

# CHARTWELL TECHNOLOGY INC.

## Consolidated Balance Sheets

As at July 31

(Unaudited)

	<u>2000</u>	<u>1999</u>
<b>Assets</b>		
Current assets:		
Cash	\$ 9,506,936	\$ 1,070,871
Accounts receivable	764,359	50,253
Prepaid expenses	120,398	73,793
Agreement receivable	<u>164,869</u>	<u>164,869</u>
	10,391,693	1,359,786
Capital assets	368,458	203,741
Deferred software development costs	360,926	466,750
	<u>\$ 11,121,077</u>	<u>\$ 2,030,277</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 548,200	\$ 273,648
Current portion of obligations under capital lease	241,368	83,924
Current portion of deferred revenue	<u>321,442</u>	<u>233,466</u>
	1,111,010	591,038
Long-term debt	44,588	42,625
Deferred revenue	278,991	87,810
Obligations under capital lease	13,449	148,669
Shareholders' equity		
Share capital	14,480,551	3,693,801
Deficit	<u>(4,807,512)</u>	<u>(2,533,666)</u>
	9,673,039	1,160,135
	<u>\$ 11,121,077</u>	<u>\$ 2,030,277</u>

# CHARTWELL TECHNOLOGY INC.

Consolidated Statements of Loss and Deficit

For the nine months ended July 31

(Unaudited)

---

	<u>2000</u>	<u>1999</u>
<b>Revenue:</b>		
Software license fees	\$ 689,230	\$ 145,656
Equipment sales and consulting		41,320
	<u>689,230</u>	<u>186,976</u>
<b>Expenses:</b>		
Software development	787,422	955,484
Equipment sales and consulting		46,993
General and administrative	1,414,818	367,545
Interest	1,379	42,390
Depreciation and amortization	52,396	48,668
Amortization of deferred software development costs	79,368	82,368
Interest and other	<u>(37,108)</u>	<u>(22,381)</u>
	2,298,275	1,521,067
Loss from continuing operations	<u>(1,609,045)</u>	<u>(1,334,091)</u>
Loss from discontinued oil & gas operations		(124,192)
Net loss	<u>(1,609,045)</u>	<u>(1,458,283)</u>
Deficit, beginning of period	(3,198,467)	(1,075,383)
Deficit, end of period	<u>\$ (4,807,512)</u>	<u>\$ (2,533,666)</u>

# CHARTWELL TECHNOLOGY INC.

Consolidated Statements of Cash Flow

For the nine months ended July 31

(Unaudited)

	<u>2000</u>	<u>1999</u>
Cash provided by (used in):		
Operations:		
Net loss from continuing operations	\$ (1,609,045)	\$ (1,334,091)
Items not involving cash:		
Depreciation and amortization	52,396	48,668
Amortization of deferred software development costs	79,368	82,368
Cash used by operations	(1,477,281)	(1,203,055)
Change in non-cash working capital	(116,747)	(64,767)
	(1,594,028)	(1,267,822)
Financing:		
Issue of debenture for cash		500,000
Issue of shares	1,447,500	3,750
Issue of Special Warrants	10,075,000	1,000,000
Share issue costs	(753,868)	(67,200)
Repayment of lease obligations	(5,407)	(77,261)
Long-term debt	2,048	(5,223)
	10,765,273	1,354,066
Investments:		
Cash acquired on acquisition of Gateway Technology Inc.		68,285
Purchase of capital assets	(274,218)	(39,019)
	(274,218)	29,266
Discontinued operations:		
Operating loss		(10,795)
Proceeds on sale of oil & gas properties		127,750
		116,955
Increase (decrease) in cash	8,897,027	232,465
Cash, beginning of the period	609,909	838,406
Cash, end of the period	\$ <u>9,506,936</u>	\$ <u>1,070,871</u>