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 JUNE 30, 2001

[ ] 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.)

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)

- ---
(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 - 1,899,974 as of June 30, 2001.

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

PART I - FINANCIAL STATEMENTS

ITEM 1 - FINANCIAL STATEMENTS

INTERUNION FINANCIAL CORPORATION

CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE PERIODS ENDED JUNE 30, 2001

<TABLE>
<CAPTION>

	Three Months Ended		Twelve Months Ended	
	30-Jun-01	30-Jun-00	31-Mar-01	31-Mar-00
<S>	<C>	<C>	<C>	<C>
REVENUE				
Investment Banking	0	587,523	272,957	620,289
Interest Income	486	9,272	60,072	38,312
	486	596,795	333,029	658,601
EXPENSES				
Selling, General & Administration	15,383	472,849	366,607	615,023
Writedown of Notes Receivable	0	0	633,286	0
Amortization & Depreciation	0	2,533	5,588	1,155,358
Foreign Exchange Loss (Gain)	0	(5,537)	16,808	(16,098)
Writedown in Investment	0	0	27,379	1,251,334
Interest Expense	0	1,608	23,599	98,106
	15,383	471,453	1,073,267	3,103,723
LOSS FROM CONTINUING OPERATIONS BEFORE INCOME TAX	(14,897)	125,342	(740,238)	(2,445,122)
EQUITY IN NET LOSSES OF UNCONSOLIDATED AFFILIATES	(455,596)	(177,197)	(1,163,455)	(1,021,500)
LOSS FROM CONTINUOUS OPERATIONS	(470,493)	(51,855)	(1,903,693)	(3,466,622)
FOREIGN EXCHANGE TRANSLATION EFFECT	0	(13,365)	0	0
Income (loss) from operations of discontinued subsidiary, net of income taxes	0	0	358,169	(132,822)
Loss of disposal of subsidiary, net of tax	0	0	(780,401)	0
LOSS ON DISPOSSESSION / DISCONTINUATION	0	0	(422,232)	(132,822)
NET PROFIT (LOSS) FOR THE PERIOD	(470,493)	(65,220)	(2,325,925)	(3,599,444)
EARNINGS (LOSS) PER COMMON SHARE - Basic and Diluted				
Weighted Average Common Shares Outstanding	1,948,687	4,232,290	1,153,759	298,076
Weighted Average Preferred Shares Outstanding	0	1,500,000	0	1,500,000
EPS - Net Profit (Loss)	(0.241)	(0.012)	(2.016)	(12.076)
EPS - From Continuing Operations (Basic)	(0.241)	(0.012)	(1.650)	(11.630)
EPS - From Dispossession / Discontinuation	0.000	0.000	(0.366)	(0.446)

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

PART I - FINANCIAL STATEMENTS

ITEM 1 - FINANCIAL STATEMENTS

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED BALANCE SHEET
AS AT JUNE 30, 2001

<TABLE>
<CAPTION>

	As at June 30		As at March 31	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
CURRENT ASSETS:				
Cash and cash equivalent	9,046	(4,529,937)	7,356	71,627

Marketable Securities	0	5,002,609		
Receivables	0	145,810	0	68,239
Due from Brokers and dealers	0	39,277		
Due from clients	0	5,330,404		
Receivable from Affiliates	54,791	35,783	54,792	27,555
Refundable Income Taxes	835	7,110	7,502	6,709
Prepaid expenses and other current assets	5,400	29,602	5,400	7,434
Notes receivable	0	1,161,667	0	1,001,414
Loan Receivable	0	58,466		
Assets from Discontinued Operations	0	0	0	3,996,413
	----------	----------	----------	----------
Total Current Assets	70,072	7,280,791	75,050	5,179,391
NON-CURRENT ASSETS:				
Property & equipment, net	0	42,215	0	3,518
Notes receivable, non-current portion	878,150	633,285	878,150	633,286
Investment in unconsolidated affiliates	1,735,539	3,462,483	2,191,135	3,639,680
Other longterm assets	0	77,493	0	0
Assets from Discontinued Operations	0	0	0	266,654
	----------	----------	----------	----------
Total non-current assets	2,613,689	4,215,476	3,069,285	4,543,138
	----------	----------	----------	----------
TOTAL ASSETS	2,683,761	11,496,267	3,144,335	9,722,529
	==========	==========	==========	==========
LIABILITIES				
CURRENT LIABILITIES:				
Due to broker and dealers	0	2,297,027	0	0
Due to client	0	3,044,416	0	0
Accounts payable and accrued liabilities	74,050	483,232	89,130	370,980
Due to affiliates	3,399	12,990	3,399	0
Note Payable, current portion	85,000	0	60,000	0
Liabilities from Discontinued Operations	0	0	0	3,477,724
	----------	----------	----------	----------
Total Current liabilities	162,449	5,837,665	152,529	3,848,704
NON-CURRENT LIABILITIES:				
OTHER LIABILITIES				
NOTES PAYABLE, Longterm Portion	227,193	633,286	227,193	633,287
Total Liabilities	389,642	6,470,951	379,722	4,481,991
SHAREHOLDER'S EQUITY:				
Capital Stock and additional paid-in capital	10,616,293	10,616,293	10,616,293	10,766,293
Accumulated translation adjustment	0	24,072	0	37,439
Retained Earnings (Deficit)	(8,322,174)	(5,615,049)	(7,851,680)	(5,563,194)
Total Shareholder's Equity	2,294,119	5,025,316	2,764,613	5,240,538
	----------	----------	----------	----------
Total Liabilities and Shareholder's Equity	2,683,761	11,496,267	3,144,335	9,722,529
	==========	==========	==========	==========

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

Item 1 -- Financial Statements

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS
AS AT JUNE 30, 2001

<TABLE>
<CAPTION>

	As at June 30		As at March 31	
	2001	2000	2001	2000
<S>	<C>	<C>	<C>	<C>
CAPITAL STOCK AND ADDITIONAL PAID -IN CAPITAL				
Class A Preferred Stock, $0.10 par value				
Authorized -- 1,500,000 shares				

Issued and outstanding -- 1,500,000	0	150,000	0	150,000
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 -- 5,000,000 in 2001 & 2000				
Issued and outstanding -- 1,899,974 in 01; 4,243,123 in 00	18,999	3,999	18,999	4,243
Additional Paid-in Capital	10,597,294	10,462,294	10,597,294	10,612,050
CUMULATIVE TRANSLATION ADJUSTMENT	0	24,072	0	37,439
ACCUMULATED DEFICIT	(8,322,174)	(5,615,049)	(7,851,680)	(5,563,194)
Total Shareholders' Equity	2,294,119	5,025,316	2,764,613	5,240,538
TOTAL LIABILITIES & SHAREHOLDERS'S EQUITY	2,683,761	11,496,267	3,144,335	9,722,529

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

PART I - FINANCIAL STATEMENTS

ITEM 1 - FINANCIAL STATEMENTS

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE PERIODS ENDED JUNE 30, 2001

<TABLE>
<CAPTION>

	Three Months Ended		Twelve Months Ended	
	30-Jun-01	30-Jun-00	31-Mar-01	31-Mar-00
<S>	<C>	<C>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES				
Net loss from Continuing Operations	(470,493)	(51,855)	(1,903,693)	(3,466,622)
Net loss from Dispossession/Discontinuing Operations	0	0	(422,232)	(132,822)
Total:	(470,493)	(51,855)	(2,325,925)	(3,599,444)
Adjustment to reconcile net profit (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	0	2,533	5,588	1,165,392
Equity and net loss on investment	455,596	177,197	1,163,455	1,021,500
Non cash expenses (income)	0	(39,292)	212,510	387,633
Net loss from discontinued operations	0	0	422,232	0
Writedown of Notes Receivable	0	0	633,286	0
Loss (gain) in marketable securities	0	25,917	27,379	1,255,987
	(14,897)	114,500	138,525	231,068
Changes in operating assets and liabilities net of effects from the purchase/divestiture of IUAM Limited				
Increase (decrease) in due to/from brokers and dealers, net	0	5,495,265	0	(22,136,587)
Decrease (increase) in due to/from client, net	0	(5,352,301)	0	2,179,710
Decrease (increase) in marketable securities	0	(4,970,089)	0	19,852,782
Increase in accounts receivable and other assets	6,667	(153,877)	69,054	463,545
Increase (decrease) in accounts payable and accrued liabilities discontinued operations	9,920	(105,319)	(331,850)	(428,150)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	1,690	(4,971,821)	(124,271)	162,368
CASH FLOWS FROM FINANCING ACTIVITIES				
Net proceeds on issuance (acquisition) of capital stock	0	(150,000)	0	0
Proceeds (repayment) of notes payable	0	0	60,000	0

NET CASH PROVIDED BY FINANCING ACTIVITIES	0	(150,000)	60,000	0
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property and equipment, net	0	0	0	(6,190)
Investment in notes receivable	0	150,000	0	0
NET CASH USED IN INVESTING ACTIVITIES	0	150,000	0	(6,190)
NET INCREASE (DECREASE) IN CASH	1,690	(4,971,821)	(64,271)	156,178
CASH AND CASH EQUIVALENTS - Beginning of Year	7,356	441,884	71,627	285,706
CASH AND CASH EQUIVALENTS - End of Year	9,046	(4,529,937)	7,356	441,884

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED JUNE 30, 2001

1. Interim information is un-audited; 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 Un-audited 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, 2001, included in its Form 10-KSB for the year ended March 31,2001.

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".

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 1,899,937 in the 3rd quarter of fiscal 2001, ended December 31, 2000.

SALE OF ASSETS AND DISCONTINUATION OF OPERATIONS

During the second quarter of fiscal 2001 ending September 30, 2000, 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.

However, as a result of disposal of discontinued assets of Credifinance Capital Corp., the Company incurred a loss of $1,413,686. Effective September 30, 2000, the only investment asset on which InterUnion is reporting is its minority interest in InterUnion Asset Management Limited (IUAM).

The un-audited financial statements of IUAM for the 1st quarter of fiscal 2002 ending June 30, 01, are attached in their entirety as an attachment.

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ITEM 2 - MANAGEMENT'S DISCUSSION AND ANALYSIS

(1) OVERVIEW

During the 1st quarter of fiscal 2002 ending June 30, 2001, InterUnion had nil revenue from investment banking as a result of its sale of assets.

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

<TABLE>
<CAPTION>

<S>	3 mos. ended June 30- 01 <C>	3 mos. ended June 30- 00 <C>	3 mos. ended June 30- 99 <C>
Working Capital	(92)	1,443	1,164
Cash Flow	2	115	332
Total Assets	2,684	11,496	12,502
Shareholders' Equity	2,294	5,025	8,179
Common Share, #	1,900	3,999	2,114
Book Value Per Share	1.21	1.26	3.87

</TABLE>

(2) NET REVENUES

For the first 3 months of fiscal 2001, InterUnion reported consolidated revenues of $486 versus $596,795 a year earlier, a decrease of $596,309, resulting from the sale of its CFCC operations as of September 30, 2000.

(3) EXPENSES

Selling, general and administration expenses for the three months of fiscal 2002 amounted to $15,383 as compared to $472,849 a year earlier, a decrease of 457,466, resulting from the sale of its CFCC operations as of September 30, 2000.

(4) NET INCOME FOR 3 MONTHS UNTIL JUNE 30, 2001

Net loss from operations for the 3 months ending June 30, 2001 was a loss of $470,493 or $0.241 per share, based on a weighted average number of shares of 1,948,687 versus a loss of $51,855 or $0.012per share, based on a weighted average number of shares of 4,232,290 a year earlier.

The weighted average number of common shares outstanding for the nine months ending June 30, 2001, is 1,948,687 versus 4,232,290 a year earlier.

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(5) LIQUIDITY AND CAPITAL RESOURCES

<TABLE>
<CAPTION>

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"
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 June 30, 2001 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, 2001.

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.

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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 judgment 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 December 31, 2000.

Upon advice from its counsel who had advised that the May 29, 2000 judgment 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 obligation to this lawsuit.

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".

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 1,899,937 in the 3rd quarter of fiscal 2001.

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

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 August 14, 2001 /s/ Georges Benarroch, Director

(Signature)*

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

Appendix

INTERUNION ASSET MANAGEMENT LIMITED
CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIODS ENDED JUNE 30, 2001 AND JUNE 30, 2000

CONTENTS
- ---

QUARTERLY COMPLIANCE CERTIFICATE
- ---

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

Date: July 22, 2001

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, 2001:

(a) the attached financial statements delivered pursuant to the Agreement have been prepared in accordance with generally accepted accounting 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 June 30, 2001;

(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 July, 2001.

By: /s/ Russell Lindsay

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 June 30 and March 31
- --

<TABLE>
<CAPTION>

	2001	2001
<S>	<C>	<C>
Assets		

Current:		
Cash	$ 351,426	$ 661,238
Marketable securities, at market	1,650,271	1,535,670
Accounts receivable and accrued revenue	319,322	576,068
Prepaid expenses	64,600	76,989
Income taxes recoverable	45,264	--
Future income tax asset	43,817	26,108
	2,474,700	2,876,073
Management contracts, net (note 5)	1,547,619	1,619,048
Capital assets, net (note 6)	339,628	338,945
Investments, at cost	13,915	13,915
Goodwill (note 7)	8,996,410	9,152,976
Total assets	$ 13,372,272	$ 14,000,957
Liabilities		
Current:		
Bank indebtedness	$ --	$ 16,041
Accounts payable and accrued liabilities (note 9)	390,728	644,082
Current portion of long term debt	18,000	18,000
Income taxes payable	--	48,494
Deferred revenue	93,335	83,942
	502,063	810,559
Deferred inducements (note 8)	45,304	44,514
Long term debt (note 10)	35,000	39,500
Other liabilities (note 9)	153,125	131,250
Preference shares (note 11)	3,500,000	3,500,000
	4,235,492	4,525,823
Non-controlling interest	102,422	135,119
Shareholders' Equity		
Shareholders' equity:		
Share capital (note 12)	16,358,559	16,358,559
Deficit	(7,324,201)	(7,018,544)
Total shareholders' equity	9,034,358	9,340,015
Total liabilities and shareholders' equity	$ 13,372,272	$ 14,000,957

</TABLE>

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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 three months ended June 30)

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<TABLE>
<CAPTION>

	2001	2000

<S>	<C>	<C>
Revenue		
Management fees	$ 1,425,160	$ 1,544,200
Other income (loss)	16,179	(13,524)
	1,441,339	1,530,676
Operating expense		
Commission and incentives	168,921	187,824
Salaries and benefits	983,282	893,635
Marketing and advertising	49,253	55,324
Office and general	239,500	341,349
Professional fees	74,637	108,813
Amortization of management contracts	71,429	96,429
Amortization of capital assets	26,293	36,495
	1,613,315	1,719,869
Operating loss before undernoted	(171,976)	(189,193)
Interest expense		
Current	--	28,303
Long term	45,723	47,672
	45,723	75,975
Loss before amortization of goodwill, non-controlling interest and income taxes	(217,699)	(265,168)
Income taxes (note 13)		
Current income taxes (recovery)	(43,203)	--
Future income taxes (benefit)	(17,709)	118,252
	(60,912)	118,252
Loss before amortization of goodwill and non-controlling interest	(156,787)	(383,420)
Amortization of goodwill	156,566	198,970
	156,566	198,970
Loss before non-controlling interest	(313,353)	(582,390)
Non-controlling interest	(7,696)	(3,800)
Net loss, for the period	(305,657)	(578,590)
Deficit, beginning of period	(7,018,544)	(2,658,767)
Deficit, end of period	$(7,324,201)	$(3,237,357)

</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 three months ended June 30)
- --

<TABLE>
<CAPTION>

<S>	2001 <C>	2000 <C>
Cash flows from operating activities		
Net loss	$(305,657)	$(578,590)
Adjustments for:		
Amortization of goodwill	156,566	198,970
Amortization of management contracts	71,429	96,429
Amortization of capital assets	26,293	36,495
Deferred rent inducements	790	(790)
Unrealized loss on investment	--	2,380
Provision for doubtful receivable	2,350	--
Future income taxes (benefit)	(17,709)	--
Non-controlling interest	(7,696)	(3,800)
Changes in non-cash working capital		
Decrease in accounts receivable	254,396	53,841
Decrease in accounts payable	(253,354)	(86,395)
Increase in income taxes recoverable	(45,264)	--
Decrease in income taxes payable	(48,494)	(79,067)
Other items, net	34,263	44,249
	(132,087)	(316,278)
Cash flows from investing activities		
Acquisition of capital assets, net of disposals	(26,976)	(4,165)
Sale (purchase) of marketable securities	(114,601)	308,477
	(141,577)	304,312
Cash flows from financing activities		
Decrease in bank indebtedness	(16,041)	(36,853)
Increase in deferred revenue and inducements	9,393	12,332
Repayments of long term borrowings	(4,500)	(21,684)
Dividend paid to non-controlling interest	(25,000)	(25,000)
	(36,148)	(71,205)
Net increase (decrease) in cash	(309,812)	(83,171)
Cash at beginning of period	661,238	525,621
Cash at end of period	$ 351,426	$ 442,450
Supplemental Cash Flows Information		
Interest paid	$ 24,298	$ 32,225
Income taxes paid	57,995	223,734

</TABLE>

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See accompanying notes to consolidated financial statements

INTERUNION ASSET MANAGEMENT LIMITED
Notes to Consolidated Financial Statements
June 30, 2001 and June 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.

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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:

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

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 on each

valuation date. 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.

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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.

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:

(amounts expressed in Canadian dollars unless otherwise stated)

- 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%.

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 (June 30, 2000 - $375,000). Included in `Other income' at March 31, 2001 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>	June 30, 2001 <C>	March 31, 2001 <C>
Bankers Acceptance	$1,395,442	$1,094,850
Money Market Mutual Funds	254,829	409,047
Other Mutual Funds	--	31,773
	$1,650,271	$1,535,670

</TABLE>

The Bankers Acceptance outstanding at June 30, 2001 matures on July 27, 2001. The annualized yield on this security is 4.4%.

- --

5. MANAGEMENT CONTRACTS

Management contracts comprise the following:

<TABLE>
<CAPTION>

	June 30, 2001			March 31, 2001
<S>	Cost <C>	Accumulated Amortization <C>	Net Book Value <C>	Net Book Value <C>
Non-competition agreement	$2,000,000	$ 452,381	$1,547,619	$1,619,048

</TABLE>

- --

6. CAPITAL ASSETS

Capital assets comprise the following:

	June 30, 2001			March 31, 2001
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	$ 657,760	$ 514,806	$ 142,954	$ 131,090
Furniture and fixtures	443,532	335,778	107,754	113,435
Leasehold improvements	162,410	73,490	88,920	94,420
	$1,263,702	$ 924,074	$ 339,628	$ 338,945

- --

7. GOODWILL

	June 30, 2001	March 31, 2001
Cost	$13,610,691	$13,610,691
Impairment of goodwill	2,565,000	2,565,000
Accumulated amortization	2,049,281	1,892,715
	$ 8,996,410	$ 9,152,976

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

- --

8. DEFERRED INDUCEMENTS

Deferred inducements comprise the following:

	June 30, 2001	March 31, 2001
Deferred lease inducement	$45,304	$44,514

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.

(amounts expressed in Canadian dollars unless otherwise stated)

- --

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.

- --

9. 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>

<S>	3 months ended June 30, 2001 <C>	3 months ended June 30, 2000 <C>
Revenue		
Management fees	$ --	$20,200
Expenses		
Commissions and incentives	28,950	23,150
Interest expense	43,750	43,750
Office and general	--	6,300
Professional fees	1,200	57,000

</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>

<S>	June 30, 2001 <C>	March 31, 2001 <C>
Accounts payable	$ 35,270	$ 21,875
Other liabilities	153,125	131,250

</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).

- --

10. LONG-TERM DEBT

<TABLE>
<CAPTION>

<S>	June 30, 2001 <C>	March 31, 2001 <C>
Demand bank loan, interest at prime +1/2%, monthly principal Payments of $1,500 commencing January 2000	$53,000	$57,500
Less: current portion	18,000	18,000

(amounts expressed in Canadian dollars unless otherwise stated)

	-------	-------
	$35,000	$39,500
	=======	=======

</TABLE>

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

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11. 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.

- --

12. SHARE CAPITAL

The authorized share capital of the Company consists of an unlimited number of Common Shares and 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>

	Common	
	Shares	Amount
<S>	<C>	<C>
March 31, 2000	1,568,161	$16,358,558

(amounts expressed in Canadian dollars unless otherwise stated)

Issued on conversion of warrants	44,000	1
	-----------	-----------
March 31, 2001 and June 30, 2001	1,612,161	$16,358,559
	-----------	-----------

</TABLE>

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

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 prior fiscal 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>

Fiscal year granted	Vested expiry date	Exercise price	Number of Options: Outstanding, March 31, 2001	Issued/ Vested	Exercised	Outstanding, June 30, 2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1999	Jan 21, 2009	$ 16.13	37,319	--	--	37,319
1999	Jan 21, 2009	$ 0.001	22,617	--	--	22,617
2000	May 10, 2009	$ 13.00	20,733	2,827	--	23,560

</TABLE>

Unvested Options
<TABLE>
<CAPTION>

Fiscal year granted	Vested expiry date	Exercise price	Number of Options: Outstanding, March 31, 2001	Issued	Vested	Forfeited/ Expired	Outstanding, June 30, 2001
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
2000	May 10, 2009	$ 13.00	13,193	926	2,827	--	10,366

</TABLE>

Unvested options vest evenly over a three-year term.

- --

13. INCOME TAXES

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

<TABLE>

(amounts expressed in Canadian dollars unless otherwise stated)

<CAPTION>

	3 months ended June 30, 2001	3 months ended June 30, 2000
Combined statutory tax rate (recovery)	(42.1)%	(44.6)%
Deduct:		
Non-deductible expenses	9.0	4.9
Temporary differences	11.5	12.9
Unrecognized losses carried forward	--	70.5
Future tax asset	(6.2)	--
Other, net	(.2)	.9
Effective income tax rate	(28.0)%	44.6%

</TABLE>

As at June 30, 2001, the consolidated group had approximately $1,976,000 of non-capital losses (March 31, 2001 - $2,079,000) and $401,000 (March 31, 2001 - $391,000) of capital losses which may be carried forward and utilized to reduce future years' taxable income and capital gains, respectively. In addition, the consolidated group also had $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:

<TABLE>
<CAPTION>

Expiry	
2005	$ 18,000
2006	220,000
2007	804,000
2008	934,000

</TABLE>

During the period, the Company's future income tax asset decreased by $58,000 and totaled $1,124,000 (March 31, 2001 - $1,182,000) 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 June 30, 2001 provided by the Company, decreased by $76,000 and totaled $1,080,000 (March 31, 2001 - $1,156,000) to reduce the future income tax asset, reflecting the uncertainty of full realization of the future income tax asset.

14. LOSS PER SHARE

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

	3 months ended June 30, 2001	3 months ended June 30, 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.

	3 months ended June 30, 2001	3 months ended June 30, 2000
Basic loss per share	$ (0.19)	$(0.36)

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 loss per share reported in the prior year has been decreased by $0.01 per share.

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15. COMMITMENTS

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

	12 months ended June 30
2002	$217,000
2003	145,000
2004	74,000
2005	1,000

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

	12 months ended June 30
2002	$917,000
2003	553,000
2004	490,000
2005	205,000

INTERUNION ASSET MANAGEMENT LIMITED
Notes to Consolidated Financial Statements
June 30, 2001 and June 30, 2000
(amounts expressed in Canadian dollars unless otherwise stated)

16. 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 June 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:

	3 months ended June 30, 2001	3 months ended June 30, 2000
Net loss for the period, Canadian GAAP	$(305,657)	$(578,590)
Stock based compensation (i)	--	(17,235)
Net loss for the period, U.S. GAAP	$(305,657)	$(595,825)
Loss per common share under U.S. GAAP	$ (0.19)	$ (0.37)

(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 - $0). The intrinsic-value of unvested options is estimated to be $0 (2000 - $177,000 with a vesting period of two years). Therefore, total compensation cost for the period under APB 25 would have been $(0) (2000 - $17,235). Had the Company booked compensation expense in accordance with APB 25, basic loss per share would have been increased by $0.00 (2000 - $0.01).

b) Other Disclosures:

i) 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.

INTERUNION ASSET MANAGEMENT LIMITED
Notes to Consolidated Financial Statements
June 30, 2001 and June 30, 2000
(amounts expressed in Canadian dollars unless otherwise stated)

- --

17. SUBSEQUENT EVENT

As at July 20, 2001 the Company sold all of its 53.2% share ownership interest in Black Investment Management Limited for cash proceeds of $146,250. Subject to certain terms regarding revenue levels of Black Investment Management over the next three years, the Company may receive additional proceeds. As these proceeds are contingent upon the outcome of future events, no amount will be recorded in the current year financial statements. The Company will record a consolidated gain of $22,000.

- --

18. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

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