



20% PROVINCIAL TAX CREDIT

15% FEDERAL TAX CREDIT

R R S P E L I G I B L E

ENHANCED FOREIGN CONTENT

*Saskatchewan's First
Provincial Labour-sponsored
Venture Capital Corporation*

 Golden
Opportunities
Fund Inc.

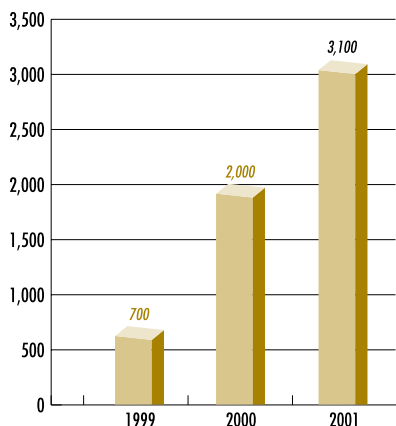
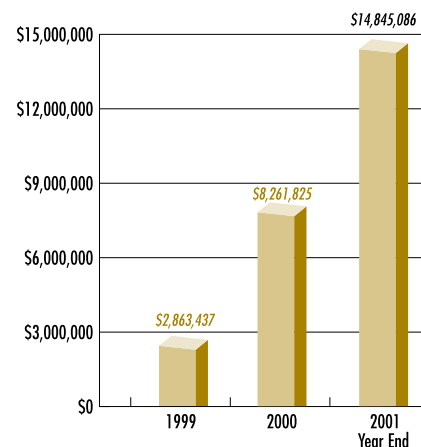
TO OUR SHAREHOLDERS:

...OUR GROWTH AND MOMENTUM IS EXCITING!

We are pleased to present herein the financial and operating highlights for the fiscal year end August 31, 2001. This, just our second full operating fiscal year, can be characterized as another milestone year in which Saskatchewan's First Provincial Labour Fund, confirms its growing momentum with each passing year. The Fund is pleased to report that fiscal 2001 saw continued growth and performance in all key areas.

Third consecutive increase in fund sales in so many years!

For the third year in a row, since our launch in February 1999, the Fund's sales and assets have increased substantially over the previous year. In 2001, Golden Opportunities raised \$6.6 million, a 22% increase over that raised in fiscal 2000 bringing the total capital raised to date in excess of \$ 15.0 million. The growth in our capital base each year at progressively higher levels confirms the increasing support the Fund is obtaining from investment advisors, financial planners and the people of Saskatchewan. It reaffirms the people of Saskatchewan support Golden Opportunities' philosophy, management team and investment record.

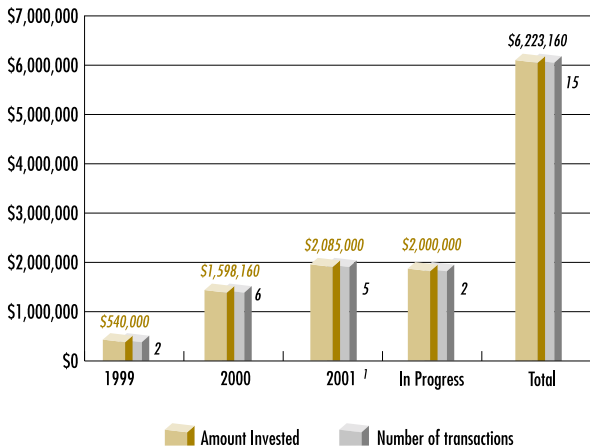


Record growth in Saskatchewan shareholders!

As at fiscal year end 2001 over 3100 shareholders from all parts of our Province have made a statement and a decision that Golden Opportunities, and its focus and mandate of reinvesting in our Province's small and medium-sized businesses is an investment they support and want to participate in. We are proud, that in under three years, we can travel the province wide and talk to Golden Opportunities' shareholders wherever we go.

...FIRM ENDORSEMENT OF GOLDEN OPPORTUNITIES

...YOU ARE A BIG PART OF IT!



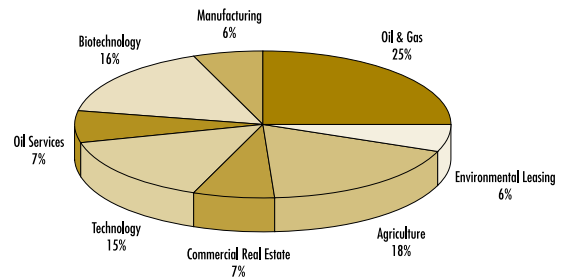
¹ Includes one transaction completed subsequent to year end

Reinvesting funds ahead of schedule!

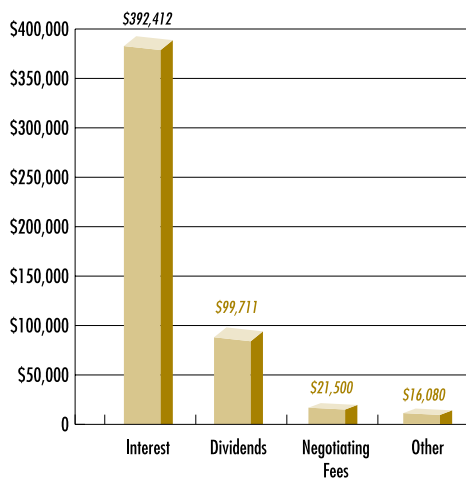
With the rapid growth in the size of the fund, it is important the Fund continues to invest the capital in a timely fashion. We did not rest after exceeding the investment timeframe on funds raised in 1999, one year ahead of schedule. By completing four investment transactions valued at \$1.83 million during fiscal year 2001 and a subsequent investment of \$250,000 after year end, Golden Opportunities has placed more funds in 2001 than any other year to date. With the anticipated closure of two additional investments for \$2.0 million in value, the Fund will once again outpace the investment requirements imposed by legislation on the funds raised in the year 2000. The Fund's successful investment pace ensures Saskatchewan companies are immediately receiving capital for growth and provides an opportunity for the Fund's investment portfolio to mature in a shorter horizon. The Fund is pleased to report that upon the completion of two key investments currently being contemplated, we will be over 40% invested in strategic Saskatchewan investments.

Diversified across all industry sectors!

The Fund is strategically diversified across all Saskatchewan industry sectors for risk management. Since inception less than three years ago, the Fund has completed 13 investment transactions across eight industry sectors maintaining our goal and commitment for diversification throughout our growth. Diversification with a strong investment pace are instrumental in building a solid and mature portfolio of investments. To this end we are well underway.



...DIVERSIFICATION IS THE KEY TO RISK MANAGEMENT



Cost Conscious Management!

Golden Opportunities is conscious to ensure that through our period of continued and rapid growth of the Fund's assets and investment portfolio we focus on revenues and minimizing costs. As a result of additional income from dividends and negotiation fees, gross revenues increased to \$529,703 (\$309,642, in 2000). Waiver of fees by the Fund Manager and Board of Directors, and the recovery of contingent incentive participation amounts on the expense side enabled the Fund to report a net investment income of \$227,493 or \$0.25 per Class A share for fiscal year end August 31, 2001.

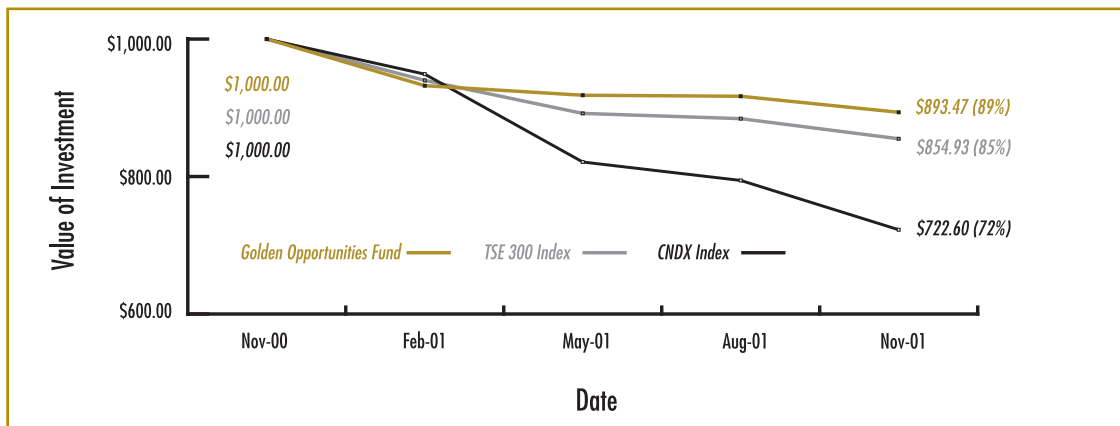
... OUR TRACK RECORD IS SOLID!

Golden Opportunities Fund Inc. continues to excel in all categories and outperform the benchmarks we accomplished the year before. Fiscal 2001 saw record asset growth, an increasing shareholder base throughout Saskatchewan, and a growing and diversified investment portfolio. We anticipate continued and substantial growth in the size of the Fund due to the confirmed demand and acceptance of Golden Opportunities. We are proud of our current investee companies and the growth they have shown. Our success is rewarded by Global Strategy Funds' rating service which rates all mutual funds on a five star scale, with a five star rating being the best. Golden Opportunities Fund at year end had the honour of maintaining a four star rating in just our third year of operation.

... GLOBEFUND RATING: ★★★★★

Thank you for your participation in Golden Opportunities, in Saskatchewan and your continued investment each year. The 35% tax credit, RRSP deduction and commitment to invest in Saskatchewan's future are bonuses you receive as a shareholder of Golden Opportunities. Our goal is to maximize shareholder unit values over the long term! To that end our investee companies are growing, expanding, and prospering while our unit value remains stable in turbulent economic times, which has affected most other mutual funds. In comparison to the TSE 300, TSE Small Cap Index, U.S. Small Cap Index and the CDNX Index, over the past year, Golden Opportunities has outperformed all of them, not taking into account the 35% tax credit provided by Golden Opportunities Fund.

Value of \$1,000 from November 2000 to November 2001



Our past has been classified as record setting; our future is on track to be no different.



Sincerely regards

Grant Kook
Chairman

Golden Opportunities Fund Inc.
launches website in 2001

www.goldenopportunities.ca

2001

INVESTING IN SASKATCHEWAN BUSINESSES

Meeting and exceeding our investment pace and commitment into Saskatchewan businesses accelerates the growth of Saskatchewan companies, creates immediate jobs, and most importantly assists in the early maturity of the Fund's investment portfolio.



Empire Energy Inc.¹

<i>Oil and Gas</i>	\$438,750	<i>Class A Shares</i>	39 Employees
--------------------	-----------	-----------------------	--------------

Empire Energy Inc. is a private corporation involved in the exploration, development, acquisition, and production of oil in South East Saskatchewan. Empire Energy was Golden Opportunities Fund's inaugural investment in 1999 when oil prices were \$15.00 per barrel. Due to the Company's successful in-house and farm-in drilling program, Empire has grown substantially. Given the strength in oil prices in the past two years, and a successful drilling program, the Fund's investment into the oil sector was timely and positive.



QCC Technologies Inc.¹

<i>Technology</i>	\$620,000	<i>Series I & II Convertible Preferred Shares</i>	44 Employees
-------------------	-----------	---	--------------

QCC Technologies Inc. is an advanced technology, engineering company which trades on the Canadian Venture Exchange (QCC: CDNX). QCC Technologies provides specialized engineering services to client companies in the form of system analysis, specification design, applications and integration, consulting and support. Their particular area of expertise lies in area of data communication, data networking and providing outsourced IT services. The Company completed acquisitions of Graycon Systems, and Jaratech Business Solutions both of Calgary in the past two years, diversifying into the outsourced IT market. Since the Fund's investment in 1999, gross sales have increased from \$2.0 million to an anticipated \$8.5 million. QCC remains one of the few profitable, public traded technology companies. www.qccotech.com

Weyburn Inland Terminal Ltd.¹

<i>Agriculture</i>	\$749,410	<i>Class A Shares</i>	62 Employees
--------------------	-----------	-----------------------	--------------

Weyburn Inland Terminal Ltd. is a farmer owned and farmer managed company, operating the largest independent inland terminal and grain condominium complex on CP Rail's and Soo Line near Weyburn, Saskatchewan. The Company's priority business is the processing, handling and marketing of cereal grains and oil seeds to satisfy the specific demands of its customers. WIT was the first inland grain terminal in Canada to condominiumize a portion of storage space for resale to farmers. The Company has expanded its operations to include a seed and supply operation, specialty crop processing and marketing firm, fertilizer blending plant and grain screening peleting enterprise. With an outstanding history of dividend payments to shareholders and expansion through internal cash flow, the Fund's agriculture portfolio is performing well.

*TGS Properties Ltd.*

<i>Commercial Real Estate</i>	\$300,000	<i>Class A Shares/Debenture</i>	75 Employees
-------------------------------	-----------	---------------------------------	--------------

TGS Properties Ltd. has become one of Western Canada's leading commercial land development corporations, currently trading on the Toronto Stock Exchange (TGP: TSE). The management team brings a substantial amount of experience in commercial real estate, investment banking, finance, law and construction resulting in effectively increasing the assets of the company to approximately \$225 million. The Company's majority purchase of Destination Resorts, a Company listed on the TSE which owns land development in the Canmore, Alberta area has been significant to its growth. The primary asset of Destination Resorts is the Three Sisters Resort Development located adjacent to the Banff National Park, and considered to be one of the finest undeveloped tracks of mountain real estate in North America. www.tgsproperties.com

*BAY TRAIL ENVIRONMENTAL INC.*

<i>Environmental Leasing</i>	\$280,000	<i>Debenture</i>	3 Employees
------------------------------	-----------	------------------	-------------

Bay Trail Environmental Inc. is located in Humboldt, Saskatchewan, and is actively involved in the lease and/or rental on a daily basis of recycled bins in the oil, gas, and agricultural sectors. The bins are leased to companies throughout the western provinces and manufactured by subcontractors. Bay Trail Environmental has formed strategic alliances with waste removal companies to provide a full fledge service that includes container rentals and waste handling and disposal. Bay Trail Environmental's recycle bins unique design not only sorts dangerous and non-dangerous wastes, but also further segregates each category resulting in maximum efficiencies in waste management programs for the oil and gas industry. The Fund's debt investment obtains an attractive yield while providing valuable working capital to the Company for growth.



2001



Quartus Energy Limited

TRINIDAD DRILLING LTD.

<i>Oil Services</i>	\$300,000	<i>Class A Shares & Warrants</i>	44 Employees
---------------------	-----------	--------------------------------------	--------------

Trinidad Drilling Ltd. provides oil field drilling services to customers in Canada, throughout the Western Canadian Sedimentary Basin (WCSB) and the Western Sedimentary Basin (WSB) and currently trades on the Toronto Stock Exchange (TDG: TSE). Trinidad, first incorporated in 1996, has grown primarily through the construction and acquisition of oil rigs and the development of long term drilling service relationships with a growing customer base. Trinidad Drilling has currently moved from seven rigs to twelve with the addition of five new rigs as a result of a sold out \$10 million initial public offering. The Trinidad oil service fleet are all winterized and ideally suited to the highly active sub-3000 meter depth segment. Upon completion of rig 12, 83% of the rig fleet is new or recently manufactured, allowing for a more efficient use of rigs, requiring less maintenance and down time due to their young age. www.trinidaddrilling.com

QUARTUS ENERGY LIMITED¹

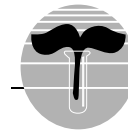
<i>Oil and Gas</i>	\$600,000	<i>Class A Shares</i>	10 Employees
--------------------	-----------	-----------------------	--------------

Quartus is a private emerging oil and gas exploration, development and production company. The Corporation has completed approximately 40 shallow gas wells on gas reserves located in south western Saskatchewan. The management of Quartus Energy is extremely familiar with south western Saskatchewan, having managed gas properties in the area previously, and having excelled in shallow gas optimization for years and maintaining an understanding of the geological setting. Although natural gas prices have declined in the latter part of 2001, they still remain higher than historical average prices in the past seven years.

Prairie Plant Systems Inc.¹

<i>Plant Biotechnology</i>	\$685,000	Convertible, Retractable Preferred Shares	16 Employees
----------------------------	-----------	---	--------------

Prairie Plant Systems Inc. is a plant biotechnology company involved in new plant biotechnologies providing innovative expertise and service into deliverable plant based systems for environmental and commercial applications. Prairie Plant has secured contracts with National Research Council, Agriculture Canada, and Health Canada's Therapeutic Products Programme, and just secured its largest contract with Health Canada known as the MM Project (Medicinal Marijuana Project). As a result of its advancement in underground growth chambers, and its significant plant growth acceleration and controlled bio-secure environment, the Company has differentiated itself from its competition. www.prairieplant.com



**Prairie Plant
Systems Inc.**

Westland Rec-Creation Inc.²

<i>Manufacturing</i>	\$250,000	Class A Shares	52 Employees
----------------------	-----------	----------------	--------------

Westland Rec-Creation Inc., formed in 1997 manufactures creative playground equipment which features high quality steel and wood structures for use in public and private schools, parks and recreational sites across Canada and the United States. The Company's product under the "Romperland" play systems label meets or exceeds Canadian Standard Association Guide for children's play spaces and equipment and the American society for testing material specifications. The Fund's investment into the Company will enable the Company to continue to expand its marketing presence throughout Eastern Canada and the United States in the immediate future.

Westland Rec-Creation Inc.

¹Top Five Investment Holdings

²Subsequent to Year End

HERGOTT DUVAL STACK & PARTNERS

CHARTERED ACCOUNTANTS

PARTNERS

LYLE ZDUNICH, B.COMM., C.A.
 R. JOE PARKER, B.COMM., C.A.
 THOMAS J. STACK, B.A., C.A.
 BARRY FRANK, B.COMM., C.A.
 BLAIR DAVIDSON, B.COMM., C.A.
 BERNIE A. BROUGHTON, B.COMM., C.A.
 DAVID W. BALLANTYNE, C.B.V., F.C.A.
 CRAIG HERMANN, B.COMM., C.A.
 CAROL MAILLOUX, B.COMM., CA

SENIOR COUNSEL

LEE HERGOTT, B.COMM., CA
 MAURICE DUVAL, B.COMM., CA

1200 Saskatoon Square
 410 - 22nd Street East
 SASKATOON, SASKATCHEWAN
 S7K 5T6

Telephone (306) 934-8000
 Facsimile (306) 653-5859
 www.hergottduval.sk.ca
 E-Mail: office@hergottduval.sk.ca

To the Shareholders of

Golden Opportunities Fund Inc.

We have audited the statement of net assets of Golden Opportunities Fund Inc. as at August 31, 2001 and 2000, the statement of investment portfolio as at August 31, 2001 and the statements of operations and deficit, changes in net assets, and cash flows for the years then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Fund's management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Fund as at August 31, 2001 and 2000, its results of its operations and the changes in net assets and cash flows for the years then ended, in accordance with Canadian generally accepted accounting principles.

SASKATOON, SASKATCHEWAN

Hergott Duval Stack & Partners

October 5, 2001

Chartered Accountants

STATEMENT OF NET ASSETS

August 31, 2001

	2001	2000
ASSETS		
Cash	\$ 191,311	\$ 91,373
Marketable securities, at market value (a)	9,338,280	5,339,188
Subscriptions receivable	13,525	9,400
Accrued interest and other receivables	198,492	41,290
Prepaid expenses and deposits	4,060	11,596
Venture investments, at fair value (a)	3,877,855	3,392,930
Deferred charges, net of accumulated amortization of \$191,894 (2000 - \$67,334)	1,011,912	583,714
	<u>14,635,435</u>	<u>9,469,491</u>
LIABILITIES		
Accounts payable and accrued liabilities	77,050	95,430
Contingent incentive participation amount (Note 4)	-	252,466
	<u>77,050</u>	<u>347,896</u>
Net assets	<u>\$ 14,558,385</u>	<u>\$ 9,121,595</u>
SHAREHOLDERS' EQUITY		
Share Capital (Note 3)	\$ 14,845,086	\$ 8,261,825
Deficit	(299,627)	(402,560)
Unrealized appreciation of venture investments	12,926	1,262,330
	<u>\$ 14,558,385</u>	<u>\$ 9,121,595</u>
Class A shares outstanding	<u>1,181,148</u>	<u>657,264</u>
Net asset value per Class A share	<u>\$ 12.33</u>	<u>\$ 13.88</u>

(a) Refer to Statement of Investment Portfolio for cost values.

Approved by the Board

Director



Boris Slipchuk

Director



Douglas W. Banzet

STATEMENT OF OPERATIONS AND DEFICIT

Year Ended August 31, 2001

	2001	2000
INVESTMENT INCOME		
Interest	\$ 392,412	\$ 210,594
Dividends	99,711	-
Negotiation fees	21,500	68,400
RRSP administration fees	12,598	18,865
Other	3,482	11,783
	529,703	309,642
EXPENSES		
Administration fees (Note 4)	144,756	114,654
Audit	30,552	12,737
Custodian fees	8,849	8,449
Directors' fees and expenses	14,873	16,042
Legal	23,691	26,786
Management fees	311,145	164,024
Office	30,006	21,500
Other costs	23,242	31,867
	587,114	396,059
Loss before the undernoted items	(57,411)	(86,417)
Directors' fees waived (Note 4)	6,800	15,600
Management fees waived (Note 9)	25,638	31,197
Recovery of (provision for) contingent incentive participation amount (Note 4)	252,466	(252,466)
	284,904	(205,669)
Net investment income (loss)	227,493	(292,086)
Deficit, beginning of year	(402,560)	(57,354)
Amortization of deferred charges	(124,560)	(53,120)
Deficit, end of year	\$ (299,627)	\$ (402,560)
Net investment income (loss) per Class A share (a)	\$ 0.25	\$ (0.64)

(a) The net investment income (loss) per Class A share is calculated based on the average number of Class A shares outstanding during the year.

STATEMENT OF CHANGES IN NET ASSETS

Year Ended August 31, 2001

	2001	2000
OPERATING ACTIVITIES		
Net investment income (loss)	\$ 227,493	\$ (292,086)
Unrealized (depreciation) appreciation of venture investments	(1,249,404)	1,262,330
	(1,021,911)	970,244
CAPITAL TRANSACTIONS		
Proceeds from the issuance of Class A shares	6,619,542	5,412,128
Redemption of Class A shares	(36,281)	(13,740)
Amortization of deferred charges	(124,560)	(53,120)
	6,458,701	5,345,268
Increase in net assets during the year (Note 5)	5,436,790	6,315,512
Net assets, beginning of year	9,121,595	2,806,083
Net assets, end of year	\$ 14,558,385	\$ 9,121,595
Net asset value per Class A share (a)	\$ 12.33	\$ 13.88

(a) 1999 - net asset value per Class A share - \$9.79

STATEMENT OF CASH FLOWS

Year Ended August 31, 2001

	2001	2000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net investment income (loss)	\$ 227,493	\$ (292,086)
Net change in non-cash working capital balances relating to operations	(424,637)	285,401
	(197,144)	(6,685)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net increase in venture investments	(1,734,329)	(1,860,600)
Net increase in marketable securities	(3,999,092)	(3,152,938)
	(5,733,421)	(5,013,538)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from the issuance of Class A shares	6,619,542	5,412,128
Increase in deferred charges	(552,758)	(417,222)
Redemption of Class A shares	(36,281)	(13,740)
	6,030,503	4,981,166
Net increase (decrease) in cash	99,938	(39,057)
Cash, beginning of year	91,373	130,430
Cash, end of year	\$ 191,311	\$ 91,373
The net change in non-cash working capital balances is comprised of the following:		
(Increase) decrease in subscriptions receivable	\$ (4,125)	\$ 7,267
(Increase) in accrued interest and other receivables	(157,202)	(38,806)
Decrease in prepaid expenses and deposits	7,536	1,880
(Decrease) increase in accounts payable and accrued liabilities	(18,380)	62,594
(Decrease) increase in contingent incentive participation amount	(252,466)	252,466
	\$ (424,637)	\$ 285,401

STATEMENT OF INVESTMENT PORTFOLIO

August 31, 2001

MARKETABLE SECURITIES

Par Value/Number of Shares	Issuer and Description of Security	Maturity Date	Cost	Market Value
1,800,000	Farm Credit Corporation, 3.90% discount note	September 4, 2001	\$ 1,798,650	\$ 1,798,650
2,000,000	Province of Alberta, 4.29% bond	October 4, 2001	2,010,000	2,010,000
1,660,000	Province of Ontario, 4.95% treasury bill	December 12, 2001	1,587,657	1,587,657
2,000,000	Government of Canada, 4.37% treasury bill	January 31, 2002	1,927,100	1,927,100
1,000,000	Government of Canada, 3.85% treasury bill	April 25, 2002	972,710	972,710
1,100,000	NHA Mortgage Backed Security Pool #9900-7577, 5.00% coupon rate	August 1, 2002	1,042,163	1,042,163
Marketable securities (64.2%)*			9,338,280	9,338,280

VENTURE INVESTMENTS

Par Value/Number of Shares	Issuer and Description of Security	Maturity Date	Cost
675,000	Empire Energy Inc., common shares		\$ 438,750
1,350,000	QCC Technologies Inc., Series I preferred shares		270,000
280,000	QCC Technologies Inc., Series II preferred shares		350,000
	Bay Trail Environmental Inc., 10% debenture	November 1, 2001	143,080
90,000	TGS Properties Ltd., common shares		180,000
	TGS Properties Ltd., 8.5% senior secured subordinate redeemable debentures	September 1, 2008	120,000
51,899	Weyburn Inland Terminal Ltd., common shares		778,099
120,000	Trinidad Drilling Ltd., common shares, warrants attached		300,000
600,000	Quartus Energy Limited, common shares		600,000
342,500	Prairie Plant Systems Inc., preferred shares, warrants attached		685,000
Venture investments at cost			3,864,929
Unrealized appreciation of venture investments			12,926
Venture investments at fair value (26.7%)*			3,877,855
Total investments (90.9%)*			\$ 13,216,135

* Percentages shown relate investments at fair value to total net assets.

August 31, 2001

1. CORPORATE STATUS AND ACTIVITIES

Golden Opportunities Fund Inc. (the "Fund") was incorporated under the laws of Saskatchewan by Articles of Incorporation on December 8, 1997. The Fund is registered as a labour-sponsored investment fund corporation under *The Labour-sponsored Venture Capital Corporations Act (Saskatchewan)* (the "Saskatchewan Act"). The Fund is taxable as a mutual fund corporation and is a prescribed Labour-sponsored Venture Capital Corporation under the *Income Tax Act (Canada)* (the "Federal Act"). The Federal and Saskatchewan Acts allow an individual to invest in Class A shares of the Fund and obtain a personal income tax credit.

The Fund issued Class A shares at an initial offering price of \$10 per share and thereafter, at a continuous offering price equal to the net asset value per Class A share. The Fund commenced active operations on March 1, 1999, on the initial issue of its Class A shares.

The Fund makes investments in small and medium-sized eligible Saskatchewan businesses, as defined in the Saskatchewan Act, with the objective of achieving long-term capital appreciation.

The sponsor of the Fund is the Construction and General Workers' Union Local 890 (the "Sponsor").

August 31, 2001

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with generally accepted accounting principles. The significant accounting policies are as follows:

Marketable securities

Marketable securities are valued at amortized cost, which approximates market value.

Venture investments

Venture investments in eligible businesses, having quoted market values and being publicly traded on a recognized stock exchange and not otherwise restricted or thinly traded, are recorded at values based on the quoted market prices.

Venture investments in eligible businesses, not having quoted market values or in restricted securities, are valued at cost unless there is an independent valuation, arm's length transaction or material event that establishes a new fair value. Writedowns to estimated net realizable fair value are done as required. Estimated net realizable fair value is determined on the basis of the expected realizable value of the investments if they were disposed of in an orderly fashion over a reasonable period of time. Details regarding the valuation process of the Fund's investments in eligible businesses are included in its annual prospectus.

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. The process of valuing venture investments in eligible businesses for which no quoted market values exist is inevitably based on inherent uncertainties and the resulting values may be higher or lower by a material amount than those that would have been used had a ready market existed for the investments.

Deferred charges

Sales commissions and share issuance costs related to the sale of the Class A shares are capitalized as deferred charges. The Fund amortizes such deferred charges on a straight-line basis over eight years from the date of the issue of the related shares.

Contingent incentive participation amount

An incentive participation amount ("IPA") equal to 20% of any return derived from a venture investment in any fiscal year is payable to the Fund Manager provided specific criteria are met (see Note 4). The contingent IPA is an estimate of the IPA that would have been payable had the criteria been met as at August 31, 2001 and 2000. As at August 31, 2001, the criteria have not been met, therefore no IPA is payable.

Investment transactions and income recognition

Investment transactions are accounted for on the trade date. Gains or losses arising from the sale of investments are determined using the average cost basis. Income from investments is recorded on an accrual basis. Dividend income is recorded as earned.

August 31, 2001

3. SHARE CAPITAL

Authorized

An unlimited number of

Class A shares, issued at an initial offering price of \$10.00 per share and thereafter issued at the net asset value to eligible investors and certain RRSPs, are subject to restrictions on transfer and redemption in accordance with legislation governing labour-sponsored venture capital corporations. The shares are voting, entitled to elect a minority of the Directors of the Fund, entitled to receive dividends at the discretion of the Board of Directors and may be transferred to certain RRIFs. The shares are redeemable at the net asset value less any redemption fee.

Class C shares, issuable in one or more series, with the number of shares, designation, rights, privileges, restrictions and conditions attached to each series, to be determined by the Board of Directors, as approved by the Saskatchewan Minister, at the time of creation of a particular series.

A limited number of

10 Class B shares, issuable only to the Sponsor or permissible employee organizations, are non-participating, voting and entitled to elect a simple majority of the Board of Directors of the Fund. The shares are redeemable at the option of the Fund at the subscription price.

Issued for cash

	2001		2000	
	Shares	\$	Shares	\$
CLASS A SHARES				
Beginning of the year	657,264	\$ 8,261,725	286,720	\$ 2,863,337
Shares issued	526,680	6,619,542	371,730	5,412,128
Share redemptions	(2,796)	(36,281)	(1,186)	(13,740)
End of year	1,181,148	14,844,986	657,264	8,261,725
CLASS B SHARES				
Beginning of the year	10	100	10	100
Shares issued	-	-	-	-
End of year	10	100	10	100
Total	1,181,158	\$ 14,845,086	657,274	\$ 8,261,825

August 31, 2001

4. EXPENSES

Management expenses

The Fund has retained Westcap Mgt. Ltd., a related party (Note 9), as the Fund Manager ("Manager") by agreement dated January 13, 1998, to manage all aspects of the Fund. In consideration of the performance by the Manager of its duties, the Manager received an annual management fee, calculated and payable monthly, equal to 2.5% of the aggregate net asset value as at each valuation date.

In addition, the Manager is entitled to an IPA equal to 20% of any return derived from a venture investment of the Fund in any fiscal year provided that: the Fund has earned sufficient income to generate a rate of return on all venture investments which is greater than the five-year average GIC of Co-operative Trust Company of Canada plus 1.5% on an annualized basis; has earned sufficient income from the particular investment to provide a cumulative investment return at an average annual rate in excess of 10% since investment; and, has recouped an amount from the venture investment, through income earned, liquidation of the investment, or otherwise, equal to all the principal invested in the particular venture investment.

An estimated contingent IPA in the amount of nil (2000 - \$252,466) has been reflected in the statements as at August 31, 2001. No IPA was paid or payable to the Manager during the years ended August 31, 2001 and August 31, 2000.

The Manager currently acts as a manager of the Fund's liquid portfolio. The Fund is responsible for any fees and expenses paid to any third party for liquid portfolio management services should the Manager no longer provide these services to the Fund.

Administration expenses

The Fund has retained the Toronto-Dominion Bank ("TD Bank") by agreement dated January 1, 1998, to provide certain services to the Fund, including processing of sales orders and maintaining shareholder records.

The Fund has retained Co-operative Trust Company of Canada as the Fund's Custodian and Bare Trustee by agreements dated December 22, 1997 and December 17, 1997 respectively.

Directors' fees and expenses

During the year, the Board of Directors of the Fund waived director fees amounting to \$6,800 (2000 - \$15,600).

Organization expenses

The initial fund organization expenses have been paid by the Manager and are not recoverable from the Fund by the Manager.

Direct expenses

The Fund pays all direct costs and expenses incurred in the operation of the Fund, such as directors' fees, custodian fees, insurance, legal, audit, valuation and marketing expenses. During the year, the Fund did not incur any commission expense on its liquid portfolio transactions.

August 31, 2001

5. NOTE TO THE STATEMENT OF CHANGES IN NET ASSETS

The changes in marketable securities and venture investments at cost are as follows:

	2001	2000
MARKETABLE SECURITIES		
Marketable securities, beginning of year	\$ 5,339,188	\$ 2,173,710
Marketable securities purchased during the year	23,469,390	18,750,952
Proceeds on marketable securities redeemed during the year	19,470,298	15,585,474
Marketable securities at cost, end of year	\$ 9,338,280	\$ 5,339,188
VENTURE INVESTMENTS		
Venture investments, beginning of year	\$ 2,130,600	\$ 270,000
Venture investments purchased during the year	1,863,689	2,306,910
Proceeds on venture investments sold during the year	-	438,750
Repayment of venture debt	129,360	7,560
Venture investments at cost, end of year	\$ 3,864,929	\$ 2,130,600

August 31, 2001

6. SALES COMMISSIONS

The Fund's principal distributor (the "Agent") established a selling group of dealers to distribute the Class A shares in Saskatchewan. The Fund pays to the Agent and members of the selling group originating the sale, a sales commission equal to 6% of the selling price for each Class A share. In addition, the Fund pays to the Agent an additional commission equal to .75% of the selling price for each Class A share for distribution services.

Commissions on sales of Class A shares paid to the Agent and the dealers in the selling group during the year ended August 31, 2001 amount to \$445,906 (2000 - \$366,334).

7. INCOME TAXES

Under the Federal Act, no taxes generally are payable by the Fund on dividends received from Canadian corporations, and income taxes payable on capital gains are fully refundable on a formula basis when shares of the Fund are redeemed or capital gains dividends are paid or deemed to be paid by the Fund to its shareholders. A portion of the income taxes payable on net interest income earned by the Fund is also refundable on payment or deemed payment of taxable dividends to the shareholders.

The Fund intends to recover all of its refundable income taxes annually through the deemed payment of a dividend by capitalizing the appropriate amount of its income as paid-up capital pro rata on its Class A shares. If and to the extent that the Fund increases the paid-up capital of the Class A shares, the holder of the shares will be deemed to have received a dividend and the adjusted cost base of the holder's shares will be increased by the deemed dividend.

The Saskatchewan Act sets minimum levels of eligible investments for the Fund. If the minimum level of qualifying eligible investments is not met, the Fund may be subject to defined penalties.

As at August 31, 2001, the Fund has non-capital losses available for carryforward of \$525,429 that will begin to expire in 2006. No benefit from these losses has been recognized in the financial statements.

August 31, 2001

8. MANAGEMENT EXPENSE RATIO

The management expense ratio ("MER") of 3.65% (2000 - 8.89%; 1999 - 9.78% annualized) for the year ended August 31, 2001, includes the contingent IPA provision and all other fees and expenses paid or payable (excluding any commissions and brokerage fees on the purchase and sale of portfolio securities), and is expressed as a percentage of the average net assets administered during the year. If the contingent IPA provision was excluded from this calculation, the MER would have been 5.82% (2000 - 5.46%; 1999 - 9.78% annualized).

During the year, the Manager elected to waive a portion of its management fees (Note 9), and the Directors waived a portion of their fees (Note 4). Without these waivers, the MER would have been 3.93% (2000 - 9.53%; 1999 - 11.38% annualized). If the contingent IPA was excluded from this calculation, the MER would have been 6.09% (2000 - 6.10%; 1999 - 11.38% annualized). The Manager and the Directors discontinued waiving a portion of their fees on March 1, 2001.

The 1999 comparative MER figures reflect a doubling of the actual management expenses since the Fund commenced active operations on March 1, 1999, while the average net assets factor remains constant throughout the annualized period and no consideration was given for any new capital that may be raised by the Fund.

9. RELATED PARTY TRANSACTIONS

During the year, management fees, including GST, of \$311,145 (2000 - \$164,024) were paid and payable to the Manager, Westcap Mgt. Ltd., a company owned by the chief executive officer of the Fund. The Manager elected to waive management fees, net of GST, of \$25,638 (2000 - \$31,197), representing a portion of the management fees paid. The Manager discontinued the waivers on March 1, 2001.

At year end, the accounts payable and accrued liabilities balance includes management fees payable of \$31,000 (2000 - \$17,000 (net of waived fees)) due to the Manager.

Office and other costs, including rent, secretarial, janitorial and photocopying expenses totalling \$13,755 (2000 - \$11,659), were paid and payable to Tri-Sec Financial Group Ltd. ("Tri-Sec"), a related company of the chief executive officer of the Fund.

The above-mentioned transactions were in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

10. STATEMENT OF PORTFOLIO TRANSACTIONS

In accordance with the Regulations under *The Securities Act, 1988 (Saskatchewan)*, the unaudited statement of portfolio transactions for the year ended August 31, 2001 will be provided without charge on request to the Fund at Suite 1300, 410-22nd Street East, Saskatoon, Saskatchewan, S7K 5T6.

11. SUBSEQUENT EVENT

On October 2, 2001, the Fund completed its ninth venture investment by acquiring 25,000 units, at \$10.00 per unit, of Westland Rec-Creation Inc. Each unit consists of one series I preferred share and one purchase warrant. The cumulative, redeemable and retractable, preferred shares mature in five years. The preferred shares carry a fixed dividend of 6% payable annually and a variable annual dividend of 15% based upon the after tax net income determined as at April 30th of each year. Westland Rec-Creation Inc. manufactures and distributes playground equipment.

Auditors • Hergott Duval Stack & Partners • Suite 1200, 410 22nd St. E. • Saskatoon, SK S7K 5T6

Corporate Counsel • MacPherson Leslie & Tyerman • Suite 1500, 410 22nd St. E. • Saskatoon, SK S7K 5T6

Corporate Head Office • Suite 1300, 410 22nd St. E. • Saskatoon, SK S7K 5T6

Custodian • Co-operative Trust Company of Canada • 333 - 3rd Avenue North • Saskatoon, SK S7K 2M2

Fund Manager • Westcap Mgt. Ltd. • Suite 1300, 410 22nd St. E. • Saskatoon, SK S7K 5T6

Principal Distributor • Sanderson Securities Ltd. • 101 - 901, 3rd Ave N. • Saskatoon, SK S7K 2K4

Sponsor • Construction and General Workers' Union, Local 890 • Unit 403, 230 22nd St. E. • Saskatoon, SK S7K 0E9

Transfer Agent • The Toronto-Dominion Bank

TD Securities Services, Toronto Dominion Centre • Commercial Union Tower, 25th Floor • 100 Wellington Street West • Toronto, ON M5K 1A2

Fund Dealer Code No. GOF-501



DIRECTORS/OFFICERS

Grant J. Kook
CEO/Chairman of the
Board

Boris Slipchuk
Director/Chief
Financial Officer

Honorable
William McKnight
Director

John W. H. Green
Director

Brian L. Barber
Director

Marlene K. Moleski
Director

Douglas W. Banzet
Director

INVESTING IN YOUR FUTURE

INVESTING IN SASKATCHEWAN



GOLDEN OPPORTUNITIES FUND INC.
SUITE 1300, 410 22ND STREET EAST
SASKATOON, SASKATCHEWAN S7K 5T6
TEL: (306) 652-5557
www.goldenopportunities.ca