U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-KSB

PURSUANT TO SECTION 13 0R 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: March 31, 2001 Commission File No: 000-28638

INTERUNION FINANCIAL CORPORATION

(Exact name of small business issuer as specified in its charter)

Delaware 87-0520294
(State or other jurisdiction of (IRS Employer Identification No.)
incorporation or organisation)

1232 N. Ocean Way, Palm Beach, Fl 33480
--------------------------------- -----
(Address of principal executive offices) (Zip Code)

(561) 845-2849 (561) 844-0517
-------------- --------------
(Issuer's telephone number) (Issuer's telecopier number)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12 (g) of the Act: Common Stock $0.001 Par Value

Check whether the issuer (1) filed all reports required to be filed by section 13 or 15(d) of the Exchange Act during the past 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes "X No "

Check if there is no disclosure of delinquent filers in response to item 405 of Regulation S-B is not contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this form 10-KSB. [x]

The Financial Statements required by Rule 3.09 of Regulation S-X of the Registrant significant investee, InterUnion Asset Management, are incorporated in full by reference herein.

State issuer's revenues for its most recent fiscal year: $ 333,029

State the aggregate market value of the voting stock held by non-affiliates computed by reference to the price at which the stock was sold, or the average bid and ask prices of such stock, as of a specified date within the past 60 days. $2,478,642 as at April 30, 2001

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of share outstanding of each of the issuer's classes of common equity, as of the latest practicable date: $0.001 Par Value Common Shares - 1,899,974 as of March 31,2001.

Transitional Small Business Disclosure Format (Check One) Yes [ ] No [X]

INTERUNION FINANCIAL CORPORATION

FORM 10-KSB

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PART I

Item 1 DESCRIPTION OF BUSINESS

(A) BUSINESS DEVELOPMENT

INTERUNION FINANCIAL CORPORATION (the "Company"), is a Delaware corporation. The Company was incorporated on February 7, 1994. InterUnion strategy is to acquire, when possible, a majority interest in financial services business. The Company acquires for cash but preferably for Common Shares of the Company with additional incentives for vending shareholders via Common Share Purchase Warrants and Stock Options for management.

In 1999, the Company restructured its interest in its Canadian based investment management activities in order to facilitate the growth strategy in that sector. InterUnion Asset Management became the holding company for the Company's interest in the following investment management companies: Guardian Timing Services Inc. ("GTS"); Leon Frazer, Black & Associates Limited ("LFB"); AIL Investment Services ("AILIS") and Black Investment Limited ("BIM"). The purpose of the restructuring of IUAM was to pursue acquisitions on a tax effective basis as well as secure an institutional strategic alliance. Merchant banking activities focus on restructuring and/or consolidating as principal, in order to capitalise smaller or privately/family held companies and attract institutional interest. Investment banking activities focus on advisory services and raising of capital, as agent, for small and medium size corporations, public or private which are either looking for institutional financing or strategic alliances in sectors in which InterUnion Financial Corporation has recognized research and corporate finance strength.

The Company's policy is not to get involved in the corporations it advises or provides financing to when acting as agent, and to limit the extent of its involvement in the corporations in which it acts as principal.

On January 25, 1999, the Company, through a roll over of its interests, reorganised its investment management companies: BIM, GTS and LFB, into IUAM. The purpose of the reorganisation was to allow IUAM to implement its business plan and continue its acquisition program, on a tax effective basis, as a consolidator of Canadian investment management companies and get access to an institutional strategic alliance. That restructuring has allowed the Company to include its IUAM ownership in its merchant banking activities.

On January 25, 1999, IUAM issued 310,010 convertible preferred shares to Working Venture Canadian Fund ("WVCF") for gross proceeds of C$5,000,000. (C$ is the symbol used for the Canadian currency, unless preceded by C, all dollar amounts are US dollars). Each convertible preferred share is convertible into one common share of IUAM and gives the holder one vote per share. WVCF is a Canadian institutional investor with more than $500 million in funds under administration. WVCF's only fund is a labor sponsored fund with approximately 400 shareholders. Investors in these funds receive an immediate tax credit of up to 40% of the amount invested.

On March 9,1999, WVCF converted their Convertible Preferred Shares in IUAM Common Shares and acquired an additional 568,160 Common Shares for C$5,000,000. At that point, the ownership structure of IUAM became WVCF 56% and IUFC 44%. Concurrent with that last financing, IUAM incorporated a new entity, AIL INVESTMENT SERVICES LIMITED ("AILIS"). The objective of AILIS being to create a family of mutual funds in order to expand WVCF's product line. The funds raised by expanding the products sold by WVCF's sales force would be managed by the various investment managers within the IUAM group.

On November 22, 1999, at the Company's Shareholders' meeting it was approved to amend the Certificate of Incorporation of the Company by allowing the Board of Directors of the Company to set the total amount of common voting stock, each share of stock having one vote, at $0.001 par value and shall be set by resolution as adopted by the Board of Directors, which such number of authorised shares may

be changed from time to time, within our 10,000,000 share limitation, as adopted by resolution(s) adopted by the Board of Directors.

During December 1999, the Company at the recommendation of the Board of Directors simplified its corporate structure by reducing the number of subsidiaries through reallocation of their business to other operating entities or the merging of their activities. To achieve simplification of the corporate structure the following subsidiaries were dissolved:

Credifinance Realty Corp., Toronto, Ontario, Canada
Credifinance Securities Inc., Florida, USA
Marbury Trading Corporation, Panama
Bearhill Limited, British Virgin Islands

In December 1999, the Company formed a new, wholly owned, subsidiary named InterUnion Merchant Group Inc. (IUMG), a British Virgin Islands based company. InterUnion Merchant Group took over the assets and liabilities of Marbury Trading Corporation and Bearhill Limited upon their liquidation. The Company also changed name of I & B Inc. Delaware, USA, a wholly owned subsidiary to Credifinance Capital Corp. (CFCC), Delaware, USA.

In September 2000, the Company decided to separate the investment banking and investment management operations. In order to focus on its investment management operation, the Company sold its investment banking operations to RIF Capital Inc. (shareholder) for a consideration of the assumption of all the assets and liabilities of the Company, exclusive of the Company's 42.8% ownership in IUAM and its 100% ownership in IUAM. The shareholders of the Company approved the sale at the annual meeting on November 17, 2000. The investment banking operation was comprised of Credifinance Capital Corp. and its wholly owned subsidiary, Credifinance Capital Inc. and the latter's wholly owned subsidiary, Credifinance Securities Limited.

Following the sale, the Company owns a 42.8% interest in IUAM and 100% interest in IUMG.

(B) BUSINESS OF ISSUER

GENERAL

The Company was formed as a "business bank" which would acquire, when possible, a majority interest in financial services companies in order to expand its investment banking activities.

InterUnion is both a holding and an operating company as it engages in activities which can be separate from the activities of its named subsidiaries: InterUnion derives independent revenues from its own investment banking activities.

PRODUCTS AND/OR SERVICES OF ACTIVE SUBSIDIARIES

In addition to the operations of InterUnion Financial Corporation as the parent, the Company owns an operating entity, InterUnion Merchant Group Inc. In addition to this subsidiary, the Company has a 42.8% interest in InterUnion Asset Management Limited. IUAM is a holding company with interests in Canadian investment management companies.

The Company's investment banking operations, consisting of Credifinance Capital Corp., Credifinance Capital Inc. and Credifinance Securities Limited, were sold in September 2000 to RIF Capital Inc.

InterUnion Merchant Group ("IUMG"), is a B.V.I. corporation with administrative offices in Geneva Switzerland. Following the Company's sale of its investment banking operations, IUMG has had no activities. IUMG's investment in Receptagen Ltd, a Canadian based company, was assumed by the Company prior to the sale of the investment banking operation and the assumption of the assets and the liabilities of the Company in the sale to RIF Capital Inc.

IUMG owns the proprietary rights to certain computer software known as ITM Software, which is a computer software program used to generate buy and sell signals with respect to any stock market monitored. The forecasting technique used by the ITM market timing model involves general market indicators, interest rates and monetary analysis, market perception indicators, and various statistical data to detect trends. Until March 31, 1999, the Company was amortising the ITM Software at a rate of $192,444 per annum. However, due to an uncertain future of the software and its inability to produce an identifiable cash flow in the near future, the Company decided to depreciate the ITM Software fully, resulting in an additional depreciation cost of $817,889. The Company will update and maintain the software and sell it when a suitable offer to purchase is received.

The Company's primary interest in the investment management business is through its 42.8% ownership of IUAM based in Toronto, Canada. IUAM's investment management activities are carried out through Guardian Timing Services, Inc, Black Investment Management Limited, Leon Frazer, Black & Associates Limited, and A.I.L. Investment Services Limited, and P.J. Doherty & Associate Ltd. Working Venture Canadian Fund owns the remaining 57.2%. The above companies, in total, manage about $1.5 billion in assets.

Guardian Timing Services, Inc. ("GTS") is an independent investment and fund management firm located in Toronto, Canada. GTS manages the Canadian Protected Fund, the Protected American Fund and the First America Fund, in addition to being the co-manager of the India Excel Fund. It uses the proprietary ITM market timing model owned by BHL, a subsidiary of the Company.

Black Investment Management Limited ("BIM") is an independent investment counsel based in Toronto, Canada, that provides professional management of financial assets for pension funds, corporations, foundations, mutual funds and group investment plans. Mr. Paul Black and Mr. Robert W. Crosbie established BIM in 1973. IUAM has a 53.20% interest in BIM.

Leon Frazer, Black & Associates Limited ("LFB") was established in 1939 and is the second oldest independent counselling and investment management firm in Toronto, Canada. IUAM has a 60.18% direct interest in LFB as well as an additional 9.88% indirect interest through BIM.

The Glen Ardith-Frazer Corporation ("GAF") merged with Leon Frazer, Black & Associates in Fiscal 2001.

A.I.L. Investment Services Limited ("AILIS") was recently incorporated in Ontario. The objective of AILIS is to create a full family of mutual funds that is to be managed by affiliated companies within the IUAM Group. The distribution and marketing of the mutual funds themselves will be done by WVCF. AILIS is wholly owned by IUAM.

P.J. Doherty & Associate Ltd. ("PJD") is an Ottawa, Canada based investment management firm. In November 1999, IUAM acquired a 75% interest into P.J. Doherty

The Company has reached its objective to consolidate and capitalize through an association with an institutional investor, its Canadian investment management activities through a pure play vehicle, which could facilitate and accelerate its acquisition program. Going forward, the Company will focus exclusively on developing its interest through an extension of its shareholding in the investment management industry.

COMPETITION

Competition is a part of every business. InterUnion faces competition directly and through its subsidiaries from larger, better-capitalized financial service companies as well as smaller, also better capitalized niche companies. The Company is a minority investor in IUAM, albeit with extensive minority shareholders rights granted under a Shareholders Agreement. The performance of the assets under administration by IUAM and its subsidiaries is a factor that could adversely affect the results of the Company, as poor

performance or loss of key portfolio managers may cause clients to move their assets to other investment management companies.

GROWTH STRATEGY

Since inception, InterUnion's strategy has been to be a "business bank" i.e. to be able to take advantage of investing/advisory opportunities. These opportunities can include the temporary involvement of the Company in pure financial service transactions. InterUnion's business will retain the purchase and selling of companies or part of companies which will use InterUnion's investment management services as well as its ability to pay cash and/or issue its own security in order to complete corporate transactions. InterUnion's strategy is also to reduce its shareholders' risk by ensuring that its book value is spread among various interests and does not depend on only one sector of activity or only one operating company. InterUnion has been successful in managing its investors' risk as today there is a sufficient number of professionals with adequate credentials and experience in the various operations who at the same time are shareholders of InterUnion. In time, as InterUnion gets a larger and more diversified shareholder base, that strategy should help InterUnion to grow and enable it to obtain outside financing.

The investment management activity of the Company through IUAM should continue to expand as: (i) IUAM has now been converted into a pure Canadian consolidator and (ii) IUAM has the necessary resources to acquire firms either with cash or stock, in a tax efficient manner.

GOVERNMENT REGULATION

The operating activities of the Company are not subject to governmental regulatory agencies, except for:

Black Investment Management Limited, The Glen Ardith-Frazer Corporation, Guardian Timing Services Inc., Leon Frazer Black & Associates Limited and P.J. Doherty Associates Ltd. are regulated by the Ontario Securities Commission.

Credifinance Securities Limited ("CFSL") is a member of the Investment Dealers Association of Canada, The Toronto Stock Exchange, The Montreal Exchange and the International Securities Market Association. As such, it is subject to the compliance, rules and regulations of these self-regulatory organisations. As a result of the sale of CFCC to RIF Capital Inc. in September, 2000, CFSL is no longer a subsidiary of the Company.

EMPLOYEES

InterUnion has 1 full time employee.

Item 2 DESCRIPTION OF PROPERTY

The Company does not own real estate and has no leasehold interests in real estate. The Company maintains an office at 1232 North Ocean Way, Palm Beach.

Item 3 LEGAL PROCEEDINGS

A claim has been instituted against the Company by National Research Council of Canada for the sum of Cdn$451,139.59 and prejudgment and postjudgment interest and costs. The claim is related to the Company's interest in Receptagen Ltd. The Company is defending its claim and has entered a counterclaim against National Research Council of Canada, Ubisol Inc. and Marianna Sikorska for damages in the amount of $4,000,000, punitive damages of $1,000,000, interest and costs. The basis of the counterclaim arises from an alleged conversion, misappropriation of confidential information and breach of confidentiality. The Company is awaiting a defence to the counterclaim. Examinations for discovery in this matter have not commenced.

Due to the claim's relation to interests in Receptagen Ltd, and as result of the assumption of the liabilities of the Company by Credifinance Capital Corp. ("CFCC") in September 2000, the obligation of the above claim has been assumed by CFCC.

Item 4 SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

The following matters were brought to a vote of security holders, through solicitation of proxies or otherwise, during the period covered by this report:

a) Sale of the investment banking operation, comprised of Credifinance Capital Corp., Credifinance Capital Inc. and Credifinance Securities Limited, to RIF Capital Inc., the Company's majority shareholder.

b) Conversion of 1,500,000 shares of the Company's Class "A" Preferred shares to 15,000,000 shares of the Company's common stock.

c) Reverse split of the Company's common stock on the ratio of 10 for 1.

PART II

Item 5 MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

(a) MARKET INFORMATION

The issuer's common equity is traded on the NASD OTC Bulletin Board under the symbol: IUFC.

The high and low sale prices for each quarter within the last two fiscal years are as follows.

<TABLE>
<CAPTION>

Period	Open	High	Low	Close

------	----	----	---	-----
<S>	<C>	<C>	<C>	<C>
FY00 Qtr 1	1.88	1.88	1.50	1.50
FY00 Qtr 2	0.84	0.84	0.75	0.75
FY00 Qtr 3	0.63	0.63	0.44	0.44
FY00 Qtr 4	0.50	0.94	0.47	0.94
FY01 Qtr 1	0.82	0.88	0.32	0.32
FY01 Qtr 2	0.32	0.47	0.16	0.25
FY01 Qtr 3	0.25	0.26	0.10	1.75
FY01 Qtr 4	1.75	2.25	1.40	1.44

</TABLE>

(b) HOLDERS

The approximate number of holders of record of each class of stock is as follows:

Class of Stock	Number of Holders
Common Share	337
Class A Preferred	None issued(1)
Class B Preferred	None issued
Class C Preferred	None issued

(1) 1,500,000 Class A Preferred shares, representing 100% of the issued shares in this class were converted to 15,000,000 common shares on a 10 for 1 basis.

(c) DIVIDENDS

The Company has never declared or paid dividends on its common stock or its preferred stock. There are no restrictions, other than state law that may be applicable; those limit the ability to pay out all earnings as dividends. The Board of Directors does not anticipate paying any dividends in the foreseeable future; it

intends to retain the earnings which could be distributed, if any, for the operations, expansion and development of its business.

(d) RECENT SALES OF UNREGISTERED SECURITIES

(i) SALES PURSUANT TO REGULATION D

The Company has not made any sales within the past three (3) years in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, as contained within Regulation D, promulgated by the Securities and Exchange Commission.

(B) SALES PURSUANT TO REGULATION S

The following sales of Common Stock were made by the Company within the past three (3) years in reliance upon an exemption from the registration requirements of the Securities Act of 1933, as amended, as contained within Regulation S promulgated by the Securities and Exchange Commission:

<TABLE>
<CAPTION>

Title of Class (1) (2) (3) (4)(5)	Number of Shares	Price per Share	Consideration	Commission	Date
<S>	<C>	<C>	<C>	<C>	<C>
Common(6)	229,453	5.00	1,147,265	Nil	April 1997
Common(7)	60,000	3.00	180,000	Nil	June 1997
Common(8)	15,000	6.00	90,000	Nil	August 1997
Common(9)	213,194	4.00	852,776	Nil	February 1998
Common(10)	216,640	3.64	788,569	Nil	April 1998
Common(11)	17,002	4.00	68,008	Nil	May 1998
Common	35,000	4.00	140,000	7,000	June 1998
Common(11)	262,142	4.00	1,048,568	Nil	July 1998
Common(11)	10,000	4.00	40,000	Nil	December 1998
Common(11)	180,000	3.50	630,000	63,000	February 1999
Common(12)	25,000	3.50	87,500	Nil	March 1999
Common(11)	1,140	4.00	4,560	Nil	March 1999
Common(13)	114,500	0.50	57,250	Nil	November 1999
Common (14)	2,014,198	0.40	805,679	Nil	November 1999
Common(15)	15,000,000	4.00	150,000	Nil	September 2000

</TABLE>

NOTES TO SALES PURSUANT TO REGULATION S

(1) All sales were made directly by the Company as issuer.

(2) The class of persons to whom the Company sold the above-referenced securities were individuals or entities whom the Company had reason to believe were either accredited investors within the meaning of Regulation Section 230.501 or were investors having such knowledge and experience in financial and business matters that the purchaser could properly evaluate the risks and merits of the investment.

(3) All sales as shown above were made to non-U.S. persons.

(4) The company specifically relied upon compliance with Regulation S as promulgated by the Securities and Exchanges Commission. The Company was in compliance with Category 3 of Rule 903 of Regulation S which provides an issuer safe harbour. Under this Category the Company complied with the two general conditions of Rule 903(a) and (b) and to transactional and offering restrictions by the execution of an investor Subscription Agreement, and the placing of the appropriate restrictive legend on the stock certificate(s).

(5) These shares were issued on the conversion of a debenture.

(6) These shares were issued with regards to the Receptagen restructuring. The consideration was determined by the price of the common stock at the time of the transaction. These shares were given to a non-related party.

(7) These shares were issued upon the exercise of employee stock options, previously granted to Mr. Selwyn J. Kletz.

(8) These shares were issued upon the exercise of warrants.

(9) These shares were issued in the acquisition of IUAM. The consideration received was 91.55% of all of the issued and outstanding shares of IUAM. The valuation of IUAM was determined by an arms lengths transaction. These shares were given to a non-related party.

(10) These shares were issued in the acquisition of BIM. The consideration received was 45% of all of the issued and outstanding shares of BIM. The valuation of BIM was determined by an arms lengths transaction. These shares were given to a non-related party.

(11) These shares were issued in settlement of an equal amount due to the purchaser of the common stock.

(12) These shares issued for services received from the Chairman of the Company, Mr. Robert Crosbie.

(13) The shares issued in settlement of note payable.

(14) The shares issued in settlement of note payable.

(15) These shares were issued on the conversion of 1,500,000 shares of Class "A" Preferred at ratio of 10 to 1.

Item 6 MANAGEMENT'S DISCUSSION AND ANALYSIS

(a) OVERVIEW

InterUnion Financial Corporation ("IUFC" or InterUnion") was incorporated on February 7, 1994. InterUnion strategy is to acquire, when possible, a majority interest in financial services business. The Company acquires for cash but preferably for Common Shares of the Company with additional incentives for vending shareholders via Common Shares Purchase Warrants and Stock Options for management.

In 1999, the Company restructured its interest in its Canadian based investment management activities in order to facilitate the growth strategy in that sector. InterUnion Asset Management became the holding company for the Company's interest in the following investment management companies: Guardian Timing Services Inc. ("GTS"); Leon Frazer, Black & Associates Limited ("LFB"); AIL Investment Services ("AILIS") and Black Investment Limited ("BIM"). The purpose of the restructuring of IUAM was to pursue acquisitions on a tax effective basis as well as secure an institutional strategic alliance.

IUAM issued 878,170 Common Shares (56%) to Working Venture Canadian Fund ("Working Venture" or "WCF") for gross proceeds of C$10 million. On November 19, 1999, IUAM acquired a 75% interest into P.J.Doherty ("PJD"), an Ottawa, Canada, based money manager.

In 2000, at the request of WVF which changed its mutual find strategy, IUAM sold the AIL Investment Services ("AILIS"). During that same year, WVF exercised a Common Share Purchase Warrants on IUAM, increasing its interest to 57.2% from 56%.

The following table is a summary of IUAM's interest in the above mentioned investment management companies as at March 31, 2001:

<TABLE>
<CAPTION>

<S>	Ownership Interest: <C>
BIM	53.20%
GTS	100.00%
LFB	76.50%
AILIS	100.00%
PJD	75.00%

</TABLE>

Although IUFC's interest in IUAM is 42.8%, through the Unanimous Shareholders Agreement entered into with Working Venture, the Company has a number of specific and extended minority rights. The Company accounts for IUAM on the equity method.

Also in 1999, the Company simplified its corporate organisation chart: Credifinance Realty Capital Corp. (Ontario), Credifinance Securities Inc. (Florida); Marbury Trading Corp. (BVI) and Bearhill Ltd. (BVI) were dissolved. A new company, InterUnion Merchant Group Inc. ("IUMG") (BVI), took over the assets and liabilities of the dissolved companies as of January 1st, 2000. As of that date as well, the name of I&B Inc. (Delaware) was changed to Credifinance Capital Corp. (Delaware).

In June 2000, the Company acquired its 243,750 Common Shares at the rate of $0.6153 per share in settlement of a $150,000 Note Receivable from an unrelated party.

During the second calendar quarter of 2000, the Company sold its investment banking subsidiary, Credifinance Capital Corp. (Delaware) "CFCC" to its majority shareholder RIF Capital Inc ("RIF"). The transaction was made effective September 30, 2000, and was approved by the shareholders of the Company at the Company's Annual and Special Shareholders meeting in November 2000. The purpose of the transaction was to make the Company a "pure play" and allow more flexibility to either raise capital or use its Common Stock as currency while pursuing acquisitions of investment management companies in Canada through IUAM or, alone, elsewhere. It also allows an opportunity for the shareholders of IUAM to roll over their interest in a tax effective manner into the Company while, offering at the same time the possibility to the minority shareholders of the IUAM investee companies, to exchange the share they hold in private companies for common stock of a public entity.

In September 2000, the Company converted its Class "A" Preferred Shares into Common Shares at the rate of 1 to 10. Consequently, in lieu of 1,500,000 Class "A" Preferred Shares, the Company issued 15,000,000 Common Shares.

In November 2000, in a Special Meeting of the Shareholders of the Company, it was resolved to execute a reverse split in the issued and outstanding common stock of the Company in the ratio of ten (10) to one (1). Consequently, the number of issued and outstanding common stock of the Company reduced to 1,899,974.

The Company does not intend to hold a passive investment interest in a number of entities. Management believes that the divestiture in which the Company was engaged in FY2001 was necessary in order to implement a business plan which will allow in the short to medium term to create a "brand name" through the amalgamation of a number of its affiliates. The Company, with only one class of shares, through amalgamation and rolling over minority held interest in privately held portion of investee companies, could effect considerable savings and be allowed to use its own Common Shares for purchasing of further businesses.

Revenues

The flow of revenues from investment banking ceased when the Company sold CFCC during the 2nd quarter 2001. Total revenues for FY2001 were $333,029, down 49% from $658,601 the previous year. The Company did not get any dividend from its 42.8% interest in IUAM.

Cost of Revenues

Until 2nd quarter of FY2001 the principal elements comprising costs of revenues were commissions and salaries paid to non administrative personnel who were remunerated solely on the basis of their performance. However, due to disposal of investment banking business the cost of revenue primarily consisted of general, selling and administrative expenses. During the year 2001, the selling, general and administrative expenses declined by $248,415 to $366,607 representing a decline of 40.4% over fiscal 2000.

Interest Income

The Company's interest income mainly consisted of interest from loans to affiliated companies and the interest on credit balances maintained with the banks. The company's interest earnings increased by 56.8% to $60,072 in fiscal 2001.

Interest Expenses

The Company paid interest on the loan from affiliated companies. However, the amount of the interest expense reduced by 75.9% to $23,599 in year 2001 from $98,106 in the year 2000.

Gain/Loss on Issuance of Security

The Company had no gain or loss on issuance of securities during FY 2001.

Discontinued Operations:

As a result of the sale of its investment banking subsidiary, CFCC, in the 2nd quarter of FY 2001, the Company reported a profit of $358,169 in September 2000, from discontinued operations. However, as a result of disposal of discontinued assets of CFCC, the Company incurred a loss of $780,401.

In fiscal 2000, the Company dissolved the following subsidiaries: Credifinance Realty Corp. (Ontario) and Credifinance Securities Inc. (Florida) which had no activity. During the same year, the Company, through a newly created subsidiary, InterUnion Merchant Group Inc.("IUMG""), (BVI), took over the assets and liabilities of subsidiaries which were dissolved: Marbury Trading Corp. (BVI) and Bearhill Ltd. (BVI).

Losses, Write Downs and Write Offs

At the beginning of FY2000, the book value of the ITM software was $1,154,666 and the annual amortisation was $192,444. In accordance with GAAP, SFAS No121, the value of the software was written off, resulting in an amortisation expense of $1,154,666.

In accordance with GAAP, the Company decided during FY 2000 to write down the Market Value of its investment in Receptagen Ltd. ("RCG"), resulting in an unrealised loss of $1,251,334. Subsequent to RCG default on the Forbearance Agreement entered with the Company, InterUnion had recognized a gain of $668,986 during the third quarter of FY2000. It was recommended to the Company by its auditors not to recognise that gain until the proceeds under the Note Receivable from News Researches Corp. were realised through repayment of that Note or sale of the underlying security. Consequently, the recognition of gain was reversed in the 4th quarter of fiscal 2000. During fiscal 2001, the investment in "RCG" was sold resulting in a further loss of $27,379. In FY2001, the company wrote down its notes receivable from Receptagen of $633,286.

As a result of the sale of the operations of CFCC, the Company reported a income from operations of discontinued operations. The consolidated profit of CFCC prior to disposal of $358,169 is shown in a separate line on the consolidated statements of operations of the Company.

Exposure to International Operations

The Company's revenues are generated in North America, however, it has a 100% owned subsidiary in British Virgin Islands. The Company, therefore, does not have a significant exposure to currency or country risk.

Seasonal

Neither the Company nor its subsidiaries operate in any business which could be affected by changes in season.

(b) RESULTS OF OPERATIONS

Fiscal 2000 was:

- The first year the Company decided to adopt the most conservative approach to its investments and amortisation costs.

Financial highlights are as follows:

<TABLE>
<CAPTION>

	2001	2000	1999
	----	----	----
<S>	<C>	<C>	<C>
Revenues	333,029	658,601	1,463,884
Loss excluding discontinue. Operations	(1,903,693)	(3,466,623)	(390,182)
Discontinued operation	(422,231)	(132,822)	0
Net Loss	(2,325,925)	(3,599,445)	(390,182)
Assets	3,144,335	9,722,529	29,448,186
Shareholders' Equity	2,764,613	5,240,538	7,919,650
Working Capital	(77,480)	1,303,131	1,773,590
Common Shares Outstanding	1,899,974	4,243,123	2,114,425
Book Value per Common Share	1.46	1.24	3.67

</TABLE>

Fiscal Year 2001 Compared to Fiscal Year 2000

(1) Overview

During fiscal 2001 revenue of the Company amounted to $333,029 as compared to $658,601 in the fiscal 2000. The total expenses for the year ended March 31, 2001, excluding equity pick-up of IUAM but including write-down of notes receivable from Receptagen of $633,286 was $1,073,267 as compared to $3,103,724 in fiscal 2000, representing a decrease of $ 2,030,457 or 65.42%. The Company's equity share in the loss of IUAM for the year 2001 was $1,163,455 in comparison to $1,021,500 in fiscal 2000. The Company recorded a net loss of $422,232 from the sale of the CFCC subsidiary in September 2000. The Company's net loss for the fiscal year 2001 was $2,325,925 as compared to $3,599,445 in fiscal 2000, representing a decrease of $1,273,520 or 35.38%.

The Company does not expect to record future losses through amortization or write-downs although it expects continued losses from its 42.8% interest in IUAM.

Loss per share for fiscal 2001 was $2.016 versus a loss of $12.076 a year earlier. The number of common shares outstanding as of March 31, 2001 is 1,899,974 versus 4,243,123 as of March 31, 2000.

(2) Revenues

For the fiscal year 2001, the Company's revenues stood at $333,029 as compared to $658,601 for fiscal 2000, representing a decline of $347,332 or 56.0%.

(3) Cost of Revenues

Until 2nd quarter of FY2001 the principal elements comprising costs of revenues were commissions and salaries paid to non administrative personnel who were remunerated solely on the basis of their performance. However, due to disposal of the investment banking business the cost of revenue primarily consisted of general, selling and administrative expenses. During the year 2001, the selling, general and administrative expenses declined by $248,415 to $366,607 representing a decline of 40.4% over fiscal 2000.

(4) Net loss

Net loss for the year ended March 31, 2001 was $2,325,925 as compared to a loss of $3,599,445 for the fiscal year 2000, representing a decrease of $1,273,520 or 35.38%. The net loss for the fiscal 2001 was contributed mainly by the followings: a net loss of $422,232 on disposal of CFCC subsidiary; a write-down of notes receivable of $633,286 from Receptagen; and an equity share of $1,163,455 in the loss of 42.8% owned subsidiary of IUAM.

Basic loss per share for the year 2001 was $2.016 versus $12.076 the previous year. Weighted average common shares outstanding in Fiscal 2001 was 1,153,759 versus 298,076 in Fiscal 2000.

Fiscal Year 2000 (restated) Compared to Fiscal Year 1999

(1) Overview

Revenues were reduced by $805,283 or 55.0%, representing the effect of $781,770 being the revenues from the 2000 activities of CFCC companies being reclassified out of revenues from continuing operations. The total expenses for the year ended March 31, 2000, excluding equity pick-up of IUAM but including one time charge for assets write-down of $2,216,555, was $3,103,729 as compared to $1,847,248 in 1999, representing an increase of $ 1,256,476 or 68.2 %. The Company's loss from operations increased to $2,445,123 as compared to $383,364 in 1999, representing an increase of $2,061,759. The above increase in the loss from operations was due to the following one-time charges totalling $2,216,555: write down in investments ($1,251,334 for Receptagen Ltd.) And one time amortisation ($965,221 for the Bearhill Ltd. market timing model).

Additional losses from unconsolidated affiliates, $1,021,500, were due to the Company's 44% equity interest into IUAM

The Company does not expect to record future losses through amortization or write-downs although it expects continued losses from its interest in IUAM.

Earnings per share for fiscal 2000 was a loss of $1.208 versus a loss of $0.21 a year earlier. The average number of common shares outstanding for the year ending March 31, 2000 is 2,980,763 versus 1,855,386 a year earlier.

(2) Revenues

Revenues from continuing operations were reduced by $781,770 from fiscal 1999 at $1,463,884.

(3) Cost of Revenues

Cost of revenues (Selling, General and Administrative expenditures) for the year decreased by $889,937 or 59.1% to $615,022 versus $1,504,959 the previous year reflecting the inclusion of CFCC expenses in discontinued operations. The Company continues to control its costs effectively and intends to continue to reduce non-selling costs.

(4) Net loss

Net loss for the period was $3,599,444 versus $390,364 the previous year. Losses from operations (revenues less expenses) was $2,577,944 versus $383,364 the year before. The increased operating loss is due to the Company's 44% equity interest in IUAM as well as one time write downs and amortization and depreciation charges. The Company does not expect to record such charges in the future although it can still expect some losses from its equity interest in IUAM.

Basic loss per share was $1.208 versus $0.21 the previous year. Basis weighted average common shares outstanding in Fiscal 2000 was 2,980,763 versus 1,855,386 in Fiscal 1999.

(c) LIQUIDITY AND CAPITAL RESOURCES

In order to meet its growth plans and fund any operating cash requirements, the Company's policy is to issue additional capital stock, when possible. To date the Company has done this either through the issuance of Confidential Private Placement Offerings under Regulation "D" or Regulation "S". The following are details of these private placements during the previous three fiscal years:

<TABLE>
<CAPTION>

Date	# of Shares	Amount	Type
April 1997	229,453	1,147,265	Regulation "S"
June 1997	60,000	180,000	Regulation "S"
August 1997	15,000	90,000	Regulation "S"
February 1998	213,194	852,776	Regulation "S"
April 1998	216,640	788,569	Regulation "S"
May 1998	17,002	68,008	Regulation "S"
June 1998	35,000	140,000	Regulation "S"
July 1998	262,142	1,048,568	Regulation "S"
December 1998	10,000	40,000	Regulation "S"
February 1999	180,000	630,000	Regulation "S"
March 1999	25,000	87,500	Regulation "S"
March 1999	1,140	4,560	Regulation "S"
November 1999	114,500	57,250	Regulation "S"
November 1999	2,014,198	805,679	Regulation "S"
September 2000	15,000,000	150,000	Regulation "S"

</TABLE>

In addition to the above, IUAM raised C$10 million directly in fiscal 2000.

During fiscal 2001 WVF exercised a Common Share Purchase Warrants on IUAM, increasing its interest to 57.2% from 56% while decreasing IUFC's share in IUAM to 42.8% from 44%. These funds were used to eliminate a bank loan of approximately C$1 million and fund the AILIS venture, C$500,000. The balance of the funds will be used for acquisitions and operations.

Shareholders received one Right for every four (4) common share. Each Right gave the holder the right to acquire a common share of the Company at $2.80 per share, subject to a minimum of $1,500,000 raised. The Company's controlling shareholder, RIF Capital, had agreed to subscribe on a pro-rata basis. Due to the minimum subscription level not being met, the right offering was not closed.

NASDAQ advised the Company that its application for listing on the Small Cap market was declined, as the minimum bid price per share was not greater than $4.00.

All of the Company's Class A Preferred Shares have been converted into common shares in Fiscal 2001.

New Accounting Pronouncements

Financial Derivatives and Hedging Activities: In June 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" was released. For fiscal years beginning after June 15, 1999, the statement requires the accounting and disclosure of gains and losses on certain financial instruments. Management does not believe that this pronouncement will have any significant effect on the Company.

Revenue Recognition: In December 1999, the Securities Exchange Commission issued Staff Accounting Bulletin No. 101 - "Revenue Recognition in Financial Statements" (SAB 101). The company has evaluated the effects of the SAB and has determined that there is no material impact on its method of recognizing revenue.

Stock Base Compensation: The recently promulgated accounting standard, FIN44 "Accounting for Certain Transactions involving Stock Compensation", does not affect the financial statements of the Company.

Start-up Costs: In April 1998, Statement of Position (SOP) 98-5 Accounting for Costs of Start-up Activities was issued. For fiscal years beginning after December 15, 1999, SOP requires that pre-opening costs be expensed as incurred. Management does not believe that this pronouncement will have any significant effect on the Company.

Concluding Remarks

There are no other known trends, events or uncertainties that may have, or are reasonably likely to have, a material impact on the Company's short-term or long-term liquidity.

In addition, there is no significant income or losses that have risen from the Company's continuing operations that has not been analysed or discussed above. Nor has there been any material change in any line item that is presented on the financial statements that has also not been discussed above.

This Form 10-KSB contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. For this purpose any statements contained in this Form 10-KSB that are not statements of historical fact may be deemed to be forward-looking statements. Without limiting the foregoing, words such as "may", "will", "expect", "believe", "anticipate", "estimate" or "continue" or comparable terminology are intended to identify forward-looking statements. These statements by their nature involve substantial risks and uncertainties, and actual results may differ materially depending on a variety of factors, many of which are not within the Company's control. These factors include but are limited to economic conditions generally and in the industries in which the Company's customers & investee participate in; competition within these industries and that of the Company's, including competition from much larger competitors; technological advances which could render the Company's services less competitive or absolute; failure by the Company successfully to improve its skills or anticipate current or prospective customers' needs; price increases or other limitations by the Company for use or its services and delays, reductions or cancellations of mandates previously placed with the Company

Item 7 FINANCIAL STATEMENTS

The audited consolidated financial statements for InterUnion Financial

Corporation, covering fiscal years ended March 31, 2001 and 2000 are submitted in compliance with the requirements of Item 310 of Regulation S-B.

Items 8 CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective January 17, 2000, the Company retained Mintz & Partners as its accountants. The 2000 opinion contained no adverse opinion or disclaimer of opinion, and was not qualified as to uncertainty, audit scope or accounting principles. Mintz & Partners continues as the Company's accountants.

During the last two fiscal years and subsequent interim period to the date hereof, there were no disagreements between InterUnion and its certifying accountants on any matters of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to satisfaction of the certifying accountants, would have caused it to make a reference to the subject matter of the disagreements in connection with its reports.

None of the reportable events described in Item 304(a) (1) (ii) occurred with respect to InterUnion within the last two fiscal years and the subsequent interim period to the date of change. During the last two fiscal years and the subsequent interim period to the date of change, InterUnion did not consult Mintz & Partners regarding any matter or events set forth in Item 304(a) (2) (i) and (ii) of Regulation S-B.

PART III

Item 9 DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

(a) IDENTIFY DIRECTORS AND EXECUTIVE OFFICERS

Name, Municipality of Residence	Age	Length of Service
Robert W. Crosbie Toronto, Ontario	71	Appointed as Director September 3, 1998
Georges Benarroch Paris, France	54	Director and appointed as President and Chief Financial Officer; March 21, 1994
T. Jack Gary, III West Palm Beach, Florida	59	Appointed as Secretary January 30, 1995
Muriel Woodtli Geneva, Switzerland	50	Appointed as Director November 22, 1999
Martin Kovnats Toronto, Ontario, Canada		Appointed as Vice President September 28, 1999

ROBERT W. CROSBIE is a Director of the Company and also represents the Company as a director of IUAM.

GEORGES BENARROCH is the President, Chief Executive Officer of the Company as well as a Director and Chairman of the Audit Committee. He is also Chairman of InterUnion Asset Management Ltd. In addition, Mr. Benarroch is a Director of Credifinance Capital Corp., the Chief Executive Officer, and Chairman of the Board of Credifinance Securities Limited, President, Chief Executive Officer, and

Chairman of the Board of Credifinance Capital Inc. He is also a director of Transmeridian Exploration Inc. and the President of Equibank Inc.

T. JACK GARY, III is the Secretary of the Company. He is Manager of the West Palm Beach, Florida, office of Raymond James & Associates, a national brokerage firm, having held that position since 1995 as well as a Director. Mr. Gary will devote the time required to fulfil his duties as Secretary at InterUnion.

MURIEL WOODTLI served as a Director of the Company. She is a legal assistant in Geneva, Switzerland. Ms. Woodtli's duties for InterUnion will be limited to her participation at Board Meetings and as a member of the Audit Committee.

MARTIN KOVNATS is the Vice President of the Company and is a member of the IUAM board of Directors. He is appointed as an officer of the Company for a period of one year from the date of the appointment on September 28, 1999. He is a partner in Aird & Berlis law firm in Toronto. Mr. Kovnats represents IUFC as a director of IUAM.

(1) No director of InterUnion is currently a director of any other reporting company.

(2) Under Section 1, ARTICLE III, of the By-Laws, the directors shall serve until the next annual meeting of the stockholders, as prescribed by the Board of Directors, at which time directors are elected by the stockholders.

(3) In accordance with Item 405 no director, executive officer and beneficial owner of more than ten percent (10%) of any class of equity securities of the Company failed to file on a timely basis reports required by section 16(a) of the Exchange Act during the most recent two fiscal years to the best of the Company's knowledge.

(b) AUDIT COMMITTEE

The Audit Committee had three meetings since approving the financial statements for the previous year. The first meeting was to approve the change in auditors. The second meeting was to review the Company's accounting policies while the third meeting was to recommend to the Board of Director that the March 31, 2001 Consolidated Financial Statements be approved and presented to the shareholders, and to receive confirmation from the auditors that they have been and remain independent of the company.

(c) IDENTIFY SIGNIFICANT EMPLOYEES

The Company does not expect to receive a significant contribution from employees that are not executive officers.

(d) FAMILY RELATIONSHIPS

Currently, there are no directors, executive officers or persons nominated or persons chosen by the Company to become a director or executive officer of the Company who are directly related to an individual who currently holds the position of director or executive officer or is nominated to one of the said positions.

(e) INVOLVEMENT IN CERTAIN LEGAL PROCEEDINGS

There are no material events that have occurred in the last five years that would affect the evaluation of the ability or integrity of any director, person nominated to become a director, executive officer, promoter or control person of the Company.

(f) COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

For the two fiscal years ended March 31, 2001, to the best of the Company's knowledge no director, executive officer and beneficial owner of more than ten percent (10%) of any class of equity securities of the Company failed to file on a timely basis reports required by section 16(a) of the Exchange Act.

Item 10 DIRECTOR AND OFFICER COMPENSATION

(A) SUMMARY COMPENSATION TABLE

<TABLE>
<CAPTION>

Name and Principal Position	Fiscal Year	Base Salary	Other Bonus	Long Term Compensation	All other Compensation	Total Compensation
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Georges Benarroch	2001	None	None	None	None	None
President & CEO	2000	None	None	None	$13,387 (1)	$13,387
	1999	None	None	None	$30,000 (1)	$30,000
	1998	None	None	None	$30,000 (1)	$30,000
Robert W. Crosbie	2001	None	$50,000(3)	None	None	$50,000
Director	2000	None	None	None	None	$50,000
	1999	$18,230(2)	$87,500(5)	None	$83,044 (2)	$188,774
	1998	$45,885(2)	None	None	$27,097 (2)	$72,982
Muriel Woodtli	2001	None	None	None	$2,000 (4)	$2,000
Director	2000	None	None	None	$1,750 (4)	$1,750
	1999	None	None	None	None	None
T. Jack Gary	2001	None	None	None	None	None
Corporate	2000	None	None	None	None	None
Secretary	1999	None	None	$42,500(6)	None	$42,500
	1998	None	None	None	None	None

Martin Kovnats	2001	None	None	None	$6,393 (7)	$6,393
Vice-President	2000	None	None	None	$12,388 (7)	$12,388
	1999	None	None	None	None	None
	1998	None	None	None	None	None

</TABLE>

(1) This amount represents life, disability and medical insurance and certain expenses.

(2) This was paid by Black Investment Management Limited, a subsidiary of IUAM, for services unrelated to those offered to InterUnion Financial Corporation.

(3) This represents 16,575 Common Shares of the Company, issued in Fiscal 2002.

(4) Director's fees.

(5) This represents 25,000 Common Shares of the Company.

(6) The amount represents 50,000 stock option with an expiry date of September 3, 2001 and an exercise price of $4.00 per share.

(7) Mr. Martin Kovnats is a Vice President of IUFC. He represents IUFC at the Board Meetings of IUAM. The amount indicated above is paid directly to his firm, Aird & Berlis, for the time spent on IUFC business.

(B) ALL COMPENSATION COVERED

The Company has no formal options, warrants, SARs, long-term incentive plans, pension or profit sharing plans, or other compensation plans, in effect regarding any employees of the Company.

The Company feels that it does not have to include executive compensation for an executive officer of any subsidiary because under Rule 3b-7 under the Exchange Act (17 CFR 240.3b-7) no executive officer(s) of any subsidiary perform(s) policy making functions for the registrant.

The Company has no agreement or understanding, express or implied, with any officer or director, or any other person regarding employment with the Company or compensation for services.

Section 14 of ARTICLE III of the By-Laws of InterUnion provides that directors do not receive any stated salary for their services as directors. However, by board resolution, a fixed fee and expenses of attendance may be allowed for each meeting. These limitations do not affect compensation for a person serving as an officer or otherwise for the Company and receiving compensation therefor. The Company's Board of Directors has approved payment of $1,750 and $2,000 respectively for the services of each of its independent directors for the fiscal year ending March 31,2000 and 2001.

Item 11 SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

(a) SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS

The following persons (including any group as defined in Regulation S-B, Section 228.403) are known to InterUnion Financial Corporation, as the issuer, to be the beneficial owner of more than five percent (5%) of any class of the said issuer's voting securities.

<TABLE>
<CAPTION>

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percentage of Class
<S>	<C>	<C>	<C>
Common	RIF Capital Inc. (1) Price Waterhouse Centre PO Box 634C St. Michael, Barbados, WI	1,747,985	92.00%
	Total	1,747,985	92.00%

</TABLE>

(1) RIF Capital Inc. is wholly owned by Central Investment Trust. Safeguardian Limited is the sole protector of Central Investment Trust and is neither a beneficiary of the Trust or its subsidiaries.

(b) SECURITY OWNERSHIP OF MANAGEMENT

In September 2000, the Company approved the conversion of 1,500,000 shares of Class A Preferred stock, owned by RIF Capital Inc., into 15,000,000 common shares of the Company.

The following information lists, as to each class, equity securities beneficially owned by all directors and nominees, and of the directors and nominees of the issuer, as a group.

<TABLE>
<CAPTION>

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Owner	Percentage of Class
<S>	<C>	<C>	<C>
Common	Safeguardian Limited PO Box 316 Jardine House 1 Hesley Street St. Helier, Jersey, UK JE4 8UD	1,747,985 Trustee (voting power of Central Investment Trust	92.00%
Common	Robert W. Crosbie 110 Yonge Street, #1701 Toronto, Ontario Canada M5C 1T4	19,104	1.01%
Common	Martin Kovnats BCE Place, Suite 1800, 181 Bay Street, Toronto, Ontario Canada.	---	0.00%
Common	Georges Benarroch 68 rue Spontini Paris, France 75016	---	0.00%
Common	T. Jack Gary, III 515 North Flagler Drive, #1500 West Palm Beach, Florida 33401	---	0.00%
Common	Muriel Woodtli 10 Rue Pierre-Fatio Geneva, Switzerland	---	0.00%
Common	Directors and Executive Officers as a group (2 people)		93.01%

</TABLE>

NOTE TO (A) AND (B): As to the beneficial owner(s) of the securities listed above in (a) and (b), no such owner has any right to acquire within sixty (60) days or otherwise, the right to acquire shares from options, warrants, rights, conversion privileges or similar obligations.

(c) CHANGES IN CONTROL

Currently, there is no such arrangement that may result in a change in control of the Company.

Item 12 CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

(a) CERTAIN RELATED TRANSACTIONS

During fiscal 2001 and fiscal 2000 the Company and IUAM were not involved in any related party transaction.

Item 13 EXHIBITS AND REPORTS ON FORM 8-K

(a) Listing of Exhibits

Exhibit Table Number	Exhibit Name	Page Number
(2)(i)	Unanimous Consent in Lieu of The First Meeting of the Board of Directors of AU 'N AG, INC. (A Delaware Corporation)	+
(2)(ii)	Pre-Organisation Subscription and Letter of Non-Distributive Intent	+
(2)(iii)	Plan and Agreement of Merger	+
(2)(iv)	Certificate of Merger, dated February 15, 1994	+
(3)(i)	Certificate of Incorporation of AU 'N AG, INC. Dated February 15, 1994	+
(3)(ii)	Certificate of Amendment of Certificate of Incorporation of AU 'N AG, INC. Dated April 11, 1994	+
(3)(iii)	Certificate of Amendment of Certificate of Incorporation of AU 'N AG, INC. Dated April 11, 1994	+
(3)(iv)	Bylaws of InterUnion Financial Corporation	+
(4)	Instruments Defining the Rights of Security Holders Including Indentures	+ +

\+ Incorporated by reference to the Company's Registration Statement on Form 10-KSB filed on June 20, 1997.

(b) Reports on Form 8-K Subsequent to the Third Quarter

Exhibit Table Number	Exhibit Name	Page Number
(10)	Working Venture Canadian Fund's Investment in InterUnion Asset Management Limited	++

Exhibit Table Number	Exhibit Name	Page Number
(16)	Letter on change in certifying accountant	+++
Exhibit F	Financial Statements of InterUnion Asset Management Ltd. as at March 31, 2001	

++ Incorporated by reference to the Company's Registration Statement on Form 8-K filed on March 16, 1999.

+++ Incorporated by reference to the Company's Registration Statement on Form 8-K filed on April 27 1999 and May 6,1999.

SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

INTERUNION FINANCIAL CORPORATION

Date: June 29, 2001 By: /s/ Georges Benarroch

Georges Benarroch
President and Chief Executive Officer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in their capacities on the dates indicated.

Signature	Title	Date
/s/ Georges Benarroch Georges Benarroch	President and Chief Executive Officer	June 29, 2001
/s/ Muriel Woodtli		June 29, 2001

Muriel Woodtli Director

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INTERUNION FINANCIAL CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

==

MARCH 31, 2001 and 2000

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INTERUNION FINANCIAL CORPORATION

MARCH 31, 2001 and 2000

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INDEPENDENT AUDITORS' REPORT

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To The Directors and Shareholders of
InterUnion Financial Corporation

We have audited the accompanying consolidated balance sheets of InterUnion Financial Corporation as of March 31, 2001 and 2000 and the related consolidated statements of operations, shareholders' equity, 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 auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of InterUnion Financial Corporation as of March 31, 2001 and 2000, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

/s/ Mintz & Partners LLP
Chartered Accountants

Toronto, Canada
June 20, 2001

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

AS AT MARCH 31		2001	2000
<S>		<C>	<C>
A S S E T S			
CURRENT ASSETS			
Cash and cash equivalents		$ 7,356	$ 71,627
Accounts receivables		0	68,239
Receivable from Affiliates		54,792	27,555
Refundable income taxes		7,502	6,709
Prepaid expenses and other current assets		5,400	7,434
Notes receivable		0	1,001,414
Assets of discontinued operations (Note 10)		0	3,996,413
Total current assets		75,050	5,179,391
NON-CURRENT ASSETS			
Property and equipment, net	(Note 4)	0	3,518
Notes receivable, non-current portion	(Note 5)	878,150	633,286
Investment in unconsolidated affiliates	(Note 15)	2,191,135	3,639,680
Assets of Discontinued Operations	(Note 10)	0	266,654
Total non-current assets		3,069,285	4,543,138
TOTAL ASSETS		$ 3,144,335	$ 9,722,529

</TABLE>

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

AS AT MARCH 31	2001	2000
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	89,130	370,980
Due to affiliates	3,399	0
Note Payable	60,000	0
Liabilities of discontinued operations (Note 10)	0	3,477,724
Total current liabilities	152,529	3,848,704
NOTES PAYABLE, LONG-TERM PORTION (Note 6)	227,193	633,286
Total liabilities	379,722	4,481,990
SHAREHOLDERS' EQUITY		
CAPITAL STOCK AND ADDITIONAL PAID-IN CAPITAL (Note 8)		
Class A Preferred Stock, $0.10 par value		
Authorized - none in 2001; 1,500,000 shares in 2000		
Issued and outstanding - 1,500,000	0	150,000
Class B Preferred Stock, $0.10 par value		
Authorized - 1,000 shares'		
Issued and outstanding - None	-	-
Class C Preferred Stock, $0.10 par value		
Authorized - 1,000 shares'		
Issued and outstanding - None	-	-
Common Stock, $0.001 par value		
Authorized - 5,000,000 in 2001 and 2000		
Issued and outstanding 1,899,974 in 2001; 4,243,123 in 2000	18,999	4,243
Additional Paid-In Capital	10,597,294	10,612,050
CUMULATIVE TRANSLATION ADJUSTMENT	0	37,439
ACCUMULATED DEFICIT	(7,851,680)	(5,563,194)
Total shareholders' equity	2,764,613	5,240,539
Total Liabilities and Shareholders' Equity	$ 3,144,335	$ 9,722,529

</TABLE>

INTERUNION FINANCIAL CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

FOR THE YEARS ENDED MARCH 31	2001	2000
REVENUES		
Investment Banking	$ 272,957	$ 620,289
Interest Income	60,072	38,312
	333,029	658,601
EXPENSES		
Selling, General and Administrative	366,607	615,023
Write-down of Notes Receivable (Note 20)	633,286	0
Amortization and Depreciation (Note 18)	5,588	1,155,358
Foreign Exchange Loss (Gain)	16,808	(16,098)

Write-down of Investment	(Note 19)	27,379	1,251,334
Interest		23,599	98,106
		1,073,267	3,103,723
LOSS FROM CONTINUING OPERATIONS		(740,238)	(2,445,122)
EQUITY IN NET LOSSES OF UNCONSOLIDATED AFFILIATES		(1,163,455)	(1,021,500)
(LOSS) FROM CONTINUING OPERATIONS		(1,903,693)	$ (3,466,622)
DISCONTINUED OPERATIONS (Note 10, 12):			
Income (loss) from operations of discontinued subsidiary, net of tax		358,169	(132,822)
Loss on disposal of subsidiary, net of tax		(780,401)	0)
LOSS FROM DISCONTINUED OPERATIONS		(422,232)	(132,822)
NET LOSS FOR THE YEAR		$ (2,325,925)	$ (3,599,444)
LOSS PER COMMON SHARE - Basic and Diluted			
Weighted average common shares outstanding		1,153,759	298,076
Weighted average preferred shares outstanding		0	1,500,000
Basic loss per share		(2.016)	(12.076)
Loss from Continuing Operations		(1.650)	(11.630)
Loss from Discontinued Operations		(0.366)	(0.446)

</TABLE>

INTERUNION FINANCIAL CORPORATION

CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY

FOR THE YEARS ENDED MARCH 31, 2001 AND 2000

<TABLE>
<CAPTION>

<S>	Number of Shares <C>	Amount <C>	Additional Paid-in Capital <C>	Share Capital Totals <C>
Preferred Shares				
Balances, March 31, 1999 and 2000	1,500,000	$150,000	0	$ 150,000
Converted into common Stock at 1 to 10	(1,500,000)	(150,000)	0	(150,000)
March 31, 2001	0	0	0	0
Common Shares				
Balance, March 31, 1999	2,114,425	2,114	9,750,249	9,752,363
Issued during the year in cancellation of debt	2,128,698	2,129	861,801	863,930
Balance, March 31, 2000	4,243,123	$ 4,243	$ 10,612,050	$ 10,616,293
Acquired in June 2000, 243,750 shares @ $0.6153 in settlement of note receivable	(243,750)	(244)	(149,756)	(150,000)
Conversion of Preferred Class A shares at 1 to 10	15,000,000	15,000	135,000	150,000
	18,999,373	18,999	10,597,294	10,616,293
Reverse split @ 10 to 1	(17,099,399)	0	0	0
Balance March 31, 2001	1,899,974	18,999	10,597,294	10,616,293

</TABLE>

<TABLE>
<CAPTION>

Deficit and Foreign currency Translation adjustment	Cumulative Foreign Currency Translation Adjustment	Deficit	Comprehensive Income
<S>	<C>	<C>	<C>
Balance, March 31, 1999	(18,963)	(1,963,750)	
Translation adjustment	56,402	-	56,402
Net loss for fiscal 2000	-	(3,599,444)	(3,599,444)
Balance, March 31, 2000	$ 37,439	$ (5,563,194)	$ (3,543,042)
Translation Adjustment on discontinued operations	(37,439)	37,439	37,439
Net loss for fiscal 2001	0	(2,325,925)	(2,325,925)
Balance, March 31, 2001	0	(7,851,680)	(2,288,486)

</TABLE>

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

FOR THE YEARS ENDED MARCH 31,	2001	2000
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss from Continuing Operations	$ (1,903,693)	$ (3,466,622)
Loss from Discontinued Operations	(422,232)	(132,822)
Total:	(2,325,925)	(3,599,444)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation and Amortisation	5,588	1,165,392
Equity in net losses of unconsolidated affiliates	1,163,455	1,021,500
Non cash operating expenses	212,510	387,633
Net loss from discontinued operations	422,232	0
Loss in marketable securities and investments	27,379	1,255,987
Write-down of Notes Receivable	633,286	0
	138,525	231,068
Changes in operating assets and liabilities:		
Increase (decrease) in due to/from brokers and dealers, net	0	(22,136,587)
Decrease (increase) in due to/from client, net	0	2,179,710
Decrease in marketable securities	0	19,852,782
Decrease in accounts receivable and other assets	69,054	463,545
Decrease in accounts payable and accrued liabilities	(331,850)	(428,150)
NET CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	(124,271)	162,368
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds of notes payable	60,000	0
NET CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	60,000	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment, net	0	(6,190)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	0	(6,190)
NET (DECREASE) INCREASE IN CASH	(64,271)	156,178
CASH AND CASH EQUIVALENTS - Beginning of Year	71,627	285,706
CASH AND CASH EQUIVALENTS - End of Year	$ 7,356	$ 441,884

</TABLE>

For supplemental disclosure information for the Consolidated Statement of Cash flows, see note 13.

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INTERUNION FINANCIAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001 AND 2000

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1. ORGANIZATION AND BASIS OF PRESENTATION

Description of Business: InterUnion Financial Corporation ("IUFC") and its subsidiaries (collectively the "Company") are engaged in financial services with activities in investment banking business, In particular, the investment management business.

Principles of Consolidation: The consolidated financial statements include the accounts of IUFC and all wholly owned and majority owned subsidiaries from their respective dates of acquisition, after the elimination of all significant inter-company transactions and balances. At March 31, 2001 (March 31, 2000 - refer to note 10), the consolidated subsidiary of IUFC is InterUnion Merchant Group Inc. ("IUMG"). Investments in affiliates, representing 20% to 50% of the ownership, are accounted for under the equity method. Under the equity method, the Company records its proportionate share of income (loss) of the affiliate (net of the amortization of the excess of the purchase price over the net assets acquired) to results of operations, with this amount either added to (deducted from) the cost of the investment. Dividends received from affiliates which are accounted for on the equity basis are deducted from the carrying value of the investment. Equity method affiliates are InterUnion Asset Management Limited and its subsidiaries; Black Investment Management Limited, Guardian Timing Services Limited, Leon Frazer, Black & Associates Limited, The Glen Ardith-Frazer Corporation, and P.J. Doherty & Associates Co. Ltd. Investments in companies representing less than 20% ownership are accounted for under the cost method.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents: Cash and cash equivalents include demand deposits with banks, money market accounts, and other highly liquid short-term investments with original maturities of 90 days or less when acquired. Balances of cash and cash equivalents in financial institutions may at times exceed the government-insured limits.

Marketable Securities: The Company classifies its marketable securities into one of three categories: trading, held to maturity, or available for sale. Trading securities, which are bought and held primarily for the purpose of selling them in the near term, are recorded at fair value with gains and losses included in earnings. Held-to-maturity securities, which are securities that the Company has the ability and the intent to hold until maturity, are recorded at amortized cost and adjusted for amortization or accretion of premiums or discounts. All other investments in marketable securities not classified as either trading or held-to-maturity are classified as available-for-sale and are reported at fair value. Unrealised gains and losses on securities classified as available for sale are reported as a separate component of shareholders' equity until realized. Market values of marketable securities are based on the last day of the fiscal year. A decline in market value of any available-for-sale or held-to-maturity security below cost that is deemed other than temporary is charged to earnings, resulting in the establishment of a new cost basis for the security.

Use of Estimates: The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates and assumptions.

Security Transactions: For the year ended March 31, 2000 and until discontinuation of the subsidiary the Security transactions were recorded in accordance with industry practice in the accounts on trade date. Commission income and related expenses for transactions executed but not yet settled were accrued as of the financial statement date. For the year ended March 31, 2000 and until the sale of the investment banking subsidiary, in accordance

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with Canadian industry practice, the balances due from and to brokers, dealers and clients may include the trading balances of clients at the end of the reporting period and may not be an indication of the investment activity of the Company. These balances are due to the Company's ownership of Credifinance Securities Limited, a Canadian broker/dealer. These balances may fluctuate significantly.

Property and Equipment: Property and equipment are stated at cost less accumulated amortization. Amortization is computed using straight line and accelerated methods over the estimated useful lives of the asset. The Company evaluates its property and equipment on a yearly basis.

Other Long Term Assets: For the year ended March 31, 2000, stock exchange seats were recorded at cost and were included in non-current assets of discontinued operations. Declines in market value are only recorded when there is an indication of permanent decline in value. The Company evaluates its long term assets on a yearly basis. Any impairment in the value of the long term assets is provided in the year an asset is considered impaired.

Long-lived Assets: As prescribed by the Statement of Financial Accounting (SFAS) No. 121, "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed of", the Company assesses the recoverability of its long-lived assets by determining whether the asset balance can be recovered over the remaining depreciation or amortization period through projected undiscounted future cash flows. Any impairment in the value of the long lived assets is provided in the year the long lived asset is considered impaired

Fair Value of Financial Assets: The carrying value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, notes receivable, notes payable and due to affiliates approximates the fair value. In addition, unless described elsewhere, the carrying value of all financial assets approximate the fair value based on terms and interest rates currently available to the Company.

Income Recognition: Revenues are recognized once an assignment to provide business and advisory services is completed. Gains and losses resulting from the issuance of shares by affiliate are recorded as income or loss in the year the transaction occurs.

Income Taxes: The Company provides for federal and state income taxes currently payable, as well as for those deferred because of timing differences between reporting income and expenses for financial statements purposes versus tax purposes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of a change in tax rates is recognized as income or expense in the period that includes the enactment date.

The Company and its U.S. subsidiaries file U.S. federal and state income tax returns. Non-U.S. subsidiaries, which are consolidated for financial reporting, file tax returns outside the U.S., and therefore separate provisions for income taxes have been determined for these entities. Except for return of capital and selected dividends, the Company intends to reinvest the unremitted earnings of its non-U.S. subsidiaries and postpone their remittance indefinitely. Accordingly, no provision for U.S. income taxes for non-U.S. subsidiaries was required for any year presented.

/Continued...

INTERUNION FINANCIAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001 AND 2000

Impact of Accounting Pronouncement: In December 1999, the Securities Exchange Commission issued Staff Accounting Bulletin No. 101 - "Revenue Recognition in Financial Statements" (SAB 101). The company has evaluated the effects of the SAB and has determined that there is no material impact on its method of recognising revenue.

Translation of Foreign Currencies: In accordance with SFAS No.52, "Foreign Currency Translation", the financial statements of certain subsidiaries of the Company are measured using local currency as the functional currency. Assets and liabilities have been translated at current exchange rates and related revenue and expenses have been translated at average monthly exchange rates. Gains and losses resulting from the translation of subsidiaries' financial statements are included as a separate component of shareholders' equity. Any gains or losses resulting from foreign currency transactions are included in results of operations.

Earnings per Share: Net income (loss) per share is reported in accordance with SFAS No. 128, "Earnings Per Share". SFAS No. 128 requires dual presentation of basic earnings per share ("EPS") and diluted EPS on the face of all statements of earnings, for all entities with complex capital structures. Diluted EPS reflects the potential dilution that could occur from common shares issuable through the exercise or conversion of stock options, restricted stock awards, warrants and convertible securities. In certain circumstances, the conversion of these options, warrants and convertible securities are excluded from diluted EPS if the effect of such inclusion is anti-dilutive. Fully diluted loss per share is not provided, as the effect will be anti-dilutive.

Stock Based Compensation: The Company accounts for employee stock options in accordance with Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees". Under APB No. 25, the Company applies the intrinsic value method of accounting. SFAS No. 123, "Accounting for Stock-Based Compensation", prescribes the recognition of compensation expense based on fair value of options determined on the grant date. However, SFAS No. 123 allow companies currently applying APB No. 25 to continue applying the intrinsic value method under APB No. 25. For companies that continue in applying the intrinsic value method, SFAS No. 123 mandates certain pro forma disclosures as if the fair value method had been utilized. The recently promulgated accounting standard, FIN44 "Accounting for Certain Transactions involving Stock Compensation", does not affect the financial statements of the company.

Comprehensive Income: The Company follows Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income". This statement establishes standards for reporting and display of comprehensive income and its components. Comprehensive income is net income plus certain items that are recorded directly to shareholders' equity bypassing net income.

Segment Information: The Company follows SFAS No. 131 "Disclosures about Segments of an Enterprise and Related Information". SFAS No. 131 requires that the Company disclose its operations in the business segment as viewed by management: which is Investment Banking, which includes its merchant, banking activities and Investment Management.

Financial Derivatives and Hedging Activities: In June 1998, Statement of Financial Accounting Standards No. 133, "Accounting for Derivative Instruments and Hedging Activities" as amended by SFAS 137 was released. For fiscal years beginning after June 2000, the statement requires the accounting and disclosure of gains and losses on certain financial instruments. Management has evaluated the effects of this pronouncement and has determined that it has no significant effect on the Company.

Other: All amounts in these financial statements are in United States dollars unless indicated with a "C" to represent Canadian dollar presentation.

3. MARKETABLE SECURITIES

<TABLE>
<CAPTION>

<S>	Original Cost <C>	Carrying Value <C>	Market Value <C>
As of March 31, 2001			
Trading securities	$ 0	$ 0	$ 0
Available for Sale	-	-	-
Held to maturity	-	-	-

Total	$ 0	$ 0	$ 0
As of March 31, 2000			
Trading securities	$ 37,308	$ 32,520	$ 32,520
Available for Sale	-	-	-
Held to maturity	-	-	-
Total	$ 37,308	$ 32,520	$ 32,520

</TABLE>

The majority of marketable securities are pledged as security to the due to brokers and dealers.

The marketable securities figure for the year ended March 31, 2000, is shown as current assets of discontinued operations in the current year's balance sheet on page 3.

<TABLE>
<CAPTION>

For the year ending March 31,	2001	2000
<S>	<C>	<C>
Proceeds from securities classified as available for sale	$ -	$ -
Gross realised gains (losses) from securities classified as available for sale	-	-
Gross realised gains (losses) due to change in classification to trading from available for sale	-	-
Change in net unrealised gains (losses) on available for sale securities	-	-
Change in net unrealised gains (losses) on trading securities included in revenues	0	4,654

</TABLE>

4. PROPERTY AND EQUIPMENT

<TABLE>
<CAPTION>

	March 31	
	2001	2000
<S>	<C>	<C>
Computer hardware and software	$ 4,499	$ 41,920
ITM Computer software	0	1,924,443
Furniture, fixtures and equipment	2,506	32,163
Leasehold improvements	1,735	1,735
Total cost	$ 8,740	$ 2,000,261
Less: accumulated amortization	8,740	1,957,582
	$ 0	$ 42,679

</TABLE>

Amortization expense amounted to $5,588 and $1,155,358 respectively, for the years ended March 31, 2001 and 2000. Included in the property and equipment figure for the year ended March 31, 2000, is $39,161 shown as non-current assets of discontinued operations in the current year's balance sheet on page F3.

5. NOTES RECEIVABLE

<TABLE>
<CAPTION>

	2001	2000
<S>	<C>	<C>
Note receivable from Receptagen Ltd., an investee (no longer as of 3rd Q 2001) with no minimum Periodic payment, no maturity date and no rate of interest	0	633,286
Notes Receivable from Credifinance Capital Corp. (CFCC) bearing Interest @ 3% per annum with no maturity date	878,150	

Note receivable from Finance Research & Development Trust with no minimum periodic payment, no maturity date and no rate of interest	0	150,000
Note receivable from New Researches Corp. with no minimum periodic payment, due November 30,2004, with no interest. This note was collateralised by 1,740,000 shares of common stock of B-Twelve Inc. which is discounted for $69,600 for one year @ 6% per annum.	0	1,001,414
	878,150	1,784,700
Less: current portion	0	1,001,414
Non-current portion	$ 878,150	$ 783,286

</TABLE>

The notes receivable figure for the year ended March 31, 2000, contains $150,000 which is shown as non-current assets of discontinued operations in the current year's balance sheet on page 3.

6. NOTES PAYABLE

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Note payable by IUMG to Credifinance Capital Corp. bearing interest @ 3% per annum with no maturity date	$ 227,193	0
Note payable by IUFC within one year to RIF Capital Inc. bearing no interest rate	60,000	0
Note payable to the co developer of Receptagen Ltd's research with no minimum periodic payment, no maturity and no rate of interest	0	633,286
	287,193	633,286
Less: current portion	60,000	0
Long-term portion	$ 227,193	$ 633,286

</TABLE>

7. EQUITY INVESTMENT IN INTERUNION ASSET MANAGEMENT LIMITED

On January 25th, 1999, the Company reorganised its investment management interest in order to have them all under one holding company, InterUnion Asset Management Limited ("IUAM"). The Company's interest at the time of the reorganisation were:

<TABLE>
<CAPTION>

<S>	Directly <C>	Indirectly <C>
Black Investment Management Limited	45.0%	-
Guardian Timing Services Limited	100.0%	-
Leon, Frazer, Black & Associates Ltd.	33.3%	14.4%
The Glen Ardith-Frazer Corporation	100.0%	-

</TABLE>

Thereafter, IUAM issued 310,010 convertible preferred shares for C$5,000,000 to Working Ventures Canadian Fund ("WVCF"). Each of these shares was exchangeable into one common share of IUAM, thus reducing the Company's interest to 69%. This transaction was recorded as of January 1, 1999.

On March 9th, 1999, WVCF converted their convertible preferred shares into common shares and subscribed for an additional 569,160 common shares for C$5,000,000.

In October 2000, WVCF exercised a warrant to acquire 44,000 common shares of IUAM, thereby diluting the Company's interest in IUAM to 42.8%.

On April 13, 1999, IUAM acquired an additional 5,978 common shares of Black Investment Management Limited (BIM) for C$209,230 in cash bringing their interest in BIM up to 50.5%. On March 31, 2001, IUAM purchased an additional 3,201 shares in Leon Frazer & Associates Inc. from Black Investment Management Limited, thereby increasing IUAM's direct ownership in Leon Frazer & Associates Inc. to 76.5%.

IUAM's interest in the following companies as of March 31, 2001, was as follows:

<TABLE>
<CAPTION>

<S>	Ownership Interest <C>
Black Investment Management Limited	53.2%
Guardian Timing Services Limited	100.0%
Leon, Frazer & Associates Ltd.	76.5%
The Glen Ardith-Frazer Corporation	100.0%
P.J. Doherty & Associates Co. Ltd	75.0%

</TABLE>

The following is summarised information from IUAM's Audited Consolidated Financial Statements

<TABLE>
<CAPTION>

<S>	March 31, 2001 <C>	March 31, 2000 <C>
Current assets	1,821,292	2,129,414
Non-current assets, excluding goodwill	1,249,204	1,947,468
Goodwill	5,798,410	8,763,090
Current liabilities	513,489	548,810
Non-current liabilities	2,353,620	2,632,847

</TABLE>

<TABLE>

<S>	<C>	<C>
Continued from page F-13		
Minority interests	85,598	208,229
Revenues	4,052,965	3,628,502
Operating Expenses	4,201,643	4,302,810
Net loss for the year	(2,761,919)	(1,150,653)

</TABLE>

Information as to this and other unconsolidated investments is included in Note 15 .

8. CAPITAL STOCK

On September 4,1999, the shareholders voted to increase the authorised number of Common Shares to 5,000,000 from 2,500,000.

Currently, the number of shares that the Company is authorised to issue under each class of stock are:

1,500,000 Class A Preferred Shares, ($0.10 par value), entitled to 100 votes for every one share issued, annual dividends, if declared by the directors, at a rate of $0.01 per share, non-cumulative. In case of liquidation or dissolution of the company, the holder of Class A Preferred Shares shall be entitled to be paid in full the par value of the shares before the holder of the common stock of Class B and C Preferred Stock.

1,000 Class B Preferred Shares, ($0.10 par value), non-voting, annual dividends, if declared by the directors, at a rate to be determined by the directors at the first issuance of these shares, non-cumulative

1,000 Class C Preferred Shares, ($0.10 par value), non-voting, annual dividends, if declared by the directors, at a rate to be determined by the directors at the first issuance of these shares, non-cumulative. These shares are convertible into common stock at terms determined by the directors when these shares are issued.

5,000,000 Common shares ($0.001 par value); each share has one vote

During fiscal 2000, the Company issued 2,128,698 shares of Common Stock for $863,930 by cancelling the debt from its controlling shareholder, RIF Capital Inc. (Note 6) and for the repayment of certain notes payable by RIF Capital Inc.

During fiscal 2001 the Company acquired 243,750 common shares for $150,000 in settlement of a note receivable. The majority shareholder of the Company, RIF Capital Inc., converted its Preferred Class "A" shares into common shares at 1 to 10. During this year the Company exercised a reverse split of common shares at 10 to 1.

9. STOCK OPTIONS

The Company currently issues stock options at the direction of the Board of Directors. To date, non-qualified stock options have been granted to selected key employees under terms and conditions determined by the Board of Directors at the time the options are issued. Presented below is a summary of stock option plan activity:

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/Continued...

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<TABLE>
<CAPTION>

	Number	Wt. Avg. Exercise Price	Options Exercisable	Wt. Avg. Exercise Price
Balance, April 1,1999	360,000	$ 4.00	360,000	$ 4.00
Cancelled	(25,000)	4.00	(25,000)	4.00
Balance, March 31, 2000	335,000	4.00	335,000	4.00
Cancelled	0	4.00	0	4.00
Balance, March 31, 2001	335,000	$ 4.00	335,000	$ 4.00

</TABLE>

Options outstanding and exercisable at March 31, 2001 are as follows:

<TABLE>
<CAPTION>

Outstanding					Exercisable	
Price	Number	Expiry Date	Wt. Avg. Remaining Life	Wt. Avg. Remaining Exercise Price	Number	Wt. Avg. Exercise Price
$ 4.00	85,000	Aug. 2001	<1	$ 4.00	85,000	$ 4.00
4.00	50,000	Sept. 2003	<1	4.00	50,000	4.00
4.00	200,000	May 2005	<3	4.00	200,000	4.00

</TABLE>

SFAS No.123 requires entities that account for awards for stock-based compensation to employees in accordance with APB No.25 to present pro forma disclosures of net income and earnings per share as if compensation cost was measured at the date of grant based on fair value of the award. The fair value for these options was estimated at the date of grant using a Black-Scholes option-pricing model with the following weighted-average assumptions:

<TABLE>
<CAPTION>

<S>	2001 ---- <C>
Expected life of the option	3 - 5 years
Risk free interest rate	7.0 %
Expected volatility	50.0%
Expected dividend yield	0.0 %

</TABLE>

The Black-Scholes option valuation model was developed for use in estimating the fair value of traded options, which have no vesting restrictions and are fully transferable. In addition, option valuation models require the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options, and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its employee stock options. As at March 31, 2001, the shares of IUFC were trading below the exercise price of the option at $4.00 per share. As a result, the options are out of money, have no intrinsic value, and have no impact on the earnings per share. Therefore there is no compensation cost for the Company's stock option plan to recognize based upon the fair value on the grant date under the methodology

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prescribed by SFAS No. 123, and the Company's loss from operations and loss per share would not have been impacted.

For fiscal 2001 and 2000 the basic loss per share diluted loss per share are the same due to anti-dilution effect of options.

10. DISCONTINUATION, DISSOLUTION AND FORMATION OF A NEW COMPANY:

In December 1999, In order to make the organizational structure of IUFC simple and cost effective the management with the consent of the Board of Directors and shareholders decided to dissolve the previously wholly owned subsidiaries: Credifinance Realty Inc., (Ontario, Canada), Credifinance Securities Inc. (Florida, USA), Bearhill Limited (British Virgin Island) and Marbury Trading Corporation (Panama). In January 2000, a new wholly owned subsidiary , InterUnion Merchant Group Inc. (British Virgin Island), was formed which took over the assets and liabilities of the two dissolved subsidiaries, Bearhill Limited and Marbury Trading Corporation. The above dissolution had no significant impact on the financial statements of the Company. As of that date as well, the name of I&B Inc. (Delaware) was changed to Credifinance Capital Corp. (Delaware), "CFCC".

During the second calendar quarter of 2000, the Company sold its investment banking subsidiary, Credifinance Capital Corp. (Delaware) "CFCC" to its majority shareholder RIF Capital Inc. (RIF), as described in note No. 12. The transaction was made effective September 30, 2000 and was approved by the shareholders of the Company at the Company's Annual and Special Shareholders meeting in November 2000. The CFCC was 100% owner of Credifinance Capital Inc. (Toronto, Ontario), "CFCI" and Credifinance Securities Limited (Toronto, Ontario), "CFSL". As a result of sale of CFCC to RIF Capital Inc, the Company, effective September 30, 2000 is no longer involved in investment banking and stock brokerage activities.

The consolidated balance sheet and statement of operations for fiscal 2000 have been restated to show the assets, liabilities and loss from operations of the discontinued operations separately.

11. INCOME TAXES

IUFC files US Federal income tax returns for its US operations and its US subsidiaries. Separate income tax returns are filed, as locally required, for each of its foreign subsidiaries. The provision for income taxes consists of:

<TABLE>
<CAPTION>

Year Ended March 31,	2001	2000
<S>	<C>	<C>
Domestic		
Current	$ 0	$ 0
Deferred	0	0
Foreign		
Current	0	0
Deferred	0	0
Total provision for income taxes	$ 0	$ 0

</TABLE>

The total provision for income taxes differs from that amount which would be computed by applying the

United States federal income tax rate to income (loss) before provision for income taxes. The reasons for these differences are as follows:

<TABLE>
<CAPTION>

Year Ended March 31,	2001		2000	
	Amount	%	Amount	%
<S>	<C>	<C>	<C>	<C>
Statutory income tax rate (recovery)	$ (395,000)	(16.98)	$ (29,680)	(0.87)
Foreign taxes payable	0	0	0	0
Use of losses carried forward	0	0	(22,250)	(0.67)
Non-deductible items	1,125	0.05	5,000	0.1
Other, including valuation	0	0	0	0
Allowance adjustment	393,875	16.93	46,930	0.1
Net taxes (recovery) and effective rate	$ 0	0	$ 0	0

</TABLE>

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax basis of assets and liabilities and net operating loss carry-forwards. Temporary differences and carry-forwards, which give rise to, deferred tax assets and liabilities are as follows:

<TABLE>
<CAPTION>

	March 31, 2001		March 31, 2000	
	Component	Tax Effect	Component	Tax Effect
<S>	<C>	<C>	<C>	<C>
Net operating losses - domestic	$ 1,746,000	$ 392,000	$ 86,000	$ 17,500
Unrealised gains - domestic	0	0	0	
Less valuation allowance	(1,746,000)	(392,000)	(86,000)	(17,500)
Net deferred asset	$ 0	$ 0	$ 0	0
Net operating losses - foreign	$ 2,326,000	$ 116,000	$ 446,800	$ 196,000

Less valuation allowance	$ (2,326,000)	(116,000)	(446,800)	(196,000)
Net deferred asset	$ 0	$ 0	$ 0	$ 0

</TABLE>

At March 31, 2001, the Company had cumulative net operating loss carry-forwards of approximately $1,746,000 and $ 2,326,000 in the United States and British Virgin Islands respectively. These amounts will expire in various years through 2010. The related deferred tax asset have been completely offset by a valuation allowance. The Company has no significant deferred tax liabilities.

12. RELATED PARTY TRANSACTIONS:

Directors, officers or employees of the Company may also be officers of and serve on the board of directors of companies in which IUFC or its subsidiaries have invested.

Effective September 2000, as discussed in note No. 10, the Company sold its investment banking subsidiary, Credifinance Capital Corp. (CFCC) to its majority shareholder RIF Capital Inc. The income from operations of CFCC for the six months to September 2000, derived from revenues of approximately $1,258,000, was $358,169 which is shown as income from discontinued operations in a separate line in the income statement. However, as a result of disposal of discontinued assets of CFCC, the Company incurred a loss of $780,401. As a part of the discontinuation of CFCC operations, as of September 30, 2000, IUFC transferred the Notes Payable of $633,286 and its investment in B-Twelve Inc., at carrying value, to CFCC (Note No. 13)

During the year ending March 31, 2001, the Company incurred an expense of $50,000 on account of one Director's Fee. The fee is to be paid by issuing 16,575 common shares in the fiscal year 2002.

During the fiscal year ending March 31, 2000, the Company received US $125,000 from RIF Capital, its majority shareholder, as "Fee" for the services rendered.

During the year ending March 31, 2000, the wholly owned subsidiaries of the Company received from Receptagen Ltd., an affiliate, in total, US$ 55,259 as fee for certain services provided to it; and US $ 4,139 as a reimbursement for the expense incurred on behalf of Receptagen Ltd. As of March 31, 2000, the Company had US $ 5,310 receivable from Receptagen Ltd.

13. SUPPLEMENTAL CASH FLOW DISCLOSURE

The following is additional information regarding the Consolidated Statement of Cash Flows:

<TABLE>
<CAPTION>

Supplemental disclosure of cash flow information:	2001	2000
<S>	<C>	<C>
Cash paid during the year for interest	$ 20,200	$ 9,237
Cash paid during the year for income taxes	10,483	7,178
Supplemental disclosure of non-cash financing and investing:		
Non-cash consideration received	0	255,000
Liabilities paid by issuing common stock	0	863,930
Shares of B-12 Inc. transferred at carrying value in exchange for notes receivable	1,228,607	0
Note payable to co-developers of Receptagen Ltd assumed by CFCC in exchange for notes payable to CFCC	633,286	
Notes receivable settled by repossessing Company's 243,750 common shares	150,000	
1,500,000 preferred shares converted into common shares at the rate of 1 to 10	150,000	0

</TABLE>

==

INTERUNION FINANCIAL CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2001 AND 2000

==

14. SEGMENT INFORMATION

The following tables summaries the revenues, operating income (losses) from continuing operations and identifiable assets by geographical area.

<TABLE>
<CAPTION>

<S>	Canada <C>	United States <C>	Other <C>	Adjustments & Elimination <C>	Consolidated <C>
For the year ended and as of March 31, 2001					
Revenue from unaffiliated customers	$ 57	$ 332,972	$ 0	$ 0	$ 333,029
Revenue from Inter-segments	0	0	0	0	0
Total revenue	57	332,972	0	0	333,029
Depreciation & Amortization	0	5,588	0	0	5,588
Operating profit	57	327,384	0	0	327,441
General corporate expenses	32,021	2,175,514	0	0	2,207,535
Interest expenses, net	3,399	20,200	0	0	23,599
Income from continuing Operations before provision for income taxes	(35,363)	(1,868,330)	0	0	(1,903,693)
Loss from Discontinued Operations	0	(422,232)	0	0	(422,232)
Net income (loss) for the period	(35,363)	(2,290,562)	0	0	(2,325,925)
Identifiable assets	$ 4,005	$ 3,618,092	$ 0	(477,763)	$ 3,144,334
For the year ended and as of March 31, 2000					
Revenue from unaffiliated customers	$ 781,770	$ 508,501	$ 150,100	$ 0	$ 1,440,371
Revenue from Inter-segments					
Total revenue	781,770	508,501	150,100	0	1,440,371
Depreciation & Amortization	10,034	145,025	1,010,333	-	1,165,392
Operating profit	229,267	385,271	(1,010,233)	0	(395,695)
General corporate expenses	250,015	1,562,072	50,094	0	1,862,181
Interest expenses, net	78,070	28,506	69,600	0	176,176
Income from continuing Operations before provision for income taxes	(108,853)	(1,350,331)	(2,140,260)	0	(3,599,444)
Identifiable assets	$ 4,263,066	$ 8,729,326	$ 1,703,934	$(4,973,797)	$ 9,722,529

</TABLE>

15. INVESTMENT IN UNCONSOLIDATED COMPANIES:

It is a Company policy to account of all investments in unconsolidated companies on a cost basis if the investment of the Company is below 20% of equity of the investee company. If the ownership of the equity of the investee company is between 20% to 50% then investment is accounted for on an equity basis. The investment in the unconsolidated companies and their respective ownership are shown below:

<TABLE>
<CAPTION>

Company	% of Ownership Year 2001	% of Ownership Year 2000	Amount of investment Year 2001 $	Amount of investment Year 2000 $
Receptagen Ltd.	0	22.62%	0	30,089
B-Twelve Inc.	0	8.80%	0	255,000
InterUnion Asset Management Inc.	42.8%	44.00%	2,191,135	3,354,590
			2,191,135	3,639,680

</TABLE>

There is no difference between the Company's carrying value of the investments and its proportionate interest in the underlying net assets.

16. LONG TERM ASSETS:

<TABLE>
<CAPTION>

	Year 2001	Year 2000
Stock Exchange Seat, Toronto and Montreal	$ 0	$ 77,493

</TABLE>

Shown on consolidated balance sheet as non-current assets of discontinued operations (Note 10)

17. CONTINGENCIES:

From time to time the Company is exposed to claims and legal actions in the normal course of business, some of which are initiated by the Company. At March 31, 2001, management believes that any such outstanding issues will be resolved without significantly impairing the financial condition of the Company.

18. WRITE DOWN IN PROPERTY & EQUIPMENT

During the fiscal year 2000, the book value of ITM Software owned by InterUnion Merchant Group Inc., a wholly owned subsidiary of the Company, was $1,154,666. The Company was amortising the above software at a rate of $192,444 per annum. However, due to an uncertain future of the software and its inability to produce an identifiable cash flow in the near future the Company decided to write it down to zero in the fiscal year 2000. This resulted in an amortisation expense in 2000 of $ 1,154,666.

19. WRITE DOWN IN INVESTMENT

During the fiscal year 2000, InterUnion Merchant Group Inc., a wholly owned subsidiary of the Company, had an investment of $1,231,618 in

Receptagen Ltd., a Canadian based Company, and the Company had a direct investment of $49,805. Due to the uncertain future of Receptagen Ltd., the Company decided to write down value of its investment to the market value of Receptagen Ltd. shares as of March 31, 2000. This caused a write down of investment to $ 30,089. Due to this the Company recorded an unrealised loss in 2000 of $1,251,334. In fiscal 2001, the above investment was sold resulting in a loss of $27,379

20. WRITE DOWN OF NOTES RECEIVABLE:

During the fiscal year 2001, the Company wrote-down notes receivable of $633,286 from Receptagen Limited as management considered this amount unrecoverable.

==

INTERUNION ASSET MANAGEMENT LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED MARCH 31, 2001 AND MARCH 31, 2000

<TABLE>
<CAPTION>

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- --

<S> <C>

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</TABLE>

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BDO Dunwoody LLP Markham Ontario Canada L3R 0C9
[BDO DUNWOODY LLP Chartered Accountants Telephone (905) 946-1066
LOGO] and Consultants Telefax: (905) 946-9524

- --

AUDITORS' REPORT

- --

TO THE SHAREHOLDERS OF
INTERUNION ASSET MANAGEMENT LIMITED

We have audited the consolidated balance sheets of InterUnion Asset Management Limited as at March 31, 2001 and 2000 and the consolidated statements of operations and deficit and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these 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 March 31, 2001 and 2000 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

(signed by BDO Dunwoody LLP)

Chartered Accountants

Toronto, Canada
April 27, 2001

BDO Dunwoody LLP is a Limited Liability Partnership registered in Ontario

INTERUNION ASSET MANAGEMENT LIMITED
Consolidated Balance Sheets
(amounts expressed in Canadian dollars unless otherwise stated)
(as at March 31)

- --
<TABLE>
<CAPTION>

	2001	2000
Assets		
Current:		
Cash	$ 661,238	$ 525,621
Marketable securities, at market (note 4)	1,535,670	1,991,800
Accounts receivable and accrued revenue (note 10)	576,068	472,166
Prepaid expenses	76,989	71,317
Future income tax asset	26,108	26,108
	2,876,073	3,087,012
Management contracts, net (note 5)	1,619,048	2,304,762
Capital assets, net (note 6)	338,945	447,006
Investments, at cost (note 7)	13,915	71,477
Goodwill (note 8)	9,152,976	12,703,851
Total assets	$ 14,000,957	$ 18,614,108
Liabilities		
Current:		
Bank indebtedness	$ 16,041	$ 36,853
Accounts payable and accrued liabilities (note 10)	644,082	542,578
Current portion of long term debt	18,000	69,339
Income taxes payable	48,494	146,840
Deferred revenue	83,942	76,493
	810,559	872,103
Deferred inducements (note 9)	44,514	45,371
Long term debt (note 11)	39,500	151,224
Other liabilities (note 10)	131,250	43,750
Preference shares (note 12)	3,500,000	3,500,000
	4,525,823	4,612,448
Non-controlling interest	135,119	301,869
Shareholders' Equity		
Shareholders' equity:		
Share capital (note 13)	16,358,559	16,358,558
Deficit	(7,018,544)	(2,658,767)
Total shareholders' equity	9,340,015	13,699,791
Total liabilities and shareholders' equity	$ 14,000,957	$ 18,614,108

</TABLE>
- --

See accompanying notes to consolidated financial statements

Approved by the Board:

Director /s/ Selwyn J. Kletz Director /s/ Jim Hall
Selwyn Kletz Jim Hall

INTERUNION ASSET MANAGEMENT LIMITED
Consolidated Statements of Operations and Deficit
(amounts expressed in Canadian dollars unless otherwise stated)
(for the years ended March 31)

<TABLE>
<CAPTION>

	2001	2000
Revenue:		
Management fees	$ 6,198,691	$ 5,316,239
Other income (loss) (note 3 and 10)	199,044	(56,000)
	6,397,735	5,260,239
Operating expense		
Commission and incentives	933,377	1,023,113
Salaries and benefits	3,488,823	2,848,340
Marketing and advertising	205,925	435,022
Office and general	1,158,597	1,397,057
Professional fees	375,407	251,932
Amortization of management contracts	335,714	195,238
Amortization of capital assets	134,585	87,081
	6,632,428	6,237,783
Operating loss before undernoted	(234,693)	(977,544)
Interest expense		
Current	31,971	39,328
Long term	190,083	90,371
	222,054	129,699
Loss before amortization and impairment of goodwill, non-controlling interest and income taxes	(456,747)	(1,107,243)
Income taxes (note 14)		
Current income taxes	509,376	212,224
Future income taxes (benefit)	--	(26,108)
	509,376	186,116
Loss before amortization and impairment of goodwill and non-controlling interest	(966,123)	(1,293,359)
Amortization of goodwill	834,531	573,740
Impairment of goodwill (note 8)	2,565,000	--
	3,399,531	573,740
Loss before non-controlling interest	(4,365,654)	(1,867,099)
Non-controlling interest	(5,877)	(198,998)
Net loss, for the year	(4,359,777)	(1,668,101)
Deficit, beginning of year	(2,658,767)	(990,666)
Deficit, end of year	$ (7,018,544)	$ (2,658,767)

</TABLE>

See accompanying notes to consolidated financial statements

INTERUNION ASSET MANAGEMENT LIMITED
Consolidated Statements of Cash Flows
(amounts expressed in Canadian dollars unless otherwise stated)
(for the years ended March 31)

(amounts expressed in Canadian dollars unless otherwise stated)

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Cash flows from operating activities		
Net loss	$ (4,359,777)	$ (1,668,101)
Adjustments for:		
Amortization of goodwill	834,531	573,740
Amortization of management contracts	335,714	195,238
Amortization of capital assets	134,585	87,081
Deferred inducements	3,160	318
Unrealized loss on investment	57,562	133,000
Provision for doubtful receivable	25,750	218,000
Future income tax asset	--	(26,108)
Gain on sale	(226,590)	--
Impairment of goodwill	2,565,000	--
Non-controlling interest	(5,877)	(198,998)
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	(103,902)	52,677
Increase (decrease) in accounts payable	101,504	(701,249)
Increase (decrease) in income taxes payable	(98,346)	158,762
Other items, net	3,040	(237,955)
	(733,646)	(1,413,595)
Cash flows from investing activities		
Acquisition of capital assets, net of disposals	(26,524)	(293,347)
Dispositions (acquisitions), net of cash acquired (disposed)	723,532	(4,401,403)
Sale (purchase) of marketable securities	456,130	(1,253,506)
	1,153,138	(5,948,256)
Cash flows from financing activities		
Decrease in bank indebtedness	(20,812)	(188,842)
Proceeds from long term borrowings	--	32,829
Repayments of long term borrowings	(163,063)	(67,234)
Dividend paid to non-controlling interest	(100,000)	(25,000)
	(283,875)	(248,247)
Net increase (decrease) in cash	135,617	(7,610,098)
Cash at beginning of year	525,621	8,135,719
Cash at end of year	$ 661,238	$ 525,621
Supplemental Cash Flows Information		
Interest paid	$ 112,692	$ 88,571
Income taxes paid	606,044	65,921

</TABLE>

See accompanying notes to consolidated financial statements

1. NATURE OF BUSINESS

InterUnion Asset Management Limited, formerly Cluster Asset Management Limited, was incorporated on August 13, 1997 under the laws of Ontario. The principal business activities of InterUnion Asset Management Limited and its subsidiaries are discretionary and advisory portfolio management services for its clients and the acquisition of investment management firms.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Principles of Consolidation

These consolidated financial statements include the accounts of

InterUnion Asset Management Limited and its subsidiaries. The principal operating subsidiaries are Black Investment Management Ltd., Glen Ardith-Frazer Corporation, Guardian Timing Services Inc., Leon Frazer & Associates Inc., P.J. Doherty & Associates Co. Ltd. and A.I.L. Investment Services Inc. (see note 3). Unless the context implies otherwise, the term "Company" collectively refers to InterUnion Asset Management Limited and all of its subsidiaries.

b) Marketable Securities
Marketable securities are valued at market and unrealized gains and losses are reflected in income.

c) Management Contracts
Management contracts are recorded at cost less accumulated amortization and are amortized on a straight-line basis over a period of 7 years. The Company assesses the value of its management contracts by considering the future economic benefit associated with the revenue capacity of the related contracted items.

d) Capital Assets
Capital assets are recorded at cost less accumulated amortization. Amortization is provided on the following basis:

<TABLE>
<S> <C>

Computer equipment	30% declining balance
Furniture and fixtures	20% declining balance
Leasehold improvements	over the term of lease on a straight line basis

</TABLE>

e) Goodwill
Goodwill being the excess of cost over assigned values of net assets acquired, is stated at cost less amortization. Amortization is provided on a straight-line basis over periods from 15 to 20 years. The value of goodwill is evaluated regularly by reviewing, among other items, the undiscounted cash flows relating to the returns of the related business, and by taking into account the risk associated with the investment. Any impairment in the value of the goodwill is written off against operations.

f) Revenue Recognition
Revenue is recognized by the Company on an earned basis. For its services, the Company is entitled to an annual fee payable monthly or quarterly, depending on its agreement with the client. Fees are calculated based on the fair market value of the portfolio at the end of each month. Fees billed in advance are recorded as deferred revenue and taken into income evenly over the term of the stated billing.

g) Financial Instruments
The Company's financial instruments consist of cash, bank indebtedness, marketable securities, accounts receivable, investments, accounts payable and accrued liabilities, other liabilities, preference shares and long term debt. It is management's opinion that the Company is not exposed to significant interest risks arising from these financial instruments. Unless otherwise noted, the fair value of these financial instruments approximates their carrying values.

The Company is exposed to credit risk on the accounts receivable from its customers. Management has adopted credit policies in an effort to minimize those risks. The Company does not have a significant exposure to any individual customer or counter-party.

h) Income Taxes
As recommended by The Canadian Institute of Chartered Accountants, effective April 1, 1999, the Corporation adopted the liability method of accounting for income taxes. Under this method, future tax assets and liabilities are recognized for temporary differences between the financial reporting and tax bases of assets and liabilities as well as for the benefit of losses available to be carried forward to future years for tax purposes that are likely to be realized.

(amounts expressed in Canadian dollars unless otherwise stated)

i) Stock-Based Compensation Plan
The Company's stock-based compensation arrangements are described in Note 13. No compensation expense is recognized for these arrangements when stock options are issued to employees. Any consideration paid by employees on exercise of stock options is credited to share capital. If stock options are repurchased from employees, the excess of the consideration paid over the carrying amount of the stock option cancelled is charged to retained earnings.

j) Use of Estimates
The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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3. ACQUISITIONS AND DISPOSITIONS

The following are acquisitions made during the periods. These acquisitions were accounted for by the purchase method and consolidated from the respective effective date of acquisition, except where noted.

Fiscal 2001 Acquisitions:
o On March 31, 2001 the Company purchased an additional 3,201 shares in Leon Frazer & Associates Inc. from Black Investment Management Limited, thereby increasing the Company's direct ownership in Leon Frazer & Associates Inc. to 76.5%. Subject to certain provisions of the call option agreement, Black Investment Management Limited shall have the right on May 16, 2001 to require the Company to sell back to Black Investment Management Limited the 3,201 shares.

Fiscal 2000 Acquisitions:
o The Company purchased an additional 5,978 shares in Black Investment Management Limited on April 13, 1999 for cash considerations of $209,230. The purchase increased the Company's ownership to 50.5%.

o The Company purchased an additional 3,000 shares in Black Investment Management Limited on July 22, 1999 for cash consideration of $105,000.

o On November 19, 1999, the Company completed the acquisition of 75% of P.J. Doherty & Associates Co. Ltd. for total consideration of $7,632,022. Goodwill of $5,340,879 resulting from this acquisition is being amortized over 15 years.

o Effective February 29, 2000, the Company acquired an additional 7,610 shares in Leon Frazer & Associates Inc. in exchange for 100% of the Company's investment in The Glen Ardith-Frazer Corporation. The transaction was accounted for using the Company's carrying value of $2,356,927 at

February 29, 2000 and represents a continuity of interest. The acquisition increased the Company's direct ownership to 59.2%.

o The assets acquired and consideration given are as follows:

<TABLE>
<CAPTION>

	12 months ended March 31, 2000
<S>	<C>
Cash	$ 44,849
Net assets (liabilities) acquired, at fair value	311,601
Management contracts	2,000,000
	2,356,450
Consideration	
Cash	4,324,310

(amounts expressed in Canadian dollars unless otherwise stated)

Class A Preference Shares	3,500,000	
Direct acquisition expenses	121,942	
	7,946,252	
Goodwill	$ 5,589,802	

</TABLE>

Fiscal 2001 Dispositions:

- On September 29, 2000, the Company sold its share ownership in A.I.L. Investment Services Inc. (AILISI), a wholly owned subsidiary, for net cash proceeds of $611,000. AILISI provided all management and administrative services for one mutual fund corporation. The primary asset of AILISI was a management contract with a net book value of $350,000 on the date of sale (2000 - $400,000). Included in `Other income' is a net gain of $197,000 resulting from this transaction.

---

4. MARKETABLE SECURITIES

Marketable securities are recorded at market values and comprise the following:

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Bankers Acceptance	$ 1,094,850	$ 1,554,482
Money Market Mutual Funds	409,047	393,309
Other Mutual Funds	31,773	44,009
	$ 1,535,670	$ 1,991,800

</TABLE>

The Bankers Acceptance outstanding at March 31, 2001 matures on April 30, 2001. Annualized yield on this security is 5.86%.

---

5. MANAGEMENT CONTRACTS

Management contracts comprise the following:

<TABLE>
<CAPTION>

	2001			2000
<S>	Cost <C>	Accumulated Amortization <C>	Net Book Value <C>	Net Book Value <C>
Management contract (see note 3)	$ --	$ --	$ --	$ 400,000
Non-competition agreement	2,000,000	380,952	1,619,048	1,904,762
	$ 2,000,000	$ 380,952	$ 1,619,048	$ 2,304,762

</TABLE>

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6. CAPITAL ASSETS

Capital assets comprise the following:

<TABLE>
<CAPTION>

	2001			2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value

(amounts expressed in Canadian dollars unless otherwise stated)

<S> <C> <C> <C> <C>

Computer equipment	$ 635,122	$ 504,032	$ 131,090	$ 176,879
Furniture and fixtures	443,532	330,097	113,435	137,785
Leasehold improvements	158,277	63,857	94,420	132,342
	$ 1,236,931	$ 897,986	$ 338,945	$ 447,006

</TABLE>

- --

7. INVESTMENTS

Investments are carried at the lower of cost and fair value and include the following:

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
2,722 (2000 - 27,224 before 10 to 1 reverse stock split) common shares of InterUnion Financial Corporation, a shareholder of the Company, held by a subsidiary of the Company (quoted market value - $6,168; March 31, 2000 - $36,997)	$ 3,914	$ 17,000
44,477 Class A preference shares of Kanata Capital Inc., a corporation controlled by minority shareholders of and held by a subsidiary (it is impractical to determine a fair value as the company is privately held and there is no ready market)	1	44,477
Other investments	10,000	10,000
	$ 13,915	$ 71,477

</TABLE>

- --

8. GOODWILL

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Cost	$ 13,610,691	$ 13,762,035
Impairment of goodwill	2,565,000	--
Accumulated amortization	1,892,715	1,058,184
	$ 9,152,976	$ 12,703,851

</TABLE>

In the current year, the Company has recorded goodwill impairment charges of $2,565,000 on its investments in Black Investment Management Ltd. and Guardian Timing Services Inc. Impairment has resulted from significant client departures and the disposition of several product offerings. In the case of Black Investment Management Ltd., the amount of impairment is based on the estimated net realizable cash value while in Guardian Timing Services Inc., the amount of impairment is based on estimated undiscounted future cash flows.

- --

9. DEFERRED INDUCEMENTS

Deferred inducements comprise the following:

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Deferred lease inducement	$ 44,514	$ 45,371

</TABLE>

(amounts expressed in Canadian dollars unless otherwise stated)

- --

A controlled company's lease at its Toronto premises provides for rent-free periods and periods of significantly reduced rent. In order to properly reflect these rental inducements over the term of the lease, the total lease payments have been aggregated and allocated over the term of the lease on a straight-line basis. This treatment of rental inducements has given rise to deferred rent inducements which will be applied to income over the term of the lease.

The controlled company has sub-let certain of its leased premises for the term of the lease. Included in deferred inducements are expenses associated with the sub-lease arrangement which have been deferred and will be amortized over the remaining life of the sub-lease.

- --

10. RELATED PARTY TRANSACTIONS

Transactions with shareholders, officers and directors of the Company influenced by the aforementioned parties are considered related party transactions.

Summary of the related party transactions affecting the accounts are as follows:

<TABLE>
<CAPTION>

	2001	2000
<S>	<C>	<C>
Revenue		
Management fees	$ --	$ 128,000
Other income	29,700	--
Expenses		
Commissions and incentives	83,900	23,200
Marketing and advertising	--	31,250
Interest expense	175,000	63,500
Office and general	42,800	138,200
Professional fees	4,800	25,000

</TABLE>

These transactions are in the normal course of operations and are measured at the exchange values (the amount of consideration established and agreed to by the related parties), which approximate the arm's length equivalent values.

Related party balances in the accounts are as follows:

<TABLE>
<CAPTION>

	2001	2000
<S>	<C>	<C>
Accounts receivable	$ --	$ 71,460
Accounts payable	21,875	46,880
Other liabilities	131,250	43,740

</TABLE>

These balances are interest-free, unsecured, payable on demand and have arisen from the transactions referred to above (except for Other liabilities which is due on November 19, 2002 and has arisen on issuance of preferred shares).

- --

11. LONG-TERM DEBT

<TABLE>
<CAPTION>

	2001	2000
<S>	<C>	<C>

Demand installment loan, monthly principal payments of $2,700, interest at prime plus 2%. The loan was repaid during the current year.	$ --	$ 114,100
Demand bank loan, interest at prime +1/2%, monthly principal payments of $1,500 commencing January 2000.	57.500	75,500
Bank loan, interest at prime + 1 1/2%. The loan was repaid during the current year.	--	25,164
10% note payable to a director and non-controlling interest shareholder. The loan was repaid during the current year.	--	5,799
	57.500	220,563
Less: current portion	18,000	69,339
	$ 39,500	$ 151,224

</TABLE>

The demand bank loan is guaranteed by two of a subsidiary company's shareholders.

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12. PREFERENCE SHARES

3,500 Cumulative Redeemable Convertible Class A Preference Shares (with a value equal to $1,000 per share) were issued on November 19, 1999 as consideration for the acquisition of P.J. Doherty & Associates Co. Ltd. These Class A Preference Shares are redeemable at the option of either the holders (commencing November 19, 2002, subject to certain provisions for early redemption arising from non-payment of dividends and an Initial Public Offering of the Common Shares of the Company prior to November 19, 2002) or the Company (commencing November 19, 2001) at $1,000 per share. In the instance that the Class A Preference Shares are redeemed by the Company, the holders are entitled to a cash premium of 2.5% per annum, calculated from the original issue date together with all dividends accruing thereon whether or not declared. At any time after issuance, each Class A Preference Share is convertible to 80.61 Common Shares (see note 13) at a conversion price of $12.7538 per Common Share (subject to certain provisions with respect to the issuance of additional Common Shares). Holders of these Class A Preference Shares are entitled to quarterly cumulative cash dividends of: i.) 2.50% per annum until the third anniversary of the original issue date; and ii.) 5.00% per annum, thereafter. Holders of these Class A Preference Shares are also entitled to an additional dividend of 2.50% per annum accruing until and payable on the earlier of: i.) the third anniversary of the original issue date; ii.) the date on which Common Shares are delivered to the holder pursuant to a conversion of Class A Preference Shares; and iii.) the redemption of such Class A Preference Shares. As these Class A Preference Shares are redeemable at the option of the holders, the value of these shares have been classified as long-term debt on the balance sheet. These Class A Preference Shares are collateralized by a pledge by the Company of 4,000,000 common shares in the capital of P.J. Doherty & Associates Co. Ltd. valued at $4,000,000.

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13. SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Preference Shares (issuable in series).

The Preference Shares were voting, convertible, and rank in priority to the Common Shares with respect to the payment of dividends and the distribution of assets on liquidation, dissolution, or wind-up. The remaining conditions attached to the Preference Shares were to be fixed by the Directors of the Corporation before any series of Preference Shares are issued.

During the prior year, the articles of the Company were amended to cancel the former Preference Shares and to authorize the issuance of an unlimited number of Class A and Class B Preference Shares, issuable in Series (note 12).

(amounts expressed in Canadian dollars unless otherwise stated)

Details of issued share capital are as follows:

<TABLE>
<CAPTION>

	Shares		Amount	
	Common	Preference	Common	Preference
<S>	<C>	<C>	<C>	<C>
March 31, 2000	1,568,161	--	$ 16,358,558	$ --
Issued on conversion of warrants	44,000	--	1	--
March 31. 2001	1,612,161	--	$ 16,358,559	$ --

</TABLE>

During a prior fiscal period, the Board of Directors of the Company approved the granting of options to employees to purchase up to 136,300 common shares of the Company which may be granted from time to time. Various vesting requirements are associated with each employee grant.

Subsequently, as a result of the issuance of common shares relating to the warrant referred to above, in the current year, additional stock options were issued and the preferred share conversion ratio was adjusted to maintain the proportionate holdings of the option holders and preferred shareholders as required under the terms of the financial instruments.

Vested Options

<TABLE>
<CAPTION>

			Number of Options			
Fiscal year granted	Vested expiry date	Exercise price	Outstanding, March 31, 2000	Issued/ Vested	Exercised	Outstanding, March 31, 2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1999	Jan 21, 2009	$16.13	36,300	1,019	--	37,319
1999	Jan 21, 2009	$0.001	22,000	617	--	22,617
2000	May 10, 2009	$13.00	9,167	11,566	--	20,733

</TABLE>

Unvested Options

<TABLE>
<CAPTION>

			Number of Options				
Fiscal year granted	Vested expiry date	Exercise price	Outstanding, March 31, 2000	Issued	Vested	Forfeited/ Expired	Outstanding, March 31, 2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1999	Jan 21, 2009	$16.13	--	1,019	1,019	--	--
1999	Jan 21, 2009	$0.001	11,000	926	617	11,309	--
2000	May 10, 2009	$13.00	23,833	926	11,566	--	13,193

</TABLE>

Unvested options with an exercise price of $0.001 will vest on the basis of specific employee performance related to the acquisition of assets under management. The unvested options expired on March 31, 2001 as performance criteria were not met. Unvested options with an exercise price of $13.00 will vest evenly over a three-year term.

14. INCOME TAXES

The Company's effective income tax rate used in determining the provision for income taxes is as follows:

<TABLE>

	2001	2000
Combined statutory tax rate (recovery)	(43.5)%	(44.6)%
Deduct:		
Non-deductible expenses	27.3	5.6
Unrecognized losses carried forward	151.1	53.8
Non-taxable gains	(27.7)	--
Other, net	4.3	2.0
Effective income tax rate	111.5%	16.8%

As at March 31, 2001, the consolidated group had approximately $2,079,000 of non-capital losses (March 31, 2000 - $1,512,000) and $391,000 (March 31, 2000 - $13,000) of capital losses which may be carried forward and utilized to reduce future years' taxable income and capital gains, respectively. These figures reflect the reduction of $507,000 in non-capital losses arising from the sale of AILISI. In addition, the consolidated group also has $280,000 in restricted capital losses arising from a related party transaction. Capital losses can be carried forward indefinitely. The right to claim the non-capital losses expires as follows:

Expiry	
2005	$ 146,000
2006	135,000
2007	757,000
2008	1,041,000

During the year, the Company's future income tax asset increased by $381,000 and totaled $1,182,000 (March 31, 2000 - $801,000) after applying the statutory tax rate to the temporary differences and non-capital and capital losses described above.

Subsequently, the net change to the valuation allowance during the year, and the total valuation allowance as at March 31, 2001 provided by the Company, increased by $381,000 and totaled $1,156,000 (March 31, 2000 - $775,000) to reduce the future income tax asset, reflecting the uncertainty of full realization of the future income tax asset.

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15. LOSS PER SHARE

Basic loss per share has been calculated on a weighted average basis of common shares outstanding during the period.

	2001	2000
Weighted average common shares - basic calculation	1,612,161	1,612,161

The calculations of fully diluted earnings per share is based upon the common shares outstanding during the period as above and not adjusted by the unexercised convertible Class A Preference shares and vested options in computing diluted loss per share because their effects were antidilutive.

	2001	2000
Basic loss per share	$ (2.70)	$ (1.03)

(amounts expressed in Canadian dollars unless otherwise stated)

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In accordance with revised recommendations of The Canadian Institute of Chartered Accountants, the company adopted on a retroactive basis the accounting standards for calculating Earnings Per Share. Accordingly, prior period basic earnings per share has been restated to account for the effect of the outstanding warrants issued which were contingent upon certain conditions which had been satisfied at March 8, 1999. The basic earnings per share reported in the prior year has been increased by $0.03 per share.

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16. COMMITMENTS

The Company has basic lease payments exclusive of operating costs for the premises and office equipment for the next four years as follows:

<TABLE>

<S>	<C>	<C>
	2002	$ 256,000
	2003	149,000
	2004	98,000
	2005	18,000

</TABLE>

The Company has employment contracts and obligations with seven of its employees at the following annual base salaries amount:

<TABLE>

<S>	<C>	<C>
	2002	$ 1,010,000
	2003	614,000
	2004	490,000
	2005	326,000

</TABLE>

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17. RECONCILIATION OF CANADIAN AND UNITED STATES GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in Canada ("Canadian GAAP"). Material differences at March 31 between Canadian GAAP and accounting principles generally accepted in the United States ("U.S. GAAP") are described below:

a) Statements of Operations:

The application of U.S. GAAP would have the following effect on net loss for the quarter and loss per common share as reported:

<TABLE>
<CAPTION>

<S>	<C> 2001	<C> 2000
Net loss for the period, Canadian GAAP	$ (4,360,000)	$ (1,668,000)
Stock based compensation (i)	69,000	(175,000)
Net loss for the period, U.S. GAAP	$ (4,291,000)	$ (1,843,000)
Loss per common share under U.S. GAAP	$ (2.66)	$ (1.14)

</TABLE>

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(i) Stock-Based Compensation Expense

The Company does not recognize compensation expense for stock options granted. Under U.S. GAAP, Accounting Principles Board ("APB") Opinion No. 25 requires that stock based compensation cost be recorded using the intrinsic-value method. FASB Statement of Financial Accounting Standard ("SFAS") No. 123 encourages the Company to record compensation expense using the fair-value method. In reconciling Canadian GAAP with U.S. GAAP, the Company has chosen to measure compensation costs related to stock options in accordance with APB 25.

Under APB 25 the intrinsic-value of vested options would have been $0 (2000 - $177,000). The intrinsic-value of unvested options is estimated to be $0 (2000 - $177,000 with a vesting period of two years). Accordingly, had the Company recognized compensation cost related to the unvested options outstanding at March 31, 2000, the intrinsic value would have been amortized over the vesting period, or in amounts of $88,500 in each vesting year. However, as performance conditions attached to certain of these unvested options were not met, current year compensation costs under APB 25 would have been adjusted accordingly. Therefore, total compensation cost for the period under APB 25 would have been $(69,000) (2000 - $175,000). Had the Company booked compensation expense in accordance with APB 25, basic loss per share would have been decreased by $0.04 (2000 - increased by $0.11).

b) Other Disclosures:

(i) Stock-Based Compensation Expense

For options granted in the prior fiscal year, the estimated fair value of the underlying equity at date of grant was $13.00. As such, compensation costs under SFAS 123 would have totaled $227,700 with a vesting period of three years.

The fair value estimates were determined using the Black-Scholes option-pricing model. Valuation was based on a risk-free interest rate of 5.46%, an expected term of 10 years, an expected volatility of 30% and no expected dividends. Had the Company booked compensation expense, loss per common share would have been increased by $0.14.

(ii) Comprehensive Income

FASB SFAS No. 130 introduced the concept of Comprehensive Income. Under this pronouncement, U.S. GAAP requires companies to report Comprehensive Income as a measure of overall performance. Comprehensive Income includes net income and all other changes in equity, exclusive of shareholders' contributions or any distributions to shareholders. The application of FASB SFAS N0. 130 would not have a material effect on net loss for the period and loss per common share as reported under U.S. GAAP.

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18. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

Certain comparative figures have been restated to conform with the current year's presentation.