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 December 31, 1999.

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT
For the transition period from April 1, 99 to December 31, 1999
Commission file number ______________________

INTERUNION FINANCIAL CORPORATION

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

Delaware	52-2002396
(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 -- 4,243,123 as of December 31, 1999

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

INTERUNION FINANCIAL CORPORATION

UNAUDITED CONSOLIDATED STATEMENT OF OPERATIONS AND DEFICIT
FOR THE PERIOD ENDED DECEMBER 31, 1999

<TABLE>
<CAPTION>

<S>	THREE MONTHS ENDED 31-Dec-99 <C>	31-Dec-98 <C>	NINE MONTHS ENDED 31-Dec-99 <C>	31-Dec-98 <C>
REVENUE				
Investment Banking	181,875	200,907	1,059,112	466,396
Investment Management	0.00	309,838	0.00	1,049,826
Investment Income	15,586	16,757	84,567	76,584
	----------	----------	----------	----------
	197,461	527,502	1,143,678	1,592,806
	----------	----------	----------	----------
EXPENSES				
Selling, General & Administration	258,875	772,663	787,350	2,098,629
Amortization & Depreciation	51,104	99,890	151,863	238,289
Foreign Exchange Loss (Gain)	(10,374)	1,833	(18,017)	(60,964)
Interest Expense	(2,907)	75,666	46,322	191,429
	----------	----------	----------	----------
	296,608	950,052	967,518	2,467,383
	----------	----------	----------	----------
P&(LOSS) FROM CONTIN.OPER. BEFORE INCOME TAX	(99,147)	(422,550)	176,160	(874,577)
PROV. FOR INCOME TAXES (RECOVERABLE)	0	0	0	2,873
EQUITY IN NET EARN (LOSS) OF UNCONSOL. AFFILIATES	(132,106)	(4,962)	(338,224)	0
EQUITY IN NET EARN (LOSS) OF CONSOL. AFFILIATES	659,344	2,873	659,344	(29,957)
	----------	----------	----------	----------
PROFIT (LOSS) FROM CONTINUOUS OPERATIONS	428,091	(430,385)	497,280	(907,407)
GAIN (LOSS) FROM DISCONTINUED OPERATIONS	0	0	0	0
GAIN (LOSS) ON DISPOSAL OF DISCONTINUED ASSETS	00	0	0	
	----------	----------	----------	----------
NET PROFIT (LOSS) FOR THE PERIOD	428,091	(430,385)	497,280	(907,407)
FOREIGN EXCHANGE TRANSLATION EFFECT	(10,559)	715	(10,559)	(197,528)
RETAINED EARNINGS (DEFICIT) BEG. PERIOD	(1,769,787)	(2,253,884)	(1,963,750)	(1,578,619)
Adjustment due to dissolution of subsidiaries	81,104		81,104	
RETAINED EARNINGS (DEFICIT) - END PERIOD	(1,271,151)	(2,683,554)	(1,395,925)	(2,683,554)
FINANCIAL OVERVIEW				
Common Shares Outstanding	4,243,123	1,908,285	4,243,123	1,908,285
Weighted Average Shares Outstanding - Basic	3,495,390	1,930,035	3,495,390	1,817,454
EPS - From Continuing Operations (Basic)	0.122	(0.220)	0.142	(0.50)
EPS - From Discontinuing Operations (Basic)	0.000	0.00	0.00	0.00
EPS (Basic)	0.122	(0.220)	0.142	(0.50)
Weighted Avg Com. Sh. Outstanding - Diluted	4,243,123	2,893,364	4,243,123	2,592,729
Weighted Ave Pref Sh. Outstanding - Diluted	1,500,000	1,500,000	1,500,000	150,000
EPS - From Contin. Operat. (FD)	0.101	(0.220)	0.117	(0.50)
EPS - From Contin. Operat. (FD)	0.101	(0.220)	0.117	(0.50)

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	As at December 31 1999	1998	As at March 31 1999	1998
	----------	----------	----------	----------

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

CURRENT ASSETS:				
Cash and cash equivalent	215,400	338,877	285,706	2,873,731
Marketable Securities	9,183	180,412	19,885,302	35,169,986
Due from brokers and dealers	1,368,228	587,548	0	2,012
Due from Clients	502,174	153,223	93,183	715,871
Accounts Receivable	568,409	535,942	690,374	882,491
Refundable Income Taxes	0	0	5,046	7,789
Prepaid expenses and other current assets	52,070	121,318	25,772	56,733
Notes receivable	0	415,456	973,315	616,579
Loan receivable	69,220	0	0	0
Total Current Assets	2,784,683	2,332,776	21,958,698	40,325,192
NON-CURRENT ASSETS				
Property & equipment, net	1,053,180	1,315,568	1,199,953	1,425,192
Notes receivable, non-current portion	2,574,471	778,942	619,992	952,106
Other long-term assets	90,503	84,710	77,651	84,710
Investment in unconsolidated affiliates	5,492,459	4,156,363	5,591,892	3,488,322
Goodwill, net	0	1,999,918	0	2,468,210
Discontinued Assets	0	0	0	0
Total non-current assets	9,210,613	8,335,501	7,489,488	8,418,540
TOTAL ASSETS	11,995,296	10,668,277	29,448,186	48,743,732
LIABILITIES				
CURRENT LIABILITIES:				
Due to brokers and dealers	0	145,225	18,899,072	34,663,322
Due to clients	1,794,544	595,547	979,783	3,057,747
Accounts payable and accrued liabilities	183,559	219,489	253,476	1,063,956
Due to affiliates	13,258	0	776,213	0
Notes Payable, current portion	0	731,548	0	1,703,441
Bank Loan	0	656,313	0	0
Total Current Liabilities	1,991,361	2,348,122	20,908,544	40,488,466
Due to Related Parties	522,566	0		
OTHER LIABILITIES			68,852	77,033
NOTES PAYABLE, Longterm Portion	634,467	614,944	619,992	1,485,801
Discontinued Liabilities	0	0		
Deferred Income Tax Liability	0	0		
TOTAL LIABILITIES	2,625,828	3,554,484	21,528,536	42,051,300
SHAREHOLDER'S EQUITY				
Capital Stock and additional paid-in capital	10,765,393	9,367,677	9,902,363	8,271,051
Accumulated Comprehensive Income	(10,559)	(203,294)	0	0
Cumulative Translation Adjustment	0	0	(18,963)	(5,051)
Retained Earnings (Deficit)	(1,395,925)	(2,050,590)	(1,963,750)	(1,573,568)
Total Shareholders' Equity	9,369,468	7,113,793	7,919,650	6,692,432
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY	11,995,296	10,668,277	29,448,186	48,743,732

</TABLE>

See accompanying Notes to Unaudited Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
UNAUDITED CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

	As at December 31 1999	As at December 31 1998	As at March 31 1999	As at March 31 1998
	----------	---------	---------	---------
<S>	<C>	<C>	<C>	<C>
SHAREHOLDERS' EQUITY				
Class A Preferred Stock, $0.10 par value Authorized - 1,500,000 shares Issued outstanding - 1,500,000	150,000	150,000	150,000	150,000
Class B Preferred stock, $0.10 par value authorized - 1,000,000 shares Issued and outstanding - none	0	0		
Class C Preferred Stock, $0.10 par value Authorized - 1,000 shares Issued and outstanding - none	0	0		
Common Stock, $0.01 par value Authorized - 5,000,000 in 1999; 2,500,000 in 1998 Issued and outstanding - 4,243,123 in 1999; 2,114,425 in 1998	4,343	1,936	2,114	1,654
Additional paid-in-capital	10,661,050	9,215,741	9,750,249	8,119,397
Accumulated Comprehensive Income	(10,559)	(203,294)	0	0
CUMULATIVE TRANSLATION ADJUSTMENT	0	0	(18,963)	(5,051)
ACCUMULATED DEFICIT	(1,395,925)	(2,050,590)	(1,963,750)	(1,573,568)
Total Shareholders' Equity	9,369,468	7,113,793	7,919,650	6,692,432
Total Liabilities and Sheholders' Equity	11,995,296	10,668,277	29,448,186	48,743,732

</TABLE>

See Accompanying Notes to Consolidated Financial Statements

INTERUNION FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOW
FOR THE THREE MONTHS ENDED DECEMBER 31, 1999

<TABLE>
<CAPTION>

	9 Months to 31-Dec-99	9 Months to 31-Dec-98	12 Months to 31-Dec-99	12 Months to 31-Dec-98
	-----------	-----------	-----------	---------
<S>	<C>	<C>	<C>	<C>
CASH FLOW FROM OPERATING ACTIVITIES				
Net Income (loss)	497,280	(907,407)	(390,182)	(15,287)
Adjustment to reconcile net profit (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	151,863	238,289	200,171	240,886
Loss on equity investments	(321,120)		492,917	0
Gain on sale of securities by subsidiary			(486,099)	0
Gain on disposal of discontinued operations		0	0	(804,174)
Non cash compensation		0	87,500	60,000
Non cash expenses (income)	(14,475)		40,000	0
Deferred income taxes		0	0	(85,000)
Unrealized loss (gain) in marketable securities		15,608	(11,814)	159,831
	313,548	(653,510)	(68,243)	(443,744)
Changes in operating assets and liabilities net of effects from the purchase/divestiture of InterUnion Asset Mgmt. Ltd				
Decrease (increase) in due to/from brokers and dealers, net	(20,267,300)	(35,447,946)	(15,762,238)	1,814,508
Decrease (increase) in due to/from client, net	405,770	(1,545,921)	(1,455,276)	6,988,991
Decrease (increase) in marketable securities	19,876,120	35,198,633	15,242,302	(5,871,852)
Increase (decrease) in accounts receivable & other assets	31,493	282,643	124,263	(452,610)
Increase (decrease) in accounts payable & accrued liab	(832,872)	(531,887)	(572,359)	633,103

Increase (decrease) in assets and liabilities related to/ discontined operations	0	0	0	(287,734)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(473,241)	(2,697,988)	(2,490,815)	2,380,662
CASH FLOW FROM FINANCING ACTIVITIES				
Net proceeds on issuance of capital stock	863,030	133,000	133,000	270,000
Increase (decrease) in due to related parties	0	628,428	771,109	0
Proceeds (repayment) of notes payable	(995,639)	(916,763)	(103,448)	1,508,712
Proceeds (repayment) of bank loan	0	699,378		
NET CASH PROVIDED BY FINANCING ACTIVITIES	(132,609)	544,043	800,661	1,778,712
CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of property and equipment, net	(6,532)	(7,438)	(2,0,32)	
Purchase of long-term investment, net	0	(364,184)	(437,363)	(485,336)
Cash acquired on acquisition of subsidiary	0	0	0	
Cash divested on sale of security by subsidiary	0	(195,304)	0	
Investment in notes receivable	0	0	(257,767)	(1,299,935)
NET CASH USED IN INVESTING ACTIVITIES	0	(370,716)	(897,872)	(1,787,303)
NET INCREASE (DECREASE) IN CASH	(70,306)	(2,524,661)	(2,588,026)	2,372,071
CASH AND CASH EQUIVALENTS - Beginning of Year	285,706	2,873,731	2,873,731	349,738
cash - Acquired on acquisition	151,922			
CASH AND CASH EQUIVALENTS - End of Year	215,400	349,070	285,705	2,873,731

</TABLE>

See Accompanying Notes to Unaudited Consolidated Financial Statements

PART 1 - FINANCIAL INFORMATION

ITEM 1 - FINANCIAL STATEMENTS

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 Principals. 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, 1999, included in its Form 10-KSB for the year ended March 31, 1999.

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

ITEM - MANAGEMENT'S DISCUSSION AND ANALYSIS

(1) OVERVIEW

During the first nine months of fiscal 2000 ending December 31, 1999, InterUnion reported consolidated revenues of $1,143,679 versus $1,592,808 a year earlier. The revenue during the third fiscal quarter ending December 31, 1999 was $197,461 versus $527,502 a year earlier.

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

<TABLE>
<CAPTION>

	9 mos ended Dec. 31, 99	9 mos ended Dec. 31, 98	9 mos ended Dec. 31, 97
<S>	<C>	<C>	<C>
Revenues	1,144	1,593	3,080
Net Profit	497	(907)	597
EPS - Operations (basic)	0.142	(0.500)	0.490
EPS - Discontinued Operations (basic)	0.000	0.000	0.670
EPS (Basic)	0.142	0.500	0.490
working Capital	793	(205)	888
Cash Fllow	314	(653)	855
Total Assets	11,995	10,902	8,926
Shareholder's Equity	9,369	6,559	5,928

</TABLE>

During the quarter ending December 1999, the Company implemented a number of recommendations from its board of directors:

a) Simplification of corporate structure: after the consolidation of the Company's Canadian management activities under one 44% owned subsidiary, InterUnion Asset Management Limited, the Company continued to reduce the number of subsidiaries through a reallocation of their business to other operating entities or the merging of their activities, thus allowing a simpler corporate chart;

b) Closer monitoring of its 44% owned subsidiary InterUnion Asset Management Limited, in co-operation with the other 56% shareholder which should result into implementing better controls, lower costs and increased profitability;

c) Better exposure through the creation of a website: www. interunion-financial.com .

During the third quarter ending December 31, 1999, the Company also:

a) Issued 2,218,690 Common Shares for conversion of debt, increasing the total number of Common Shares by 111.5%.

b) recovered $1,071,014.80 of outstanding loans;

c) acquired, through its 44% owned subsidiary, InterUnion Asset Management, a 75% interest into P.J.Doherty an Ottawa, Canada, based money manager with about Can$640 million of assets under management for individuals and institutions, thus bringing the assets under management to over $1.5 billion

(2) NET REVENUES

During the first nine months of fiscal 2000, ending December 31, 1999, InterUnion reported consolidated revenues of $1,143,679 versus $1,592,906 a year earlier, a decrease of 28%. Investment banking revenues increased by 127% to $1,059,112 from $466,396 the previous year. Investment management revenues were nil versus $1,049,826 a year earlier, as they are now accounted for on the equity basis.through the Company's 44% ownership in InterUnion Asset Management Limited.

Net earnings of the Company will continue to be affected by InterUnion Asset Management Limited which as a consolidator in its industry will continue to be affected by amortisation, write-off and other costs associated with its acquisitions.

(3) EXPENSES

During the first nine months of fiscal 1999, InterUnion reduced its expenses from $2,467,383 a year earlier to $987,096 representing a decrease of 61%. This decrease is attributable to continuing reduction (over 60%) in general and administration through the rationalisation of equipment (communication/information) as well as a reduction of interest expenses (75%).

(4) NET INCOME

Net income from operations (basic) for the nine months ending December 31, 1999 was $497,280 or $0.142 per Common Share, versus a loss of $907,407 or $0.50 per share a year earlier, representing a 155% increase. The increase in EPS is due to increased investment banking activity as well as from the sale of certain assets belonging to Marbury Trading Corp which resulted in a one time profit of $659,344.

The basic weighted average number of Common Shares outstanding for the nine months ending December 31, 1999 is 3,495,390 versus 1,817,454 a year earlier, an increase of 92.3% which indicates a book value per Common Share of $2.21 for 4,243,123 Common Shares versus $3.44 for 1,817,454. The increase is due to the issuance of shares resulting from the conversion of debt (see -- Liquidity and Capital Resources).

5) LIQUIDITY AND CAPITAL RESOURCES

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

<TABLE>
<CAPTION>

Date	# of Shares	Amount	Type
<S>	<C>	<C>	<C>
May 1998	17,002	68,008	Regulation "D"
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	2,014,198	905,680	Regulation "S"
November 1999	114,500	57,250	Regulation "S"

</TABLE>

(6) CONCLUDING REMARKS

Thereare 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 specified 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 investor's 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 period ending December 31, 1999, accurately reflect the operation of the Company of 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 have also reviewed its previous audited annual financial statements for the year ended March 31, 1999.

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 and should be evaluated in the context of these factors.

PART 11 - OTHER INFORMATION

ITEM 1 - LEGAL PROCEEDINGS

The Company is not a party to any pending legal proceedings nor is its property the subject of a pending legal proceeding for which the claims, exclusive of interest and costs, exceed 10% of the current assets of the Company on a consolidated basis.

ITEM 2 - CHANGES IN SECURITIES

None.

ITEM 3 - DEFAULTS UPON SENIOR SECURITIES

Therehave 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

Date __December 14, 99______________________ /s/ Georges Benarroch, Director

(Signature)*_____________________

Date __December 14, 1999 /s/ Robert Crosbie, Director

(Signature)*_____________________

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

INTERUNION ASSET MANAGEMENT LIMITED
FINANCIAL STATEMENTS
FOR THE 3 AND 9 MONTHS ENDED DECEMBER 31, 1999 AND DECEMBER 31, 1998

<TABLE>
<CAPTION>

CONTENTS

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</TABLE>

COMPLIANCE CERTIFICATE

- ---

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

Date: December 31, 1999

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, 1999:

(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 the date hereof;

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

(c) 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;

(d) 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 March 8, 1999 (the "SHARE PURCHASE AGREEMENT")) and to the best of its knowledge is in compliance with all applicable Environmental Laws; and

(e) 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 this ____ day of January, 2000.

By: ______________________________________ except for note 1 below
Name: Russell Lindsay
Title: Senior Vice-President & Chief Financial Officer

Note 1: Black Investment Management Limited have approximately $152,000 unremitted payroll deductions and $119,000 unremitted GST collected.

InterUnion Asset Management Limited
Consolidated Balance Sheets
(as at December 31)

<TABLE>
<CAPTION>

	December 31 1999	December 31 1998
	-----------	-----------
<S>	<C>	<C>

Assets		
Current:		
Cash	$ 518,175	$ 100,438
Marketable secuities, at market (note 4)	2,662,243	61,029
Accounts receivable and accrued revenue (note 5)	705,253	700,226
Prepaid expenses	94,645	67,568
Income taxes recoverable	-	8,213
	------------	----------
	3,980,316	937,474
Management contracts (note 6)	2,401,190	-
Capital assets, net (note 7)	461,895	103,026
Investments, at cost (note 8)	71,668	204,478
Goodwill (note 9)	12,927,701	7,799,303
	------------	----------
Total assets	$ 19,842,770	$9,044,281
Liabilities		
Current:		
Bank indebtedness (note 10)	$ 275,424	$ 280,467
Accounts payable and accrued liabilities	1,001,243	910,461
Current portion of long term debt	32,400	152,400
Income taxes payable	101,353	-
	------------	----------
	1,410,420	1,343,328
Deferred liabilities and inducements (note 11)	148,406	5,330,964
Long term debt (note 13)	89,800	1,026,860
Preference shares (note 14)	3,500,000	-
Other liabilities	9,986	-
	------------	----------
	5,158,612	7,701,152
	------------	----------
Non-controlling interest	446,708	466,853
	------------	----------
SHAREHOLDERS' EQUITY		
Shareholders' equity:		
Share capital (note 15)	16,358,558	1,374,000
Deficit	(2,121,108)	(497,724)
	------------	----------
Total shareholders' equity	14,237,450	876,276
	------------	----------
Total liabilities and shareholders' equity	$ 19,842,770	$9,044,281

</TABLE>

See accompanying notes to consolidated financial statements. Approved by the Board:

Director ---------------------------- Director ----------------------------

InterUnion Asset Management Limited
Consolidated Statements of Operations and Deficit
(for the periods ended December 31)

<TABLE>
<CAPTION>

	3 months ended December 31 1999	3 months ended December 31 1998	9 months ended December 31 1999	9 months ended December 31 1998
<S>	<C>	<C>	<C>	<C>
Revenue:				
Management fees	$ 1,419,655	$1,055,280	$ 3,763,881	$3,709,921
Other income (loss)	(35,095)	68,078	(71,327)	112,587

	-----------	----------	-----------	----------
	1,384,560	1,123,358	3,692,554	3,822,508
	-----------	----------	-----------	----------
Operating expense				
Commission and incentives	270,042	187,420	728,170	573,865
Salaries and benefits	772,044	597,228	1,915,050	1,718,093
Marketing and advertising	98,112	317,643	418,143	810,679
Office and general	304,451	193,223	976,211	719,729
Professional fees	35,371	10,218	152,468	84,094
Amortization of management contracts	48,810	--	98,810	--
Amortization of capital assets	22,067	(1,178)	47,147	23,061
	-----------	----------	-----------	----------
	1,550,897	1,304,554	4,335,999	3,929,521
	-----------	----------	-----------	----------
Operating loss	(166,337)	(181,196)	(643,445)	(107,013)
	-----------	----------	-----------	----------
NON-OPERATING EXPENSE:				
Interest	37,508	16,132	49,138	24,789
Interest on long term debt	11,946	15,257	16,433	39,099
Amortization of goodwill	149,902	104,641	369,798	313,920
	-----------	----------	-----------	----------
	199,356	136,030	435,369	377,808
LOSS BEFORE NON-CONTROLLING INTEREST AND INCOME TAXES	(365,693)	(317,226)	(1,078,814)	(484,821)
Income taxes (recovery) (note 16)	68,056	(24,415)	126,442	(10,538)
	-----------	----------	-----------	----------
LOSS BEFORE NON-CONTROLLING INTEREST	(433,749)	(292,811)	(1,205,256)	(474,283)
Non-controlling interest	897	(69,046)	(74,814)	4,122
	-----------	----------	-----------	----------
Net loss, for the period (note 17)	(434,646)	(223,765)	(1,130,442)	(478,405)
Deficit, beginning of period	(1,686,462)	(273,959)	(990,666)	(19,319)
	-----------	----------	-----------	----------
Deficit, end of period	$(2,121,108)	$(497,724)	$(2,121,108)	$ (497,724)
	-----------	----------	-----------	----------

</TABLE>

See accompanying notes to consolidated financial statements

InterUnion Asset Management Limited
Consolidated Cash Flow Statements
(for the periods ended December 31)

<TABLE>
<CAPTION>

<S>	3 months ended December 31 1999 <C>	3 months ended December 31 1998 <C>	9 months ended December 31 1999 <C>	9 months ended December 31 1998 <C>
Cash flow from operating activities				
Net loss	$ (434,646)	$ (223,765)	$(1,130,442)	$ (478,405)
Adjustments for:				
Amortization of goodwill	149,902	104,641	369,798	313,920
Amortization of management contracts	48,810	--	98,810	--
Amortization of capital assets	22,067	(1,178)	47,147	23,061
Deferred rent inducements	(8,808)	(1,818)	(59,147)	(5,456)
Non-controlling interest	(897)	69,046	74,814	(4,122)

Decrease (increase) in working capital	4,002,315	87,130	(2,941,470)	(1,173,601)
	3,778,743	34,056	(3,540,490)	(1,324,603)
Cash flows from investing activities				
Acquisition of capital assets	(4,929)	5,928	(268,302)	(95,800)
Acquisiton of goodwill & management contract, net of cash acquired	(3,727,495)	--	(3,976,443)	--
Net advances from (prepayments to) related parties	--	--	(6,003)	(30,000)
Cash flows from (used) in financing activities	(3,732,424)	5,928	(4,250,748)	(125,800)
Cash flows from financing activites				
Increase (decrease) in bank indebtedness	(44,647)	9,349	275,424	280,467
Increase (decrease) of deferred revenue	9,504	(37,960)	31,038	83,804
Increase (decrease) in long term debt	(8,100)	24,700	(132,768)	977,737
Dividend paid to non-controlling interest	--	(8,490)	--	(21,105)
Cash flows from (used) in financing activites	(43,243)	(12,401)	173,694	1,320,903
Net increase (decrease) in cash	3,076	27,583	(7,617,544)	(129,500)
Cash at beginning of period	515,099	72,855	8,135,719	229,938
Cash at end of period	$ 518,175	$ 100,438	$ 518,175	$ 100,438
Interest and income taxes paid				
Interest paid	$ 29,455	$ 30,459	$ 45,572	$ 58,936
Income taxes paid (received)	5,618	(26,488)	(336)	7,512

</TABLE>

See accompanying notes to consolidated financial statements.

INTERUNION ASSET MANAGEMENT LIMITED
Notes to Consolidated Financial Statements
December 31, 1999 and December 31, 1998
(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., 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 requires 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 and are amortized on a straight-line basis over a five year period (unless otherwise stated). 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 20 years (unless otherwise stated). The value of goodwill is evaluated regularly by reviewing the returns of the related business, taking into account the risk associated with the investment. Any impairment in the value of the goodwill is written off against earnings.

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 and long term debt. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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) 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

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

1998 Acquisitions:

o 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 Ltd 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.

1999 Acquisitions:

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

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

o On November 19, 1999, the Company completed the acquisition of 75% of P.J. Doherty & Associates Co. Ltd., the primary business of which is to provide discretionary and advisory portfolio management services. The goodwill of $5,353,911 resulting from this acquisition is amortized over 15 years.

The assets acquired and consideration given are as follows:

<TABLE>
<CAPTION>

<S>	1999 <C>	1998 <C>
Cash	$ 33,637	$ 90,823
Net assets (liabilities) acquired, at fair value	309,726	(490,992)
	$ 343,363	$ (400,169)
Consideration		
Cash	2,010,080	--
Class A Preferred Shares	3,500,000	--
Share capital - common shares	--	5,143,491
Direct acquisition expenses	121,942	--
	5,946,252	5,143,491
Goodwill	$ 5,602,889	$ 5,543,660

</TABLE>

The following table reflects, on a pro-forma basis, the combined results of InterUnion Asset Management Limited as if the P.J. Doherty & Associates Co. Ltd. acquisition had taken place at April 1, 1998.

<TABLE>
<CAPTION>

	9 months ended December 31, 1999	9 months ended December 31, 1998

<S>	<C>	<C>
Revenue	$ 5,167,350	$ 5,152,389
Operating Income (Loss)	(430,175)	100,289
Net Loss	(1,499,126)	(917,007)
Basic loss per common share	(0.96)	(1.33)

</TABLE>

4. MARKETABLE SECURITIES

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

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Bankers Acceptance (under one year)	$ 2,279,087	$ --
Money Market Mutual Funds	338,079	--
Other Mutual Funds	45,077	61,029
	$ 2,662,243	$ 61,029

</TABLE>

5. ACCOUNTS RECEIVABLE AND ACCRUED REVENUE

Accounts receivable and accrued revenue comprise the following:

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Trade receivables and accrued revenue	$ 484,923	$ 588,896
Notes receivable (note 12)	200,000	91,000
Related party (note 12)	20,330	20,330
	$ 705,253	$ 700,226

</TABLE>

The notes receivable are non-interest bearing and the balances are expected to be repaid in the current fiscal year.

6. MANAGEMENT CONTRACTS

Management contracts comprise the following:

<TABLE>
<CAPTION>

	1999			1998
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<S>	<C>	<C>	<C>	<C>
Management contract	$ 500,000	$ 75,000	$ 425,000	$ --
Non-competition agreement	2,000,000	23,810	1,976,190	--
	$ 2,500,000	$ 98,810	$ 2,401,190	$ --

</TABLE>

Non-competition agreements with principal individuals at P.J. Doherty & Associates Co. Ltd are amortized over a period of 7 years.

7. CAPITAL ASSETS

Capital assets comprise the following:

<TABLE>
<CAPTION>

	1999			1998
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
<S>	<C>	<C>	<C>	<C>
Computer equipment	$ 609,155	$ 417,909	$ 191,246	$ 56,766
Furniture, fixtures and other	427,349	295,451	131,898	46,260
Leasehold improvements	155,366	16,615	138,751	--
	$ 1,191,870	$ 729,975	$ 461,895	$ 103,026

</TABLE>

Amortization expense during the year was $47,147 (1998; $23,061).

8. INVESTMENTS

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

<TABLE>
<CAPTION>

	1999	1998
<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 - $17,190)	$ 17,190	$ 150,000
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)	44,478	44,478
Other investments	10,000	10,000
	$ 71,668	$ 204,478

</TABLE>

9. GOODWILL

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Cost	$ 13,775,881	$ 8,179,109
Accumulated amortization	848,180	379,806
	$ 12,927,701	$ 7,799,303

</TABLE>

10. BANK INDEBTEDNESS

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Demand bank loans bearing interest at prime +1/2% to +3/4%	$ 128,449	$ 100,000
Overdraft	146,975	180,467
	$ 275,424	$ 280,467

</TABLE>

The demand bank loans are guaranteed by two of a subsidiary Company's shareholders.

11. DEFERRED LIABILITIES AND LEASE INDUCEMENTS

Deferred liabilities and lease inducements compromise the following:

<TABLE>
<CAPTION>

<S>	1999 <C>	1998 <C>
Deferred revenue	$ 105,703	$ 83,804
Deferred rent inducement	42,703	103,669
Deferred share issuance (note 3)	--	5,143,491
	$ 148,406	$ 5,330,964

</TABLE>

The 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 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.

12. RELATED PARTY TRANSACTIONS

Significant related party transactions are as follows:

<TABLE>
<CAPTION>

<S>	1999 <C>	1998 <C>
Revenue		
Management fees from corporation of which a subsidiary shareholder has operational control	$ --	$ 117,000
Rent from corporation owned by common subsidiary shareholders	--	9,000
Expenses		
Mutual fund administration fees to the majority shareholder of the company	91,787	--
Management fees to a corporation controlled by minority shareholder of the company	--	12,600
Rent, no formal agreement in place, to corporation controlled by a minority shareholder of the company	18,900	18,900
Trailer fees to corporations controlled by an officer of a subsidiary company	--	52,515
Management fees to a corporation controlled by a director and officer of the company	--	90,000
Marketing fees to a company controlled by an officer of the company	31,250	56,250

</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>

<S>	<C>	<C>
Accounts receivable from a corporation with common subsidiary shareholders	$ 20,330	$ 20,330
Notes receivable from an officer of a subsidiary company	200,000	91,000
Accounts payable due to a corporation controlled by an officer of a subsidiary company	--	4,082
Accounts payable due to the minority shareholder of the company	--	50,370
Accounts payable due to minority shareholders of a subsidiary company	78,680	--

</TABLE>

These balances are interest-free, unsecured, payable on demand and have arisen from the provision of services referred to above.

13. LONG-TERM DEBT

<TABLE>
<CAPTION>

<S>	1999 <C>	1998 <C>
Demand installment loan, monthly principal payments of $2,700, interest at prime plus 2%. Unless demanded, balance is due on October 15, 2000.	$ 122,200	$ 154,600
Bank loan bearing interest at prime, repayable in monthly principal installments of $10,000 plus interest, secured by a general security agreement and a guarantee of the subsidiary	--	975,537
10% note payable to a director and non-controlling interest shareholder, due on demand	--	49,123
	122,200	1,179,260
Less: current portion	32,400	152,400
	$ 89,800	$ 1,026,860

</TABLE>

During the prior fiscal period, the demand installment loan was negotiated in order to eliminate certain subsidiary shareholder loans. The term loan is secured by a general assignment of book debts and a general security agreement of a subsidiary. Two of the subsidiary shareholders have a personal guarantee on the debt. One subsidiary shareholder has guaranteed up to $125,000 and the other shareholder has guaranteed an unlimited amount.

14. 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 with respect to non-payment of dividends and an Initial Public Offering of the Common Shares of the Company) 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 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.

15. 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 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 14).

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(1)	$ --
December 31, 1998	234,292	--	1,374,000	--
Jan 21, 1999	455,699	310,000	5,143,491(2)	4,920,533(1)
Mar 8, 1999	310,000	(310,010)	4,920,533(3)	4,920,533)
Mar 8, 1999	568,160		4,920,534(1)	--
Closing Share Capital: December 31, 1999	1,568,161	--	$ 16,358,558	$ --

</TABLE>

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

During the prior 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 Option------------			
Year Granted	Vested expiry date	Exercise price	Outstanding December 31, 1998	Issued (vested)	Exercised	Outstanding December 31, 1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1999	Jan 21, 2009	$16.13	--	36,300	--	36,300
1999	Jan 21, 2009	$0.001	--	22,000	--	22,000
1999	May 10, 2009	$13.00	--	6,417	--	6,417

</TABLE>

Unvested Options

<TABLE>
<CAPTION>

			------------------Number of Option------------			
Year granted	Vested expiry date	Exercise price	Outstanding December 31, 1998	Issued	Vested	Outstanding December 31, 1999
<S>	<C>	<C>	<C>	<C>	<C>	<C>
1999	Jan 21, 2009	$0.001	--	37,000	11,000	26,000
1999	May 10, 2009	$13.00	--	32,000	6,417	26,583

</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 dates from March 31, 2000 to March 31, 2002 if performance criteria is not met. Unvested options with an exercise price of $13.00 will vest evenly over a three year term.

16. INCOME TAXES

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

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Combined statutory tax rate (recovery)	(44.6)%	(44.6)%
Deduct:		
Non-deductible expenses, amortization of goodwill and unrecognized losses carried forward	56.3%	46.5%
Small business reduction rate	--	(4.1)%
Effective income tax rate	11.7%	(2.2)%

</TABLE>

As at December 31, 1999 the consolidated group had approximately $1,141,000 of non-capital losses (1998 - $191,000) and $133,000 of unrealized capital losses (1998 - $0) which may be carried forward and utilized to reduce future years' taxable income and capital gains, respectively. Capital losses can be carried forward indefinitely. The right to claim the non capital losses expires as follows:

<TABLE>
<CAPTION>

Expiry	
<S>	<C>
2005	$ 450,000
2006	691,000

	$1,141,000

</TABLE>

During the period, the Company's future income tax asset increased by $315,000 (1998 - $85,000) and totaled $509,000 (1998 - $85,000) after applying the statutory tax rate to the non-capital losses described above.

Subsequently, the net change to the valuation allowance during the period, and the total valuation allowance as at December 31, 1999 provided by the Company, increased by $315,000 (1998 - $85,000) and totaled $509,000 (1998 - $85,000) to reduce the future income tax asset, reflecting the uncertainty of realization of the future income tax asset.

17. LOSS PER SHARE

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

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Weighted average common shares - basic calculation	1,568,161	689,991

</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 vested options in computing diluted loss per share because their effects were antidilutive.

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Basic loss per share	$(0.72)	$(0.69)

</TABLE>

18. COMMITMENTS

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

<TABLE>

<S>	<C>	<C>
	2000	$402,000
	2001	382,000
	2002	239,000
	2003	215,000
	2004	83,001

</TABLE>

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

<TABLE>

<S>	<C>	<C>
	2000	$1,363,000

2001	1,210,000
2002	717,000
2003	490,000
2004	449,000

</TABLE>

19. 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. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000.

The Company uses third party applications or suppliers for its major information systems and reporting. These systems will either be upgraded and tested to be in compliance for the year 2000 or the Company will take necessary steps to replace the supplier. If the Year 2000 Issue is not addressed by the Company

and its major customers, suppliers and other third party business associates, the impact on the Company's operations and financial reporting may range from minor errors to significant systems failure which could affect the Company's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Company, including those related in the efforts of employers, suppliers, or other third parties, will be fully resolved.

20. 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 December 31 between Canadian GAAP and accounting principles generally accepted in the United States ("U.S. GAAP") are described below.

Stock Based Compensation

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. The intrinsic-value of unvested options granted is estimated to be $597,000 (1998 - $0) with a vesting period of 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 $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 $149,250. Had the Company booked compensation expense in accordance with APB 25, basic loss per share would have been increased by $0.10 (1998 - $0).

The estimated fair value of the underlying equity at December 31, 1999 was $13.00. As such, compensation costs under SFAS 123 would have totaled $227,700 (1998 - $0) 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, basic earnings per share would have been reduced by $0.04 (1998 - $0).

The application of U.S. GAAP would have the following approximate effects on the Company's consolidated financial statements:

<TABLE>
<CAPTION>

	1999	1998
<S>	<C>	<C>
Net loss based on Canadian GAAP	$ (1,130,442)	$ (478,405)
Stock based compensation	(149,250)	--
Net loss based on U.S. GAAP	$ (1,279,692)	$ (478,405)
Loss per common share - Canadian GAAP	$ (.72)	$ (.69)
- U.S. GAAP	(.82)	(.69)

</TABLE>

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 the consolidated financial statements.

21. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative quarterly consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the current quarterly consolidated financial statements.

<TABLE> <S> <C>

<ARTICLE> 5
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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM INTERUNION FINANCIAL CORPORATION AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH 10-Q513 FILING.
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