



British Columbia Securities Commission

**QUARTERLY AND YEAR END REPORT**  
**BC FORM 51-901F**

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<b>ISSUER DETAILS</b>		FOR QUARTER ENDED			DATE OF REPORT		
NAME OF ISSUER		Y			M		
E-ENERGY VENTURES INC.		04	03	31	04	06	25
ISSUER ADDRESS							
2110 – 1177 WEST HASTINGS STREET							
CITY/	PROVINCE	POSTAL CODE		ISSUER FAX NO.	ISSUER TELEPHONE NO.		
VANCOUVER	BC	V6E 2K3		604-681-5259	604-681-1231		
CONTACT PERSON		CONTACT'S POSITION			CONTACT TELEPHONE NO.		
MALCOLM B. FRASER		DIRECTOR			604-681-1231		
CONTACT EMAIL ADDRESS				WEB SITE ADDRESS			

**CERTIFICATE**

*The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.*

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
" D. Schindelhauer "	DIETER SCHINDELHAUER	Y	M	D
		04	08	10
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED		
" M. B. Fraser "	MALCOLM FRASER	Y	M	D
		04	08	10

**E-ENERGY VENTURES INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2004**

**AUDITORS' REPORT**

To the Shareholders of  
E-Energy Ventures Inc.

We have audited the balance sheets of E-Energy Ventures Inc. as at March 31, 2004 and 2003 and the statements of operations and deficit and cash flows for the years then ended. 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 an audit to obtain reasonable assurance 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 financial statements present fairly, in all material respects, the financial position of the Company as at March 31, 2004 and 2003 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

**“DAVIDSON & COMPANY”**

Vancouver, Canada

Chartered Accountants

June 25, 2004

A Member of SC INTERNATIONAL

**E-ENERGY VENTURES INC.**  
**BALANCE SHEETS**  
**AS AT MARCH 31**

	2004	2003
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 130	\$ 4,239
Receivables	1,162	506
Prepays and deposit	<u>500</u>	<u>500</u>
	<u>\$ 1,792</u>	<u>\$ 5,245</u>

**LIABILITIES AND SHAREHOLDERS' DEFICIENCY**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 44,191	\$ 17,591
Loan payable (Note 3)	46,250	43,250
Loan from related party (Note 4)	35,733	-
Due to related parties (Note 5)	<u>93,502</u>	<u>47,689</u>
	<u>219,676</u>	<u>108,530</u>
<b>Shareholders' deficiency</b>		
Capital stock (Note 6)	5,975,864	5,975,864
Deficit	<u>(6,193,748)</u>	<u>(6,079,149)</u>
	<u>(217,884)</u>	<u>(103,285)</u>
	<u>\$ 1,792</u>	<u>\$ 5,245</u>

**Nature and continuance of operations** (Note 1)

**Subsequent event** (Note 11)

**On behalf of the Board:**

" D. Schindelhauer "

Director

" M. B. Fraser "

Director

The accompanying notes are an integral part of these financial statements.

**E-ENERGY VENTURES INC.**  
**STATEMENTS OF OPERATIONS AND DEFICIT**  
**YEAR ENDED MARCH 31**

	2004	2003
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Administration fees	\$ 3,600	\$ 3,600
Consulting fees	23,595	36,987
Filing fees	5,424	2,138
Interest	6,596	3,000
Management fees	24,000	24,000
Office and miscellaneous	4,855	4,579
Professional fees	23,852	15,147
Rent	8,563	7,800
Shareholder information	1,205	-
Transfer agent fees	6,538	6,476
Travel and promotion	<u>6,371</u>	<u>6,060</u>
<b>Loss before other item</b>	(114,599)	(109,787)
<b>OTHER ITEM</b>		
Gain on settlement of debt	<u>-</u>	<u>5,525</u>
<b>Loss for the year</b>	(114,599)	(104,262)
<b>Deficit, beginning of year</b>	<u>(6,079,149)</u>	<u>(5,974,887)</u>
<b>Deficit, end of year</b>	<u>\$ (6,193,748)</u>	<u>\$ (6,079,149)</u>
<b>Basic and diluted loss per common share</b>	<u>\$ (0.01)</u>	<u>\$ (0.01)</u>
<b>Weighted average number of common shares outstanding</b>	<u>8,833,703</u>	<u>8,707,950</u>

The accompanying notes are an integral part of these financial statements.

**E-ENERGY VENTURES INC.**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED MARCH 31**

	2004	2003
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss for the year	\$ (114,599)	\$ (104,262)
Items not affecting cash		
Accrued interest	4,733	3,000
Accrued management and consulting fees to related parties	45,813	39,850
Gain on settlement of debt	-	(5,525)
Changes in non-cash working capital items		
(Increase) decrease in receivables	(656)	838
Decrease in prepaids and deposit	-	950
Increase in accounts payable and accrued liabilities	<u>26,600</u>	<u>4,060</u>
Net cash used in operating activities	<u>(38,109)</u>	<u>(61,089)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issuance of capital stock	-	40,000
Loan payable to related party	<u>34,000</u>	<u>-</u>
Net cash provided by financing activities	<u>34,000</u>	<u>40,000</u>
<b>Change in cash for the year</b>	<b>(4,109)</b>	<b>(21,089)</b>
<b>Cash, beginning of year</b>	<b><u>4,239</u></b>	<b><u>25,328</u></b>
<b>Cash, end of year</b>	<b>\$ 130</b>	<b>\$ 4,239</b>

**Supplemental disclosure with respect to cash flows (Note 9)**

The accompanying notes are an integral part of these financial statements.

**E-ENERGY VENTURES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2004

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**1. NATURE AND CONTINUANCE OF OPERATIONS**

E-Energy Ventures Inc. (the "Company") is a Canadian company incorporated in British Columbia. The Company is listed on the TSX Venture Exchange ("TSX-V") under the symbol "EEV".

The Company was engaged in preliminary discussions for the acquisition of an industrial manufacturing opportunity within the Province of British Columbia. The Company was not successful in concluding the potential acquisition. The Company has now redirected its business activity to acquire and to explore a mineral property interest. To date, no acquisition of a mineral property interest has occurred.

These financial statements have been prepared assuming the Company will continue on a going-concern basis. The Company has incurred losses since inception and the ability of the Company to continue as a going-concern depends upon its ability to develop profitable operations and to continue to raise adequate financing. Management is actively targeting sources of additional financing through alliances with financial, exploration and mining entities, or other business and financial transactions which would assure continuation of the Company's operations. In order for the Company to meet its liabilities as they come due and to continue its operations, the Company is solely dependent upon its ability to generate such financing.

There can be no assurance that the Company will be able to continue to raise funds, in which case the Company may be unable to meet its obligations. Should the Company be unable to realize its assets and discharge its liabilities in the normal course of business, the net realizable value of its assets may be materially less than the amounts recorded on the balance sheets.

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	2004	2003
Deficit	\$ (6,193,748)	\$ (6,079,149)
Working capital (deficiency)	(217,884)	(103,285)

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**2. SIGNIFICANT ACCOUNTING POLICIES**

**Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from these estimates.

**Stock-based compensation**

Effective April 1, 2002, the Company adopted the new CICA Handbook Section 3870, "Stock-Based Compensation and Other Stock-Based Payments", which recommends that stock options granted to employees and non-employees be accounted for at fair value. This section also permits, and the Company adopted, the use of the intrinsic value-based method for valuing stock options granted to employees. Under this method, compensation cost for options granted to employees is recognized only when the market price exceeds the exercise price at date of grant. However, pro-forma disclosure of earnings and earnings per share as if the fair value method had been adopted is required.

**E-ENERGY VENTURES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2004

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**2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)**

**Stock-based compensation (cont'd...)**

During the current year, the Company adopted, on a prospective basis, the fair value based method of accounting for all stock-based compensation.

**Loss per common share**

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on loss per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the year. Dilutive loss per share is not presented separately from loss per share as the conversion of outstanding stock options and warrants into common shares would be anti-dilutive.

Basic loss per share is calculated using the weighted-average number of shares outstanding during the year and does not include outstanding options and warrants.

**Future income taxes**

Future income taxes are calculated using the asset and liability method, whereby 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. Future tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future tax assets and liabilities of a change in tax rates is recognized in income in the year that substantive enactment or enactment occurs. To the extent that the Company does not consider it to be more likely than not that a future tax asset will be recovered, it provides a valuation allowance against the excess.

**Comparative figures**

Certain comparative figures have been reclassified to conform with the current year's presentation.

**3. LOAN PAYABLE**

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	2004	2003
Demand loan, bearing interest at 10% per annum and is unsecured.		
Principal amount	\$ 30,000	\$ 30,000
Accrued interest	<u>16,250</u>	<u>13,250</u>
	<u>\$ 46,250</u>	<u>\$ 43,250</u>

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**E-ENERGY VENTURES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2004**

**4. LOAN FROM RELATED PARTY**

During the year, a company controlled by directors of the Company loaned the Company various amounts at 10% interest per annum, convertible into common shares on or before certain conversion dates. On issuance of the loans, the relative fair value that would be attributed to the equity component of these individual loans was not significant.

Principal Amount	Accrued Interest	Total Amount	Conversion date
\$ 10,000	\$ 750	\$ 10,750	July 1, 2004
10,000	667	10,667	August 1, 2004
5,000	166	5,166	November 21, 2004
2,000	67	2,067	November 27, 2004
1,000	17	1,017	January 23, 2005
2,000	33	2,033	February 9, 2005
1,000	8	1,008	March 11, 2005
<u>3,000</u>	<u>25</u>	<u>3,025</u>	March 17, 2005
\$ 34,000	\$ 1,733	\$ 35,733	

**5. RELATED PARTY TRANSACTIONS**

Amounts due to related parties at March 31, 2004 totalling \$93,502 (2003 - \$47,689) are owing to a director and a company controlled by directors of the Company for services rendered. The fair value of amounts due to related parties cannot be determined as they are non-interest bearing, unsecured and have no fixed terms of repayment.

The Company entered into the following transactions with related parties:

- a) Paid or accrued \$24,000 (2003 - \$24,000) for management services to a director of the Company.
- b) Paid or accrued to a management company controlled by directors of the Company the following:

	2004	2003
Consulting fees	\$ 24,000	\$ 24,000
Rent	7,800	7,800
Administration fees	<u>3,600</u>	<u>3,600</u>
	\$ 35,400	\$ 35,400

- c) Paid or accrued \$1,733 (2003 - \$Nil) in interest on loans from a related party.
- d) A company controlled by directors of the Company loaned an amount of \$34,000 (2003 - \$Nil) to the Company as outlined in Note 4.

These transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the parties.

**E-ENERGY VENTURES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2004**

**6. CAPITAL STOCK**

	Number of Shares	Amount
Authorized		
100,000,000 common shares, without par value		
100,000,000 Class A preference shares with a par value of \$10 each		
100,000,000 Class B preference shares with a par value of \$50 each		
Common shares issued		
Balance, March 31, 2002	7,933,703	\$ 5,885,864
For private placement	<u>900,000</u>	<u>90,000</u>
Balance, March 31, 2003 and 2004	<u>8,833,703</u>	<u>\$ 5,975,864</u>

During the prior fiscal year, the Company completed a non-brokered private placement of 900,000 units at \$0.10 per unit for total proceeds of \$90,000. Each unit consisted of a common share and a non-transferable share purchase warrant that entitles the holder to acquire an additional common share at \$0.12 per share on or before May 21, 2003 (expired unexercised).

**Stock options**

The Company does not have a formal stock option plan in place but follows the TSX-V policy under which it is authorized to grant options to directors and employees to acquire up to 10% of issued and outstanding common stock. Under the policy, the exercise price of each option equals the market price of the Company's stock as calculated on the date of grant. The options can be granted for a maximum term of 5 years.

Stock option transactions and the number of options outstanding are summarized as follows:

	2004		2003	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding, beginning of year	-	\$ -	239,056	\$ 1.00
Expired	<u>-</u>	-	<u>(239,056)</u>	1.00
Outstanding, end of year	-	\$ -	-	\$ -
Options exercisable, end of year	-	\$ -	-	\$ -

**E-ENERGY VENTURES INC.**  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2004

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**7. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of cash, receivables, accounts payable and accrued liabilities, loan payable, loan from related party and due to related parties. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

**8. SEGMENTED INFORMATION**

The Company currently operates in Canada in one business segment, being the resource sector.

**9. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

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	2004	2003
Cash paid during the year for income taxes	\$ -	\$ -
Cash paid during the year for interest	\$ 1,863	\$ -

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There were no significant non-cash financing and investing transactions for the year ended March 31, 2004.

Significant non-cash financing transaction for the year ended March 31, 2003 included the conversion of share subscription received in advance into common shares of the Company with a value of \$50,000.

**10. INCOME TAXES**

A reconciliation of income taxes (recovery) at statutory rates with the reported taxes (recovery) is as follows:

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	2004	2003
Loss for the year	\$ (114,599)	\$ (104,262)
Expected income tax recovery at statutory rates	\$ (40,797)	\$ (39,203)
Deductible expenses	(795)	(2,912)
Unrecognized benefits of non-capital losses	<u>41,592</u>	<u>42,115</u>
Total income tax recovery	\$ -	\$ -

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**E-ENERGY VENTURES INC.**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**MARCH 31, 2004**

**10. INCOME TAXES (cont'd...)**

The significant components of the Company's future income tax assets are as follows:

	2004	2003
Future income tax assets		
Resource properties	\$ 1,262,000	\$ 1,262,000
Cumulative eligible capital	17,000	17,000
Capital assets	3,000	3,000
Non-capital loss carry forwards	<u>315,000</u>	<u>335,000</u>
	1,597,000	1,617,000
Valuation allowance	<u>(1,597,000)</u>	<u>(1,617,000)</u>
Net future income tax assets	<u>\$ -</u>	<u>\$ -</u>

The Company has available for deduction against future taxable income non-capital losses of approximately \$885,000. These losses, if not utilized, will expire through to 2011. Subject to certain restrictions, the Company also has resource expenditures available to reduce taxable income in future years. Future tax benefits which may arise as a result of these non-capital losses and resource expenditures have not been recognized in these financial statements and have been offset by a valuation allowance.

**11. SUBSEQUENT EVENT**

Subsequent to March 31, 2004 and subject to regulatory approval, the Company made several loan agreements with a company controlled by directors of the Company at 10% interest per annum totalling \$8,950, convertible into common shares of the Company on or before April 6, 2005 to June 30, 2005. The amount due to related parties of \$93,502 was assigned to this company and the Company agreed to settle debt of \$70,000 by an issuance of 700,000 common shares at \$0.10 per share.