

QUARTERLY AND YEAR END REPORT

BC FORM 51-901F (previously Form 61)

British Columbia Securities Commission

Freedom of Information and Protection of Privacy Act: The personal information requested on this form is collected under the authority of and used for the purpose of administering the *Securities Act*. Questions about the collection or use of this information can be directed to the Supervisor, Financial Reporting (604-899-6729), PO Box 10142, Pacific Centre, 701 West Georgia Street, Vancouver BC V7Y 1L2 Toll Free in British Columbia 1-800-373-6393.

INSTRUCTIONS

This report must be filed by Exchange Issuers within 60 days of the end of their first, second and third fiscal quarters and within 140 days of their year end.

"Exchange Issuer" means an issuer whose securities are listed and posted for trading on the Canadian Venture Exchange and are not listed and posted on any other exchange or quoted on a trading or quotation system in Canada. Three schedules must be attached to this report as follows:

SCHEDULE A: FINANCIAL STATEMENTS

Financial statements prepared in accordance with generally accepted accounting principles are required as follows:

For the first, second and third financial quarters:

Interim financial statements prepared in accordance with section 1751 of the CICA Handbook, including the following: balance sheet, income statement, statement of retained earnings, cash flow statement, and notes to the financial statements.

The periods required to be presented, consistent with CICA Handbook section 1751, are as follows:

- a balance sheet as of the end of the current interim period and a comparative balance sheet as of the end of the immediately preceding fiscal year;
- a statement of retained earnings cumulatively for the current fiscal year-to-date, with a comparative statement for the comparable year-to-date period of the immediately preceding fiscal year; and
- income statements and cash flow statements for the current interim period and cumulatively for the current fiscal year-to-date, with comparative statements for the comparable interim periods (current and year-to-date) of the immediately preceding fiscal year.

For the financial year end:

Annual audited financial statements prepared on a comparative basis.

Exchange Issuers with a fiscal year of less than or greater than 12 months should refer to National Policy No. 51 *Changes in the Ending Date of a Financial Year and in Reporting Status* for guidance.

Issuers in the development stage are directed to the guidance provided in CICA Accounting Guideline AcG-11 *Enterprises in the Development Stage* that states "enterprises in the development stage are encouraged to disclose in the income statement and in the cash flow statement cumulative balances from the inception of the development stage.

Issuers that have been involved in a reverse take-over should refer to the guidance found in BCIN #52-701 (previously NIN #91/21) with respect to such transactions including the requirement for disclosure of supplementary information regarding the legal parent's prior financial operations.

SCHEDULE B: SUPPLEMENTARY INFORMATION

The supplementary information set out below must be provided when not included in Schedule A.

1. *Analysis of expenses and deferred costs*

Provide a breakdown of amounts presented in the financial statements for the following: deferred or expensed exploration, expensed research, deferred or expensed development, cost of sales, marketing expenses, general and administrative expenses, and any other material expenses reported in the income statement and any other material deferred costs presented in the balance sheet.

The breakdown should separately present, at a minimum, each component that comprises 20% or more of the total amount for a material classification presented on the face of the financial statements. All other components of a material classification may be grouped together under the heading "miscellaneous" or "other" in the cost breakdown; the total for "miscellaneous" should not exceed 30% of the total for a material classification.

Breakdowns are required for the year-to-date period only. Breakdowns are not required for comparative periods.

Issuers in the development stage are reminded that Section 3(9)(b) of the BC Securities Commission's Rules requires a schedule or note to the financial statements containing an analysis of each of exploration, research, development and the administration costs, whether expensed or deferred and if the issuer is a natural resource issuer, that analysis for each material property. Because the analysis required by Rule 3(9)(b) must be included in the financial statements, the information does not have to be repeated in Schedule B. Consistent with CICA Accounting Guidelines AcG-11, staff considers an issuer to be in the development stage when it is devoting substantially all of its efforts to establishing a new business and planned principal operations have not commenced. Further, in staff's view, the lack of significant revenues for the past two years normally indicates that an issuer is in the development stage.

2. *Related party transactions*

Provide disclosure of all related party transactions as specified in Section 3840 of the CICA Handbook.

3. *Summary of securities issued and options granted during the period*

Provide the following information for the year-to-date period:

- (a) summary of securities issued during the period, including date of issue, type of security (common shares, convertible debentures, etc.), type of issue (private placement, public offering, exercise of warrants, etc.), number, price, total proceeds, type of consideration (cash, property, etc.) and commission paid, and
- (b) summary of options granted during the period, including date, number, name of optionee for those options granted to insiders, generic description of other optionees (e.g. "employees"), exercise price and expiry date.

4. *Summary of securities as at the end of the reporting period*

Provide the following information as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements.

5. *List the names of the directors and officers as at the date this report is signed and filed.*

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**1. General Instructions**

- (a) Management discussion and analysis provides management with the opportunity to discuss an issuer's business, current financial results, position and future prospects.
- (b) Focus the discussion on material information, including liquidity, capital resources, known trends, commitments, events, risks or uncertainties, that is reasonably expected to have a material effect on the issuer.
- (c) For an issuer with active ongoing operations the discussion should be substantive (e.g. generally two to four pages in length); for an issuer with limited operations the discussion may not be as extensive (e.g. one page).
- (d) The discussion must be factual, balanced and non-promotional.
- (e) Where the discussion relates to a mineral project, as defined in National Instrument 43-101 "Standards of Disclosure for Mineral Projects", the disclosure must comply with NI 43-101.

2. Description of Business

Provide a brief description of the issuer's business. Where an issuer is inactive and has no business, disclose these facts together with a description of any plans to reactive and the business the issuer intends to pursue.

3. Discussion of Operations and Financial Condition

Provide a meaningful discussion and analysis of the issuer's operations for the current year-to-date period presented in the financial statements. Discuss the issuer's financial condition as at the date of the most recent balance sheet presented in the financial statements.

The following is a list of items that should be addressed in management's discussion and analysis of the issuer's operations and financial condition. This is not intended to be an exhaustive list of the relevant items.

- (a) expenditures included in the analysis of expenses and deferred costs required under Securities Rule 3(9)(b) and Schedule B;
- (b) acquisition or abandonment of resource properties material to the issuer including material terms of any acquisition or disposition;
- (c) acquisition or disposition of other material capital assets including material terms of the acquisition, or disposition;
- (d) material write-off or write-down of assets;
- (e) transactions with related parties, disclosed in Schedule B or the notes to the financial statements;
- (f) material contracts or commitments;
- (g) material variances between the issuer's financial results and information previously disclosed by the issuer, (for example if the issuer does not achieve revenue and profit estimates previously released, discuss this fact and the reasons for the variance);
- (h) material terms of any existing third party investor relations arrangements or contracts including:

- i. the name of the person;
- ii. the amount paid during the reporting period; and
- iii. the services provided during the reporting period;

- (i) legal proceedings;
- (j) contingent liabilities;
- (k) default under debt or other contractual obligations;
- (l) a breach of corporate, securities or other laws, or of an issuer's listing agreement with the Canadian Venture Exchange including the nature of the breach, potential ramifications and what is being done to remedy it.
- (m) regulatory approval requirements for a significant transaction including whether the issuer has obtained the required approval or has applied for the approval;
- (n) management changes; or
- (o) special resolutions passed by shareholders.

4. Subsequent Events

Discuss any significant events and transactions that occurred during the time from the date of the financial statements up to the date that this report is certified by the issuer.

5. Financings, Principal Purposes and Milestones

- (a) In a tabular format, compare any previously disclosed principal purposes from a financing to actual expenditures made during the reporting period.
- (b) Explain any material variances and the impact, if any, on the issuer's ability to achieve previously disclosed objectives and milestones.

6. Liquidity and Solvency

Discuss the issuer's working capital position and its ability to meet its ongoing obligations as they become due.

How to File Under National Instrument 13-101 – System for Electronic Document Analysis and Retrieval (SEDAR)

BC Form 51-901F Quarterly and Year End Reports are filed under Category of Filing: Continuous Disclosure and Filing Type: Interim Financial Statements or Annual Financial Statements. Schedule A (Financial Statements) is filed under Document Type: Interim Financial Statements or Annual Financial Statements. Schedule B (Supplementary Information) and Schedule C (Management Discussion) are filed under Document Type: BC Form 51-901F (previously Document Type Form 61(BC)).

Meeting the Form Requirements

BC Form 51-901F consists of three parts: Instructions to schedules A, B and C, issuer details and a certificate. To comply with National Instrument 13-101 it is not necessary to reproduce the instructions that are set out in BC Form 51-901F. A cover page to the schedules titled BC Form 51-901F that includes the issuer details and certificate is all that is required to meet the BC Form 51-901F requirements. The form of certificate should be amended so as to refer to one or two of the three schedules required to complete the report.

ISSUER DETAILS

NAME OF ISSUER

TEKWERKS SOLUTIONS INC.

FOR QUARTER ENDED

JUNE 30, 2002

DATE OF REPORT

YY/MM/DD

02/08/28

ISSUER ADDRESS

Suite 1300 – 885 West Georgia Street

CITY

Vancouver

PROVINCE

BC

POSTAL CODE

V6C 3E8

ISSUER FAX NO.

(604) 688-3452

ISSUER TELEPHONE NO.

(604) 688-3415

CONTACT NAME

James R. Tuer

CONTACT POSITION

President & Director

CONTACT TELEPHONE NO.

604-688-3415

CONTACT EMAIL ADDRESS

tuer@erealty.ca

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

➤ JAMES R. TUER

PRINT FULL NAME

James Tuer

DATE SIGNED

YY/MM/DD

02/08/28

DIRECTOR'S SIGNATURE

➤ ROBERT F. CHASE

PRINT FULL NAME

Robert F. Chase

DATE SIGNED

YY/MM/DD

02/08/28

TEKWERKS SOLUTIONS INC.

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2002

(Unaudited – Prepared By Management)

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QUARTERLY REPORT FOR PERIOD ENDED JUNE 30, 2002

TekWerks Solutions Inc.
CONSOLIDATED BALANCE SHEET

	June 30, <u>2002</u>	March 31, <u>2002</u>
<u>ASSETS</u>		
Current		
Cash	\$ 367,758	\$ 385,095
Accounts receivable & accrued interest	11,142	8,025
Prepaid Expense	2,081	2,673
	380,981	395,793
Mineral Properties	951	951
Deferred Mining Costs	6,050	
Total Assets	\$ 387,982	\$ 396,744
<u>LIABILITIES</u>		
Current		
Accounts payable and accrued liabilities	\$ 3,014	\$ 3,027
	3,014	3,027
<u>SHAREHOLDERS' EQUITY</u>		
Share Capital	409,739	409,739
Deficit	(24,771)	(16,022)
	384,968	393,717
	\$ 387,982	\$ 396,744

Approved by the Board of Directors

"JAMES TUER"

James Tuer, Director

"ROBERT F. CHASE"

Robert F. Chase, Director

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QUARTERLY REPORT FOR PERIOD ENDED JUNE 30, 2002

TekWerks Solutions Inc.
CONSOLIDATED STATEMENT OF INCOME

	Three Months Ended June 30,	
	<u>2002</u>	<u>2001</u>
Administrative Expenses		
Accounting and legal fees	\$ 1,672	\$ 2,354
Bank	28	88
Filing Fees	5,000	35
Office	1,013	210
Rent	2,884	2,252
Telephone	527	590
Travel & Entertainment	-	53
Trust Company	553	394
	<hr/>	<hr/>
Loss before other items	(11,677)	(5,976)
Other items:		
Interest income	2,928	4,273
	<hr/>	<hr/>
	2,928	4,273
Net income for the period	(8,749)	(1,703)
Retained Earnings, beginning of the year	<u>(16,022)</u>	<u>(2,661)</u>
Retained Earnings, end of the period	<u>\$ (24,771)</u>	<u>\$ (4,364)</u>
Earnings per share	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>

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TekWerks Solutions Inc.
CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION

	Three Months Ended June 30,	
	<u>2002</u>	<u>2001</u>
Operating Activities		
Net Income for the period	\$(8,749)	\$(1,703)
	(8,749)	(1,703)
Changes in non-cash working capital items related to operations		
Accounts receivable	(3,117)	(4,725)
Accounts payable and accrued liabilities	(13)	-
Prepaid Expense	592	9,211
	(11,287)	2,783
Financing Activities		
Deferred Exploration Expenses	(6,050)	-
Property acquisition costs	-	-
	(6,050)	-
Increase in cash during the period	(17,337)	2,783
Cash and term deposits, beginning of the period	385,095	385,788
Cash and term deposits, end of the period	<u>\$ 367,758</u>	<u>\$ 388,571</u>

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TEKWERKS SOLUTIONS INC.
NOTES TO THE FINANCIAL STATEMENTS
March 31, 2002

Note 1 Nature and Continuance of Operations

The Company was incorporated under the Company Act of the Province of British Columbia on March 7, 2000, as eVolution networking corp. and changed its name to Tekwerks Solutions Inc. on September 25, 2000. The Company is classified as a Capital Pool Company as defined in the Canadian Venture Exchange ("Exchange") Policy 2.4. The common shares of the Company began trading on the Exchange on February 7, 2001.

The Company's continued operations as intended are dependent upon its ability to identify, evaluate and negotiate an acquisition of, a participation in or an investment of an interest in a Qualifying Transaction (as defined). The Company is required to complete its Qualifying Transaction (as defined) by August 7, 2002 (18 months of listing on the Exchange). The acquisition will be subject to shareholder and regulatory approval.

These financial statements have been prepared by management on a going concern basis. The Company's ability to continue as a going concern is dependent upon the ability of the Company to generate profitable operations in the future and/or obtain the necessary financing to meet its obligations and repay its liabilities arising from normal business operations when they come due.

Note 2 Significant Accounting Policies

The financial statements of the Company have been prepared by management in accordance with generally accepted accounting principles in Canada. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment. Actual results may differ from these estimates.

These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

(a) Fair Market Value of Financial Instruments

The carrying value of cash and term deposit, accounts receivable and accounts payable approximates fair value due to the short maturity of those instruments.

(b) Loss Per Share

Loss per share has been cancelled based upon the weighted average number of shares outstanding during the year.

(c) Stock-based Compensation

The Company has a share purchase option plan which is described in Note 3. No compensation expense is recognized for this plan when shares or share purchase options are issued to employees or directors. Any consideration paid by employees or directors on the exercise of share purchase options or purchase of shares is credited to share capital.

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Note 3 Share Capital

a) Authorized:

100,000,000 common shares without par value

	#	\$
b) Issued:		
Balance, March 31, 2000	-	-
For cash		
– escrow shares – at \$0.075	1,333,334	100,000
– pursuant to a private placement – at \$0.15	1,050,000	157,500
– pursuant to an initial public offering – at \$0.15	1,500,000	225,000
Less: share issue costs	-	(72,761)
	3,883,334	409,739
	3,883,334	409,739
For Cash	-	-
	3,883,334	409,739
	3,883,334	409,739
For Cash	-	-
	3,883,334	409,739
	3,883,334	409,739

c) Escrow Shares:

At June 30, 2002, the Company has 1,333,334 common shares held in escrow. Subject to Section 11(5) of Policy 2.4 of the Exchange, after the completion of the Company's Qualifying Transaction as required under the requirements of the British Columbia Securities Commission and the Exchange, the escrow shares will be released pro rata to the shareholders as follows depending on which tier classification the Exchange designates the Company subsequent to completion of the Qualifying Transaction:

Tier One

- a) 25% following the issuance of Final Exchange Notice;
- b) 25% six months following the Final Exchange Notice;
- c) 25% twelve months following the Final Exchange Notice;
- d) 25% eighteen months following the Final Exchange Notice

Tier Two

- a) 10% following issuance of the Final Exchange Notice;
- b) 15% six months following the initial release;
- c) 15% twelve months following the initial release;
- d) 15% eighteen months following the initial release;
- e) 15% twenty four months following the initial release;
- f) 15% thirty months following the initial release;
- g) 15% thirty six months following the initial release

d) Commitments:

Stock-based Compensation Plan:

The Company has granted directors and officers common share purchase options. These options are granted with an exercise price equal to the

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market price of the Company's stock on the date of the grant. A summary of the status of the stock option plan as of June 30, 2002 and the changes during the period ending on that date is presented below:

	Shares	Weighted Average Exercise Price
Options outstanding and exercisable at beginning of the period:	388,333	\$0.15
Granted	-	-
Options outstanding and exercisable at end of the period:	388,333	\$0.15

As at June 30, 2002, there are 388,333 share purchase options outstanding entitling the holders thereof the right to purchase one common share for each option held at \$0.15 per share. These share purchase options expire November 3, 2005.

Agent's Option:

As at June 30, 2002, there are 150,000 Agent's Options outstanding to Canaccord Capital entitling the holders thereof the right to purchase one common share for each option held at \$0.15 per share until August 7, 2002. Subsequent to the end of the quarter the Agent elected to not exercise its rights and the Options have expired.

Note 4 Related Party Transactions

During the Quarter ended June 30, 2002, the Company incurred office rent costs of \$2,884 with a company with a common director. These charges were measured by the exchange amount which is the amount agreed upon by the transacting parties and are on terms and conditions similar to non-related entities.

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SCHEDULE B: SUPPLEMENTARY INFORMATION

1. **Analysis of expenses and deferred costs, year to date:**

During the current year to date the major expenditures for the period were due to rent, telephone, legal, accounting, and filing fees. Please refer to the attached financial statements for a breakdown of administrative expenses.

2. **Related party transactions, year to date:**

- See Note 4 to the financial statements attached.

3. **Summary of securities issued and options granted during the period:**

Securities Issued: None

Options Granted: None

4. **Summary of securities as at the end of the reporting period:**

Authorized Capital: 100,000,000 common shares

Number and Recorded Value for Shares Issued and Outstanding:

3,883,334 common shares at a recorded value of \$409,739

Outstanding Options:

Name of Optionee	Shares	Price	Expiry Date
James R. Tuer	116,500	\$0.15	February 7, 2006
Robert F. Chase	116,500	\$0.15	February 7, 2006
David G. Nelson	116,500	\$0.15	February 7, 2006
Gia-Van Tran	38,833	\$0.15	February 7, 2006
Canaccord Capital	150,000	\$0.15	August 7, 2002

Outstanding Warrants:

None

Shares in Escrow or Pooling Agreements:

1,333,333 common shares are held in escrow in accordance with the policies of the CDNX concerning Capital Pool Companies.

5. **List of Directors**

James R. Tuer
Vancouver, B.C.

David G. Nelson
Vancouver, B.C.

Robert F. Chase
West Vancouver, B.C.

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Description of Business

The Company is a capital pool company pursuant to the policies of the Exchange. The Company's principal business is to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder approval and acceptance for filing by the TSX Venture Exchange. Currently, the Company does not have business operations other than cash and a prospective exploration licence in Greenland which cost the Company approximately \$6,000. Until the completion of a Qualifying Transaction, the Company will not carry on any business other than the identification and evaluation of assets or businesses in connection with potential Qualifying Transactions. The Company is required to complete an acquisition on or before August 7, 2002. With this in mind, the Company has filed documentation with the TSX Venture Exchange to accept the acquisition and subsequent exploration of the Greenland diamond property as the Qualifying Transaction.

To summarize the proposed transaction, TekWerks has staked and been granted a mineral claim (the "Naajat" claim and/or "EL 2002/06") comprising 851 square kilometres (85,000 hectares) in the Kangerlussuaq area of West Greenland. This claim is contiguous to claims held by a joint venture between BHP-Billiton (formerly Dia Met Mineral Ltd.), Citation Resources Inc., and Cantex Mine Development Corp. (the "BCC JV"). The staking costs of the Naajat Claim to the Company are approximately \$6,000. Total exploration costs of approximately \$150,000 are required to be expended in 2002 to maintain ownership of the claim. The Company's recommended work plan for the project is approximately \$225,000. This includes analysis of previously collected samples, a hyperspectral survey and a prospecting/glacial mapping program. The area comprising the Naajat Claim was previously held by the BCC JV as part of a larger land package. The mineral tenure rules in Greenland make it relatively easy for companies to acquire large land packages for a relatively small upfront investment. In general, annual work commitments are somewhat higher than in Canada, which forces companies to par back land positions more quickly than they may otherwise wish. This fact has created the opportunity for the Company at this time. Based on publicly available assessment reports filed in 1999, the BCC JV spent approximately \$3,366,423 on exploration (airborne, sample collection, transportation and processing, prospecting, and general exploration expenses) of which \$823,285 is directly attributable to the land area comprising the Naajat Claim. TekWerks has had a technical report prepared to support these findings. It is the conclusion of Mr. Bruce Counts, B.A.Sc., P.Geoph., the author of the Qualifying Report on the property, that "based on the favourable indicator mineral chemistry and the discovery of kimberlites in the region, [the] Naajat Property is highly prospective for the discovery of kimberlites or related rocks with economic quantities of diamonds".

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As background, in around 1996, a staking rush occurred in West Greenland resulting in over 60,000 sq. km. being staked. Greenland allows for paper staking with low application costs and higher commitment costs. Unfortunately, this resulted in a very few companies acquiring most of the ground. With little capital outlay for the size of the land positions and the bear market in junior exploration beginning to take hold in 1997, resources were quickly exhausted and property was relinquished back to the government, leaving investors with a poor outlook as to the potential for diamonds in Greenland. Platinova, Fjordland, and Aber were other significant players in the area. To date, micro diamonds of good quality have been located, kimberlite is abundant in dykes and sills on the target property; however, no significant kimberlite pipes have been located in Greenland. Geochemistry has revealed excellent mineral potential from within the diamond stability field.

The Company plans on funding exploration on the claims utilizing its treasury of approximately \$370,000 and from proceeds of up to \$300,000 to be raised by way of private placement. The non-brokered private placement will consist of 2,000,000 units issued at \$0.15 per unit with each unit consisting of one common share and one share purchase warrant exercisable at \$0.20 per share for a period of one year. This funding is sufficient to carry out the initial exploration program and to fund working capital requirements. There are currently 3,883,334 shares outstanding (4,421,667 fully diluted).

James Tuer and Robert Chase will remain as directors. John W.W. Hick and Dr. John Ferguson have agreed to join the board of directors. Mr. Hick has significant experience in the mining industry at a senior capacity. He is currently the President and a director of Geomaque Exploration Ltd., and a director of Cambior Inc. and Rio Narcea Goldmines Ltd. Each of these companies is listed on the Toronto Stock Exchange. Between 1993 and 1997, he was with TVX Gold Inc. as its President and later its Vice-Chairman. Dr. Ferguson has been involved in Greenland for many years as head of exploration and, later president, of Citation Resources Inc. He has his doctorate in geology from the University of Witswatersrand and is regarded as a expert in diamond exploration. Mr. Chase also has previous mining and resource experience due to his role with the Westar Group and more recently South Pacific Resources Inc. The former was a Toronto Stock Exchange listed company and the latter now trades under the name Lexacal Investment Corp., a TSX Venture Exchange Tier 1 company. Mr. Tuer founded Green Point Resources Inc., and took the company public via an IPO on the VSE in 1998. He later arranged for the reverse takeover by Wildcard Wireless Solutions Inc. He also formed the JCP, True Exploration Corp., and arranged the major transaction with CompuSoft Canada Inc. in the fall of 1998.

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Discussion of Operations and Financial Condition

Operations during the three months ended June 30, 2002 were primarily related to the identification and evaluation of the Qualifying Transaction. The Company incurred costs related to this endeavour which are shown on the attached Income Statement. There were no investor relations arrangements entered into during the period. There were no transactions with related parties other than as disclosed in Schedule B Note 2. There also were no legal proceedings, contingent liabilities, defaults under debt or other contractual obligations or breaches of any laws or special resolutions during the period.

At June 30, 2002 the Company had total working capital of \$377,967 . It is expected that these funds are sufficient to complete its business as discussed in Description of Business above.

Subsequent Events

The Company is in the process of completing an information circular for the AGM which incorporates the details of the transaction. The Company has been required to retain a Sponsoring Broker to facilitate the transaction and has hired Northern Securities Inc. to fulfill this role. Satisfaction of the requirement to complete a Qualifying Transaction by acquiring the Greenland Property is subject to acceptance of such acquisition by the TXS Venture Exchange and the shareholders of the Company.

Financings, Principal Purposes and Milestones

TekWerk's funds have not been allocated to any specific project or business. All costs incurred after the receipt of the prospectus have been consistent with the intended use of the net proceeds from the prospectus and initial seed offering as indicated in the prospectus. The Company is proposing to conduct a small non-brokered private placement to support its proposed Qualifying Transaction.

Liquidity and Solvency

As at June 30, 2002, the Company had working capital of \$377,967. As of the date of this report, working capital is approximately \$343,748. The future of the Company is reliant on the Company completing the proposed Qualifying Transaction or finding another suitable business in which to complete a major transaction.

ON BEHALF OF THE BOARD OF DIRECTORS

“James Tuer”

Vancouver, British Columbia

James Tuer, Director

August 28, 2002