Management Responsibility for Consolidated Financial Statements

Management of Electrofuel Inc. is responsible for the integrity of the accompanying consolidated financial statements and all other information in this Annual Report. The financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Their preparation necessarily involves the use of estimates and careful judgement, particularly in those circumstances where transactions affecting a current period are dependent upon future events. All financial information in the Annual Report is consistent with the consolidated financial statements.

To discharge its responsibilities for financial reporting and safeguarding of assets, management believes that it has established appropriate systems of internal accounting control which provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements. Consistent with the concept of reasonable assurance, the Company recognizes that the relative costs of maintaining these controls should not exceed their expected benefits. Management further assures the quality of the financial records through careful selection and training of personnel, and the adoption and communication of financial and other relevant policies.

The Board of Directors discharges its responsibilities for the financial statements primarily through the activities of its Audit Committee, which is composed solely of directors who are neither officers nor employees of the Company. This committee meets quarterly with management, and annually with the independent auditors to review performance and to discuss audit, internal control, accounting policy and financial reporting matters. The consolidated financial statements were reviewed by the Audit Committee and approved by the Board of Directors.

The financial statements have been audited by KPMG LLP. Their report is presented on the next page.

Dr. Sankar Das Gupta (Signed)
President and Chief Executive Officer

Dr. James K. Jacobs (Signed)
Chief Technology Officer

We have audited the consolidated balance sheets of Electrofuel Inc. as at September 30, 2000 and 1999 and the consolidated statements of operations and deficit and cash flows for each of the years in the three-year period ended September 30, 2000, and for the period from inception on September 24, 1996 to September 30, 2000. 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 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.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Electrofuel Inc. as at September 30, 2000 and 1999 and the results of its operations and its cash flows for each of the years in the three-year period ended September 30, 2000, and for the period from inception on September 24, 1996 to September 30, 2000 in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Toronto, Canada

November 24, 2000

Consolidated Balance Sheets

Expressed in U.S. dollars

September 30,	2000	1999
		Restated—note 2
Assets		
Current assets:		
Cash and cash equivalents	**$ 6,337,345**	$ 2,377,981
Short-term investments	**12,999,585**	—
Accounts receivable	**184,920**	14,414
Investment tax credits recoverable	**593,740**	305,298
Goods and Services Tax receivable	**255,007**	29,165
Inventories	**81,418**	50,351
Prepaid expenses and other	**460,647**	36,746
	20,912,662	2,813,955
Deferred finance charges	**1,838,870**	—
Capital assets (note 3)	**8,143,340**	879,168
	$ 30,894,872	$ 3,693,123
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	**$ 1,767,024**	$ 217,067
Income taxes payable	**64,956**	—
	1,831,980	217,067
Shareholders' equity:		
Share capital (note 4)	**35,385,197**	6,769,940
Cumulative translation adjustment	**(1,045,673)**	—
Deficit accumulated during development stage	**(5,276,632)**	(3,293,884)
	29,062,892	3,476,056
Commitments (note 7)		
Contingency (note 10)		
	$ 30,894,872	$ 3,693,123

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Dr. Sankar Das Gupta (Signed)

Director

Dr. James K. Jacobs (Signed)

Director

CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT

Expressed in U.S. dollars

Years ended September 30,	2000	1999	1998	Period from inception on September 24, 1996 to September 30, 2000
		Restated—note 2	Restated—note 2	
Revenue	**$ 152,319**	$ —	$ —	$ 152,319
Expenses:				
Research and development	**1,029,136**	714,115	466,491	2,763,981
Sales and marketing	**828,849**	225,592	135,541	1,261,298
General and administrative	**1,902,433**	614,495	490,932	3,361,925
	3,760,418	1,554,202	1,092,964	7,387,204
Loss from operations	**3,608,099**	1,554,202	1,092,964	7,234,885
Other income	**(129,728)**	(90,052)	(46,742)	(266,522)
Interest income	**(1,128,717)**	(149,599)	(202,844)	(1,592,779)
Loss (gain) from foreign exchange	**(853,100)**	1,233	737	(850,280)
	(2,111,545)	(238,418)	(248,849)	(2,709,581)
Loss before income taxes	**1,496,554**	1,315,784	844,115	4,525,304
Income tax expense	**21,695**	—	—	21,695
Loss for the period	**1,518,249**	1,315,784	844,115	4,546,999
Deficit accumulated during development stage, beginning of period	**3,293,884**	1,978,100	1,133,985	—
Related party transaction adjustment (note 6(a))	**—**	—	—	265,134
Loss on redemption of shares (note 4(c))	**464,499**	—	—	464,499
Deficit accumulated during development stage, end of period	**$ 5,276,632**	$ 3,293,884	$ 1,978,100	$ 5,276,632
Loss per common share (note 8)	**$ 0.03**	$ 0.02	$ 0.02	

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

Expressed in U.S. dollars

Years ended September 30,	2000	1999	1998	Period from inception on September 24, 1996 to September 30, 2000
		Restated—note 2	Restated—note 2	
Cash provided by (used in):				
Operating activities:				
Loss for the period	**$ (1,518,249)**	$ (1,315,784)	$ (844,115)	$ (4,546,999)
Amortization which does not involve cash	**449,468**	179,123	103,742	746,430
Common shares issued for services	**176,042**	10,064	18,709	204,815
Change in non-cash operating working capital (note 11)	**481,023**	96,069	(134,036)	256,247
	(411,716)	(1,030,528)	(855,700)	(3,339,507)
Financing activities:				
Proceeds from issue of common shares (note 4)	**—**	—	13,540	176,035
Issue of special warrants (note 4)	**28,439,215**	—	—	34,954,249
Deferred finance charges	**(1,879,005)**	—	—	(1,838,870)
Repurchase of share options	**(464,499)**	—	—	(464,499)
Related party transaction adjustment (note 6(a))	**—**	—	—	(265,134)
Change in due to related party	**—**	—	(24,933)	—
	26,095,711	—	(11,393)	32,561,781
Investing activities:				
Additions to short-term investments	**(12,999,585)**	—	—	(12,999,585)
Additions to capital assets	**(7,876,518)**	(498,533)	(367,085)	(8,839,671)
	(20,876,103)	(498,533)	(367,085)	(21,839,256)
Increase (decrease) in cash and cash equivalents	**4,807,892**	(1,529,061)	(1,234,178)	7,383,018
Effect of currency translation adjustments on cash and cash equivalents	**(848,528)**	—	—	(1,045,673)
Cash and cash equivalents, beginning of period	**2,377,981**	3,907,042	5,141,220	—
Cash and cash equivalents, end of period	**$ 6,337,345**	$ 2,377,981	$ 3,907,042	$ 6,337,345
Supplemental disclosure of cash flow information:				
Income taxes paid	**$ —**	$ —	$ —	$ —
Interest paid	**170**	285	81	536
Common shares issued upon acquisition of patents	**—**	—	—	50,098

See accompanying notes to consolidated financial statements.

Expressed in U.S. dollars

Electrofuel Inc. was incorporated on September 24, 1996 under the Business Corporations Act (Ontario) to commercialize, manufacture and market an advanced, high energy, rechargeable battery based on its patented lithium ion SuperPolymer technology. There was no activity during the period from incorporation to September 30, 1996. These consolidated financial statements include the accounts of the Company and its two wholly owned subsidiaries.

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Nature of operations

Since inception, the efforts of the Company have been devoted to the development of lithium ion rechargeable battery products. To date, the Company has commercially produced and sold minimal quantities of its products and is considered to be in the development stage. The development of the Company's initial product is substantially complete and the Company expects to commence commercial production in the second calendar quarter of 2001. The Company expects to continue to develop its product lines and explore other potential applications using the developed technology.

The Company has no distinct operating segments and has no operating assets located outside of Canada.

(b) Cash and cash equivalents

Cash and cash equivalents include temporary investments in marketable securities which are readily convertible into cash and which have a term to maturity of less than 90 days. Temporary investments in marketable securities with longer terms to maturity are recorded as short-term investments and are recorded at cost, which is equivalent to market value.

(c) Capital assets

Capital assets are recorded at cost less related investment tax credits and accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Building	4%
Building improvements	4%
Production equipment	20%
Workshop equipment	20%
Patents and technology	20%
Office furniture and equipment	20%
Dry room	20%
Automobile	20%
Leasehold improvements	Term of lease

(d) Research and development costs

Research costs, net of related investment tax credits, are expensed by the Company in the period in which they are incurred.

Development costs, net of related investment tax credits, are expensed in the period incurred unless such costs meet the criteria under Canadian generally accepted accounting principles for deferral and amortization. To date, the Company has not deferred any development costs.

(e) Inventories

Inventories, which are comprised primarily of raw materials, are recorded at the lower of cost and replacement cost.

(f) Government assistance

The Company receives indirect financial assistance from the government by way of the investment tax credit program. This program provides assistance, by way of direct payments and reductions in corporate income taxes, for specially defined qualifying expenditures. Investment tax credits are credited against research and development expenses.

(g) Equity instruments issued to non-employees in exchange for services

When equity instruments are issued to non-employees in exchange for services, the equity instruments are recorded at the fair value of the services received, where such value can be reliably measured, or, otherwise, at the fair value of the equity instrument issued as consideration.

(h) Revenue recognition

Revenue is recognized on the sale of commercial units produced at the Company's low-volume production plant at the time the units are shipped to customers. This plant is principally used to support the Company's research and development initiatives. All of the material and labor costs associated with the production of the commercial units have been charged to research and development expenses.

(i) Advertising costs

Advertising costs are expensed as incurred.

(j) Deferred finance charges

Direct costs incurred in connection with issuance of share capital are deferred until such time as the shares are issued.

(k) 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 at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

(l) Income taxes

Effective October 1, 1999, the Company has retroactively adopted the new accounting standards of The Canadian Institute of Chartered Accountants ("CICA") for income taxes. There has been no effect on the net loss for any period presented as a result of adopting these new standards. Under these new standards, the Company uses the asset and liability method of accounting for income taxes. 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 and operating loss carryforwards. Future tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(m) Currency translation

Monetary assets and liabilities of the Company which are denominated in foreign currencies are translated into Canadian dollars (which is considered to be the measurement currency) at the exchange rates prevailing at the balance sheet date, and transactions denominated in foreign currencies which are included in operations are translated at the average rates for the period. Exchange gains and losses resulting from the translation of these amounts are reflected in the statement of operations in the period in which they occur. As the Company's reporting currency is the U.S. dollar, the Company translates assets and liabilities denominated in Canadian dollars into U.S. dollars at the exchange rate prevailing at the balance sheet date, and the results of operations at the average rate for the period. Cumulative net translation adjustments are included as a separate component of shareholders' equity.

(n) Comparative figures

Certain of the 1999 and 1998 comparative figures have been reclassified to conform with the financial statement presentation adopted in 2000.

2. Change in reporting currency

The Company adopted the U.S. dollar as its reporting currency effective October 1, 1999. The financial statements presented for the years ended September 30, 1999 and 1998 have been translated into U.S. dollars using a convenience method of translation by which amounts previously stated in Canadian dollars have been translated into U.S. dollars at the September 30, 1999 exchange rate of $0.6770.

3. CAPITAL ASSETS

September 30, 2000	**Cost**	**Accumulated amortization**	**Net book value**
Building	**$ 2,615,196**	**$ —**	**$ 2,615,196**
Building improvements	**1,074,651**	**—**	**1,074,651**
Production equipment under construction	**2,205,689**	**—**	**2,205,689**
Production equipment	**1,276,289**	**410,007**	**866,282**
Workshop equipment	**1,061,712**	**123,866**	**937,846**
Patents and technology	**313,754**	**110,902**	**202,852**
Office furniture and equipment	**150,453**	**35,161**	**115,292**
Dry room	**149,293**	**35,945**	**113,348**
Automobile	**12,299**	**1,230**	**11,069**
Leasehold improvements	**2,708**	**1,593**	**1,115**
	$ 8,862,044	**$ 718,704**	**$ 8,143,340**

September 30, 1999	Cost	Accumulated amortization	Net book value
		Restated—note 2	
Production equipment	$ 787,065	$ 209,387	$ 577,678
Patents and technology	188,041	64,363	123,678
Office furniture and equipment	65,572	13,962	51,610
Dry room	132,744	8,167	124,577
Leasehold improvements	2,708	1,083	1,625
	$ 1,176,130	$ 296,962	$ 879,168

The Company has not recorded amortization expense on assets associated with a manufacturing facility which is under construction.

4. Share capital

On August 2, 2000, the Company's shareholders authorized a three-for-one stock split, which became effective on September 18, 2000. All references to common shares, common shares outstanding, stock options and per share amounts in these financial statements have been restated to reflect this three-for-one stock split on a retroactive basis.

(a) Authorized and issued capital stock

	Number of shares	Amount
		Restated—note 2
Authorized:		
Unlimited common shares		
Common shares:		
Balance, September 30, 1997	54,357,102	$ 6,727,627
Issued during 1998:		
For cash	12,000	13,540
For directors' compensation	16,581	18,709
Balance, September 30, 1998	54,385,683	6,759,876
Issued during 1999:		
For directors' compensation	8,919	10,064
Balance, September 30, 1999	54,394,602	6,769,940
Issued during 2000:		
For consulting services	117,429	132,940
For directors' compensation	23,256	43,102
Balance, September 30, 2000	**54,535,287**	**6,945,982**
Special warrants:		
Balance, September 30, 1999	—	—
Issued during 2000:		
Private placement (iii)	1,875,000	28,439,215
Total share capital, September 30, 2000		**$ 35,385,197**

(i) The patents were acquired from the two founding shareholders of the Company and have been recorded at their original cost.

(ii) Pursuant to the Special Warrant Indenture dated January 31, 1997, the Company issued 2,000,000 special warrants at a price of Cdn$5 per special warrant for gross cash proceeds of $6,770,000. Each special warrant was converted into three common shares, without payment of additional consideration. An additional 100,000 special warrants were issued for no cash consideration in exchange for underwriting services relating to the offering. Other costs associated with the issuance were $254,966.

(iii) The Company entered into an agency agreement with Yorkton Securities Inc. to offer for sale, on a private placement basis, 1,875,000 special warrants at a price of $16 per special warrant for net proceeds of $28,439,215, after deducting issue costs of $1,560,785. This private placement was completed on January 10, 2000.

Each special warrant entitles the holder to receive three common shares of the Company without payment of additional consideration. The special warrants can be exchanged to common shares at any time and will be automatically exchanged to common shares on the earlier of (i) July 10, 2001; or (ii) the closing of a public offering of common shares for gross proceeds totaling $30,000,000 and a concurrent listing on a U.S. or Canadian stock exchange or a business transaction resulting in the listing of the common shares on a U.S. or Canadian stock exchange (a “qualifying liquidity event”).

In the event that the qualifying liquidity event results in an equity value (based on the public offering price of the Company’s common shares) per common share that is less than $8.00, each special warrant entitles the holder to acquire, for no additional consideration, such additional number of common shares as is necessary to ensure that the value the special warrantholder receives for each special warrant is equal to $24.00, subject to a maximum adjustment of an additional three common shares for each special warrant held.

As additional compensation to the agent, the Company granted 93,750 compensation warrants. Each compensation warrant entitles the holder to receive, without additional payment, one compensation option. Each compensation option entitles the holder to acquire three common shares of the Company for $5.33 per common share until January 10, 2002. The compensation options are subject to a similar adjustment to that described above in the event that the qualifying liquidity event results in an equity value per common share of less than $8.00.

(iv) On November 10, 2000, the Company issued 6,250,000 common shares at $5.24 per common share. As a result of the offering price per common share being less than $8.00, under the terms of the special warrants described in note 4(a)(iii), each special warrantholder will receive 1.58 additional common shares for each special warrant held for no additional consideration.

(v) The Company filed a prospectus dated November 1, 2000 relating to the qualification for distribution of 8,589,938 common shares of the Company upon the exercise, without payment of additional consideration, of 1,875,000 special warrants.

(vi) On November 9, 2000, the Company issued, for no consideration, a total of 25,000 charitable warrants to three charitable organizations. Each charitable warrant entitles the holder to receive, for cash consideration of $5.24 (Cdn$8.00), one common share. The charitable warrants are fully vested, non-transferable and will expire 10 years from the date of closing of the offering of common shares.

(b) Stock options

The Company has reserved up to 5,400,000 common shares for issuance under the stock option plan. Stock options are non-assignable and may be granted for terms of up to 10 years. Stock options vest at various periods from zero to three years.

Details of stock option transactions are as follows:

	Number of options	Weighted average exercise prices of options
Outstanding, October 1, 1998	—	$ —
Granted	1,351,500	1.13
Outstanding, September 30, 1999	1,351,500	1.13
Granted	865,500	4.88
Canceled	(163,500)	1.28
Outstanding, September 30, 2000	**2,053,500**	**$ 2.70**

	Options outstanding as at September 30, 2000		Options exercisable as at September 30, 2000	
Exercise price	Number outstanding	Weighted average remaining life (years)	Number exercisable	Weighted average exercise price
$ 1.13 (Cdn$1.67)	1,344,000	7.97	448,000	$ 1.13
5.33	619,500	9.45	150,000	5.33
8.00	90,000	9.96	—	—
	2,053,500	8.50	598,000	$ 2.18

(c) Loss on redemption of shares

During 2000, the Company paid $464,499 to an employee upon the surrender and cancellation of 150,000 vested stock options. The cash payment represents the excess of the fair value of the options over the aggregate exercise price and has been charged to retained earnings as a loss on the redemption of shares.

5. Financial instruments

(a) Fair values

The reported values of the financial instruments, which consist primarily of cash and cash equivalents, short-term investments, accounts receivable and accounts payable and accrued liabilities, approximate their fair values due to the near-term maturity of those instruments.

(b) Foreign currency risk

The Company is exposed to foreign currency fluctuations to the extent that the Company is holding significant cash and cash equivalent balances denominated in U.S. dollars. The Company does not hedge the risk related to fluctuations of the exchange rate between U.S. and Canadian dollars.

6. RELATED PARTY TRANSACTIONS

(a) On January 31, 1997, the Company purchased certain manufacturing and other assets related to the development, manufacture and sale of lithium ion batteries from an affiliated company, The Electrofuel Manufacturing Company Ltd. ("Manufacturing") for cash of $270,044. The purchase price represented the directors' best estimate of the current value of the assets acquired. The transaction has been recorded in these financial statements at the carrying amount of the net assets previously recorded in the accounts of Manufacturing, which amounted to $4,910. The excess of the cash paid over the historical carrying amount has been charged to deficit.

(b) The Company leases its Hanna Avenue premises from a company owned by its controlling shareholders. This lease expires on December 31, 2002. The Company's related party 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.

7. COMMITMENTS

(a) The Company's future minimum lease payments under operating leases, being principally for its premises, for the years ending September 30 are as follows:

2001	$ 249,000
2002	206,000
2003	54,000
2004	—
	$ 509,000

(b) As at September 30, 2000, the Company has entered into commitments of approximately $1,138,000 to acquire equipment and components and for upgrading the manufacturing facility under construction in Mississauga, Ontario.

8. Loss per share

The net loss per share has been calculated using the weighted average number of common shares outstanding during the periods, which are as follows:

September 30, 2000	54,515,619
September 30, 1999	54,390,144
September 30, 1998	54,371,394

Common share purchase options or other potential dilutive common shares were not considered for each of the periods presented since their effect would be anti-dilutive.

9. Income taxes

(a) The provision for income taxes differs from the amount computed by applying the combined federal and provincial income tax rate of 44.2% (1999 and 1998 – 44.6%) to the loss before income tax recovery as a result of the following:

Years ended September 30,	**2000**	1999	1998
		Restated—note 2	Restated—note 2
Loss before income taxes	**$ (1,496,554)**	$ (1,315,784)	$ (844,115)
Computed expected tax recovery	**$ (661,477)**	$ (586,840)	$ (376,475)
Reduction in income tax recovery resulting from:			
Lower rate on manufacturing profits	**92,786**	73,683	47,270
Permanent differences	**3,921**	2,248	5,812
Non-recognition of tax benefit of losses	**564,770**	510,909	323,393
Large Corporations Tax	**21,695**	—	—
Income tax expense	**$ 21,695**	$ —	$ —
Change in valuation allowance	**$ 1,302,122**	$ 544,818	$ 363,651

(b) The tax effects of temporary differences that give rise to significant portions of the future tax assets and future tax liabilities are as follows:

Years ended September 30,	2000	1999
		Restated — note 2
Future tax assets:		
Non-capital tax losses carried forward	**$ 1,902,505**	$ 845,972
Share issue costs	**345,596**	39,778
Capital assets	**—**	199,866
Unclaimed research and development expenses	**777,767**	461,390
Other	**—**	20,878
	3,025,868	1,567,884
Less valuation allowance	**(2,760,591)**	(1,458,469)
Future tax liability:		
Investment tax credits accrued	**179,197**	109,415
Capital assets	**77,517**	—
Other	**8,563**	—
	265,277	109,415
Net future tax assets	**$ —**	$ —

In addition to the above temporary differences, the Company has unrecorded non-refundable investment tax credits ("ITCs") amounting to approximately $171,000 which begin to expire in 2007.

As at September 30, 2000, the expiration dates of the Company's tax losses carried forward are as follows:

Fiscal 2004	$ 735,000
Fiscal 2005	554,000
Fiscal 2006	827,000
Fiscal 2007	2,893,000
	$ 5,009,000

In assessing the realizability of future tax assets, management considers whether it is more likely than not that some portion or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers projected future taxable income, uncertainties related to the industry in which the Company operates and tax planning strategies in making this assessment.

(c) The Company is entitled to ITCs which are earned as a percentage of eligible current and capital research and development expenditures incurred in each taxation year. ITCs are typically available to be applied against future income tax liabilities (but in certain circumstances a portion may be refundable), subject to a 10-year carryforward period. ITCs are accounted for as a reduction of the related expenditure for items of a current nature and a reduction of the related asset cost of items of a long-term nature, provided that the Company has reasonable assurance that the tax credits will be realized.

10. Contingency

On August 1, 2000, a legal proceeding against the Company was instituted in the United States in which the plaintiff is claiming that the Company's use of the name "Electrofuel" constitutes an infringement of its registered trademark. On September 26, 2000, the Company filed an answer and counterclaims with the court. It is not possible at this time to make an estimate of the amount, if any, of damages that may result and accordingly no provision has been made in the accounts.

11. Change in non-cash operating working capital

Years ended September 30,		2000		1999		1998		Period from inception on September 24, 1996 to September 30, 2000
				Restated—note 2		Restated—note 2		
Accounts receivable	**$**	**(174,497)**	$	26,544	$	(40,958)	$	(184,920)
Investment tax credits recoverable		**(300,889)**		88,352		(196,717)		(593,740)
Goods and Services Tax receivable		**(231,333)**		(14,509)		75,973		(255,008)
Inventories		**(32,762)**		11,183		1,091		(81,418)
Prepaid expenses and other		**(433,843)**		(33,824)		12,586		(460,647)
Accounts payable and accrued liabilities		**1,587,982**		18,323		13,989		1,767,024
Income taxes payable		**66,365**		—		—		64,956
	$	**481,023**	$	96,069	$	(134,036)	$	256,247