

**BLUE POWER ENERGY CORPORATION**

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October 30, 2002



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Office of International Corporate Finance  
Securities & Exchange Commission  
Room 3094 (3-6)  
450 - 5 Street, N.W.  
Washington, D.C.  
U.S.A. 20549

**Attention: Office of Applications & Report Services**

Dear Sirs:

**Re: Exemption No. 82-2213**

Please find two copies of the unaudited Interim Financial Statements for the three months ended August 31<sup>st</sup>, 2002 for your public files.

If you have any questions in regard to the foregoing, please contact the undersigned.

Yours truly,

**BLUE POWER ENERGY CORPORATION**

Per: J. Allan Ringler

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# BLUE POWER ENERGY CORPORATION

## BALANCE SHEETS

(PREPARED BY MANAGEMENT)

	August 31, 2002 (Unaudited)	May 31, 2002 (Audited)
<b>ASSETS</b>		
Current		
Cash	\$ 2,664	\$ 5,231
Accounts receivable	<u>5,838</u>	<u>6,839</u>
	<u>\$ 8,502</u>	<u>\$ 12,070</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ <u>15,238</u>	\$ <u>9,270</u>
Shareholders' Equity		
Capital Stock		
Authorized		
Unlimited number of non-participating, redeemable, voting Class B preference shares		
Unlimited number of Class C preference shares, issuable in series Unlimited number of common shares		
Issued		
3,825,873 Common shares	1,891,544	1,891,544
Contributed Surplus	1,035	1,035
Deficit	<u>(1,899,315)</u>	<u>(1,889,779)</u>
	<u>(6,736)</u>	<u>2,800</u>
	<u>\$ 8,502</u>	<u>\$ 12,070</u>

### Responsibility for Financial Statements

The accompanying financial statements for Blue Power Energy Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the May 31, 2002 audited financial statements and the August 31, 2002 unaudited financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependant upon future events. Therefore, estimates and approximations have been made using careful judgement. Recognizing that the Company is responsible for both the integrity and objectivity of the financial statements, management is satisfied that these financial statements have been fairly presented.

# BLUE POWER ENERGY CORPORATION

(PREPARED BY MANAGEMENT - UNAUDITED)

Three Months Ended  
August 31,  
2002                      2001

## STATEMENTS OF OPERATIONS AND DEFICIT

Expenses:		
Accounting and corporate services	\$ 2,100	\$ 4,200
Consulting	-	3,600
Shareholder relations	1,222	1,219
Management fees	6,000	6,000
Miscellaneous	<u>214</u>	<u>544</u>
	<u>9,536</u>	<u>15,563</u>
Less interest income	<u>-</u>	<u>(1,567)</u>
Net loss for the period	(9,536)	(13,996)
DEFICIT, beginning of period	<u>(1,889,779)</u>	<u>(1,843,788)</u>
DEFICIT, end of period	<u>\$ (1,899,315)</u>	<u>\$ (1,857,784)</u>
<hr/>		
Loss per share (Note 3)	\$ 0.00	\$ 0.00
Weighted average common shares outstanding	3,825,873	3,828,123

## STATEMENTS OF CASH FLOWS

Three Months Ended  
August 31,  
2002                      2001

### CASH (USED IN) PROVIDED BY

#### OPERATING ACTIVITIES

Net loss for the period	\$ (9,536)	\$ (13,996)
Adjustment for:		
Changes in non-cash working capital relating:		
Accounts receivable	1,001	(500)
Accounts payable and accrued liabilities	<u>5,968</u>	<u>(9,374)</u>
	<u>(2,567)</u>	<u>(23,870)</u>

#### INVESTING ACTIVITIES

Proceeds from sale of assets	<u>-</u>	<u>56,000</u>
CHANGE IN CASH	(2,567)	32,130
CASH, beginning of period	<u>5,231</u>	<u>6,399</u>
CASH, end of period	<u>\$ 2,664</u>	<u>\$ 38,529</u>

**BLUE POWER ENERGY CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**(PREPARED BY MANAGEMENT - UNAUDITED)**  
**THREE MONTHS ENDED AUGUST 31, 2002**

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**1. ACCOUNTING POLICIES**

The management of Blue Power Energy Corporation (the "Company") have prepared these unaudited financial statements for the three months ended August 31, 2002 in accordance with generally accepted accounting principles in Canada. These financial statements follow the same methods and policies used in the audited financial statements for the year ended May 31, 2002.

The disclosure in these interim financial statements may not conform in all respects to Canadian generally accepted accounting principles for annual financial statements.

In the opinion of management, all adjustments considered necessary for fair presentation have been included in these financial statements. Operating results for the three months ended August 31, 2002 are not indicative of the results that may be expected for the full year ending May 31, 2003.

**2. INCOME TAXES**

The estimated taxable income for the period is nil. Based upon the level of historical taxable income it cannot be reasonably estimated at this time if it is more likely than not that the Company will realize the benefits from future income tax assets or the amounts owing from future income tax liabilities. Consequently, the future recovery or loss arising from differences in tax values and accounting values have been reduced by an equivalent estimated taxable temporary difference valuation allowance. The estimated taxable temporary valuation allowance will be adjusted in the period that it is determined that it is more likely than not that some portion or all of the future tax assets or future tax liabilities will be realized.

For further information on the Company's actual losses for tax purposes, refer to the May 31, 2002 audited financial statements. The estimated loss for the period ended has not been recognized in these financial statements.

**3.. LOSS PER SHARE**

The loss per share is calculated using the weighted average number of common shares outstanding during the period.

**4. SEGMENTED INFORMATION**

The Company has no reporting operating segment. Amounts disclosed in the financial statements relate to administrative activities only.

**5. RELATED PARTY**

During the three months ended August 31, 2002, the Company accrued \$6,000 as management fees to Northern Mining Properties (a partnership of the promoters of the Company) for managing and supervising the Company's activities.

**BLUE POWER ENERGY CORPORATION**  
**SUPPLEMENT TO FINANCIAL STATEMENTS**  
**(PREPARED BY MANAGEMENT - UNAUDITED)**  
**THREE MONTHS ENDED AUGUST 31, 2002**

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As of October 25, 2002, there were 3,825,873 common shares outstanding.