



## First Quarter Report 2001

### Corporate Profile

Solium Capital Inc. ("Solium") provides web-based solutions for the management, administration and execution of employee share ownership plans and the sale of the shares thereunder. Solium has developed a proprietary end-to-end web-based stock option application for employers and employees called e-SOAP (employee stock option administration platform), and is currently developing a web-based stock purchase plan application called e-SPP (employee stock purchase plan platform).

Solium's common shares trade on the Canadian Venture Exchange under the symbol "SUM."

### Financial Highlights

During the first quarter of 2001, Solium continued to develop its first corporate services product, e-SOAP, and establish sales leads that management anticipates will result in contracts throughout 2001. In addition, Solium continued to lay the foundation for the development of its second corporate services product, e-SPP.

For the quarter ended March 31, 2001, corporate services revenue totaled \$1,215, representing two e-SOAP clients which were fully implemented in the first quarter. Solium also signed letters of intent with an additional three companies. After the implementation phase, these companies are expected to generate revenue in mid 2001.

Salaries and wages for the quarter were \$347,806 compared to \$114,207 a year ago. Staffing levels increased by 14 people in the intervening period, reflecting the addition of a full management team, a sales and marketing team, a customer service and implementation team, and a technical development team.

General and administrative costs totaled \$241,579 for 2001, an increase of \$160,141 from the comparable period in 2000. This increase is a result of increased operating system costs, increased datafeed costs, new office space, and increased office expenditures associated with the additional staffing levels as compared to 2000.

Development costs for the quarter ended 2001 were \$228,063 compared to \$153,651 for the comparable period in 2000. Development costs in 2001 were comprised of \$129,523 for the development of e-SOAP and \$98,540 for the development of e-SPP. The costs in 2000 were comprised of \$106,751 for the development of Solium's website and \$46,900 for the development of e-SOAP.

As at March 31, 2001, working capital was \$641,542 compared to \$1,483,555 at December 31, 2000. During the first quarter, Solium began the process of raising additional funds through an initial public offering. The closing of this IPO in May of 2001, resulted in net proceeds of approximately \$2 million to be used to fund ongoing operations and product development for the next 12 months.

"signed" Mark van Hees  
President

"signed" Lynn Leong  
Chief Financial Officer

May 30, 2001

# SOLIUM CAPITAL INC.

## Consolidated Statements of Loss and Deficit

Three Month Period Ended

	March 31, 2001 (unaudited) \$	March 31, 2000 (unaudited) \$
<b>REVENUE</b>		
Corporate services fees	1,215	-
Online brokerage commissions	3,693	-
Interest and other	16,444	9,956
	<u>21,352</u>	<u>9,956</u>
<b>EXPENSES</b>		
Salaries and wages	347,806	114,207
General and administrative	241,579	81,438
Development costs	228,063	153,651
Amortization	38,854	5,038
Execution and clearing costs	31,373	-
	<u>887,675</u>	<u>354,334</u>
<b>NET LOSS</b>	866,323	344,379
<b>DEFICIT, BEGINNING OF PERIOD</b>	<u>2,483,100</u>	47,300
<b>DEFICIT, END OF PERIOD</b>	<u>3,349,423</u>	<u>391,679</u>
<b>NET LOSS PER SHARE</b>	<u>0.12</u>	<u>0.05</u>

# SOLIUM CAPITAL INC.

## Consolidated Balance Sheets

As At

	<b>March 31, 2001 (unaudited) \$</b>	December 31, 2000 (audited) \$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents	<b>835,974</b>	1,851,391
GST and sales taxes receivable	<b>46,457</b>	52,785
Employee loan receivable	<b>44,500</b>	44,500
Prepaid expenses	<b>53,712</b>	46,017
	<b>980,643</b>	1,994,693
Capital assets	<b>251,565</b>	245,734
	<b>1,232,208</b>	2,240,427
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	<b>339,101</b>	511,138
Obligation under capital lease	<b>30,154</b>	-
	<b>369,255</b>	511,138
<b>SHAREHOLDERS' EQUITY</b>		
Special warrants	<b>2,822,100</b>	2,822,113
Share capital	<b>1,390,276</b>	1,390,276
Deficit	<b>(3,349,423)</b>	(2,483,100)
	<b>862,953</b>	1,729,289
	<b>1,232,208</b>	2,240,427

# SOLIUM CAPITAL INC.

## Consolidated Statements of Cash Flows Three Month Period Ended

	March 31, 2001 (unaudited) \$	March 31, 2000 (unaudited) \$
<b>CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:</b>		
<b>OPERATING</b>		
Net loss	(866,323)	(344,379)
Adjustment for:		
Amortization	38,854	5,038
	<u>(827,469)</u>	<u>(339,341)</u>
Changes in non-cash working capital	(173,404)	(39,706)
	<u>(1,000,873)</u>	<u>(379,047)</u>
<b>FINANCING</b>		
Capital lease	30,154	-
Issuance of common shares	-	25,000
Special warrants issue costs	(13)	-
	<u>30,141</u>	<u>25,000</u>
<b>INVESTING</b>		
Purchase of capital assets	(44,685)	(9,813)
	<u>(44,685)</u>	<u>(9,813)</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,015,417)</b>	<b>(363,860)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b>1,851,391</b>	<b>1,288,314</b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b>835,974</b>	<b>924,454</b>

## Notes to the Consolidated Financial Statements (Unaudited)

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### 1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Solium Capital Inc. (the “Company”) have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. The financial information included herein is unaudited. These interim financial statements follow the same accounting policies and methods of applications as the most recent annual financial statements dated December 31, 2000. These interim financial statements should be read in conjunction with the Company’s December 31, 2000 audited annual financial statements.

### 2. FINANCIAL CONDITION

These consolidated financial statements have been prepared using the accounting principles applicable to a going concern, which assumes the Company will continue operations in the foreseeable future and be able to realize assets and satisfy liabilities in the normal course of business.

The Company’s ability to continue as a going concern is principally dependent upon obtaining the necessary financing to fund ongoing activities, achieving successful sales of the Company’s products and the establishment of profitable operations. If all going concern assumptions were not appropriate for these consolidated financial statements, adjustments would be necessary in the carrying value of assets and liabilities.

### 3. SEGMENT DISCLOSURES

The Company has two reportable segments: corporate services operating in Solium Capital Inc. (the “Parent”) and online financial services operating in the Company’s subsidiary, Solium Capital Online Inc. (the “Subsidiary”). These two segments offer different products and services, and require different marketing strategies. The Parent allocates overhead charges to the Subsidiary based upon the number of individuals in the enterprise. The Parent allocates amortization expense to the Subsidiary on the same basis, however, the related capital assets are not allocated.

## Notes to the Consolidated Financial Statements (Unaudited)

### 3. SEGMENT DISCLOSURES (continued)

The following table presents financial information as at and for the three month periods ended March 31, 2001 and 2000 by reportable segment.

	2001			2000		
	Corporate Services	Online Financial Services	Total	Corporate Services	Online Financial Services	Total
Revenues from external customers	1,215	3,693	4,908	-	-	-
Amortization of capital assets	38,854	-	38,854	5,038	-	5,038
Segment loss	710,817	155,506	866,323	240,110	104,269	344,379
Segment assets	1,809,061	2,023,148	3,832,209 <sup>a</sup>	1,147,392	968,322	2,115,714 <sup>a</sup>
Expenditures for segment capital assets	44,685	-	44,685	-	25,127	25,127

	2001	2000
	\$	\$
a) Total assets for reportable segments	3,832,209	2,115,714
Elimination of inter-segment loans, advances, and investments	(2,600,001)	(1,100,001)
Enterprise total	1,232,208	1,015,713

### 4. SUBSEQUENT EVENTS

On May 11, 2001, the Company completed an initial public offering (the "IPO") of 2,300,000 common shares at \$1.00 per share for gross proceeds of \$2,300,000. The Underwriter's commission was 7% of the gross proceeds from the offering. Total expenditures associated with the IPO, excluding the Underwriter's commission, are expected to be approximately \$160,000.

The Company has granted an option to the Underwriter (the "Greenshoe Option") to acquire up to an additional 345,000 common shares to cover over-allotments in connection with the IPO. The Greenshoe Option expires on July 10, 2001.

Also in connection with the IPO, the Company granted the Underwriter an option to purchase up to 230,000 common shares at a price of \$1.00 on or before November 10, 2002.