
Shares issued to settle debt	247,791	—	—
Shares issued for finders' fees	50,400	—	—
Shares issued to acquire mineral properties	275,000	—	—
Supplemental Disclosures			
Interest paid	—	—	—
Income tax paid	—	—	—

(The accompanying notes are an integral part of the financial statements)

Bi-Optic Ventures Inc.  
(A Development Stage Company)  
Statement of Stockholders' Equity (Deficit)  
From February 28, 2001 to February 29, 2004  
(expressed in Canadian dollars)

	Common Stock Shares #	Common Stock Amount \$	Common Stock Subscribed \$	Deficit Accumulated During the Development Stage \$	Total \$
Balance – February 28, 2001	3,540,763	2,359,929	–	(2,207,977)	151,952
Share consolidation	(1,770,382)	–	–	–	
Issued pursuant to debt settlement	993,854	119,263	–	–	119,263
Issued pursuant to a private placement at \$0.10 per share	1,200,000	120,000	–	–	120,000
Net loss for the year	–	–	–	(452,013)	(452,013)
Balance – February 28, 2002	3,964,235	2,599,192	–	(2,659,990)	(60,798)
Issued pursuant to the exercise of warrants at \$0.10 per share	400,000	40,000	–	–	40,000
Net loss for the year	–	–	–	(132,362)	(132,362)
Balance – February 28, 2003	4,364,235	2,639,192	–	(2,792,352)	(153,160)
Issued pursuant to the exercise of warrants at \$0.10 per share	800,000	80,000	–	–	80,000
Common stock to be issued	–	–	48,400	–	48,400
Net loss for the year	–	–	–	(121,340)	(121,340)
Balance – February 29, 2004	5,164,235	2,719,192	48,400	(2,913,692)	(146,100)

(The accompanying notes are an integral part of the financial statements)

1. Development Stage Company

Bi-Optic Ventures Inc. herein (the "Company") was incorporated in the Province of British Columbia, Canada on May 31, 1984. The Company is currently evaluating various business opportunities.

The Company is in the early development stage. In a development stage company, management devotes most of its activities in evaluating various business opportunities. The ability of the Company to emerge from the development stage is dependent upon its successful efforts in evaluating and acquiring or developing a business opportunity, raising additional equity financing and/or generating significant revenue. There is no guarantee that the Company will be able to raise enough equity to develop and implement a business plan. There is substantial doubt regarding the Company's ability to continue as a going concern.

The Company's 10-SB Registration Statement filed with the U.S. Securities Exchange Commission was declared effective in 2003.

The Company has a working capital deficit of \$148,876 as at February 29, 2004 and has suffered substantial recurring operating losses since inception totalling \$2,913,692 to February 29, 2004.

On March 8, 2004, the Company closed a private placement totalling 1,500,000 units at \$0.16 per unit for gross proceeds of \$240,000. Each unit consists of one share and one warrant to purchase an additional share at \$0.215 per share expiring on March 9, 2005. The Company paid a finder's fee of \$2,910 in connection with this private placement. As at February 29, 2004, the Company had received \$48,400 in share subscriptions for 302,500 units.

2. Summary of Significant Accounting Policies

(a) Basis of Presentation

These financial statements and related notes are presented in accordance with accounting principles generally accepted in the United States and are expressed in Canadian dollars. The Company has not produced any revenue and is a development stage company as defined by Statement of Financial Accounting Standard ("SFAS") No. 7. There are no financial statements using Canadian generally accepted accounting principles, however, there would be no material reconciling items other than presentation items.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. 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 periods. Actual results could differ from those estimates.

(c) Cash and Cash Equivalents

The Company considers all highly liquid instruments with a maturity of three months or less at the time of issuance to be cash equivalents.

(d) Property and Equipment

Property and equipment is recorded at cost. Amortization is computed on a declining balance basis at the following rates:

Computer equipment	30%
Furniture and equipment	20%

2. Summary of Significant Accounting Policies (continued)

(e) Long-Lived Assets

In accordance with Financial Accounting Standards Board ("FASB") Statement of Financial Accounting Standards ("SFAS") No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets", the carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes an impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.

(f) Income Taxes

The Company utilizes the liability method of accounting for income taxes as set forth in SFAS No. 109, "Accounting for Income Taxes". Under the liability method, deferred taxes are determined based on the temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates. A valuation allowance is recorded when it is more likely than not that some of the deferred tax assets will not be realized.

(g) Financial Instruments

The carrying value of cash, amounts receivable, accounts payable, accrued liabilities and due to related parties approximate fair value due to the relatively short maturity of these instruments.

(h) Comprehensive Loss

SFAS No. 130, "Reporting Comprehensive Income," establishes standards for the reporting and display of comprehensive loss and its components in the financial statements. As at February 29, 2004 and February 28, 2003, the Company has no items that represent comprehensive loss and, therefore, has not included a schedule of comprehensive loss in the financial statements.

(i) Basic and Diluted Net Income (Loss) per Share

The Company computes net income (loss) per share in accordance with SFAS No. 128, "Earnings per Share" (SFAS 128). SFAS 128 requires presentation of both basic and diluted earnings per share (EPS) on the face of the income statement. Basic EPS is computed by dividing net income (loss) available to common shareholders (numerator) by the weighted average number of common shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period including stock options, using the treasury stock method, and convertible preferred stock, using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential common shares if their effect is anti dilutive.

(j) Stock-Based Compensation

The Company accounts for stock-based awards using the intrinsic value method of accounting in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" (APB 25). Under the intrinsic value method of accounting, compensation expense is recognized if the exercise price of the Company's employee stock options is less than the market price of the underlying common stock on the date of grant.

Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation," (SFAS 123), established a fair value based method of accounting for stock-based awards. Under the provisions of SFAS 123, companies that elect to account for stock-based awards in accordance with the provisions of APB 25 are required to disclose the pro forma net income (loss) that would have resulted from the use of the fair value based method under SFAS 123.

2. Summary of Significant Accounting Policies (continued)

(j) Stock-Based Compensation (continued)

During the year, the Company adopted the disclosure requirements of Statement of Financial Accounting Standards No. 148, "Accounting for Stock-Based Compensation — Transition and Disclosure an Amendment of FASB Statement No. 123" (SFAS 148), to require more prominent disclosures in both annual and interim financial statements regarding the method of accounting for stock-based employee compensation and the effect of the method used on reported results.

The pro forma information is as follows:

	Year Ended	
	February 29, 2004	February 28, 2003
	\$	\$
Net loss — as reported	(121,340)	(132,362)
Add: Stock-based compensation expense included in net loss — as reported	—	—
Deduct: Stock-based compensation expense determined under fair value method	—	—
Net loss — pro forma	(121,340)	(132,362)
Net loss per share (basic) — as reported	(0.02)	(0.03)
Net loss per share (basic) — pro forma	(0.02)	(0.03)

(k) Recent Accounting Pronouncements

In December 2003, the United States Securities and Exchange Commission issued Staff Accounting Bulletin No. 104, "Revenue Recognition" (SAB 104), which supersedes SAB 101, "Revenue Recognition in Financial Statements." The primary purpose of SAB 104 is to rescind accounting guidance contained in SAB 101 related to multiple element revenue arrangements, which was superseded as a result of the issuance of EITF 00-21, "Accounting for Revenue Arrangements with Multiple Deliverables." While the wording of SAB 104 has changed to reflect the issuance of EITF 00-21, the revenue recognition principles of SAB 101 remain largely unchanged by the issuance of SAB 104. The adoption of SAB 104 did not have a material impact on the Company's financial statements.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity". SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity. It requires that an issuer classify a financial instrument that is within its scope as a liability (or an asset in some circumstances). The requirements of SFAS No. 150 apply to issuers' classification and measurement of freestanding financial instruments, including those that comprise more than one option or forward contract. SFAS No. 150 does not apply to features that are embedded in a financial instrument that is not a derivative in its entirety. SFAS No. 150 is effective for financial instruments entered into or modified after May 31, 2003, and otherwise is effective at the beginning of the first interim period beginning after June 15, 2003, except for mandatory redeemable financial instruments of non-public entities. It is to be implemented by reporting the cumulative effect of a change in an accounting principle for financial instruments created before the issuance date of SFAS No. 150 and still existing at the beginning of the interim period of adoption. Restatement is not permitted. The adoption of this standard is not expected to have a material effect on the Company's results of operations or financial position.

(l) Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current period's presentation.

3. Property and Equipment

	Cost \$	Accumulated Amortization \$	February 29, 2004 Net Carrying Value \$	February 28, 2003 Net Carrying Value \$
Computer equipment	2,568	2,090	478	651
Furniture and equipment	6,932	4,634	2,298	2,821
	<u>9,500</u>	<u>6,724</u>	<u>2,776</u>	<u>3,472</u>

4. Related Party Transactions/Balances

- (a) The Company paid \$30,000 (2003 - \$30,000) in management fees and \$30,000 (2003 - \$30,000) in rent to a company controlled by the President of the Company.
- (b) The Company paid \$13,500 (2003 - \$11,000) in professional fees to a company controlled by a director.
- (c) The amounts due to companies controlled by officers and/or directors are without interest, unsecured and due on demand.

5. Common Stock

(a) Share Purchase Warrants

At February 29, 2004, there are no share purchase warrants outstanding.

The following table summarizes the continuity of the Company's warrants:

	Number of shares	Weighted average exercise price \$
Balance, February 28, 2002	1,200,000	0.10
Exercised	(400,000)	0.10
Expired	—	—
Balance, February 28, 2003	800,000	0.10
Exercised	(800,000)	0.10
Expired	—	—
Balance, February 29, 2004	—	—

(b) Stock Options

The Company does not currently have a stock option plan.

6. Income Tax

Potential benefits of income tax losses are not recognized in the accounts until realization is more likely than not. The Company has adopted Statement of Financial Accounting Standards No. 109 ("SFAS 109") as of its inception. The Company has incurred Canadian non-capital losses of \$1,084,000, which expire starting in 2005. Pursuant to SFAS 109 the Company is required to compute tax asset benefits for net operating losses carried forward. Potential benefit of net operating losses have not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

6. Income Tax (continued)

The components of the net deferred tax asset at February 29, 2004 and February 28, 2003, and the statutory tax rate, the effective tax rate and the elected amount of the valuation allowance are scheduled below:

	2004	2003
	\$	\$
Amortization of Property and Equipment	7,000	6,000
Net Operating Loss	119,000	129,000
	126,000	135,000
Statutory Tax Rate	35.6%	37.6%
Effective Tax Rate	—	—
Deferred Tax Asset	44,856	50,760
Valuation Allowance	(44,856)	(50,760)
Net Deferred Tax Asset	—	—

7. Subsequent Event

On March 8, 2004, the Company closed a private placement totalling 1,500,000 units at \$0.16 per unit for gross proceeds of \$240,000. Each unit consists of one share and one warrant to purchase an additional share at \$0.215 per share expiring on March 9, 2005. The Company paid a finder's fee of \$2,910 in connection with this private placement. As at February 29, 2004, the Company had received \$48,400 in share subscriptions for 302,500 units.



**SIGNATURE PAGE**

Pursuant to the requirements of Section 12g of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 10-KSB and has duly caused this Annual Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Bi-Optic Ventures Inc. --- SEC File #000-49685  
Registrant

Dated: May 28, 2004 By /s/ Harry Chew  
Harry Chew, President/CEO/CFO/Director

Dated: May 28, 2004 By /s/ Sonny Chew  
Sonny Chew, Director

**EXHIBIT 31.1**

**SARBANES-OXLEY SECTION 302 CERTIFICATION**

I, Harry Chew, certify that:

1. I have reviewed this annual report on Form 10-KSB of Bi-Optic Ventures Inc.;
2. Based on my knowledge, this 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 report;
3. Based on my knowledge, the financial statements, and other financial information included in this 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 report;
4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Registrant and have:
  - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, 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 report is being prepared;
  - b) Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - c) Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and
5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):
  - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
  - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

/s/ Harry Chew

Harry Chew

Chief Executive Officer and Chief Financial Officer

May 28, 2004

**EXHIBIT 32.1**

**SARBANES-OXLEY SECTION 906 CERTIFICATION**

In connection with the Annual Report of Bi-Optic Ventures Inc. (the "Company") on Form 10-KSB for the period ended February 29, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Harry Chew, 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 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 results of operations of the Company.

/s/ Harry Chew

Harry Chew

Chief Executive Officer and Chief Financial Officer

May 28, 2004