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**LEEWARD CAPITAL CORP.**

(a development stage corporation)

**Balance Sheets**as at June 15  
(unaudited)

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	June 15 2004	December 15 2003
<b>Assets</b>		
Current		
Cash	\$ 188,969	\$ 647,925
Accounts receivable	23,744	1,734
Prepaid expenses and advances	54,389	39,663
Inventory	17,000	-
	<u>284,102</u>	<u>689,322</u>
Property and equipment	4,647	2,045
Mineral properties and deferred costs (Schedule)	665,412	183,063
	<u>\$ 954,161</u>	<u>\$ 874,430</u>
<b>Liabilities and Shareholders' Deficit</b>		
Current		
Accounts payable	\$ 6,407	\$ 7,518
Deposits	121,433	-
	<u>127,840</u>	<u>7,518</u>
Equity instruments (Note 3)	7,027,787	6,747,789
Contributed surplus	20,763	20,763
Share subscriptions received (note 6(e))	50,000	309,000
Deficit, accumulated during the development stage	(6,272,229)	(6,210,640)
	<u>826,321</u>	<u>866,912</u>
	<u>\$ 954,161</u>	<u>\$ 874,430</u>

SUPPL

Approved on behalf of the Board:  
(signed) James W. Davis, director  
(signed) Fred T. Lewicki, director

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**LEEWARD CAPITAL CORP.**  
(a development stage corporation)  
**Comparative Statements of Operations and Deficit**  
(unaudited)

	3 months ended June 15		6 months ended June 15	
	2004	2003	2004	2003
<b>Expenses</b>				
Amortization	169	150	345	300
Bank charges	214	402	504	1,318
Business promotion; travel	3,450	-	3,975	53
Consulting	10,200	4,253	13,450	6,245
Office and other	(2,024)	726	(1,099)	868
Professional fees	13,017	8,963	18,074	8,963
Project costs	3,946	23,036	3,946	27,408
Rent	300	300	600	600
Secretarial	3,347		5,357	
Telephone and utilities	117	178	226	282
Transfer agent; shareholder costs	8,476	9,546	17,024	15,300
	<u>41,212</u>	<u>47,554</u>	<u>62,401</u>	<u>61,397</u>
<b>Other Item</b>				
Other income	500	14,709	812	30,237
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Net loss</b>	(40,712)	(32,845)	(61,589)	(31,160)
Deficit, beginning of period	<u>(6,231,517)</u>	<u>(6,121,190)</u>	<u>(6,210,640)</u>	<u>(6,122,875)</u>
<b>Deficit, end of period</b>	<u>\$ (6,272,229)</u>	<u>\$ (6,154,035)</u>	<u>\$ (6,272,229)</u>	<u>\$ (6,154,035)</u>
Loss per share	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Shares outstanding	26,559,054	22,119,054	26,559,054	22,119,054

**LEEWARD CAPITAL CORP.**  
(a development stage corporation)  
**Comparative Statements of Cash Flows**  
(unaudited)

	3 months ended June 15		6 months ended June 15	
	2004	2003	2004	2003
<b>Cash flows from operating activities</b>				
Net income/(loss) for the period	\$ (40,712)	\$ (32,845)	\$ (61,589)	\$ (31,160)
Adjustments for:				
Amortization of capital equipment	169	150	345	300
	(40,543)	(32,695)	(61,244)	(30,860)
Accounts receivable	(18,940)	(5,149)	(22,010)	(5,486)
Prepaid expenses and advances	20,170	28,696	(14,726)	7,769
Accounts payable	194	12,282	(1,111)	18,941
Inventory	(17,000)	-	(17,000)	-
Deposits	26,654	-	121,433	-
	11,078	3,134	66,586	(9,636)
<b>Cash flows from financing activities</b>				
Issue of shares, net	-	2,500	21,000	152,500
	-	2,500	21,000	152,500
<b>Cash flows from investing activities</b>				
Purchase of mineral properties and exploration thereon	(385,598)	(90,454)	(482,349)	(141,910)
Purchase of property & equipment	-	-	(2,949)	-
	(385,598)	(90,454)	(485,298)	(141,910)
<b>Increase (decrease) in cash</b>	(415,063)	(84,820)	(458,956)	954
Cash, beginning of period	604,032	86,910	647,925	1,136
<b>Cash, end of period</b>	<b>\$ 188,969</b>	<b>\$ 2,090</b>	<b>\$ 188,969</b>	<b>\$ 2,090</b>

# LEEWARD CAPITAL CORP.

## Notes to the Financial Statements for the period ended June 15, 2004

### 1. Nature of Operations

The Company was incorporated on September 14, 1983 under the *Canada Business Corporations Act* and changed its name effective September 18, 1987 to Leeward Capital Corp. On August 20, 2002 the Company continued from British Columbia to Alberta.

The Company, directly and through joint ventures, is in the process of acquiring and exploring mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of the amounts shown for mineral properties is dependent upon the existence of economically recoverable reserves, securing and maintaining title and beneficial interest in the properties and the ability of the Company to obtain necessary financing to complete the development, and upon future profitable production or proceeds from disposition of the mineral properties. There are no guarantees that such conditions will be met. The amounts shown as mineral properties represent net costs to date, less amounts written-off, and do not necessarily represent present or future values. The Company also engages in business activities related to importation and resale of amber.

Although the Company has taken steps to verify the title to resource properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements, transfers or native land claims and title may be affected by undetected defects.

The recoverability of amounts shown for mineral properties is dependent upon the formal acquisition and approval to mine properties, the subsequent discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete the development, future profitable production or proceeds from the disposition of mineral properties, and the Company's ability to complete its obligations and obtain the necessary approvals at each stage of exploration and development of its properties.

### 2. Significant Accounting Policies

The financial statements of the Corporation have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. The financial statements have, in management's opinion, been properly prepared using careful judgment with reasonable limits of materiality. These interim financial statements should be read in conjunction with the most recent annual financial statements for the year ended December 15, 2003. The Company follows the same accounting policies and principles in preparation of interim reports.

### 3. Share Capital

- a) Authorized:  
100,000,000 common shares without par value.  
10,000,000 preferred shares

b) Issued and outstanding:

Common shares:	June 15, 2004		March 15, 2003	
Balance, beginning of period	26,319,054	\$7,045,787	25,219,054	\$6,737,787
Issued for cash through private placement*	240,000	47,200	1,000,000	280,000
Issued for finder's fees	-	-	100,000	28,000
Issued for cash on exercise of warrants	-	-	-	-
Issued for cash on exercise of options	-	-	-	-
Share issuance costs	-	-	-	-
Balance, end of period	26,559,054	\$6,967,954	26,319,054	\$7,045,787

\* including flow-through shares

Warrants:	June 15, 2004		March 15, 2003	
Balance, beginning of period	3,300,000	\$ 59,833	2,200,000	\$ 59,833
Issued in private placements	-	-	1,350,000	-
Expired in the period	-	-	-	-
Exercised in the period	-	-	-	-
Balance, end of period	3,300,000	\$ 59,833	3,550,000	\$59,833

<b>Total Equity Instruments</b>	<b>29,859,054</b>	<b>\$7,027,787</b>	<b>29,869,054</b>	<b>\$7,107,620</b>
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Stock Options	Number of Shares	Exercise Price	Expiry Date
Options, beginning of period:	50,000	\$0.10	January 11, 2005
	1,450,000	\$0.15	April 1, 2005
Issued during the period	-	-	-
Exercised during the period	-	-	-
Options, end of period	1,500,000	-	-

c) Number of Shares in Escrow or Pooling Agreements

There are no outstanding warrants or shares in escrow or pooling agreements.

### 4. Related Party Transactions

During the quarter, a company related by a common director was paid or accrued \$96,528 including \$300 for rent, \$13,547 in consulting and secretarial services, and \$82,681 in exploration and project costs.

### Schedule of Mineral Properties and Deferred Costs

	Mar.15/04	Expenditures	Options/ Disposals	Abandoned	Jun.15/04
Pistol Lake, Nunavut					
Acquisition	\$(99,057)	\$ -	\$-	\$ -	\$(99,057)
Exploration	76,926	-	-	-	79,545
Nihi Mountain, BC					
Acquisition	18,556	-	-	-	18,556
Exploration	-	5,769	-	-	5,769
Mossy River, Sask.					
Acquisition	4,235	-	-	-	4,235
Exploration	65,195	-	-	-	65,795
James Bay, Ontario					
Acquisition	50,022	81,116	-	-	131,138
Exploration	87,920	207,491	-	-	295,411
Set Ga Done, Myanmar					
Acquisition	26,069	-	-	-	26,069
Exploration	17,912	101,658	-	-	119,570
	\$250,996	\$396,034	\$-	\$ -	\$647,030

### Corporate Information

#### Head Office

Leeward Capital Corp.  
#4, 1922 - 9 Ave SE  
Calgary, AB T2G 0V2

Tel. (403) 265-4077  
Fax (403) 265-6410  
e-mail: president@leewardcapital.com

#### Transfer Agent

Valiant Trust Company  
#510, 550 - 6 Ave SW  
Calgary, AB T2P 0S2

#### Auditors

BDO Dunwoody LLP  
#1900, 801 - 6 Ave SW  
Calgary, AB T2P 3W2

#### Board of Directors

James W. Davis, Calgary, Alberta  
Fred T. Lewicki, Calgary, Alberta  
Roger D. Morton, Edmonton, Alberta

#### Investor Relations

Colin Christensen Consulting  
Calgary, Alberta  
(403) 283-7697

#### Officers

James W. Davis, President  
Elizabeth J. Barnett, Secretary

#### Stock Exchange

TSX Venture Exchange  
Symbol: LWC

In recognition of the increased speed at which investors can now gather up-to-date information on companies through the internet, all financial reports are now produced in this format. For up-to-date detailed information and developments within Leeward, please visit [www.leewardcapital.com](http://www.leewardcapital.com). Hard copies of the information on our website can be obtained by contacting the Company.

DATED this 14 day of August, 2004

**LEEWARD CAPITAL CORP.****Management Discussion and Analysis**

for the 2nd Quarter ended June 15, 2004

**Description of Business**

Leeward Capital corp. ("Leeward" or the "Issuer") is in the business of precious metals and diamond exploration and the importation and resale of amber. To date, the Issuer's business focus has been directed towards exploration for precious metals and diamonds in Canada and the importation of semiprecious amber from a deposit in northern part of the Union of Myanmar (formally Burma).

**2004 Exploration Highlights and Operations****Pistol Lake, Nunavut – gold exploration**

The two leases, which encompass the Pistol Lake Gold property, remain in good standing. Future programs on the property should consist of additional geological and structural mapping geochemical sampling and diamond drilling.

**Mossy River, Saskatchewan – diamond exploration**

Subsequent to year end, Rhonda Corporation abandoned their interest in the claims which constitute the Mossy River Project. The claims are now held 100% by Leeward. While there was no exploration work carried out in 2003, a re-interpretation of gravity was undertaken on one of the claims

**Attawapiskat Area, Ontario – diamond exploration**

In June 2003, Leeward undertook the acquisition 36 claims encompassing a total area of 6,080 hectares. These claims are held 100% by Leeward. The specific targets staked were identified on the basis of a remote sensing technique. A gravity survey was completed in June and April of 2004. All 54 potential targets were evaluated during this ground gravity survey and 13 anomalies were found to have a significant gravity expression of a magnitude to be interpreted as kimberlite pipes.

There have been a total of eighteen kimberlite pipes or dykes located in this area thus far of which sixteen have been found to be diamond bearing. The Victor pipe, which is owned by DeBeers, appears to be economic and is characterized by the presence of large high quality diamonds. As a result of this discovery, there is renewed interest in the Exploration for diamond by a number of junior mining exploration companies

**Nithi Mountain, B.C. – molybdenum exploration**

With the rapid rise in the price of molybdenum, Leeward has authorized the acquisition of the Nithi Mountain moly prospect in Central British Columbia. This property is well located with regard to infrastructure and is only eight kilometres from the Endako Moly Mine. Past exploration has demonstrated the potential of this porphyry molybdenum system to host such a deposit. Initial exploration.

### **Set Ga Done Project, Myanmar – gold exploration**

Leeward Capital applied for and was granted a 75% interest in a 700 square kilometre concession in northern Shan State in the Union of Myanmar. Leeward's interest in the project is shared equally with Jet Gold Corp, who provided the funds for the initial acquisition and exploration of the property. This concession encompasses two of known gold showings are ready to be drilled. The initial drilling program at Set Ga Done was suspended prior to completion due to the onset of the rainy season. Only 370 metres of a planned 1,000 metres program were completed. Drilling problems prevented proper core recoveries during this program. Area exploration has identified two new gold targets, which may be related to the presence of "Carlin" type mineralization. Further exploration and drilling are warranted on this property. Exploration will be underway again in November with drilling planned after the first of the year.

### **Amber Project, Myanmar – amber**

Leeward Capital continues to carry on commercial sales of burmite or Burmese amber in 2004. The Issuer sells both rough amber and insect inclusions in amber. The sale of insect inclusions averages about \$500 per week, while a sale of gem quality amber averages \$400 per month.

## **Discussion of Operations and Financial Condition**

General and administrative expenses for the three months ended June 15, 2004 were \$41,212 (2003: \$47,554). Transfer agent and listing fees continue to be the Company's major expense at \$8,576 (2003: \$9,546) for the quarter. Project costs incurred in the recovery of raw amber were \$3,946 (2003: \$23,036) for the quarter against sales of \$4,258 (2003: \$37,745) to net \$312 (2003: \$14,709).

### **Transactions with Related Parties**

The directors of the Company provide services to the Company as required. No fees other than consulting fees have been charged during the period. The year-to-date amounts paid under these arrangements are shown in Schedule B.

The Company is not involved in any material legal proceedings, nor has any contingent liabilities. There are no pending regulatory approvals nor is the company in breach of any corporate or securities laws. There have been no management changes in the period.

### **Future Outlook**

The improvement in the price of gold has been sustained in the first quarter of 2004. This upward trend impacts directly on Leeward's ability to fund future exploration for gold. Interest in Canadian diamonds and exploration for diamonds are also increasing. Our amber project is generating world-wide interest due to the quality and superior grade of the amber stock, and assists cash flow to defer some of the operating costs of the Company. A porphyry molybdenum property has been staked by Leeward, holding a 100% interest.

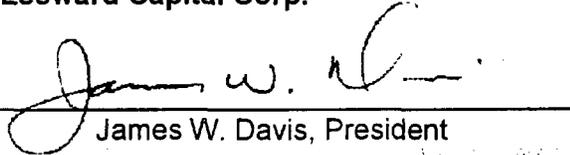
### Liquidity and Solvency

At June 15, 2004, the Company had working capital of \$156,262. The Company's general and administrative costs are approximately \$5-6,000 per month before project costs. Project costs average another \$4-5,000 a month depending on the season. The Company has an internal source of funding through amber sales, averaging \$4,500 cash flow per month.

The Company relies on capital markets to raise the funds necessary to conduct its activities, including the acquisition and exploration of mineral properties.

DATED at Calgary, Alberta, this 14th day of August, 2004.

**Leeward Capital Corp.**

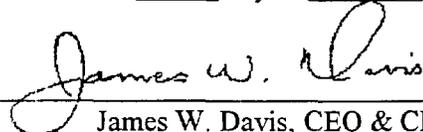
  
James W. Davis, President

**FORM 52-109F2**  
**CERTIFICATION OF INTERIM FILINGS**

I, James W. Davis, Director and President, certify that:

1. I have reviewed the interim filings (as this term is defined in Multilateral Instrument 52-109 Certification of Disclosure in Companies' Annual and Interim Filings) of Leeward Capital Corp., (the "Issuer") for the interim period ending June 15, 2004;
2. Based on my knowledge, the interim filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by the interim filings;
3. Based on my knowledge, the interim financial statements together with the other financial information included in the interim filings fairly present in all material respects the financial condition, results of operations and cash flows of the Issuer as of the date and for the periods presented in the interim filings;
4. The Issuer's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls for the Issuer, and we have:
  - (a) designed those disclosure controls and procedures, or caused them to be designed under our supervision, and implemented those disclosure controls and procedures, to provide reasonable assurances that material information relating to the Issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the interim filings are being prepared, and that such material information is disclosed within the time periods specified under applicable provincial and territorial securities legislation; and
  - (b) designed those internal controls, or caused them to be designed under our supervision, and implement those internal controls, to provide reasonable assurances that the Issuer's financial statements are fairly presented in accordance with generally accepted accounting principles;
5. I have disclosed, based on my most recent evaluation, to the Issuer's auditors and the audit committee of the Issuer's board of directors or persons performing the equivalent function:
  - (a) all significant deficiencies and material weaknesses in the design or operation of internal controls that could adversely affect the Issuer's ability to disclose information required to be disclosed by the issuer under applicable provincial and territorial securities legislation, within the time periods specified under applicable provincial and territorial securities legislation; and
  - (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Issuer's internal controls; and
6. I have disclosed in the interim MD&A whether there were significant changes in the Issuer's internal controls or in other factors that could significantly affect internal controls, made during the period covered by the interim filings, including any actions taken to correct significant deficiencies and material weaknesses in the Issuer's internal controls.

Dated: this 14th day of August, AD 2004.

  
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James W. Davis, CEO & CFO