British Columbia Securities Commission

QUARTERLY AND YEAR END REPORT
BC FORM 51-901F
(previously Form 61)

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ISSUER DETAILS

NAME OF ISSUER	FOR YEAR ENDED			DATE OF REPORT Y	M	D
STRATHCLAIR VENTURES LTD.	02	12	31	03	03	18

ISSUER ADDRESS				
401 – 1311 HOWE STREET				
CITY/	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
VANCOUVER	BC	V6Z 2P3	604-691-1761	604-691-1730
CONTACT PERSON		CONTACT'S POSITION		CONTACT TELEPHONE NO.
GEORGE SANDERS		PRESIDENT		604-691-1730
CONTACT EMAIL ADDRESS		WEB SITE ADDRESS		

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED Y	M	D
"STUART ROGERS"	STUART ROGERS	03	04	25
"J. SCOTT DREVER"	J. SCOTT DREVER	03	04	25

STRATHCLAIR VENTURES LTD.

FINANCIAL STATEMENTS

DECEMBER 31, 2002

AUDITORS' REPORT

To the Shareholders of
Strathclair Ventures Ltd.

We have audited the balance sheets of Strathclair Ventures Ltd. as at December 31, 2002 and 2001 and the statements of operations and deficit and cash flows for the years 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 audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the Company Act of British Columbia, we report that, in our opinion, these principles have been applied on a consistent basis.

" DAVIDSON & COMPANY"

Vancouver, Canada — Chartered Accountants

March 18, 2003

STRATHCLAIR VENTURES LTD.
BALANCE SHEETS
AS AT DECEMBER 31

	2002	2001
ASSETS		
Current		
Cash	$ 327,137	$ 2,444
Receivables	10,637	6,042
	337,774	8,486
Capital assets (Note 3)	2,652	-
Deferred costs (Note 4)	181,842	-
	$ 522,268	$ 8,486
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	$ 76,705	$ 113,954
Shareholders' equity (deficiency)		
Capital stock (Note 5)	4,988,714	4,711,214
Special warrants (Note 6)	325,000	-
Deficit	(4,868,151)	(4,816,682)
	445,563	(105,468)
	$ 522,268	$ 8,486

Nature and continuance of operations (Note 1)

Subsequent events (Note 12)

On behalf of the Board:

"Stuart Rogers" Director "J. Scott Drever" Director

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

STRATHCLAIR VENTURES LTD.
STATEMENTS OF OPERATIONS AND DEFICIT
YEAR ENDED DECEMBER 31

	2002	2001
GENERAL AND ADMINISTRATIVE EXPENSES		
Amortization	$ 295	$ 2,944
Consulting	18,000	75,023
Office and miscellaneous	6,593	4,798
Professional fees	12,086	19,006
Regulatory and transfer agent fees	7,695	9,781
Rent	6,800	-
	(51,469)	(111,552)
OTHER ITEMS		
Costs recovered	-	11,717
Loss on disposal of capital assets	-	(8,769)
	-	2,948
Loss for the year	(51,469)	(108,604)
Deficit, beginning of year	(4,816,682)	(4,708,078)
Deficit, end of year	$ (4,868,151)	$ (4,816,682)
Basic and diluted loss per share	$ (0.02)	$ (0.07)
Weighted average number of shares outstanding	3,075,279	1,454,046

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

STRATHCLAIR VENTURES LTD.
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31

	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss for the year	$ (51,469)	$ (108,604)
Items not affecting cash:		
Amortization	295	2,944
Loss on disposal of capital assets	-	8,769
Changes in non-cash working capital items:		
(Increase) decrease in receivables	(4,595)	10,390
Increase (decrease) in accounts payable and accrued liabilities	(37,249)	87,890
Net cash provided by (used in) operating activities	(93,018)	1,389
CASH FLOWS FROM FINANCING ACTIVITIES		
Issuance of capital stock	277,500	-
Issuance of special warrants	325,000	-
Net cash provided by financing activities	602,500	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital assets acquired	(2,947)	-
Deferred costs	(181,842)	-
Net cash used in investing activities	(184,789)	-
Increase in cash during the year	324,693	1,389
Cash, beginning of year	2,444	1,055
Cash, end of year	$ 327,137	$ 2,444

Supplemental disclosure with respect to cash flows (Note 9)

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

1. NATURE AND CONTINUANCE OF OPERATIONS

During fiscal 2001, the Company consolidated its capital stock on a 6.5:1 basis and changed its name from Lucre Ventures Ltd. to Strathclair Ventures Ltd.

In fiscal 2000, the Company abandoned its interest held in certain oil and gas properties. The Company is currently deemed inactive pursuant to the policies of the TSX Venture Exchange ("TSX-V") and is in the process of reorganizing and seeking a suitable business investment as described in Note 12.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. Continued operations of the Company are dependent on the Company's ability to seek a suitable business investment, obtain adequate equity financing or generate profitable operations in the future.

	2002	2001
Deficit	$ (4,868,151)	$ (4,816,682)
Working capital (deficiency)	261,069	(105,468)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Deferred financing costs

Costs directly identifiable with the raising of capital will be charged against the related capital stock. Costs related to shares not yet issued are recorded as deferred financing costs. These costs will be deferred until the issuance of the shares to which the costs relate, at which time the costs will be charged against the related capital stock or charged to operations if the shares are not issued. Deferred financing costs consist primarily of legal fees and sponsorship fees.

Deferred acquisition costs

Costs, such as legal, accounting, due diligence, sponsorship and filing fees relating to the proposed acquisition of all the outstanding shares of 4023307 Canada Inc. ("4023307"), as described in Note 12, are deferred and applied towards the cost of the acquisition when completed. Such costs are expensed if the potential acquisition is no longer considered viable by management or fails to close.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont'd….)

Capital assets and amortization

Capital assets, being furniture and fixtures, are recorded at cost and amortized over their estimated useful life using the declining balance method at 20% per annum.

Foreign exchange

The monetary assets and liabilities of the Company that are denominated in foreign currencies are translated, into Canadian dollars, at the rate of exchange at the balance sheet date and non-monetary items are translated at historical rates. Revenues and expenses are translated at the average exchange rate for the year. Exchange gains and losses arising on translation are included in the statement of operations.

Stock-based compensation

The Company grants options in accordance with the policies of the TSX-V. Effective January 1, 2002, the Company adopted the new CICA Handbook Section 3870 "Stock-Based Compensation and Other Stock-Based Payments", which recommends that fair value-based methodology for measuring compensation costs. The policy has been applied to awards granted on or after the date of adoption. The new section also permits the use of the intrinsic value-based method, which recognizes compensation cost for awards to employees only when the market price exceeds the exercise price at date of grant, but requires pro-forma disclosure of earnings and earnings per share as if the fair value method had been adopted. The Company has elected to adopt the intrinsic value-based method for employee awards.

Income taxes

Future income taxes are recorded for using the asset and liability method. Under the asset and liability method, future tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

Loss per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. For the years presented, this calculation proved to be anti-dilutive.

Loss per share is calculated using the weighted-average number of shares outstanding during the year.

3. CAPITAL ASSETS

	2002			2001		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Furniture and fixtures	$ 2,947	$ 295	$ 2,652	$ -	$ -	$ -

4. DEFERRED COSTS

Deferred costs relating to the proposed acquisition of all of the outstanding shares of 4023307 as described in Note 12 consist of the following:

	2002	2001
Deferred acquisitions costs:		
Due diligence and related costs	$ 39,492	$ -
Engineering report and related costs	47,429	-
Filing fees	11,250	-
Legal	67,457	-
	165,628	-
Deferred financing costs:		
Legal	1,214	-
Sponsorship fees	15,000	-
	16,214	-
Total deferred costs	$ 181,842	$ -

5. CAPITAL STOCK

During fiscal 2001, the Company consolidated its capital stock on a 6.5:1 basis. All capital stock numbers and per share amounts have been restated to reflect this consolidation.

5. CAPITAL STOCK (cont'd…)

	Number of Shares	Amount
Authorized		
100,000,000 common shares, without par value		
Issued		
Balance at December 31, 2000 and 2001	1,454,046	$ 4,711,214
For cash	1,400,000	140,000
Exercise of warrants	1,250,000	137,500
Balance at December 31, 2002	4,104,046	$ 4,988,714

Included in issued capital stock are 50,480 common shares that are subject to an escrow agreement and may not be transferred, assigned or otherwise dealt with without the consent of the regulatory authorities.

Stock options

The Company follows the policies of the TSX-V under which it is authorized to grant stock options to executive officers and directors, employees and consultants enabling them to acquire up to 10% of the issued and outstanding common stock of the Company. The exercise price of each option equals the market price of the Company's stock as calculated on the date of the grant. The options can be granted for a maximum term of 5 years.

Stock option transactions and the number of share options outstanding are summarized as follows:

	Number of Options	Weighted Average Exercise Price
As at December 31, 2000	138,462	$ 4.23
Cancelled/expired	(92,308)	3.85
As at December 31, 2001	46,154	4.75
Cancelled/expired	(46,154)	4.75
As at December 31, 2002	-	$ -
Number of options currently exercisable	-	$ -

5. CAPITAL STOCK (cont'd…)

Warrants

At December 31, 2002, warrants were outstanding enabling holders to acquire shares as follows:

Number of Shares	Exercise Price	Expiry Date
150,000	$ 0.11	February 6, 2004

6. SPECIAL WARRANTS

During the year ended December 31, 2002, the Company issued 2,500,000 Series A special warrants at a price of $0.13 per Series A special warrant for gross proceeds of $325,000. Each Series A special warrant is exchangeable, at no additional consideration, for one unit. Each unit consists of one common share and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one additional common share at $0.26 per common share for a period of one year. Any Series A special warrant not exchanged will be deemed exchanged on the expiry date.

7. RELATED PARTY TRANSACTIONS

The Company entered into the following transactions with related parties:

a) Paid or accrued $2,500 (2001 - $25,023) for consulting fees to a company controlled by an officer.

b) Paid or accrued $15,500 (2001 - $50,000) for consulting fees to directors and a company controlled by a director.

c) Paid or accrued $6,800 (2001 - $Nil) for rent to a company controlled by a director.

Included in accounts payable and accrued liabilities at December 31, 2002 is $7,937 (2001 - $85,874) due to a director and $Nil (2001 - $15,875) due to a company controlled by a former officer.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

8. INCOME TAXES

a) A reconciliation of income taxes at statutory rates with the reported taxes follows:

	2002	2001
Loss for the year	$ (51,469)	$ (108,604)
Income tax recovery at statutory rates	$ (20,382)	$ (48,438)
Unrecognized benefits of non-capital losses	20,382	48,438
Total income tax recovery	$ -	$ -

b) Details of future income tax assets are as follows:

	2002	2001
Future tax assets:		
Non-capital loss carryforwards	$ 490,900	$ 525,500
Resource property costs	666,619	748,800
Capital assets	6,589	6,064
	1,164,108	1,280,364
Valuation allowance	(1,164,108)	(1,280,364)
	$ -	$ -

As at December 31, 2002, the Company has non-capital losses of approximately $1,300,000 for income tax purposes. The non-capital losses may be utilized to reduce future years' taxable income and expire commencing in 2004 if unutilized. In addition, the Company has exploration and development expenditures of approximately $1,770,000 available to reduce taxable income of future years. Future tax benefits, which may arise as a result of these losses and resource expenditures have been offset by a valuation allowance and have not been recognized in these financial statements.

9. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS

	2002	2001
Cash paid during the year for interest	$ -	$ -
Cash paid during the year for income taxes	$ -	$ -

There were no significant non-cash transactions for the years ended December 31, 2001 and 2002.

10. SEGMENTED INFORMATION

The company currently conducts substantially all of its operations in Canada.

11. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash, receivables and accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

12. SUBSEQUENT EVENTS

The following events occurred subsequent to December 31, 2002:

a) The Company entered into an agreement with 4023307, whereby the Company acquired all of the issued and outstanding shares of 4023307. As consideration to the shareholders of 4023307, the Company will issue up to 5,000,000 common shares of its capital stock and pay $75,000 upon completion of the transaction, $75,000 after cumulative exploration and development expenditures of $1,000,000 and $225,000 on the completion of a positive feasibility study. This transaction has been conditionally accepted and is subject to final acceptance by regulatory authorities.

   Legally, the Company will be the parent of the 4023307. However, as a result of the share exchange described above, control of the combined companies will pass to the former shareholders of 4023307. This type of exchange is referred to as a "reverse take-over" in which 4023307 will be deemed the acquirer for accounting purposes.

b) The Company entered into a Letter of Intent with Bolder Investment Partners, Ltd. ("Bolder") in connection with a Short Form Offering of units of the Company for minimum gross proceeds of $650,000 and maximum gross proceeds of $1,250,000. Each unit consists of one common share and one-half of a share purchase warrant. Each whole share purchase warrant is exercisable into one common share at a price to be determined for a period of one year subject to regulatory approval. Bolder is to receive from the Company a cash commission of 8.5% of the gross proceeds raised, 50,000 units of the Company as a corporate finance fee, agent's warrants for the purchase of up to 20% of the units sold under the Short Form Offering for an 18 month period at the offering price of the units in the first year at 115% of the offering price deeming the balance of the term. The Short Form Offering is subject to regulatory approval.

c) Bolder has agreed, subject to the terms of a sponsorship agreement, to act as sponsor to the Company in connection with the reverse takeover transaction. As consideration, the Company paid $15,000 and is required to pay an additional $9,000 upon final acceptance by regulatory authorities.

d) The Company issued 100,000 common shares for gross proceeds of $11,000 pursuant to the exercise of warrants.