

82- SUBMISSIONS FACING



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MICROFICHE CONTROL LABEL



REGISTRANT'S NAME Expo Resources

*CURRENT ADDRESS 1239 Sir David Drive
Oakville, Ontario L6T 4Y9
Canada

**FORMER NAME _____

**NEW ADDRESS _____

PROCESSED
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FINANCIAL

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*Expo Resources Inc.
Financial Statements
December 31, 2001*

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Expo Resources Inc.
Balance Sheet
As at December 31, 2001

Assets

	<u>2001</u>	<u>2000</u>
Current		
Cash	\$ 16,674	\$ 6,363
	<u>16,674</u>	<u>6,363</u>
	<u>\$ 16,674</u>	<u>\$ 6,363</u>

Shareholders' Equity

Share Capital (Note)		
Authorized:		
- An unlimited number of shares		
Issued:		
- 2001: 1,375,000 – (2000: 975,000)	38,750	18,750
Deficit (page 3)	<u>(22,076)</u>	<u>(12,387)</u>
	<u>16,674</u>	<u>6,363</u>
	<u>\$ 16,674</u>	<u>\$ 6,363</u>

Approved on behalf of the Directors

(Signed): "Steve Baran" Director

(Signed): "Paul Baran" Director

See accompanying notes to financial statements

Expo Resources Inc.
Statement of Loss and Deficit
For the Year Ended December 31, 2001

	<u>2001</u>	<u>2000</u>
Operating expenses		
Directors fees	\$ 5,700	\$ 5,800
Travel and automobile	3,989	5,987
Financial Consultant		600
	<u>9,689</u>	<u>12,387</u>
Net (Loss) for the Year	(9,689)	(12,387)
(Deficit), Beginning of Year	<u>(12,387)</u>	<u>-</u>
(Deficit), End of Year	<u>\$ (22,076)</u>	<u>\$ (12,387)</u>
Income (Loss) Per Share	<u>\$ (0.016)</u>	<u>\$ (0.013)</u>

See accompanying notes to financial statements

Expo Resources Inc.
Notes to Financial Statements
December 31, 2001

1. Nature of Business and Going Concern Considerations

Expo Resources Inc. (the "Company") was incorporated under the laws of the Province of Ontario in December 1996 and has been in the business of acquiring and exploring mineral resource properties in both North and South America although the Company currently does not own any resource properties.

These financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern, which assumes that the Company's will be able to realize its assets and discharge its liabilities in the normal course of business. The Company has no recurring source of revenue and may require additional financing in order to meet its obligations and pursue its investment strategy of acquiring, exploring and developing mineral resource properties.

If the going-concern basis was not appropriate, material adjustments may be necessary in the carrying amounts and/or classifications of assets and liabilities and the loss reported in these financial statements.

2. Summary of Significant Accounting Policies

(a) Financial instruments

The Company's financial instruments consist of cash, accounts payable and amounts due to directors, which are short-term nature. The fair value of the financial instruments approximates their carrying value.

(b) 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 as at the date of the financial statements and the reporting periods. Actual results could differ from those estimates.

(c) Income taxes

Income taxes are calculated using the liability method of tax allocation accounting. Temporary differences arising from the difference between the tax basis of assets or liabilities and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future income tax liabilities or assets are calculated using tax rates anticipated to apply in the periods that the temporary differences are expected to reverse. Temporary differences arising on acquisitions result in future income tax liabilities or assets.

(d) Stock option plan

The Company does not have a stock option plan. No compensation expense is recorded with respect to this plan when the options are granted. The consideration paid on exercise of options is credited to capital stock.

(e) Loss per share

Basic loss per common share has been computed using the weighted average number of common shares outstanding during the year.

Expo Resources Inc.
Notes to Financial Statements
December 31, 2001

3. Share capital

Authorized: an unlimited number of common shares

	<u>#</u>	<u>\$</u>
Issued: Balance, December 31, 2000	975,000	\$ 18,750
Common shares issued: For cash	<u>400,000</u>	<u>20,000</u>
Balance: December 31, 2001	<u><u>1,375,000</u></u>	<u><u>\$ 38,750</u></u>