

Logistics/Transportation

Environmental Leasing

Oil Services

Biotechnology

Manufacturing

Real Estate

Agriculture

Technology

Oil & Gas





o p p o r t u n i t y
is
k n o c k i n g

*We are pleased to present the financial
and operating highlights for fiscal year end
August 31, 2002 and subsequent message
from Fund Management. Thank you for
making us the labour fund of choice in
Saskatchewan in calendar year 2002!*

M E S S A G E F R O M F U N D M A N A G E M E N T

To Our Valued Shareholders:

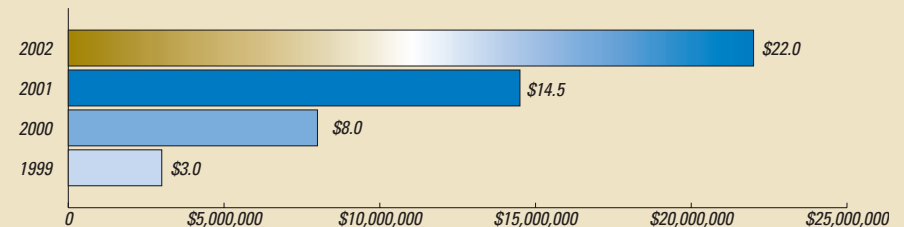
Golden Opportunities reached another new milestone in the amount of capital raised in any single year, for a cumulative total of \$22.0 million. In just our third full operating fiscal year we raised new share capital of approximately \$7.0 million. Existing shareholders, new shareholders and the financial community at large are realizing the impact that we can make together in Saskatchewan's future, through Golden Opportunities. Our growth is a clear message in support of the investment and management philosophies of Saskatchewan's First and Largest Provincial Labour-sponsored Fund. According to independent reporting services, we are not only the second-fastest growing labour fund in Canada (in terms of percentage asset growth), but the #1 selling labour fund in Saskatchewan in 2002.

With share capital progressively increasing each and every year, so is the number of Saskatchewan shareholders. Projected to surpass 5,000 widely held shareholders in the next three months, we view this as a firm endorsement of the Fund's portfolio and desire for Saskatchewan people to keep their hard-earned money working in Saskatchewan through Golden Opportunities Fund.

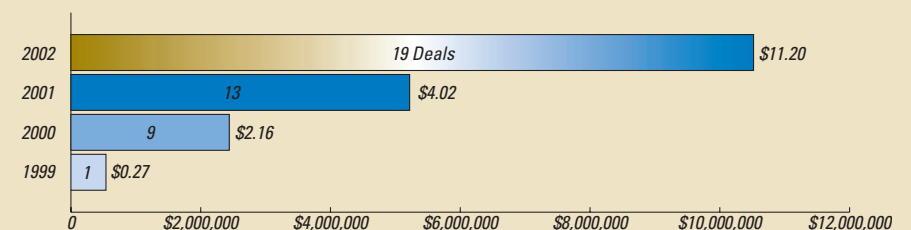
With the increased awareness and support that Golden Opportunities Fund is receiving, and anticipated pace of new capital each year, it is equally important to ensure a continued and timely investment schedule. Golden Opportunities Fund is pleased to report as of fiscal year end August 31, 2002, including one subsequent transaction after year end, the Fund has invested approximately \$11.2 million since inception through 19 separate investment transactions in 15 strategic Saskatchewan companies. Furthermore, venture investments in fiscal 2002 of approximately \$7.0 million, was a 386% increase in investment activity by the Fund, in Saskatchewan companies over fiscal 2001.

Golden Opportunities Fund has completed an investment transaction approximately every two and a half months since inception, thereby ensuring new capital is immediately and effectively being invested, providing an opportunity for earlier maturity and capital gains. With interest rates at all time lows, it is important that Golden Opportunities continues to put funds to work in strategic areas that obtain yields in excess of that experienced with marketable securities, while immediately impacting Saskatchewan growth companies.

Share Capital Raised



Invested Capital



*Includes subsequent transaction

M E S S A G E F R O M F U N D M A N A G E M E N T

Eight investment transactions were completed in fiscal 2002, or immediately subsequent, in seven strategic companies. With additional investment transaction projected to be completed by December 31, 2002, Golden Opportunities Fund will have met its investment requirements as per

government regulation, on all funds raised to fiscal year end 2001, and well on the way to investing funds raised in fiscal 2002 in various strategic companies the Fund is assessing.

2002 Investment Activity

Company Name	Amount	Industry
Westland Rec-Creation Inc.	\$ 250,000	Manufacturing
CWS Logistics Inc.	\$ 1,250,000	Logistics & Warehousing
Upton Resources Inc.	\$ 339,188	Oil & Gas
Rack Petroleum Ltd.	\$ 1,000,000	Agriculture
Phenomenome Discoveries Inc.	\$ 1,000,000	Biotechnology
Octane Energy Services Ltd.	\$ 1,250,000	Oil Services
Philom Bios Inc.	\$ 1,986,465	Manufacturing
TOTAL	\$ 7,075,653	

As the Fund's assets and venture capital portfolio continues to grow and gain momentum, Fund management continues to ensure diversity across all industry sectors for proper risk management. Although diversified across nine different industry sectors in Saskatchewan, the portfolio's current leading sectors are: Oil & Gas and Oil Services Sector, Agriculture, Manufacturing and Biotechnology. This, however, is consistent with Saskatchewan's leading industry sectors.

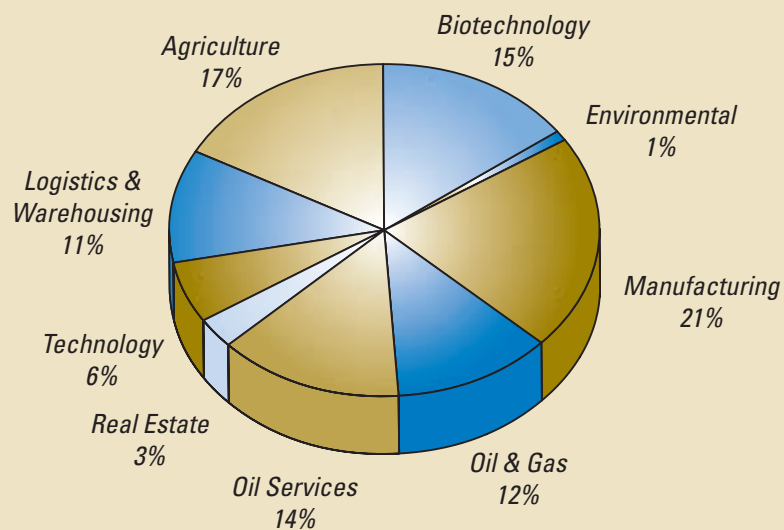
1. Biotechnology Sector: The biotechnology sector is indeed setting the stage for a significant period of sustained growth. Statistics Canada reports that revenues from biotech companies are expected to increase by 157% from its level of \$1.5 billion in 1998 to \$5.0 billion by the end of 2002. The fastest-growing Ag-biotech sector is in Saskatchewan, at 30% of the Canadian industry.

2. Oil & Gas Sector: Saskatchewan is the second-largest petroleum producing region in Canada, with oil production records being broken in Saskatchewan every year since 1993. 20% of all Canadian oil production comes from Saskatchewan and the recent announcement by the Provincial government to drop royalty rates in Saskatchewan will further the growth of this industry at home.

3. Agriculture Sector: With over 15 million acres of cultivated farmland, Saskatchewan has the largest mass of arable land in Canada, with agriculture making up 42% of Saskatchewan's net exports in the first half of calendar 2002.

We maintain diversity across all industry sectors, but in correlation and support of Saskatchewan's leading industry sectors.

Portfolio Diversification



M E S S A G E F R O M F U N D M A N A G E M E N T

Proud To Be In The First Quartile

	3 m	6 m	YTD	1 yr	3 yr
<i>Golden Opportunities Fund Inc.</i>	-0.2	0.5	0.6	0.0	7.3
<i>Quartile</i>	1	1	1	1	1
<i>Total LSVCC Funds</i>	39	39	35	29	18

Data through 31 October 2002 as per Morningstar

As a venture capital fund, Golden Opportunities is considered a source of patient venture capital with exit strategies on our investments in four to six years. The Fund in fiscal 2002 experienced another major milestone, in our infancy, in the exit and realization of Empire Energy Inc. Empire Energy was the Fund's first investment transaction, completed in June of 1999. Empire Energy was acquired by Upton Resources (in return for cash and shares of Upton Resources) for a capital gain of 60% to Golden Opportunities Fund Inc. The significance of this transaction is not only the realization of capital gains to shareholders but confirmation of the Fund's ability to invest in private corporations and realize on the investment in a timely fashion.

The capital gain obtained from the exit of Empire Energy Inc., complimented by the yield on our venture capital portfolio, due to negotiated dividends and interest payments, enabled Golden Opportunities Fund to counteract the low yield obtained in liquid marketable securities to post positive net operating results for fiscal year end August 31, 2002.

At Fiscal year end 2001, our track record was rewarded with a GlobeFund rating of 4 out of 5 stars by GlobeFund's rating services, which rates all mutual funds with a 5 star rating being the best. We are pleased to report at fiscal year end 2002 both independent sources GlobeFund and Morningstar/Bellcharts confirm that Golden Opportunities ranks in the top 5 performing Canadian labour funds in the areas of Year To Date, 3 Month, 6 Month and 1 Year Performance. In addition, we are the # 1 performing Labour Fund in Canada based on 3 Year history. Morningstar also has Golden Opportunities Fund ranked in the 1st Quartile in all years against our labour fund peers.

*We have become the Labour Fund of choice in Saskatchewan. Not simply because of the superior 35% tax credit offered, but because the mandate of the Fund ... **"to reinvest our funds in a timely fashion in strategic Saskatchewan growth companies, thereby creating new employment opportunities for the future of Saskatchewan, while maximizing shareholder returns to each individual investor"** ... is being met by all accounts.*

Respectfully,



*Grant Kook,
CEO/Chairman*



I N V E S T M E N T S

QCC Technologies Inc.

\$620,000

Series I & II Convertible Preferred Shares

Technology



QCC TECHNOLOGIES INC. (TSX:QCC) is an advanced technology and engineering company which trades on the TSX Venture Exchange. 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 the 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 year, diversifying into the outsourced IT market. Since the Fund's investment in 1999, gross sales have increased from \$2.0 million to an anticipated \$10.0 million in 2002. The Fund's dividend of 8% and 7% respectively on the convertible preferred shares have been attractive in light of current interest rates. www.qcctech.com

Weyburn Inland Terminal Ltd.

\$877,470

Class A Shares

Agriculture



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 gross revenues reaching \$100 million the Fund received a dividend of approximately 8.5% in 2002 from WIT. www.wit.ca

TGS Properties Ltd.

\$300,000

Income Trust Units, Class A Shares & Debenture

Real Estate



TGS PROPERTIES LTD. (TSX:NAR.UN, TSX:TSL) is one of Western Canada's leading land development corporations, currently trading on the Toronto Stock Exchange. 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. The company's majority purchase of Destination Resorts, a company listed on the TSX 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. TGS Properties has recently restructured to a Real Estate Investment Trust. www.tgsproperties.com

Bay Trail Environmental Ltd.

\$280,000

Debenture

Environmental Leasing



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. 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 has been paid in a consistent manner and obtains an attractive yield while providing valuable working capital to the Company for growth.

I N V E S T M E N T S

Trinidad Energy Services Ltd.

\$300,000

Income Trust Units

Oil Services

TRINIDAD ENERGY SERVICES LTD. (TSX:TGD.UN) provides oil field drilling services to customers in Canada throughout the Western Canadian Sedimentary Basin, and currently trades on the Toronto Stock Exchange. 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 in fiscal 2002 received approval and completed its restructuring to an income trust declaring its first dividend of 10.8% to the Fund. www.trinidaddrilling.com



Quartus Energy Ltd.

\$600,000

Class A Shares

Oil & Gas

QUARTUS ENERGY LTD. is a private emerging junior oil and gas exploration, development and production company. The Corporation has completed approximately 50 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, having excelled in shallow gas optimization for years and maintaining an understanding of the geological setting. Forecasts for natural gas prices remain strong.



Q U A R T U S

Prairie Plant Systems Inc.

\$685,000

Retractable Preferred Shares & Class A Shares

Biotechnology

PRAIRIE PLANT SYSTEMS INC. is a plant biotechnology company 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 its largest contract with Health Canada for the Medicinal Marijuana (MM) Project. The Company continues to move forward on expansion opportunities in the United States. www.prairieplant.com



**Prairie Plant
Systems Inc.**

Westland Rec-Creation Inc.

\$250,000

Retractable Preferred Shares & Class A Shares

Manufacturing

WESTLAND REC-CREATION INC., formed in 1997 manufactures creative playground equipment which features high quality steel and wood structures for use in private and public 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 has enabled the Company to continue to expand its marketing presence throughout Eastern Canada and the United States in the immediate future.



I N V E S T M E N T S

CWS Logistics Inc.

\$1,250,000

Retractable Preferred Shares & Class A Shares **Logistics & Warehousing**



CWS LOGISTICS LTD. is one of the largest independent logistics service providers in Western Canada, providing a full range of logistics and warehousing management solutions to major corporations throughout western Canada through its 500,000 square foot facilities. The Fund's

investment in fiscal 2002 assisted the company in a major expansion in the establishment of a fertilizer logistics facility in agreement with IMC Canada at Belle Plain, Saskatchewan and the creation of additional employment opportunities.

Rack Petroleum Ltd.

\$1,000,000

Retractable Preferred Shares & Class A Shares **Agriculture Services**



RACK PETROLEUM LTD. markets comprehensive agricultural services, including fuels and lubricants, fertilizers, crop protection products and animal feeds. Through its expertise in Global Positioning Systems and variable rate technology assisting farmers with precision fertility planning, Rack Petroleum

has become a leader in crop consulting services. Through its 22,000 sq. ft transload warehouse facility located in Biggar, SK, and retail locations in Biggar, Rosetown, Perdue and Unity, Rack Petroleum is a major supplier of bulk farm fuel and fertilizer.

Phenomenome Discoveries Inc.

\$1,000,000

Convertible Debenture & Warrants

Biotechnology



PHENOMENOME DISCOVERIES INC. provides contract research services to the agriculture, biotechnology, pharmaceutical, and nutraceutical industries in the area of Metabolic Expression Analysis. PDI has developed a model that can separate, quantify and identify all of the components in a complex biological sample quickly and simultaneously. Phenomenome's proprietary

process (patent pending), involves the use of a very high resolution mass spectrometer known as a Fourier Transform Ion Cyclotron Mass Spectrometer. Golden Opportunities investment was directed at the purchase of the first Apex III ESI/MALDI-FTMS Mass Spectrometer in Canada. This advanced technology is being used in a wide variety of applications.

Upton Resources Inc.

\$339,188

Class A Shares

Oil & Gas



UPTON RESOURCES INC. (TSX:URC) (acquired EMPIRE ENERGY INC.) is a crude oil and natural gas exploration and production company focusing on creating shareholder value through drilling and exploitation of internally generated prospects in southeast Saskatchewan, the northern U.S. and

northwest Alberta. Golden Opportunities obtained \$339,188 of common shares of Upton in fiscal 2002 (plus \$380,788 cash) through the buyout of Empire Energy Inc., creating a capital gain realization of 60% for the Fund. www.uptonresources.com

I N V E S T M E N T S

Philom Bios Inc.

\$1,986,465

Class A Shares

Manufacturing

PHILOM BIOS INC. is one of the leading inoculant biotechnology companies in Canada, engaged in the research, development and commercialization of biological input products for the plant growing industry. Philom Bios has developed proven capabilities in microbiological research, fermentation

systems, formulation and delivery systems, along with field demonstration methods. The company manufactures and markets widely used agricultural products such as Jump Start, N-Prove and TagTeam. www.philombios.ca



Octane Energy Services Ltd.

\$1,250,000

Convertible Debenture & Convertible Preferred Shares

Oil Services

OCTANE ENERGY SERVICES INC. (TSX:OES) is an oilfield services company that provides oilfield, pipeline and facilities construction services as well as environmental reclamation and remediation services throughout Western Canada. During the past three years, Octane has completed six corporate acquisitions and pursued a number of internal growth initiatives that have

resulted in Octane becoming a significant provider of services in its core business segment. In August 2002, Golden Opportunities Fund invested \$1,000,000 by way of a convertible debenture and \$250,000 in convertible preferred shares.



Empire Energy Inc.

Capital Gain Realized in 2002

Oil & Gas



EMPIRE ENERGY INC.

Empire Energy Inc. was Golden Opportunities inaugural investment in 1999, and now represents another portfolio milestone as the Fund's first realization. The Company was involved in the exploration, development, acquisition and production of oil in South East Saskatchewan. Due to the success of its in-

house and farm-in drilling program, Empire was acquired in 2002 by Upton Resources Ltd. (TSE:URC). Golden Opportunities received liquidation proceeds of \$699,975 in cash and shares of Upton, amounting to capital gains of 60% for the Fund.

F I N A N C I A L S

HERGOTT DUVAL STACK & PARTNERS LLP

CHARTERED ACCOUNTANTS

PARTNERS

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R. JOE PARKER, B.COMM., C.A.

THOMAS J. STACK, B.A., C.A.

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Auditors' Report

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, 2002 and 2001, the statement of investment portfolio as at August 31, 2002 and the statements of operations, 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, 2002 and 2001, 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



Chartered Accountants

October 28, 2002

F I N A N C I A L S

Statement of Net Assets

YEAR ENDED AUGUST 31, 2002

ASSETS

Cash
 Marketable securities, at market value (a)
 Subscriptions receivable
 Accrued interest and other receivables
 Prepaid expenses and deposits
 Venture investments, at fair value (a)
 Deferred charges, net of accumulated
 amortization of \$386,055 (2001 - \$191,894)

LIABILITIES

Accounts payable and accrued liabilities
 Contingent incentive participation amount
 Capital taxes payable

NET ASSETS

Net assets (Note 4)

Class A shares outstanding

Net asset value per Class A share

	2002	2001
		(Note 3)
\$	398,737	\$ 191,311
	9,636,351	9,338,280
	3,596	13,525
	158,382	198,492
	5,123	4,060
	10,092,119	3,877,855
	1,396,037	1,011,912
	21,690,345	14,635,435
	113,904	77,050
	54,414	-
	3,202	-
	171,520	77,050
\$	21,518,825	\$ 14,558,385
	1,765,980	1,181,148
\$	12.19	\$ 12.33

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

Approved by the Board

Director



Boris Slipchuk

Director



Douglas W. Banzet

F I N A N C I A L S

Statement of Operations

YEAR ENDED AUGUST 31, 2002

INVESTMENT INCOME

Interest
Dividends
Negotiation fees
RRSP administration fees
Other

EXPENSES

Administration fees
Audit
Capital tax
Custodian fees
Directors' fees and expenses
Legal
Management fees
Office
Other costs
Printing and reproduction
Service fees

Investment loss for the year

Net realized gain on disposition of venture investment
Incentive participation amount (Note 5)
(Decrease) increase in contingent incentive participation amount (Note 5)
Directors' fees waived
Management fees waived
Increase (decrease) in unrealized appreciation of venture investments

Total net results of operations for the year

Per Class A share ^(a)

Investment loss for the year

Realized and unrealized gains and losses, net of incentive participation amounts

Total net results of operations per share

(a) The per Class A share information provided above is calculated based on the average number of Class A shares outstanding during the year.

2002	2001
	(Note 3)
\$ 369,618	\$ 392,412
140,060	99,711
91,250	21,500
13,335	12,598
5,881	3,482
620,144	529,703
202,123	144,756
24,227	30,552
3,202	-
12,516	8,849
12,674	14,873
2,130	23,691
482,962	311,145
27,800	30,006
16,396	9,804
33,246	13,438
43,764	-
861,040	587,114
(240,896)	(57,411)
261,225	-
(52,245)	-
(54,414)	252,466
-	6,800
-	25,638
176,209	(1,249,404)
330,775	(964,500)
\$ 89,879	\$ (1,021,911)
\$ (0.16)	\$ (0.06)
0.22	(1.05)
\$ 0.06	\$ (1.11)

F I N A N C I A L S

Statement of Changes in Net Assets

YEAR ENDED AUGUST 31, 2002

OPERATING ACTIVITIES

Total net results of operations for the year

CAPITAL TRANSACTIONS

Proceeds from the issuance of Class A shares

Redemption of Class A shares

Amortization of deferred charges

Increase in net assets during the year

Net assets, beginning of year

Net assets, end of year

Net asset value per Class A share ^(a)

Realized gain on venture investments ^(b)

Venture investments, at cost, beginning of year

Venture investments purchased during the year

Venture investments repaid during the year

Venture investments, at cost, end of year

Carrying cost of venture investment dispositions

Proceeds from disposition of venture investments

Net realized gain on disposition of venture investments

2002	2001
	(Note 3)
\$ 89,879	\$ (1,021,911)
7,154,818	6,619,542
(90,096)	(36,281)
(194,161)	(124,560)
6,870,561	6,458,701
6,960,440	5,436,790
14,558,385	9,121,595
\$ 21,518,825	\$ 14,558,385
\$ 12.19	\$ 12.33
\$ 3,864,929	\$ 2,130,600
6,976,906	1,863,689
(73,820)	(129,360)
10,768,015	3,864,929
9,902,985	3,864,929
865,030	-
1,126,255	-
\$ 261,225	\$ -

(a) Net asset value per Class A share: 2000 - \$13.88; 1999 - \$9.79

(b) Marketable securities transactions - See Note 6

FINANCIALS

Statement of Cash Flows

YEAR ENDED AUGUST 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Investment loss for the year
Venture investments purchased
Venture investments repaid
Proceeds on disposition of venture investments
Incentive participation amount
(Decrease) increase in contingent incentive participation amount
Directors' and management fees waived
Net change in marketable securities
Net change in non-cash working capital balances relating to operations

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from the issuance of Class A shares
Increase in deferred charges
Redemption of Class A shares

Net increase in cash during the year

Cash, beginning of year

Cash, end of year

The net change in non-cash working capital balances is comprised of the following:

Decrease (increase) in subscriptions receivable
Decrease (increase) in accrued interest and other receivables
(Increase) decrease in prepaid expenses and deposits
Increase (decrease) in accounts payable and accrued liabilities
Increase in capital taxes payable
Increase (decrease) in contingent incentive participation amount

2002	2001
	(Note 3)
\$ (240,896)	\$ (57,411)
(6,976,906)	(1,863,689)
73,820	129,360
1,126,255	-
(52,245)	-
(54,414)	252,466
-	32,438
(298,071)	(3,999,092)
143,447	(424,637)
<u>(6,279,010)</u>	<u>(5,930,565)</u>
7,154,818	6,619,542
(578,286)	(552,758)
(90,096)	(36,281)
<u>6,486,436</u>	<u>6,030,503</u>
<u>207,426</u>	<u>99,938</u>
191,311	91,373
<u>\$ 398,737</u>	<u>\$ 191,311</u>
\$ 9,929	\$ (4,125)
40,110	(157,202)
(1,063)	7,536
36,855	(18,380)
3,202	-
54,414	(252,466)
<u>\$ 143,447</u>	<u>\$ (424,637)</u>

FINANCIALS

Statement of Investment Portfolio

AUGUST 31, 2002

MARKETABLE SECURITIES

Par Value/ Number of Shares	Issuer and Description of Security	Maturity Date	Cost	Market Value
2,000,000	Province of Ontario, 2.55% treasury bill	September 11, 2002	\$ 1,976,940	\$ 1,976,940
2,400,000	Government of Canada, 1.352% treasury bill	September 26, 2002	2,397,336	2,397,336
1,900,000	Province of British Columbia, 2.70% promissory note	November 4, 2002	1,875,718	1,875,718
2,500,000	Government of Canada, 2.90% promissory note	December 1, 2002	2,451,500	2,451,500
900,000	Province of New Brunswick bond, coupon rate 8%, effective rate 3.122%	March 17, 2003	934,857	934,857
Marketable securities (44.8%)*			9,636,351	9,636,351

F I N A N C I A L S

Statement of Investment Portfolio

AUGUST 31, 2002

VENTURE INVESTMENTS

Par Value/ Number of Shares	Issuer and Description of Security	Maturity Date	Cost	Par Value/ Number of Shares	Issuer and Description of Security	Maturity Date	Cost
	Bay Trail Environmental Inc., 10% debenture	March 1, 2005	\$ 119,260	100,000	Rack Petroleum Ltd., preferred shares		1,000,000
				250	common shares		-
105,000	CWS Logistics Ltd., preferred shares		1,050,000	90,000	TGS Properties Ltd., common shares		180,000
33	common shares		200,000		8.5% senior secured subordinate redeemable debenture	September 1, 2008	120,000
1,000,000	Octane Energy Services Ltd., 7.5% convertible debenture	September 30, 2007	1,000,000	120,000	Trinidad Drilling Ltd., common shares		298,720
500,000	preferred shares		250,000		Upton Resources Inc., common shares		339,188
950,000	Phenomonome Discoveries Inc., 11.5% convertible debenture	March 18, 2007	950,000	90,450	Westland Rec-Creation Inc., preferred shares		250,000
25,000	warrants		-	9,789	common shares		-
349,576	Philom Bios Inc., common shares		1,363,346	56,912	Weyburn Inland Terminal Ltd., common shares		877,471
130,000	Prairie Plant Systems Inc., preferred shares		260,000				
212,500	common shares		425,000				
1,350,000	QCC Technologies Inc., Series I preferred shares		270,000				
280,000	QCC Technologies Inc., Series II preferred shares		350,000				
600,000	Quartus Energy Limited, common shares		600,000				
					Venture investments at cost		9,902,985
					Unrealized appreciation of venture investments		189,134
					Venture investments at fair value (46.9%)*		10,092,119
					Total investments (91.7%)*		\$19,728,470

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

F I N A N C I A L S

Notes to the Financial Statements

AUGUST 31, 2002

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").

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.

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Notes to the Financial Statements

AUGUST 31, 2002

2. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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, based on realized gains and provided specific criteria are met (see Note 4). The contingent IPA is an estimate, based on unrealized gains, of the IPA that would have been payable had the fund disposed of its entire venture investment portfolio as at August 31, 2002.

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.

3. CHANGE IN ACCOUNTING POLICY AND STATEMENT PRESENTATION

During the year, the Fund changed its policy of reporting the unrealized appreciation of venture investments. In the past, the Fund adjusted the unrealized appreciation of venture investments directly to net assets on the Statement of Net Assets. Management has determined that reporting the unrealized appreciation of venture investments on the Statement of Operations provides more useful information to the users of the statements. Both methods are acceptable industry practice.

This change in accounting policy has been applied retroactively and the prior year's balances have been restated. As a result of this change, the current year's net results of operations increased \$176,209 (2001 - decreased \$1,249,404). The change in accounting policy did not result in a change to the net assets of the Fund for 2002 or any prior year.

Due to the change in accounting policy and statement presentation, certain other comparative figures have also been reclassified to conform to the current year's presentation.

4. NET ASSETS

The net assets of the Fund represent the issued share capital together with the cumulative operating retained earnings (deficit), net realized and unrealized gains on investments and amortization of deferred charges. As at August 31, 2002, the cumulative operating deficit including realized gains and losses on investments of the Fund and amortization of deferred charges amounted to \$525,703 (2001 - \$299,627).

The following is a description of the authorized and issued share capital:

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Notes to the Financial Statements

AUGUST 31, 2002

4. NET ASSETS (continued)

Authorized

An unlimited number of Class A shares, issued at an initial offering price of \$10 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

	2002		2001	
	Shares	\$	Shares	\$
Class A shares				
Beginning of the year	1,181,148	\$ 14,844,986	657,264	\$ 8,261,725
Shares issued	592,257	7,154,818	526,680	6,619,542
Share redemptions	(7,425)	(90,096)	(2,796)	(36,281)
End of year	1,765,980	21,909,708	1,181,148	14,844,986
Class B shares				
Beginning of the year	10	100	10	100
Shares issued	-	-	-	-
End of year	10	100	10	100
Total	1,765,990	\$ 21,909,808	1,181,158	\$ 14,845,086

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Notes to the Financial Statements

AUGUST 31, 2002

5. EXPENSES

Management expenses

The Fund has retained Westcap Mgt. Ltd., a related party (Note 10), 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 rate 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. During the year, an IPA was paid to the Manager in the amount of \$52,245 (2001 - \$0) on the net realized gain on the disposition of a venture investment.

An estimated contingent IPA in the amount of \$54,414 (2001 - \$0) has been reflected in the statements as at August 31, 2002, in respect of unrealized gains during the year.

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 Unisen Inc. ("Unisen") to provide certain services to the Fund, including processing of sales orders and maintaining shareholder records. During the year, the 1998 agreement was assigned to Unisen as a result of the original service provider selling its fund accounting and record keeping business. 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.

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.

Service fees

On April 1, 2002, the Fund began paying a quarterly service fee to its selling agents equal to .5% of the aggregate net asset value of the Fund. During the year, the Fund incurred service fees of \$43,764 (2001 - \$0).

FINANCIALS

Notes to the Financial Statements

AUGUST 31, 2002

6. NOTE TO THE STATEMENT OF CHANGES IN NET ASSETS

The changes in marketable securities at cost are as follows:

Marketable securities

Marketable securities, beginning of year

Marketable securities purchased during the year

Proceeds on marketable securities redeemed during the year

Marketable securities at cost, end of year

	2002	2001
	\$ 9,338,280	\$ 5,339,188
	24,678,155	23,469,390
	24,380,084	19,470,298
	<u>\$ 9,636,351</u>	<u>\$ 9,338,280</u>

7. 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, 2002 amount to \$483,863 (2001 - \$445,906).

8. 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. For the year ended August 31, 2002, the Fund did not distribute any deemed dividends.

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, 2002, the Fund has non-capital losses available for carryforward of \$1,169,476 that will begin to expire in 2006. No benefit from these losses has been recognized in the financial statements.

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AUGUST 31, 2002

9. MANAGEMENT EXPENSE RATIO

The management expense ratio ("MER") of 6.45% (2001 - 3.65%; 2000 - 8.89%; 1999 - 9.78% annualized) for the year ended August 31, 2002, 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 6.15% (2001 - 5.82%; 2000 - 5.46%; 1999 - 9.78% annualized).

In prior years, the Manager elected to waive a portion of its management fees and the Directors waived a portion of their fees. Without these waivers, the MER for 2001 would have been 3.93% (2000 - 9.53%; 1999 - 11.38% annualized). If the contingent IPA was excluded from this calculation, the MER for 2001 would have been 6.09% (2000 - 6.10%; 1999 - 11.38% annualized). As no Manager or Director's fees were waived during the year, there is no impact on the 2002 MER.

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.

10. RELATED PARTY TRANSACTIONS

During the year, management fees, including GST, of \$482,962 (2001 - \$311,145) were paid and payable to the Manager, Westcap Mgt. Ltd., a company controlled by the chief executive officer of the Fund. An IPA was paid to the Manager in the amount of \$52,245 (2001 - \$0) and a contingent IPA was accrued in the amount of \$54,414 (2001 - \$0). In the prior year, the Manager elected to waive a portion of the management fees, net of GST, of \$25,638. No amounts were waived during 2002.

Office and other costs, including rent, secretarial, janitorial and photocopying expenses totalling \$12,935 (2001 - \$13,755), were paid and payable to Tri-Sec Financial Group Ltd. ("Tri-Sec"), a company controlled by the chief executive officer of the Fund.

At year end, the accounts payable and accrued liabilities balance includes management fees payable of \$49,600 (2001 - \$31,000) due to the Manager.

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.

11. 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, 2002 will be provided without charge on request to the Fund at Suite 1300, 410-22nd Street East, Saskatoon, Saskatchewan, S7K 5T6.

12. SUBSEQUENT EVENT

On September 12, 2002, the Fund completed its sixteenth venture investment by acquiring an additional 159,774 common shares of Philom Bios Inc. at a cost of \$623,119. Philom Bios Inc. is a biotechnology company engaged in research, development and commercialization of biological products for the plant growing industry.

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

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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

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Fund Dealer Code No. GOF-501

Saskatchewan's First Provincial Labour-Sponsored Venture Capital Corporation

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Boris Slipchuk
Chief Financial
Officer/Director

Honorable
William McKnight
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