



Chartwell Technology Inc.

Consolidated Interim Financial Statements
For the three months ended January 31, 2002

CHARTWELL TECHNOLOGY INC.

Consolidated Balance Sheets

	January 31, 2002 (unaudited)	October 31, 2001
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,800,668	\$ 2,741,078
Short term investments	3,655,930	3,350,007
Accounts receivable	1,328,096	1,200,036
Prepaid expenses	74,124	79,867
	<u>6,858,818</u>	<u>7,370,988</u>
Available for sale long-term securities	42,882	42,882
Capital assets	303,012	303,392
Deferred software development costs	192,625	220,144
	<u>\$ 7,397,337</u>	<u>\$ 7,937,406</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 98,972	\$ 59,897
Current portion of obligations under capital lease	11,012	12,668
Deferred revenue	79,620	-
	<u>189,604</u>	<u>72,565</u>
Obligations under capital lease	12,096	13,446
Shareholders' equity:		
Share capital	14,632,223	14,511,135
Deficit	(7,436,586)	(6,659,740)
	<u>7,195,637</u>	<u>7,851,395</u>
	<u>\$ 7,397,337</u>	<u>\$ 7,937,406</u>

See accompanying notes to consolidated interim financial statements.

CHARTWELL TECHNOLOGY INC.

Consolidated Statements of Income (Loss) and Deficit

(unaudited)

	Three months ended January 31,	
	2002	2001
Revenue:		
Software set-up fees	\$ -	\$ 75,881
Software license fees	337,902	235,838
Interest and other	69,441	130,819
	<u>407,343</u>	<u>442,538</u>
Expenses:		
Software development and support	659,371	523,939
General and administrative	474,082	464,238
Depreciation and amortization	23,217	23,311
Amortization of deferred software development costs	27,519	27,519
	<u>1,184,189</u>	<u>1,039,007</u>
Net income (loss)	(776,846)	(596,469)
Deficit, beginning of period	(6,659,740)	(5,823,773)
Deficit, end of period	<u>\$ (7,436,586)</u>	<u>\$ (6,420,242)</u>
Net income (loss) per share:	\$ (0.05)	\$ (0.04)

See accompanying notes to consolidated interim financial statements.

CHARTWELL TECHNOLOGY INC.

Consolidated Statements of Cash Flows

(unaudited)

	Three months ended January 31,	
	2002	2001
Cash provided by (used in):		
Operations:		
Net income (loss)	\$ (776,846)	\$ (596,469)
Depreciation and amortization	23,217	23,311
Amortization of deferred software development costs	27,519	27,519
Deferred revenue	79,620	67,536
Change in non-cash working capital:		
Accounts receivable	(128,060)	(150,191)
Prepaid expenses	5,743	(10,748)
Accounts payable and accrued liabilities	39,075	(401,089)
	<u>(83,242)</u>	<u>(562,028)</u>
	(729,732)	(1,040,131)
Financing:		
Issue of shares	121,088	72,500
Repayment of lease obligations	(3,006)	(3,762)
	<u>118,082</u>	<u>68,738</u>
Investments:		
Purchase of short term investments	(305,923)	-
Purchase of capital assets	(22,837)	(10,291)
	<u>(328,760)</u>	<u>(10,291)</u>
Increase (decrease) in cash	(940,410)	(981,684)
Cash, beginning of period	2,741,078	8,793,474
Cash, end of period	<u>\$ 1,800,668</u>	<u>\$ 7,811,790</u>

See accompanying notes to consolidated interim financial statements.

CHARTWELL TECHNOLOGY INC.

Notes to Consolidated Interim Financial Statements

For the three months ended January 31, 2002
(unaudited)

These consolidated interim financial statements of Chartwell Technology Inc. (the "Company") have been prepared in accordance with Canadian generally accepted accounting principles using the same accounting policies, except as otherwise disclosed, as were used for the consolidated financial statements for the year ended October 31, 2001. These consolidated interim financial statements should be read in conjunction with the consolidated financial statements for the year ended October 31, 2001.

1. Share capital:

As at January 31, 2002 and October 31, 2001 the Company had 15,817,701 and 15,628,501 common shares outstanding and 2,079,266 and 2,011,566 options to acquire common shares respectively.

2. Segmented information:

The Company has aggregated its Canadian and Belize operating segments into one reporting segment as management has determined that the nature of the operations in each segment meets the aggregation criteria specified by the CICA. The Company's software set-up and license fees are from domestic and foreign entities and originate from the following countries of operations:

2002	<u>Three months ended January 31</u>		
	Canada	Belize	Total
Software set-up fees	\$ -	\$ -	\$ -
Software license fees	\$ -	\$ 337,902	\$ 337,902

2001	Canada	Belize	Total
	Software set-up fees	\$ 75,881	\$ -
Software license fees	\$ -	\$ 235,838	\$ 235,838