

Forsys Technologies Inc.

Balance Sheets

	As at April 30, 2005 \$ (unaudited)	As at January 31, 2005 \$
Assets		
Current		
Cash	409,223	565,840
GST receivable and other	17,063	20,278
Prepaid expenses	20,481	4,000
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Investment in 1400596 Ontario Limited (note 4)	446,767	590,118
Loan to Westport Resources (Namibia) (Proprietary) Ltd.	778,487	825,000
Mineral resource properties (note 5)	200,000	150,000
Capital assets	57,600	57,600
	11,431	12,031
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	1,494,285	1,634,749
Liabilities		
Current		
Accounts payable and accrued liabilities	21,782	21,981
Future income taxes	36,000	36,000
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	57,782	57,981
Shareholders' equity		
Share capital (note 6)	2,543,224	2,543,224
Contributed surplus	391,217	357,500
Deficit	(1,497,938)	(1,323,956)
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	1,436,503	1,576,768
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	1,494,285	1,634,749

See accompanying notes to financial statements

Duane Parnham
Director

Forsys Technologies Inc.

Statements of Operations and Deficit

	3 months ended April 30	
	2005	2004
	\$	\$
	(unaudited)	(unaudited)
Expenses		
Professional fees	3,540	-
Consulting fees	57,542	26,500
Stock-based compensation	33,717	-
General and administrative	15,379	19,644
Travel	16,691	-
Depreciation	600	-
	127,469	46,144
Loss before the undernoted item	(127,469)	(46,144)
Equity-accounted investment	(46,513)	-
Loss from continuing operations	(173,982)	(46,144)
Income from discontinued operations	-	19,324
Gain on sale of discontinued operations	-	67,761
Net earnings (loss) for the period	(173,982)	40,941
Deficit, beginning of period	(1,323,956)	(1,060,548)
Deficit, end of period	(1,497,938)	(1,019,607)
Net earnings (loss) per share		
Continuing operations	(0.02)	-
Discontinued operations	-	0.04
Net earnings (loss)	(0.02)	0.04
Weighted average number of shares	9,620,688	2,455,488

See accompanying notes to financial statements

Forsys Technologies Inc.

Statements of Cash Flows

	3 months ended April 30	
	2005	2004
	\$	\$
	(unaudited)	(unaudited)
Cash provided by (used in)		
Operating activities		
Net income (loss) for the period	(173,982)	40,941
Items not affecting cash		
Stock-based compensation	33,717	-
Depreciation	600	-
Equity-accounted investment	46,513	-
Income from discontinued operations	-	(19,324)
Gain on sale of discontinued operations	-	(67,761)
Changes in non-cash working capital items:		
Accounts receivable	3,215	-
Prepaid expenses	(16,481)	-
Accounts payable and accrued liabilities	(199)	26,793
	<u>(106,617)</u>	<u>(19,351)</u>
Financing activities		
Private placement of units	-	-
Repayment of advances from discontinued operations	-	(135,649)
	<u>-</u>	<u>(135,649)</u>
Investing activities		
Loan to Westport Resources (Namibia) (Proprietary) Ltd.	(50,000)	-
Proceeds on sale of discontinued operations	-	155,000
	<u>(50,000)</u>	<u>155,000</u>
Net increase in cash	(156,617)	-
Cash, beginning of period	565,840	-
Cash, end of period	<u>409,223</u>	<u>-</u>

See accompanying notes to financial statements

Forsys Technologies Inc.

Notes to Interim Financial Statements

April 30, 2005

(unaudited)

1. Management's comments on unaudited financial statements

These unaudited interim financial statements of Forsys Technologies Inc. (the "Company") for the 3 months ended April 30, 2005 have been prepared by management and approved by the Board of Directors of the Company. These financial statements have not been reviewed by the Company's external auditors.

2. Accounting presentation and disclosures

These interim financial statements of the Company have been prepared using accounting policies that are consistent with the policies used in preparing the Company's annual financial statements for the year ended January 31, 2005. Generally accepted accounting principles for interim financial statements do not conform in all respects to the disclosures required for annual financial statements, and accordingly, these interim financial statements should be read in conjunction with the annual financial statements.

3. Nature of operations

The Company is in the development stage and the continued operations of the Company and the recoverability of amounts shown as mineral properties is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to complete the development of its properties and upon future profitable production, or alternatively, upon the Company's ability to recover its costs through a disposition of its interests. The amount shown for mineral properties represent costs to date, less amounts written off, and do not necessarily represent present or future value. Changes in future conditions could require a material change in the amount recorded for mineral properties.

These financial statements have been prepared on a going-concern basis, which assumes the continuity of operations and the realization of assets and the settlement of liabilities in the normal course of business.

4. Investment in 1400596 Ontario Limited

The Company owns a 25% equity interest in 1400596 Ontario Limited ("1400596"). The Company has announced that, subject to the approval of the TSX Venture Exchange, it intends to proceed with the acquisition of the remaining 75% equity interest in 1400596.

1400596 owns a 100% interest in Westport Resources (Namibia) (Proprietary) Limited. ("Westport"), based in Windhoek, Namibia. Westport's main exploration projects consist of: i) the Exclusive Prospecting License ("EPL") for the Sperrgebiet Zinc Project, ii) the EPL for the Omaruru Gold Project, iii) an option to acquire a 60% interest in the Elbe Mine Project, an advanced stage copper, gold, zinc and silver deposit, iv) a 32% interest in an EPL for the Ondundu Gold Project and v) an Exclusive Reconnaissance License for the Rundu Diamond Project.

5. Mineral properties

The Company completed an arm's length option agreement with Logan Resources Ltd. ("Logan"), whereby the Company has an option to earn a 51% interest in the Albert Creek Property (the "Property"), located in British Columbia, Canada, by issuing 150,000 common shares of the Company with a deemed value of \$36,000 and incurring an aggregate of \$300,000 in exploration expenditures over a 3 year period, as follows: \$100,000 on or before February 15, 2005, \$100,000 on or before February 15, 2006 and \$100,000 on or before February 15, 2007. The Agreement was amended to require the Company to incur \$200,000 of exploration expenditures by December 31, 2005, rather than \$100,000 on or before February 15, 2005. The Company has an option to earn an additional 20% interest in the Property by delivering to Logan a bankable feasibility study should Logan acquire the remaining 49% interest in the Property. In order for Logan to acquire an additional 24% interest in the Property, Logan is required to issue 240,000 common shares of Logan and incur or cause a third party to incur \$100,000 in exploration expenditures on or before September 30, 2005. In order for Logan to acquire the remaining 25% in the Property, Logan is required to issue an additional 360,000 common shares of Logan on or before September 30, 2007.

6. Share capital

Share capital consists of 9,620,688 issued and outstanding Class A common shares [January 31, 2005 – 9,620,688].

Warrants are outstanding to purchase 1,250,000 Class A common shares at a price of \$0.60 per share until September 30, 2005 and 1,250,000 Class A common shares at a price of \$0.60 per share until November 23, 2005.

On March 2, 2005, the Company granted options to acquire 431,500 Class common shares at a price of \$0.45 per share until March 2, 2010. At April 30, 2005, the Company had options outstanding to acquire 871,500 Class A common shares (January 31, 2005 - 470,000).

7. Related party transactions

During the 3 months ended April 30, 2005, consulting fees of \$37,500 (2004 - \$26,500) were paid to directors.