

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

7. SUBSEQUENT EVENTS

ACQUISITION

On May 3, 2002, the Company signed an agreement for the acquisition of all of the issued and outstanding shares of Stormworks Ltd. for total consideration of \$395,000 consisting of 1,975,000 common shares of the Company at a deemed price of \$0.20 per share. Also to be issued as consideration on the acquisition are 1,250,000 detachable warrants. Each warrant will entitle the holder the right to purchase one common share at \$0.25 per share for a period of three years. Stormworks provides consulting services in the area of e-commerce. The principal shareholder of Stormworks is a director of the Company. Closing of the acquisition is subject to the closing of the financing noted below and to the approval of regulatory authorities.

FINANCING

Subsequent to the quarter, the Company received \$100,000 upon issuance of promissory notes. The notes are non-interest bearing, have no terms of repayment and are secured by a general assignment of assets.

On May 3, 2002, the Company signed a letter of intent for the issuance of \$1,000,000 in securities by way of a private placement as noted in the following table. The closing of the financing is subject to regulatory approval.

PROCEEDS SECURITY ISSUED

\$230,000	1,150,000 Common Shares
\$270,000	1,350,000 Common Shares and 1,350,000 Detachable Warrants. Each warrant is exercisable for one common share at \$0.25 per share for three years.
\$500,000	Convertible Debentures. The Debentures are non-interest bearing and are convertible to common shares at the option of the holder at \$0.20 per share for the first two years, and thereafter at an additional \$0.05 per share for years three to five; or to preferred shares at the option of the Company at \$0.20 per share.

BOARD OF DIRECTORS

Brian Craig, John D. Kenny, Marcos Lopez, Mike Broadfoot

ISSUED AND OUTSTANDING COMMON SHARES

17,205,338

TRADING SYMBOL ON TSXV

"SUM"

2002 First Quarter Report to Shareholders
March 31, 2002



SOLIUM CAPITAL INC. 325 - 10 Avenue S.W. Calgary, Alberta T2R 0A5
Phone: 403-515-3910 Fax: 403-515-3933 and 403-515-3919
www.solium.com

MESSAGE TO SHAREHOLDERS

Dear Shareholders,

The sale of the brokerage arm (Solium Capital Online Inc.) to Tristone Capital Advisors Inc. was significant for Solium in the first quarter of 2002 as it allows us to pursue the corporate stock options business with increased acuity, something essential for an early-stage company with limited financial resources. The market has validated the value proposition of the Solium e-SOAP (employee stock option administration platform) solution and we are now in full transition from a product development focus to that of market penetration. Through the addition of Shell Canada Limited and Pason Systems Inc. in the first quarter, Solium's customer base already reflects an impressive slice of corporate Canada.

Solium is aggressively executing our go-to-market sales strategy, with plans to establish a presence in Toronto by the third quarter of this year. Our focus for the remainder of 2002 is to build revenue and minimize our burn rate. We are confident that by the second quarter of 2003 Solium will begin generating positive cash flow.

Solium has a proven solution in a highly under-saturated market. We believe we have the potential to dominate the Canadian corporate stock options marketplace though it will take a full year of activity and earnings to convert this opportunity into financial success.

REVIEW OF FINANCIAL RESULTS

The net loss from continuing operations for the quarter ended March 31, 2002 was \$361,931, a decrease of 49% from the loss in the same quarter of 2001.

Revenue from corporate services for the quarter ended March 31, 2002 totaled \$111,528 compared to only \$1,215 for the corresponding period in 2001. This revenue was derived from 14 corporate clients implemented onto e-SOAP during the course of 2001 and two clients, Shell Canada Limited and Pason Systems Inc., implemented during the first quarter of 2002. These clients will continue to generate recurring revenue on an ongoing basis.

Expenses in ongoing operations totaled \$473,459 for the first quarter of 2002 compared to \$712,032 in the comparable period in 2001, a decrease of 32%. The decrease in costs is mainly attributable to a decrease in salaries and wages resulting from the downsizing of the Company in the fourth quarter of 2001, and a decrease in development costs. Development costs totaled \$59,734 for the first quarter in 2002 as compared to \$228,063 for the same quarter in 2001. Following the programming completed in the fourth quarter of 2001 to stabilize the e-SOAP platform, development was scaled back significantly. Slightly offsetting the decrease in these expenses was an increase in general and administrative costs of \$39,933 due to an increase in rent for current office space and to professional and legal fees incurred.

The operating loss from discontinued operations decreased by \$41,926 in the corresponding quarters of 2002 and 2001 as a result of trading revenue earned in 2002 from the corporate clients brought onto e-SOAP since the first quarter of 2001.

Cash on hand at March 31, 2002 was \$325,796. Working capital at March 31, 2002 was (\$163,353). Following the closing of private placements in May and June 2002, for a minimum of \$1 million, the Company is expected to have sufficient working capital for at least the next 12 months.

BRIAN CRAIG
President and Chief Executive Officer

LYNN LEONG
Chief Financial Officer

May 24, 2002

CONSOLIDATED STATEMENT OF LOSS AND DEFICIT (UNAUDITED)

	Three Months Ended	
	March 31, 2002	March 31, 2001
REVENUE		
Corporate services	\$ 111,528	\$ 1,215
EXPENSES		
Salaries and wages	\$ 180,253	\$ 267,060
General and administrative	\$ 217,988	\$ 178,055
Development costs	\$ 59,734	\$ 228,063
Amortization	\$ 15,484	\$ 38,854
	\$ 473,459	\$ 712,032
LOSS FROM CONTINUING OPERATIONS	\$ 361,931	\$ 710,817
LOSS FROM DISCONTINUED OPERATIONS	\$ 113,580	\$ 155,506
NET LOSS	\$ 475,511	\$ 866,323
DEFICIT, BEGINNING OF PERIOD	\$ 5,899,061	\$ 2,483,100
DEFICIT, END OF PERIOD	\$ 6,374,572	\$ 3,349,423
LOSS PER SHARE		
From continuing operations	\$ 0.03	\$ 0.10
From discontinued operations	\$ 0.01	\$ 0.02
NET LOSS PER SHARE	\$ 0.04	\$ 0.12

CONSOLIDATED BALANCE SHEET (INTERIM NUMBERS UNAUDITED)

	As At	
	March 31, 2001	December 31, 2002
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 325,796	\$ 512,207
Receivables	\$ 46,467	\$ 30,156
Employee loans receivable	\$ 72,361	\$ 104,500
Prepaid expenses	\$ 69,975	\$ 82,010
	\$ 514,599	\$ 728,873
Capital assets	\$ 156,056	\$ 171,539
	\$ 670,655	\$ 900,412
LIABILITIES		
CURRENT		
Accounts payable & accrued liabilities	\$ 586,089	\$ 370,042
Deferred revenue	\$ 78,071	\$ 30,102
Obligation under capital lease	\$ 26,751	\$ 18,239
Promissory notes	\$ 43,500	\$ -
Refundable deposit	\$ -	\$ 10,000
	\$ 734,411	\$ 428,383
SHAREHOLDERS' EQUITY		
Share capital	\$ 6,310,816	\$ 6,285,816
Deficit	\$(6,374,572)	\$(5,813,787)
	\$ (63,756)	\$ 472,029
	\$ 670,655	\$ 900,412

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

	Three Months Ended	
	March 31, 2002	March 31, 2001
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net loss from continuing operations	\$ (361,931)	\$ (710,817)
Adjustment for amortization	\$ 15,484	\$ 38,854
Adjustment for non-cash expense	\$ 25,000	\$ -
	\$ (321,447)	\$ (671,963)
Changes in non-cash working capital	\$ 181,604	\$ (173,404)
Loss from discontinued operations	\$ (113,580)	\$ (155,506)
	\$ (253,423)	\$ (1,000,873)
FINANCING		
Capital lease	\$ 8,512	\$ 30,154
Issuance of promissory notes	\$ 43,500	\$ -
Refundable deposit	\$ (10,000)	\$ -
Issuance of common shares for cash, net of issue costs	\$ -	\$ (13)
	\$ 42,012	\$ 30,141
INVESTING		
Proceeds on sale of subsidiary	\$ 25,000	\$ -
Purchase of capital assets	\$ -	\$ (44,685)
	\$ 25,000	\$ (44,685)
NET DECREASE TO CASH AND CASH EQUIVALENTS	\$ (186,411)	\$ (1,015,417)
CASH AND CASH EQUIV'S, BEGINNING OF PERIOD	\$ 512,207	\$ 1,851,391
CASH AND CASH EQUIV'S, END OF PERIOD	\$ 325,796	\$ 835,974

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

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, 2001. These interim financial statements should be read in conjunction with the Company's December 31, 2001 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. DISCONTINUED OPERATIONS

Effective March 28, 2002, the Company disposed of all of the common shares of its wholly-owned subsidiary, Solium Capital Online Inc. to Tristone Capital Advisors Inc. for net proceeds of \$25,000. Additional information relating to the discontinued operations is as follows:

	March 31, 2002	March 31, 2001
Revenue	\$ 33,264	\$ 15,059
Operating loss	\$ 113,580	\$ 155,506

4. PROMISSORY NOTES

During the quarter ended March 31, 2002, the Company received funds totaling \$43,500 upon issuance of promissory notes to certain officers and a director of the Company. The notes are non-interest bearing, have no terms of repayment and are secured by a general assignment of assets.

5. SHARE CAPITAL

Effective March 26, 2002, the Company issued 125,000 common shares at a deemed price of \$0.20 per share in satisfaction of an amount payable of \$25,000.

6. CONTINGENCIES

On March 26, 2002, the Company was served with a statement of claim as a result of the discontinuation of discussions with a prospective purchaser of Solium Capital Online Inc. Management believes the claim will not be successful.

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