



Chartwell Technology Inc.

Consolidated Interim Financial Statements

For the three months and six months ended April 30, 2002

CHARTWELL TECHNOLOGY INC.

Consolidated Balance Sheets

	April 30, 2002 (unaudited)	October 31, 2001
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,402,724	\$ 2,741,078
Short term investments	3,274,537	3,350,007
Accounts receivable	1,531,156	1,200,036
Prepaid expenses	71,519	79,867
	<u>6,279,936</u>	<u>7,370,988</u>
Available for sale long-term securities	42,882	42,882
Capital assets	299,616	303,392
Deferred software development costs	165,106	220,144
	<u>\$ 6,787,540</u>	<u>\$ 7,937,406</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 37,754	\$ 59,897
Current portion of obligations under capital lease	9,309	12,668
Deferred revenue	102,377	-
	<u>149,440</u>	<u>72,565</u>
Obligations under capital lease	10,687	13,446
Shareholders' equity:		
Share capital	14,632,223	14,511,135
Deficit	(8,004,810)	(6,659,740)
	<u>6,627,413</u>	<u>7,851,395</u>
	<u>\$ 6,787,540</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)

	<u>Three months ended April 30,</u>		<u>Six months ended April 30,</u>	
	2002	2001	2002	2001
Revenue:				
Software set-up fees	\$ 317,460	\$ 337,868	\$ 317,460	\$ 413,749
Software license fees	538,403	157,185	876,305	393,023
Interest and other	9,947	106,764	79,388	237,583
	<u>865,810</u>	<u>601,817</u>	<u>1,273,153</u>	<u>1,044,355</u>
Expenses:				
Software development and support	640,991	442,765	1,300,362	966,704
General and administrative	738,560	363,619	1,212,642	827,857
Gain from extinguishment of debt	-	-	-	-
Depreciation and amortization	26,964	33,445	50,181	56,756
Amortization of deferred software development costs	27,519	27,519	55,038	55,038
	<u>1,434,034</u>	<u>867,348</u>	<u>2,618,223</u>	<u>1,906,355</u>
Net income (loss)	(568,224)	(265,531)	(1,345,070)	(862,000)
Deficit, beginning of period	(7,436,586)	(6,420,242)	(6,659,740)	(5,823,773)
Deficit, end of period	<u>\$ (8,004,810)</u>	<u>\$ (6,685,773)</u>	<u>\$ (8,004,810)</u>	<u>\$ (6,685,773)</u>
Net income (loss) per share:	\$ (0.04)	\$ (0.02)	\$ (0.09)	\$ (0.06)

See accompanying notes to consolidated interim financial statements.

CHARTWELL TECHNOLOGY INC.

Consolidated Statements of Cash Flows

(unaudited)

	Three months ended April 30,		Six months ended April 30,	
	2002	2001	2002	2001
Cash provided by (used in):				
Operations:				
Net income (loss)	\$ (568,224)	\$ (265,531)	\$ (1,345,070)	\$ (862,000)
Depreciation and amortization	26,964	33,445	50,181	56,756
Amortization of deferred software development costs	27,519	27,519	55,038	55,038
Deferred revenue	22,757	(101,540)	102,377	(34,004)
Change in non-cash working capital:				
Accounts receivable	(203,060)	(145,435)	(331,120)	(295,626)
Prepaid expenses	2,605	16,301	8,348	5,553
Accounts payable and accrued liabilities:	(61,218)	(283,111)	(22,143)	(684,200)
	(261,673)	(412,245)	(344,915)	(974,273)
	(752,657)	(718,352)	(1,482,389)	(1,758,483)
Financing:				
Issue of shares	-	-	121,088	72,500
Issue of special warrants	-	-	-	-
Share and special warrant issue costs	-	-	-	-
Repayment of lease obligations	(3,112)	(3,763)	(6,118)	(7,525)
Long-term debt	-	-	-	-
	(3,112)	(3,763)	114,970	64,975
Investments:				
Purchase of short term investments	381,393	-	75,470	-
Purchase of capital assets	(23,568)	(39,752)	(46,405)	(50,043)
	357,825	(39,752)	29,065	(50,043)
Increase (decrease) in cash	(397,944)	(761,867)	(1,338,354)	(1,743,551)
Cash, beginning of period	1,800,668	7,811,790	2,741,078	8,793,474
Cash, end of period	\$ 1,402,724	\$ 7,049,923	\$ 1,402,724	\$ 7,049,923

See accompanying notes to consolidated interim financial statements.

CHARTWELL TECHNOLOGY INC.

Notes to Consolidated Interim Financial Statements

For the three months and six months ended April 30, 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 April 30, 2002 and October 31, 2001 the Company had 15,817,701 and 15,628,501 common shares outstanding and 2,338,566 and 1,777,532 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	Three months ended April 30			Six months ended April 30		
	Canada	Belize	Total	Canada	Belize	Total
Software set-up fees	\$ -	\$ 317,460	\$ 317,460	\$ -	\$ 317,460	\$ 317,460
Software license fees	\$ 71,844	\$ 466,559	\$ 538,403	\$ 119,453	\$ 756,852	\$ 876,305

2001	Three months ended April 30			Six months ended April 30		
	Canada	Belize	Total	Canada	Belize	Total
Software set-up fees	\$ 30,917	\$ 306,951	\$ 337,868	\$ 106,798	\$ 306,951	\$ 413,749
Software license fees	\$ -	\$ 157,185	\$ 157,185	\$ -	\$ 393,023	\$ 393,023