UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)
[X] QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended SEPTEMBER 30, 2000

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____________ to ____________

Commission file number ___________________________________

INTERUNION FINANCIAL CORPORATION

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

Delaware	87-0520294
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
249 Royal Palm Way, Suite 301 H, Palm Beach, Fl	33480
(Address of principal executive offices)	(Zip Code)
(561) 820 - 0084	(561) 655 - 0146
(Issuer's telephone number)	(Issuer's telecopier number)

(Former name, former address and former fiscal year, if changed since last report)

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 [ ]

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant filed all documents and reports required to be filed by Section 12, 13 or 15 (d) of the Exchange Act after the distribution of securities under a plan confirmed by a court. Yes [ ] No [ ]

APPLICABLE ONLY TO CORPORATE ISSUERS

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date: $0.001 Par Value Common Shares - 18,999,373 as of September 30, 2000.

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

PART I - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

INTERUNION FINANCIAL CORPORATION

UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THE PERIOD ENDED SEPTEMBER 30, 2000

<TABLE>
<CAPTION>

	Three Months Ended		Six Months Ended	
	30-Sep-00	30-Sep-99	31-Sep-00	31-Sep-99
<S>	<C>	<C>	<C>	<C>
REVENUES				
Investment Banking	$ 26,972	$ 50,475	$ 269,199	$ 410,295
Interest Income	46,621	29,257	46,898	62,242
	73,593	79,732	316,097	472,537
EXPENSES				
Selling, General & Administration	239,988	48,415	278,288	93,378
Amortization & Depreciation	254	33,951	507	96,492
Foreign Exchange Loss (Gain)	45,805	90,828	45,542	(9,854)
Write-down of Investment	30,090	0	30,090	0
Interest Expense	17,187	5,188	0	13,317
	333,324	178,382	354,427	193,333
LOSSESS BEFORE GAIN ON SALE ON ISSUANCE OF SECURITY OF SUBSIDIARY & EQUITY IN NET LOSSES OF UNCONSOL. AFFILIATE	(259,731)	(98,650)	(38,330)	279,204
EQUITY IN NET LOSSES OF UNCONSOL. AFFILIATE	(88,546)	(58,605)	(265,743)	(206,118)
PROFIT (LOSS) FROM THE CONTINUING OPERATIONS	(348,277)	(157,255)	(304,073)	73,086
PROFIT (LOSS) FROM DISCONTINUED OPERATIONS)	454,228	5,994	358,169	(3,895)
GAIN (LOSS) ON DISPOSAL OF DISCONTINUED ASSETS/SUBS	(1,413,686)	0	(1,413,686)	0
NET PROFIT (LOSS) FOR THE PERIOD	(1,307,735)	(151,261)	(1,359,590)	69,191
FOREIGN EXCHANGE TRANSLATION EFFECT	13,365	7,526	0	(18,963)
RETAINED EARNINGS (DEFICIT) BEG. PERIOD	(5,590,975)	(1,769,787)	(5,525,755)	(1,963,750)
RETAINED EARNINGS (DEFICIT) - END PERIOD	(6,885,345)	(1,913,522)	(6,885,345)	(1,913,522)
FINANCIAL OVERVIEW				
Common Shares Outstanding	18,999,373	2,114,425	18,999,373	2,114,425
Weighted Average Common Shares Outstanding - Basic	4,814,590	1,855,386	4,814,590	1,855,386
EPS - From Continuing Operations (Basic)	(0.072)	(0.085)	(0.063)	0.039
EPS - From Discontinuing Operations (Basic)	0.094	0.003	0.074	(0.002)
EPS	(0.271)	(0.081)	(0.282)	0.037
Preferred Shares Outstanding	--	1,500,000	--	1,500,000

</TABLE>

See Accompanying Notes to Un-audited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2000

<TABLE>
<CAPTION>

	As at September 30		As at March 31	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
CURRENT ASSETS				
Cash and cash equivalents	$ 1,793	231,924	441,884	285,706
Marketable securities	0	93,554	32,520	19,885,302
Due from brokers and dealers	0	2,700,647	3,237,515	0
Due from clients	0	279,988	180,855	93,183
Accounts receivable	64,028	715,861	168,506	690,374
Receivable from Affiliates	0	0	27,555	0
Refundable Income Taxes	7,502	0	6,709	5,046
Prepaid expenses and other current assets	14,949	40,042	22,938	25,772
Notes receivable	0	1,057,433	1,001,414	973,315
Loan Receivable	0	0	59,495	0
Total Current Assets	88,272	5,119,449	5,179,391	21,958,698
NON-CURRENT ASSETS				
Property & equipment, net	5,080	1,076,802	42,679	1,199,953
Notes receivable, non-current portion	1,483,607	628,577	783,286	619,992
Other long-term assets	0	156,630	77,493	77,651
Investment in unconsolidated affiliates	3,088,847	5,625,295	3,639,680	5,591,892
Total Non-current Assets	4,577,534	7,487,304	4,543,138	7,489,488
Total Assets	$ 4,665,806	$ 12,606,753	$ 9,722,529	$ 29,448,186
LIABILITIES				
CURRENT LIABILITIES				
Due to brokers and dealers	$ 0	0	0	18,899,072
Due to clients	0	2,854,918	3,247,166	979,783
Accounts payable and accrued liabilities	72,974	244,397	433,157	253,476
Due to affiliates	1,405	833,386	168,382	0
Notes payable, current portion	0	56,635	0	776,213
Total Current Liabilities	74,379	3,989,336	3,848,705	20,908,544
NON-CURRENT LIABILITIES				
Notes payable, long term portion	860,479	628,577	633,286	619,992
Total Liabilities	$ 934,859	$ 4,617,913	$ 4,481,991	$ 21,528,536
SHAREHOLDERS' EQUITY				
Capital Stock and additional paid-in capital	10,616,293	9,902,363	10,766,293	9,902,363
Cumulative Translation Adjustment	0	(18,963)	37,439	(18,963)
Retained Earnings (Deficit)	(6,885,345)	(1,894,560)	(5,563,194)	(1,963,750)
Total Shareholder's Equity	3,730,948	7,988,840	5,240,538	7,919,650
Total Liabilities & Shareholder's Equity	$ 4,665,806	$ 12,606,753	$ 9,722,529	$ 29,448,186

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</TABLE>

See Accompanying Notes to Un-audited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION

UNAUDITED CONSOLIDATED BALANCE SHEET
AS AT SEPTEMBER 30, 2000

<TABLE>
<CAPTION>

	As at September 30		As at March 31	
	2000	1999	2000	1999
<S>	<C>	<C>	<C>	<C>
SHAREHOLDER'S EQUITY				
Class A Preferred Stock, $0.10 par value	0	150,000	150,000	150,000
Authorized - 1,500,000 shares				
Issued and outstanding - 1,500,000				
Class B Preferred Stock, $0.10 par value				
Authorized - 1,000 shares				
Issued and outstanding - None	0	0	0	0
Class C Preferred Stock, $0.10 par value				
Authorized - 1,000 shares				
Issued and outstanding - None	0	0	0	0
Common Stock, $0.001 par value				
Authorized - 10,000,000 in 2000 and 5,000,000 in 1999				
Issued and outstanding				
- 18,999,373 in 2000; 2,114,425 in 1999	153,999	2,114	4,243	2,114
Additional paid in capital	10,462,293	9,750,249	10,612,050	9,750,249
Accumulated Comprehensive Income	0	0	0	0
CUMULATIVE TRANSLATION ADJUSTMENT	0	(18,963)	37,439	(18,963)
ACCUMULATED DEFICIT	(6,885,345)	(1,894,560)	(5,563,194)	(1,963,750)
Total Shareholder's Equity	3,730,947	7,988,840	5,240,538	7,919,650
Total Liabilities and Shareholder's Equity	4,665,806	12,606,753	9,722,529	29,448,186

</TABLE>

See Accompanying Notes to Un-audited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED

<TABLE>
<CAPTION>

6 Months to		12 Months to	
30-Sep-00	30-Sep-99	31-Mar-00	31-Mar-99

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

CASH FLOW FROM OPERATING ACTIVITIES				
Net income (loss)	$ (1,359,590)	69,190	(3,599,444)	(390,182)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	507	100,849	1,165,392	200,171
Loss (gain) on equity investment	265,743	206,118	1,021,500	492,917
Gain on sale of securities by subsidiary	0	0	0	(486,099)
Loss (gain) on disposal of discontinued operations	(358,169)	0	0	0
Non cash compensation	0	0	87,500	
Loss on Disposal of Asset (Subsidiary)	1,413,686	0	0	0
Non cash expenses (income)	924	0	387,633	40,000
Unrealized loss (gain) in marketable securities	0	(7,643)	1,255,987	(11,814)
	(36,899)	368,514	231,068	(67,507)
Changes in operating assets and liabilities				
Decrease (increase) in due to/from brokers and dealers, net	3,237,515	(21,599,719)	(22,136,587)	(15,762,238)
Decrease (increase) in due to/from clients, net	(3,066,311)	1,688,330	2,179,710	(1,455,276)
Decrease (increase) in marketable securities	32,520	19,791,748	19,852,782	15,242,302
Increase (decrease) in accounts receivable and other assets	198,724	(34,711)	463,545	124,263
Increase (decrease) in accounts payable and Accrued liabilities	(105,319)	(9,079)	(428,150)	(572,359)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	260,230	205,083	162,368	(2,490,815)
CASH FLOW FROM FINANCING ACTIVITIES				
Treasury Stock (Stock acquired in lieu of Note Receiv)	(150,000)	0	0	133,000
Increase (decrease) in due to related parties	0	57,173	0	771,109
Proceeds (repayment) of notes payable	0	(48,050)	0	(103,448)
NET CASH PROVIDED BY FINANCING ACTIVITIES	(150,000)	9,123	0	800,661
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property and equipment, net	0	0	(6,190)	(7,438)
Purchase of long term investment, net	0	(175,284)	0	(437,363)
Cash divested on sale of security by subsidiary	0	0	0	(195,304)
Investment in notes receivable	(550,321)	(92,703)	0	(257,766)
NET CASH USED IN INVESTING ACTIVITIES	(550,321)	(267,987)	(6,190)	(897,871)
NET INCREASE (DECREASE) IN CASH	(440,091)	(53,781)	156,178	(2,588,025)
CASH AND CASH EQUIVALENT- Beginning of year	441,884	285,705	285,706	2,873,731
CASH AND CASH EQUIVALENT - END OF YEAR	$ 1,793	$ 231,924	$ 441,884	$ 285,706

</TABLE>

See Accompanying Notes to Un-audited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2000

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1. Interim information is unaudited; however, in the opinion of management, all adjustments necessary for a fair statement of interim results have been included

in accordance with Generally Accepted Accounting Principles. All adjustments are of a normal recurring nature unless specified in a separate note included in these Notes to Unaudited Consolidated Financial Statements. The results for interim periods are not necessarily indicative of results to be expected for the entire fiscal year. These financial statements and notes should be read in conjunction with the Company's annual consolidated financial statements and the notes thereto for the fiscal year ended March 31, 2000, included in its Form 10-KSB for the year ended March 31,2000.

2. Earning (loss) per share is computed using the weighted average number of common shares outstanding during the period.

CAPITAL STOCK AND ADDITIONAL PAID-IN-CAPITAL

In June 2000, the Company acquired its 243,750 Common Share at the rate of $0.6153 per share in settlement of $150,000 note receivable from an unrelated party.

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 from the treasury under regulation "S".

SALE OF ASSETS AND DISCONTINUATION OF OPERATIONS

During the second quarter, the Company sold its investment banking subsidiary, Credifinance Capital Corp. (CFCC). Effective September 30, 2000, Credifinance Capital Corp. is no longer part of the Company. As a result of the disposal of the operations of Credifinance Capital Corp. as of September 30, 2000, the Company reported a profit of $358,169 from discontinuation of the operations. The consolidated profit of Credifinance Capital Corp. of $358,169 is shown as a separate line on the consolidated statement of operations of the Company as of September 30, 2000.

However, as a result of disposal of discontinued assets of Credifiance Capital Corp. the Company incurred a loss of $1,413,686

As a result of transfer of certain assets and liabilities between the Companies, InterUnion Financial Corporation owes an amount of $227,193 to the discontinued Company (CFCC).

ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS

(1) OVERVIEW

During the 2nd quarter of fiscal 2001, InterUnion reported consolidated revenues of $73,593 versus $79,732 a year earlier, representing a decline of $6,139 or 7.7%.

Selected financial data from InterUnion's financial statements is (figures in 000's except per share data):

<TABLE>
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	3 mos. ended Sept.- 00	3 mos. ended Sept.- 99	3 mos. Ended Sept. - 98
<S>	<C>	<C>	<C>
Working Capital	14	1,130	(15)
Cash Flow	260	205	(2,941)
Total Assets	4,666	12,607	10,668
Shareholders' Equity	3,731	7,989	7,114
Common Share, #	18,999,373	2,114,425	1,935,945

Book Value Per Share	0.196	3.87	3.67

</TABLE>

(2) NET REVENUES

For the first 6 months of fiscal 2001, InterUnion reported consolidated revenues of $316,097 versus $472,537 a year earlier, a decrease of 33%. Revenues for the 3 months ending September 30, 2000 were $75,593 versus $79,732, a decrease of 8%. The decrease is attributable to a general slowdown in investment banking fees as uncertaiity continues to weigh on market activity.

(3) EXPENSES
Selling, general and administration expenses for the first six months of fiscal 2001 increased by $184,910 to $278,288 from $93,378 a year earlier. This translates into a 198% increase which is due to a provision of $211,075 set asaide for Credifinance Securities Limited in its appeal in the case against Cable Satisfaction.

(4) NET INCOME FOR 6 MONTHS UNTIL SEPTEMBER 30, 2000

Net loss from operations for the 6 months ending September 30, 2000 was a loss of $1,359,590 or $0.271 per share, based on a weighted average number of shares of 4,814,590 versus a loss of $151,261 or $0.081 per share, based on a weighted average number of shares of 1,855,386. The increase of loss per share is due to loss on the disposal of discontinued assets.

As a result of the disposal of the operations of Credifinance Capital Corp. as of September 30, 2000, the Company reported a profit of $358,169 from discontinuation of the operations. The consolidated profit of Credifinance Capital Corp. of $358,169 is shown as a separate line on the consolidated statement of operations of the Company as of September 30, 2000.

During the same period the Company recorded a loss of $1,413,686 from disposal of discontinued assets.

The weighted average number of common shares outstanding for the six months ending September 30, 2000 is 4,814,590 versus 1,855,386 a year earlier. The Company issued 15,000,000 common shares during the period for the redemption of 1,500,000 Class A Preference Shares.

(5) LIQUIDITY AND CAPITAL RESOURCES

<TABLE>
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Date	Number of Shares	Amount	Type
- ----	----------------	------	----
<S>	<C>	<C>	<C>
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"

</TABLE>

<TABLE>
<CAPTION>

Date	Number of Shares	Amount	Type
- ----	----------------	------	----
<S>	<C>	<C>	<C>
November 1999	2,014,198	805,679	Regulation "S"
September 2000	15,000,000	150,000	Regulation "S"

</TABLE>

(6) 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 that have not been discussed above.

In addition, there is no significant income or loss that has risen from the Company's continuing operations that has not been analyzed or discussed above. In addition, there has not been any material change in any line item that is presented on the financial statements that has not been discussed above.

(7) CERTAIN RISK FACTORS WHICH MAY IMPACT FUTURE OPERATIONS

The Company and its subsidiaries operate in a rapidly changing environment that involves a number of factors, some of which are beyond management's control, such as financial market trends and investors' appetite for new financings. It should also be emphasized that, should the Company not be successful in completing its own financing (either by debt or by the issuance of securities from treasury), its strategy to grow by acquisition will be affected.

In the opinion of management the financial statements for the periods ending September 30, 2000 accurately reflect the operations of the Company and its subsidiaries. The Company has taken every reasonable step to ensure itself that its quarterly financial statements do not represent a distorted picture to anyone having a business reason to review such statements and who has also reviewed its previous audited annual financial statements for the year ended March 31, 2000.

Forward-looking statements included in Management's Analysis and Discussion reflects management's best judgment based on known factors, and involves risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements. Forward-looking information is provided by InterUnion pursuant to the safe harbor established by recent securities legislation and should be evaluated in the context of these factors.

PART II - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

Credifinance Securities Limited, an ultimate wholly owned subsidiary of the Company until disposal on September 30,2000, had filed a claim against a client in 1997 for which it had raised a C$15,000,000 convertible debenture, on the Superior Court of Montreal (Quebec). The claim was originally not contested. However, the Company faced a claim from two employees of Credifinance Securities Limited for commissions, termination allowance and damages. In compliance with a court order, the total amount of the commission, C373,920 (US$249,663) was placed in an escrow with Montreal Trust. On May 29, 2000, the Superior Court of Montreal (Quebec) rendered a judgement ordering Credifinance Securities Limited to pay C$579,617 (US$387,005) plus accrued interest to the cross claimants. The above amount has been fully provided by Credifinance Capital Corp.(CFCC), the holding company of Credifinance Securities Limited in the consolidated financial statement of the CFCC for the quarter ended September 30, 2000.

Upon advice from its counsel who has advised that the May 29, 2000 judgement has a strong chance of reversal, Credifinance Securities filed an appeal in the Supreme Court in Quebec on June 29, 2000.

Effective September 30, 2000, as a result of disposition of Credifinance Capital Corp., the Company has no potential obligatin to this law suit.

ITEM 2 - CHANGES IN SECURITIES

In the 1st quarter ending June 30, 2000 the Company acquired its 243,750 Common Shares at the rate of $0.6153 per share for $150,000 in settlement of the note receivable of $150,000 from an unrelated party. The above shares are held in treasury. Consequently, the number of outstanding Common Shares declined to 3,999,373 from 4,232,290 as of March 31, 2000.

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 from the treasury under regulation "S".

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

There have been no defaults in the payment of principal or interest with respect to any senior indebtedness of InterUnion Financial Corporation.

ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None

ITEM 5 - OTHER INFORMATION

None.

ITEM 6 - EXHIBITS AND REPORTS ON FORM 8-K

Exhibit 27 Financial Data Schedule (for SEC use only).

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

InterUnion Financial Corporation

(Registrant)

Date Novermber 14, 2000 /s/ Georges Benarroch, Director

(Signature)*

* Print the name and title of each signing officer under his signature.

INTERUNION ASSET MANAGEMENT LIMITED
FINANCIAL STATEMENTS
FOR THE 3 AND 6 MONTHS ENDED SEPTEMBER 30, 2000 AND SEPTEMBER 30, 1999

<TABLE>
<CAPTION>

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</TABLE>

QUARTERLY COMPLIANCE CERTIFICATE
- --

To: Working Ventures Canadian Fund Inc. ("WV")
InterUnion Financial Corporation ("IUFC")

Date: October 22, 2000

I, Russell Lindsay, of InterUnion Asset Management Limited (the "CORPORATION"), hereby certify for and on behalf of the Corporation, intending that the same may be relied upon by you without further enquiry, that since April 1, 2000:

(a) the attached financial statements delivered pursuant to the Agreement have been prepared in accordance with generally accepted principles in effect on the date of such financial statements and the information contained therein is true and correct in all material aspects, subject only to year-end audit adjustments, and presents fairly and consistently the results of operations and changes in the financial position of the Corporation as of and to September 30, 2000;

(b) the Corporation is in compliance with all taxes and other withholding obligations and has accrued unpaid vacation pay in its financial statements;

(b) the Corporation has (i) made all deductions for taxes or other obligations required to be deducted and has paid the same to the proper tax or other receiving officers; (ii) remitted to the appropriate tax authority, on a timely basis, all amounts collected on account of goods and services taxes and provincial sales taxes; and (iii) remitted to the appropriate receiving officer, on a timely basis, all amounts required to be paid by it in connection with workman's compensation legislation;

(c) the Corporation is not aware of any breach or potential breach by the Corporation of any Environmental Laws (as such term is defined in the Share Purchase Agreement entered into between the parties as of January 21, 1999 (the "SHARE PURCHASE AGREEMENT")) and to the best of its knowledge is in compliance with all applicable Environmental Laws; and

(d) the Corporation is not aware of any year 2000 issues of the Corporation or its major customers or suppliers that would have a material adverse effect on the Corporation or its Business and the Corporation is in compliance with its year 2000 policy.

All capitalized terms not defined herein have the meaning specified thereto in the Share Purchase Agreement.

Witness my hand and the corporate seal of the Corporation this 22nd day of October, 2000.

By:___________________________________
Name: Russell Lindsay
Title: Senior Vice-President
& Chief Financial Officer

INTERUNION ASSET MANAGEMENT LIMITED
Consolidated Balance Sheets (unaudited)
(amounts expressed in Canadian dollars unless otherwise stated)
(as at September 30, 2000 and March 31, 2000)

<TABLE>
<CAPTION>

<S>	September 30, 2000 <C>	March 31, 2000 <C>
Assets		
Current:		
Cash	$ 857,299	$ 525,621
Marketable securities, at market (note 4)	1,792,191	1,991,800
Accounts receivable and accrued revenue (note 10)	380,308	472,166
Prepaid expenses	58,419	71,317
	3,088,217	3,060,904
Future income tax asset	26,108	26,108
Management contracts, net (note 5)	1,761,905	2,304,762
Capital assets, net (note 6)	392,555	447,006
Investments, at cost (note 7)	64,713	71,477
Goodwill (note 8)	12,218,975	12,703,851
Total assets	$ 17,552,473	$ 18,614,108
Liabilities		
Current:		
Bank indebtedness	$ 41,662	$ 36,853
Accounts payable and accrued liabilities (note 10)	557,794	542,578
Current portion of long term debt	18,000	69,339
Income taxes payable	80,406	146,840
	697,862	795,610
Deferred revenue and inducements (note 9)	129,016	121,864
Long term debt (note 11)	48,500	151,224
Other liabilities	87,500	43,750
Preference shares (note 12)	3,500,000	3,500,000
	4,462,878	4,612,448
Non-controlling interest	250,526	301,869
Shareholders' Equity		
Shareholders' equity:		
Share capital (note 13)	16,358,558	16,358,558
Deficit	(3,519,489)	(2,658,767)
Total shareholders' equity	12,839,069	13,699,791
Total liabilities and shareholders' equity	$ 17,552,473	$ 18,614,108

</TABLE>

See accompanying notes to consolidated financial statements

INTERUNION ASSET MANAGEMENT LIMITED
Consolidated Statements of Operations and Deficit (unaudited)
(amounts expressed in Canadian dollars unless otherwise stated)
(for the periods ended September 30)

<TABLE>
<CAPTION>

	3 months ended September 30, 2000	3 months ended September 30, 1999	6 months ended September 30, 2000	6 months ended September 30, 1999
<S>	<C>	<C>	<C>	<C>
Revenue:				
Management fees	$ 1,500,779	$ 1,164,781	$ 3,044,979	$ 2,344,226
Other income (loss) (note 3 and 10)	226,479	21,799	212,955	(36,232)
	1,727,258	1,186,580	3,257,934	2,307,994
Operating expense				
Commission and incentives	214,104	249,056	409,428	469,523
Salaries and benefits	818,977	645,596	1,705,112	1,175,609
Marketing and advertising	38,089	70,944	93,413	282,204
Office and general	318,214	361,631	659,563	665,589
Professional fees	153,120	56,887	261,933	117,097
Amortization of management contracts	96,428	25,000	192,857	50,000
Amortization of capital assets	31,787	17,262	68,282	25,080
	1,670,719	1,426,376	3,390,588	2,785,102
Operating income (loss) before undernoted	56,539	(239,796)	(132,654)	(477,108)
Interest expense				
Current	1,920	6,071	30,223	11,630
Long term	47,066	1,570	94,738	4,487
	48,986	7,641	124,961	16,117
Income (loss) before amortization of goodwill, non-controlling interest and income taxes	7,553	(247,437)	(257,615)	(493,225)
Income taxes (note 14)				
Current income taxes	91,659	44,080	209,911	58,386
	91,659	44,080	209,911	58,386
Loss before amortization of goodwill and non-controlling interest	(84,106)	(291,517)	(467,526)	(551,611)
Amortization of goodwill	198,970	113,090	397,940	219,896
Loss before non-controlling interest	(283,076)	(404,607)	(865,466)	(771,507)
Non-controlling interest	(944)	(44,067)	(4,744)	(75,711)
Net loss, for the period	(282,132)	(360,540)	(860,722)	(695,796)
Deficit, beginning of period	(3,237,357)	(1,325,922)	(2,658,767)	(990,666)
Deficit, end of period	$ (3,519,489)	$ (1,686,462)	$ (3,519,489)	$ (1,686,462)

</TABLE>

See accompanying notes to consolidated financial statements

INTERUNION ASSET MANAGEMENT LIMITED
Consolidated Statements of Cash Flows (unaudited)
(amounts expressed in Canadian dollars unless otherwise stated)
(for the periods ended September 30)

- ---

<TABLE>
<CAPTION>

	3 months ended September 30, 2000	3 months ended September 30, 1999	6 months ended September 30, 2000	6 months ended September 30, 1999
<S>	<C>	<C>	<C>	<C>
Cash flows fromoperating activities				
Net loss	$ (282,132)	$ (360,540)	$ (860,722)	$ (695,796)
Adjustments for:				
Amortization of goodwill	198,970	113,090	397,940	219,896
Amortization of management contracts	96,428	25,000	192,857	50,000
Amortization of capital assets	31,787	17,262	68,282	25,080
Deferred rent inducements	(790)	(1,819)	(1,580)	(3,638)
Unrealized loss on investment	4,383	26,000	6,764	116,000
Gain on sale	(248,027)	--	(248,027)	--
Non-controlling interest	944	44,067	4,744	75,711
Changes in non-cash working capital				
Decrease (increase) in accounts receivable	38,017	(33,808)	91,858	(155,480)
Increase (decrease) in accounts payable	101,611	(107,300)	15,216	(364,529)
Increase (decrease) in income taxes payable	12,633	11,855	(66,434)	39,006
Other items, net	(63,922)	(106,213)	(27,274)	(250,573)
	(110,098)	(372,406)	(426,376)	(944,323)
Cash flows frominvesting activities				
Acquisition of capital assets, net of disposals	(9,666)	(174,672)	(13,831)	(263,373)
Dispositions (acquisitions), net of cash acquired (disposed)	762,798	(84,286)	762,798	(248,948)
Sale (purchase) of marketable securities	(108,868)	(6,263,559)	199,609	(6,108,517)
	644,264	(6,522,517)	948,576	(6,620,838)
Cash flows fromfinancing activities				
Increase in bank indebtedness	41,662	59,829	4,809	94,376
Increase (decrease) in deferred revenue and inducements	(3,600)	(30,200)	8,732	(25,167)
Repayments of long termborrowings	(132,379)	(16,568)	(154,063)	(124,668)
Dividend paid to non-controlling interest	(25,000)	--	(50,000)	--
	(119,317)	13,061	(190,522)	(55,459)
Net increase (decrease) in cash	414,849	(6,881,862)	331,678	(7,620,620)
Cash at beginning of period	442,450	7,396,961	525,621	8,135,719
Cash at end of period	$ 857,299	$ 515,099	$ 857,299	$ 515,099
Supplemental Cash Flows Information				
Interest paid	$ 33,756	$ 8,092	$ 65,981	$ 16,117
Income taxes paid	74,743	4,827	298,477	7,073

</TABLE>

See accompanying notes to consolidated financial statements

INTERUNION ASSET MANAGEMENT LIMITED
Notes to Consolidated Financial Statements
September 30, 2000
(amounts expressed in Canadian dollars unless otherwise stated)
- ---

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 A.I.L. Investment Services Inc. (see note 3), Black Investment Management Ltd., Glen Ardith-Frazer Corporation, Guardian Timing Services Inc., Leon Frazer, Black & Associates Limited, and P.J. Doherty & Associates Co. Ltd. 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 periods from 5 to 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, due to related parties, 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. The provisions were applied retroactively with no significant impact to prior period financial statements. 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.

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.

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.

(amounts expressed in Canadian dollars unless otherwise stated)

Fiscal 1999 Acquisitions:

- Effective January 21, 1999, the Company acquired 100% of Guardian Timing Services Inc., 45% of Black Investment Management Ltd., 33% of Leon Frazer, Black & Associates Limited and indirectly through Black Investment Management Limited an additional 14.4% of Leon Frazer, Black & Associates. The former parent company, InterUnion Financial Corporation sold the investments for shares of the Company. The sale was accounted for using the carrying values of the parent company at January 21, 1999 and reflects a continuity of interest. The Company has accounted for the operations of the investments with an effective date of April 1, 1998.

Fiscal 2000 Acquisitions:

- 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%.

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

- 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.

The assets acquired and consideration given are as follows:

<TABLE>
<CAPTION>

<S>	12 months ended March 31, 2000 <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
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

(amounts expressed in Canadian dollars unless otherwise stated)

A.I.L. Investment Services Inc. (AILISI), a wholly owned subsidiary, for cash proceeds of $650,000. 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. Included in `Other income' is a net gain of $218,000 resulting from this transaction

4. MARKETABLE SECURITIES

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

<TABLE>
<CAPTION>

	September 30, 2000	March 31, 2000
<S>	<C>	<C>
Bankers Acceptance	$ 1,293,793	$ 1,554,482
Money Market Mutual Funds	498,398	393,309
Other Mutual Funds	--	44,009
	$ 1,792,191	$ 1,991,800

</TABLE>

The Bankers Acceptance matures on November 1, 2000. Annualized yield on this security is 5.64%.

5. MANAGEMENT CONTRACTS

Management contracts comprise the following:

<TABLE>
<CAPTION>

	September 30, 2000			March 31, 2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<S>	<C>	<C>	<C>	<C>
Management contract (see note 3)	$ --	$ --	$ --	$ 400,000
Non-competition agreement	2,000,000	238,096	1,761,905	1,904,762
	$ 2,000,000	$ 238,096	$ 1,761,905	$ 2,304,762

</TABLE>

6. CAPITAL ASSETS

Capital assets comprise the following:

<TABLE>
<CAPTION>

(amounts expressed in Canadian dollars unless otherwise stated)

	September 30, 2000			March 31, 2000
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<S>	<C>	<C>	<C>	<C>
Computer equipment	$ 627,913	$ 473,313	$ 154,600	$ 176,879
Furniture, fixtures and other	441,084	316,509	124,575	137,785
Leasehold improvements	158,276	44,895	113,380	132,342
	$ 1,227,273	$ 834,717	$ 392,555	$ 447,006

</TABLE>

7. INVESTMENTS

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

<TABLE>
<CAPTION>

	September 30, 2000	March 31, 2000
<S>	<C>	<C>
27,224 common shares of InterUnion Financial Corporation, a shareholder of the Company, held by a subsidiary of the company (quoted market value - $10,236, March 31, 2000 - $36,997)	$ 10,236	$ 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)	44,477	44,477
Other investments	10,000	10,000
	$ 64,713	$ 71,477

</TABLE>

8. GOODWILL

<TABLE>
<CAPTION>

	September 30, 2000	March 31, 2000
<S>	<C>	<C>
Cost	$ 13,675,099	$ 13,762,035
Accumulated amortization	1,456,124	1,058,184
	$ 12,218,975	$ 12,703,851

</TABLE>

9. DEFERRED REVENUE AND LEASE INDUCEMENTS

Deferred revenue and lease inducements compromise the following:

(amounts expressed in Canadian dollars unless otherwise stated)

<TABLE>
<CAPTION>

<S>	September 30, 2000 <C>	March 31, 2000 <C>
Deferred revenue	$ 86,226	$ 76,493
Deferred rent inducement	42,790	45,371
	$ 129,016	$ 121,864

</TABLE>

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 rent inducement 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, its subsidiaries and companies influenced by the aforementioned parties are considered related party transactions.

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

<TABLE>
<CAPTION>

<S>	6 months ended September 30, 2000 <C>	6 months ended September 30, 1999 <C>
Revenue		
Management fees	$ 57,300	$ 86,670
Other income	29,700	--
Expenses		
Commissions and incentives	46,800	--
Interest expense	87,500	--
Office and general	12,600	106,050
Professional fees	122,500	--

</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.

Other related party transactions are as follows:

Effective February 29, 2000, the Company acquired an additional 7,610 shares in Leon Frazer, Black & Associates Limited 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%.

On March 7, 2000, Black Investment Management Limited transferred 192 shares in Leon Frazer, Black & Associates to the Company as a financing set up fee. This transfer was not deemed to occur in the normal course of operations and has been measured at the carrying amount (net book value) of $41,170 of the shares issued as payment.

Related party balances in the accounts are as follows:

<TABLE>
<CAPTION>

<S>	September 30, 2000 <C>	March 30, 2000 <C>
Accounts receivable	$ 20,330	$ 71,460
Accounts payable	38,440	46,880
Other liabilities	87,500	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>

<S>	September 30, 2000 <C>	March 31, 2000 <C>
Demand installment loan, monthly principal payments of $2,700, interest at prime plus 2%. The loan was repaid during the current quarter.	$ --	$ 114,100
Demand bank loan, interest at prime +1/2%, monthly principal payments of $1,500 commencing January 2000	66,500	75,500
Bank loan, interest at prime + 1 1/2%, 30 monthly principal payments of $1,095 commencing September 1999, secured by computer equipment	--	25,164
10% note payable to a director and non-controlling interest shareholder, due on demand	--	5,799
	66,500	220,563
Less: current portion	18,000	69,339
	$ 48,500	$ 151,224

</TABLE>

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

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

(amounts expressed in Canadian dollars unless otherwise stated)

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 78.408 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.

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 are 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 are to be fixed by the Directors of the Corporation before any series of Preference Shares are issued. During the prior year, 310,010 convertible Preference Shares were issued and converted to Common shares on a 1 for 1 basis.

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

Details of issued share capital are as follows:

<TABLE>
<CAPTION>

	Shares		Amount	
	Common	Preference	Common	Preference
<S>	<C>	<C>	<C>	<C>
Opening Share Capital:				
April 1, 1998	234,292	--	$ 1,374,000	$ --

(amounts expressed in Canadian dollars unless otherwise stated)

Jan 21, 1999	455,699	310,010	5,143,491 (2)	4,920,533 (1)
Mar 8, 1999	310,010	(310,010)	4,920,533 (3)	(4,920,533)
Mar 8, 1999	568,160	--	4,920,534 (1)	--
Closing Share Capital: September 30, 1999 & 2000	1,568,161	--	$ 16,358,558	$ --

</TABLE>

(1) issued for cash
(2) issued on acquisition of subsidiaries
(3) Preference Share conversion

A common stock warrant was issued to the majority shareholder of the Company on March 8, 1999. Under the terms of the warrant, in the event that the assets under management as represented on March 8, 1999 are subsequently determined to be less than 95% of said representation, the majority shareholder is entitled to receive additional common shares of the Company. As at September 30, 2000, the rights represented by the common stock warrant were exercised by the majority shareholder. Consequently, management has estimated that approximately 89,000 common shares will be issued to the majority shareholder subsequent to the current period end. In addition, the transaction will prompt the option and preferred share adjustment clauses in the respective agreements. A total of approximately 5,300 additional stock options will be issued to present stock option holders and the conversion ratio for Class A Preference shareholders will be adjusted to approximately 82.86 common shares for each Class A preference share.

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.

Vested Options
<TABLE>
<CAPTION>

			Number of Options			
Fiscal year granted	Vested expiry date	Exercise price	Outstanding, September 30, 1999	Issued (vested)	Exercised	Outstanding, September 30, 2000
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1999	Jan 21, 2009	$16.13	36,300	--	--	36,300
1999	Jan 21, 2009	$0.001	11,000	11,000	--	22,000
2000	May 10, 2009	$13.00	3,667	11,000	--	14,667

</TABLE>

Unvested Options
<TABLE>
<CAPTION>

			Number of Options				
Fiscal year granted	Vested expiry date	Exercise price	Outstanding, September 30, 1999	Issued	Vested	Forfeited	Outstanding, September 30, 2000

(amounts expressed in Canadian dollars unless otherwise stated)

<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1999	Jan 21, 2009	$0.001	37,000	--	11,000	15,000	11,000
2000	May 10, 2009	$13.00	29,333	--	11,000	--	18,333

</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 will expire on March 31, 2001 if performance criteria is 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>
<CAPTION>

	6 months ended September 30, 2000	6 months ended September 30, 1999
<S>	<C>	<C>
Combined statutory tax rate (recovery)	(44.6%)	(44.6)%
Deduct:		
Non-deductible expenses	12.4	4.9
Temporary differences	9.8	8.9
Unrecognized losses carried forward	148.8	43.4
Non-taxable gains	(43.5)	--
Other, net	(1.4)	(0.8)
Effective income tax rate	81.5%	11.8 %

</TABLE>

As at September 30, 2000, the consolidated group had approximately $1,593,000 of non-capital losses (March 31, 2000 - $1,512,000) and $378,000 (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 $516,000 in non-capital losses arising from the sale of AILISI. Capital losses can be carried forward indefinitely. The right to claim the non-capital losses expires as follows:

<TABLE>
<CAPTION>

Expiry	
<S>	<C>

2006	$ 281,000
2007	757,000
2008	555,000

	1,593,000
	=========

</TABLE>

During the period, the Company's future income tax asset increased by $255,000 and totaled $1,056,000 (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 period, and the total valuation allowance as at September 30, 2000 provided by the Company, increased by $255,000 and totaled $1,030,000 (March 31, 2000 - $775,000) to reduce the future income tax asset, reflecting the uncertainty of full realization of the future income tax asset.

15. LOSS PER SHARE

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

<TABLE>
<CAPTION>

<S>	6 months ended September 30, 2000 <C>	6 months ended September 30, 1999 <C>
Weighted average common shares - basic calculation	1,568,161	1,568,161

</TABLE>

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.

<TABLE>
<CAPTION>

<S>	6 months ended September 30, 2000 <C>	6 months ended September 30, 1999 <C>
Basic loss per share	$ (0.55)	$ (0.44)

</TABLE>

16. COMMITMENTS

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

(amounts expressed in Canadian dollars unless otherwise stated)

<TABLE>
<CAPTION>

	12 months ended September 30
<S>	<C>
2001	315,000
2002	208,000
2003	132,000
2004	48,000
2005	--

</TABLE>

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

<TABLE>
<CAPTION>

	12 months ended September 30
<S>	<C>
2001	1,167,000
2002	819,000
2003	515,000
2004	490,000
2005	82,000

</TABLE>

17. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Company, including those related to customers, suppliers, or other third parties, have been fully resolved.

18. 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 September 30 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>	6 months ended September 30, 2000 <C>	6 months ended September 30, 1999 <C>
Net loss for the period, Canadian GAAP	$ (860,722)	$ (695,796)
Stock based compensation (i)	(34,470)	(99,500)
Net loss for the period, U.S. GAAP	$ (895,192)	$ (795,296)
Loss per common share under U.S. GAAP	$ (0.57)	$ (0.51)

</TABLE>

(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 (1999 - $0). The intrinsic-value of unvested options is estimated to be $177,000 (1999 - $597,000) with a vesting period of two years (1999 - three years). Accordingly, had the Company recognized compensation cost related to the unvested options the intrinsic value would have been amortized over the vesting period, or in amounts of $88,500 (1999 - $199,000) in each vesting year. Management's best estimate is that the performance conditions attached to the unvested options will be met. Total compensation cost for the period under APB 25 would have been $34,470 (1999 - $99,500). Had the Company booked compensation expense in accordance with APB 25, basic loss per share would have been increased by $0.02 (1999 - $0.06).

(ii) Common Stock Warrant

Under U.S. GAAP, the common shares to be issued to the majority shareholder subsequent to the current period end would be reflected as issued for no consideration as at September 30, 2000. The inclusion of these common shares would not have a significant impact on loss per common share reported under U.S. GAAP.

b) Other Disclosures:

(i) Stock-Based Compensation Expense

For unvested options issued in the prior fiscal year, the estimated fair value of the underlying equity at date of issuance was $13.00. As such, compensation costs under SFAS 123 would have totaled $0 (1999 - $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 (1999 - $0.15).

(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 year and loss per common share as reported under U.S. GAAP.

19. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

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

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM INTERUNION FINANCIAL CORPORATION CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2000 AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH 10-QSB FILING.
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