

Cardinal Factor Corporation

Consolidated Interim Financial Statements

**For the Period from Incorporation (March 16, 2000) to
July 31, 2000**

Cardinal Factor Corporation

Consolidated Interim Balance Sheet

As at July 31, 2000

(unaudited)

Assets

Current

| | | |
|---------------------|----|-------|
| Accounts receivable | \$ | 2,489 |
| Prepaid expenses | | 2,000 |

4,489

Capital assets

6,321

Goodwill

51,217

Deferred costs

525

\$ 62,552

Liabilities

Current

| | | |
|--|----|--------|
| Bank indebtedness | \$ | 36,070 |
| Accounts payable and accrued liabilities | | 3,081 |

39,151

Shareholders' Equity

Capital Stock 55,736

Deficit (32,335)

23,401

\$ 62,552

Cardinal Factor Corporation

Consolidated Interim Statement of Operations and Deficit

For the Period from Incorporation (March 11, 2000) to July 31, 2000

(unaudited)

Expenses

| | | |
|----------------------------|----|--------|
| Consulting | \$ | 21,577 |
| General and administrative | | 2,753 |
| Professional fees | | 5,808 |
| Amortization | | 2,197 |

32,335

Net loss (32,335)

Adjustment to effect reverse takeover -

Deficit at end of period (32,335)

Loss per share \$ (0.002)

Cardinal Factor Corporation

Consolidated Interim Statements of Cash Flows

For the Period from Incorporation (March 11, 2000) to July 31, 2000

(unaudited)

| | |
|--|--------------------|
| Cash flows from operating activities | |
| Net loss for the period | \$ (32,335) |
| Items not affecting cash | |
| Amortization | 2,197 |
| | (30,138) |
| Changes in non-cash working capital items | |
| Prepaid expenses and sundry items | (2,000) |
| Accounts receivable | (2,489) |
| Accounts payable and accrued liabilities | (6,585) |
| Deferred costs | (525) |
| | (41,737) |
| Cash flows from investing activities | |
| Acquisition, net of cash acquired | (50,069) |
| Cash flows from financing activities | |
| Issuance of share capital | 55,736 |
| Increase (decrease) in cash during the period | (36,070) |
| Cash at beginning of period | - |
| Cash at end of period | \$ (36,070) |

Cardinal Factor Corporation

Notes to Consolidated Interim Financial Statements

For the Period from Incorporation (March 11, 2000) to July 31, 2000

(unaudited)

ACQUISITION OF CALDERONE CORPORATION

Effective July 19, 2000, Calderone Corporation entered into an agreement with the shareholders of Cardinal Factor Inc. for the acquisition of all issued and outstanding common shares of Cardinal Factor Inc. in exchange for 14,250,000 common shares of Calderone Corporation. The completion of this transaction resulted in the former shareholders of Cardinal Factor Inc. controlling Calderone Corporation and accordingly, the share exchange has been recorded as a reverse takeover acquisition of Calderone Corporation by Cardinal Factor Inc.

Since Cardinal Factor Inc. is deemed to be the acquirer, these financial statements are a continuation of the financial statements of Cardinal Factor Inc. There are no comparative figures because Cardinal Factor Inc. was incorporated on March 11, 2000.

Subsequent to the reverse takeover transaction, Calderone Corporation changed its name to Cardinal Factor Corporation. The company has 15,752,716 common shares outstanding and 14,250,000 warrants exercisable at \$0.10 per share for a period of two years ending July 28, 2002.