

**Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Consolidated Financial Statements
For the years ended
December 31, 2002 and 2001**

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Auditors' Report

To the Shareholders of Overlord Financial Inc. (formerly Green Maple Energy Inc.)

We have audited the consolidated balance sheets of Overlord Financial Inc. (formerly Green Maple Energy Inc.) as at December 31, 2002 and 2001 and the consolidated statements of operations and deficit and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2002 and 2001 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"signed BDO Dunwoody LLP"

Chartered Accountants

Calgary, Alberta
March 7, 2003

Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Consolidated Balance Sheets

As at December 31	2002	2001
Assets		
Current		
Cash and cash equivalents	\$ 4,784,450	\$ 7,077,896
Short term investment (Note 10(a))	600,000	-
Accounts receivable (Note 7)	183,748	31,577
Assets held for disposal (Note 6)	-	107,379
Prepaid expenses	52,536	64,894
	5,620,734	7,281,746
Long-term investment, at cost	500,000	-
Capital assets (Note 2)	138,345	18,824
	\$ 6,259,079	\$ 7,300,570

Liabilities and Shareholders' Equity

Current		
Accounts payable and accrued liabilities	\$ 38,541	\$ 40,945
Shareholders' equity		
Share capital (Note 5)	9,753,248	9,708,248
Contributed surplus (Note 5 (d))	183,396	183,396
Deficit	(3,716,106)	(2,632,019)
	6,220,538	7,259,625
	\$ 6,259,079	\$ 7,300,570

Approved on behalf of the Board:

 Varoujan Basmadjian

 Marcel Tremblay

Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Consolidated Statements of Operations and Deficit

For the years ended December 31	2002	2001
Revenue		
Advisory fees	\$ 184,994	\$ -
Interest income	148,400	149,537
	<u>333,394</u>	<u>149,537</u>
Expenses		
Amortization of capital assets	41,120	4,706
General and administrative costs	1,072,580	410,068
	<u>1,113,700</u>	<u>414,774</u>
Loss from continuing operations before other items	<u>(780,306)</u>	<u>(265,237)</u>
Other		
Project identification costs (Note 1(l))	<u>(197,288)</u>	<u>-</u>
Loss from continuing operations	(977,594)	(265,237)
Loss from discontinued operations (Note 6)	<u>(106,493)</u>	<u>(103,700)</u>
Net loss for the year	(1,084,087)	(368,937)
Deficit, beginning of year	<u>(2,632,019)</u>	<u>(2,263,082)</u>
Deficit, end of year	\$ (3,716,106)	\$ (2,632,019)
Loss per share	\$ (0.028)	\$ (0.012)
Weighted average number of shares	38,640,930	29,516,595

No diluted loss per share has been disclosed as its effect would be antidilutive.

Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Consolidated Statements of Cash Flows

For the years ended December 31	2002	2001
Cash flows from operating activities		
Loss from continuing operations	\$ (977,594)	\$ (265,237)
Adjustments for:		
Amortization of capital assets	41,120	4,706
Cash flow from continuing operations	<u>(936,474)</u>	<u>(260,531)</u>
Loss from discontinued operations	(106,493)	(103,700)
Depletion and site restoration	-	59,400
Write down of assets held for disposal	107,379	-
Amortization and write down of seismic rights	-	50,000
Cash flow from discontinued operations	<u>886</u>	<u>5,700</u>
Cash flow from operations	(935,588)	(254,831)
Changes in non-cash working capital balances		
Accounts receivable	(152,172)	205,345
Prepaid expenses	12,357	(47,013)
Accounts payable	(2,404)	(52,024)
	<u>(1,077,807)</u>	<u>(148,523)</u>
Cash flows from investing activities		
Proceeds on disposal of capital assets	-	41,470
Acquisition of capital assets	(160,639)	-
Investment in private company, long-term	(500,000)	-
Short-term investment	(600,000)	-
	<u>(1,260,639)</u>	<u>41,470</u>
Cash flows from financing activities		
Proceeds from exercise of stock options	45,000	25,000
Proceeds from sale of shares	-	4,000,000
Repurchase of shares (Note 5(d))	-	(50,871)
	<u>45,000</u>	<u>3,974,129</u>
Increase (decrease) in cash and cash equivalents	(2,293,446)	3,867,076
Cash and cash equivalents, beginning of year	<u>7,077,896</u>	<u>3,210,820</u>
Cash and cash equivalents, end of year	\$ 4,784,450	\$ 7,077,896

Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Notes to Consolidated Financial Statements

December 31, 2002 and 2001

1. Significant Accounting Policies

Overlord Financial Inc. (the "Company") is a public company incorporated under the Business Corporations Act (Alberta) that was engaged in production, development and exploration of oil and natural gas in Canada. During 2001 the Company discontinued its oil and gas activities and implemented a new business plan. The Company's future business focuses on managing energy-related investment funds.

The consolidated financial statements of the Company have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgement with reasonable limits of materiality and within the framework of the significant accounting policies summarized below.

(a) Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary from the date of acquisition.

(b) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and investments in money market instruments with maturities of three months or less.

(c) Long-term investments

Long-term investments are carried at the lower of cost and market value. Investments are only written down if there is a permanent decline in market value. The assigned valuation of private companies held in the investment portfolio is usually determined by a recent third party transaction. If a recent transaction has not occurred, valuation is determined in accordance with guidelines established that are based upon generally accepted valuation parameters.

(d) Property, plant, equipment and seismic rights

The Company followed the full cost method of accounting for oil and gas operations whereby all costs of exploring for and developing oil and gas reserves were initially capitalized. Such costs included land acquisition costs, geological and geophysical expenses, carrying charges on non-producing properties, costs of drilling and overhead charges directly related to acquisition and exploration activities. Costs capitalized, together with the costs of production equipment, were depleted and amortized on the unit-of-production method based on the estimated gross proved reserves as determined by independent petroleum engineers. Petroleum products and reserves were converted to a common unit of measure, using 6 MCF of natural gas to one barrel of oil.

Costs of acquiring and evaluating unproved properties were initially excluded from depletion calculations. These unevaluated properties were assessed periodically to ascertain whether impairment has occurred. When proved reserves were assigned or the property was considered to be impaired, the cost of the property or the amount of the impairment was added to costs subject to depletion calculations. Proceeds from a sale of petroleum and natural gas properties were applied against capitalized costs, with no gain or loss recognized, unless such a sale would alter the rate of depletion by more than 20%. Alberta Royalty Tax Credits were included in oil and gas sales.

Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Notes to Consolidated Financial Statements

December 31, 2002 and 2001

1. Significant Accounting Policies - continued

(d) Property, plant, equipment and seismic rights – continued

In applying the full cost method, the Company performed a ceiling test on properties which restricts the capitalized costs less accumulated depletion from exceeding an amount equal to the estimated undiscounted value of future net revenues from proved oil and gas reserves, as determined by independent engineers, based on sales prices achievable under existing contracts and posted average reference prices in effect at the end of the year and current costs, and after deducting estimated future general and administrative expenses, production related expenses, financing costs, future site restoration costs and income taxes.

Included in property, plant and equipment was the value of rights to the use of seismic data, which was being amortized over 78 months in which the Company may use the data. At December 31, 2001 these rights were written down to the expected net realizable value. At December 31, 2002, all property, plant, equipment and seismic rights were written off as their value was deemed to be nil.

(e) Capital assets

Capital assets are recorded at cost. Amortization, based on the estimated useful life of the asset to their residual value, is as follows:

Office equipment, furniture and fixtures	- 20% declining balance
Computer	- 30% declining balance
Leasehold improvements	- straight line over the term of the lease

(f) Site restoration costs

Site restoration costs were accrued based on management's best estimate of these future costs calculated on the unit of production basis, utilizing proved producing reserves.

(g) Revenue

Advisory revenue is recognized upon the completion of agreement milestones.

(h) Financial instruments

The Company carries a number of financial instruments as detailed on the balance sheet. 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 values of these financial instruments approximate their carrying values, unless otherwise noted.

(i) Loss and cash flow from operations per share

Loss and cash flow from operations per share are calculated using the weighted average number of shares outstanding during the period. The treasury stock method is used to determine the dilutive instruments, in accordance with new standards approved by the Canadian Institute of Chartered Accountants.

(j) Future income taxes

The Company has adopted the recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes. The new method was applied retroactively without restatement of the prior years. Under the recommendations, the liability method of tax allocation is used, based on differences between financial reporting and tax bases of assets and liabilities. No future income asset has been recorded, as the ultimate utilization is uncertain.

Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Notes to Consolidated Financial Statements

December 31, 2002 and 2001

1. Significant Accounting Policies - continued

(k) Stock-based compensation plan

Effective January 1, 2002, the Company adopted the recommendations of the CICA Handbook Section 3870, Stock-based compensation and stock-based payments. This section requires that direct awards of stock and liabilities based on the price of the common stock be measured at fair value at each reporting date, with the change in fair value reported in the statements of income, and encourages, but does not require, the use of the fair value method for all other types of stock-based compensation plans. None of the company's plans qualify as direct awards of stock or as plans that create liabilities based on the price of the Company's stock, and as a result, the implementation of the section has had no current impact on financial statements. No options have been issued after January 1, 2002.

(l) Project identification cost

The company incurred expenses related to the set up and financing of an income fund. The financing contemplated in 2002 was not completed. While it is management's intention to pursue this project, as there are no firm commitments at December 31, 2002 these costs have been written off.

2. Capital Assets

	2002			2001		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Computer	\$ 41,353	\$ 12,406	\$ 28,947	\$ -	\$ -	\$ -
Leasehold	82,945	20,736	62,209	-	-	-
Furniture & Fixtures	37,699	19,686	18,013	22,602	15,183	7,419
Office Equipment	36,421	22,522	13,899	28,352	19,047	9,305
Artwork	15,277	-	15,277	2,100	-	2,100
Total Capital Assets	\$ 213,695	\$ 75,350	\$ 138,345	\$ 53,054	\$ 34,230	\$ 18,824

3. Long-Term Debt

The Company has a direct revolving reducing loan facility of up to \$150,000 (2001 - \$150,000). The loan bears interest at prime plus one quarter percent per annum and is secured by hypothecation of a \$2,000,000 demand debenture, creating a first floating charge on all the assets and undertaking of the Company.

Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Notes to Consolidated Financial Statements

December 31, 2002 and 2001

4. Income Taxes

The income tax provision on the income statement differs from the expected income tax provision as follows:

	<u>2002</u>	<u>2001</u>
Expected recovery at an effective rate of 39%	\$ (422,794)	\$ (151,264)
Add (deduct) effects of:		
Amortization and write down of seismic rights	-	44,854
Write off of petroleum and natural gas and related assets	41,878	-
Resource related deductions	-	1,727
Unrecognized benefit future tax assets	370,725	101,361
Other permanent differences	10,191	3,322
	<u>\$ -</u>	<u>\$ -</u>

At December 31, 2002, the Company had approximately \$1,348,700 (2001- \$409,100) of non-capital loss carryover balances, which begin expiring commencing in 2004. In addition, the Company has capital cost pools, resource pools and deferred financing cost pools of \$183,000 (2001 - \$37,500) in excess of carrying values to deduct against future taxable income. No future tax asset has been recorded for these available losses and tax pools as their ultimate utilization is uncertain.

5. Share Capital

(a) Authorized
 Unlimited number of Common voting shares

	<u>2002</u>		<u>2001</u>	
	Number of Shares	Amount	Number of Shares	Amount
Common shares				
Balance, beginning of year	45,921,783	\$ 9,708,248	26,133,283	\$ 5,764,045
Shares redeemed as part of normal course issue bid	-	-	(336,500)	(80,797)
Shares cancelled	(8,167,324)	-	-	-
Stock options exercised	225,000	45,000	125,000	25,000
Shares issued for cash ⁽¹⁾	-	-	20,000,000	4,000,000
Balance, end of year	37,979,459	\$ 9,753,248	45,921,783	\$ 9,708,248

There were 8,167,324 (2001 – 8,167,324) shares being held in escrow with respect to a seismic acquisition completed by the Company in prior years. The escrow agreement resulted from a business combination effected in 1997 and provided for the release of one share for every \$0.435 of future expenditures incurred on the properties to which the seismic data acquired relates. Any shares remaining in escrow on the fifth anniversary of the escrow agreement (January 31, 2002) were to be cancelled within six months. All the remaining shares held in escrow were cancelled in 2002. These shares were initially issued to two directors of the Company, one of who resigned when the financing was completed in 2001. As these shares were forfeited in conjunction with the change in business undertaken by the Company and the financing completed in 2001 no value has been attributed to the shares upon their cancellation. After the cancellation of these shares, the Company has 37,979,459 shares issued and outstanding.

Overlord Financial Inc.
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Notes to Consolidated Financial Statements

December 31, 2002 and 2001

5. Share Capital - continued

⁽¹⁾ On October 30, 2001, 20,000,000 shares were issued with respect to the financing completed in the current year. 15,000,000 of the shares are subject to an escrow agreement, pursuant to the terms of which, 25% are to be released every 6 months. Therefore, 5,000,000 shares remain in escrow at year-end and are scheduled to be released in 2003.

(c) **Options**

The Company has granted stock options to directors, officers and employees of the Company as follows (all stock options are fully vested):

	Number of Shares	Option Prices per Share	Weighted Average Exercise Price
Options outstanding, Dec. 31, 2000	1,510,000	\$0.20 - \$0.40	\$0.21
Options expired	(110,000)	\$0.40	\$0.40
Options exercised	(125,000)	\$0.20	\$0.20
Options outstanding, Dec. 31, 2001	1,275,000	\$0.20	\$0.20
Options exercised	(225,000)	\$0.20	\$0.20
Options outstanding, Dec. 31, 2002	1,050,000	\$0.20	\$0.20

The following table summarizes information about the stock options outstanding at December 31, 2002:

Options outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Exercisable	Weighted Average Exercise Price of Options Exercisable
1,050,000	\$0.20	\$0.20	4 months	1,050,000	\$0.20

The following table summarizes information about the stock options outstanding at December 31, 2001:

Options outstanding	Option price	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life	Number of Options Exercisable	Weighted Average Exercise Price of Options Exercisable
1,275,000	\$0.20	\$0.20	1.33 years	1,275,000	\$0.20

(d) **Normal Course Issuer Bid**

On June 9, 2000, the Company filed a new Normal Course Issuer Bid with the Alberta Stock Exchange to acquire up to 1,250,000 of its outstanding shares until June 7, 2001. In 2001, 336,500 common shares were repurchased for \$50,871 and share capital was reduced by \$80,797 for the average carrying value of the common shares. The difference of \$29,926 was added to contributed surplus in 2001.

Overlord Financial Inc.
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Notes to Consolidated Financial Statements

December 31, 2002 and 2001

6. Discontinued Operations

The oil and gas related activities were discontinued effective October 9, 2001. The net loss from discontinued operations consists of:

	<u>2002</u>	<u>2001</u>
Oil and gas sales, net of royalties	\$ 3,757	\$ 5,961
Adjustment on payable	3,334	-
Operating costs	(6,205)	(261)
Depletion and site restoration	-	(59,400)
Write down of assets held for disposal	(107,379)	(50,000)
	<u>\$ (106,493)</u>	<u>\$ (103,700)</u>

The net assets of the discontinued operations held for disposal included:

	<u>2002</u>			<u>2001</u>		
	Cost	Accumulated Depletion and Write downs	Net Book Value	Cost	Accumulated Depletion and Write downs	Net Book Value
Petroleum and natural gas properties	\$ 313,356	\$ 313,356	\$ -	\$ 313,356	\$ 250,000	\$ 63,356
Rights to usage of seismic data	1,991,332	1,991,332	-	1,991,332	1,947,309	44,023
Total petroleum and natural gas and related assets	\$ 2,304,688	\$ 2,304,688	\$ -	\$ 2,304,688	\$ 2,197,309	\$ 107,379

All the net assets of the discontinued operations held for disposal were written off in 2002.

7. Related Party Receivable

In 1996, the Company signed a joint venture agreement with Pegaz Energy Inc. of which a Director of the Company was a significant shareholder, officer and director. Included in accounts receivable is a net amount of \$22,150 (2001 - \$22,150) receivable from Pegaz Energy Inc. for net joint venture accounts receivable. This balance was collected subsequent to year-end.

8. Financial Instruments

As disclosed in Note 1(h), the Company holds various forms of financial instruments. The nature of these instruments and the Company's operations expose the Company to interest rate risk. The Company manages its exposure to this risk by operating in a manner that minimizes its exposure to the extent practical.

Interest rate risk management

The Company's short-term borrowings are subject to floating rates. The floating rate debt is subject to interest rate cash flow risk, as the required cash flows to service the debt will fluctuate as a result of changes in market rates.

Overlord Financial Inc.
(formerly Green Maple Energy Inc.)
Notes to Consolidated Financial Statements

December 31, 2002 and 2001

8. Financial Instruments - continued

Credit risk

Included in accounts receivable are three accounts totaling \$170,119. All of these accounts have been collected subsequent to the year-end.

9. Commitments

The Company is committed to leased office premises with future base rent payments as follows:

2003	\$	100,554
2004		100,554
2005		50,277
	\$	<u>251,385</u>

The Company is also required to pay their proportionate share of operating and property tax costs for the premises.

10. Subsequent Events

- (a) At December 31, 2002, the Company had invested \$600,000 in shares of a public entity. At year-end the Company did not have access to these shares as certain conditions of the escrow agreement were not met. Subsequent to year end, it was determined that the escrow conditions could not be fulfilled, as a result, the Company subsequently received its original cash investment back together with interest for a total amount of \$606,214.
- (b) Subsequent to year-end, an Advisory Services Agreement with a client was terminated.
-