



Year End Report to the Shareholders

2003

Global (GMPC) Holdings Inc.

Management Discussion & Analysis

The following table sets out selected financial information and other data of Global (GMPC) Holdings Inc., which should be read in conjunction with the December 31, 2003 audited financial statements.

For the year ended December 31	2003	2002
Income on notes, bridge loans and investments	403,118	54,038
Expenses	277,007	163,979
Writedown of portfolio investments	(17,274)	(369,507)
Income taxes	(18,305)	38,369
Net income (loss) for the period	127,142	(517,817)
Net income (loss) per share	\$ 0.01	\$ (0.07)

Description of Business

Global (GMPC) Holdings Inc. ("Global" or "the Company") is a merchant bank which provides bridge loan services (asset back/collateralized financing), ranging from \$100,000 to \$500,000 to companies across many industries such as oil & gas, mining, real estate, manufacturing, retail, financial services, technology and biotechnology. Global takes a disciplined and systematic approach to investment and be guided by four core principles: Capital Preservation, Shareholder Value, Secure Generation of Income and Risk Management.

Capital Reorganization & Public Offering

At the Annual and Special meeting of the Shareholders on August 15, 2003 the Corporation adopted a resolution approving an amendment to its articles to:

- 1) create two new classes of shares to be designated as multiple voting shares (the "Multiple Voting Shares") and subordinate voting shares (the "Subordinate Voting Shares");
- 2) exchange the issued and outstanding Common Shares of the Corporation into Multiple Voting Shares and Subordinate Voting Shares on the basis of a one-half Multiple Voting Share and a one-half Subordinate Voting Share for each common share held; and
- 3) cancel all the authorized Common Shares, Series I Preferred Shares and Series II Preferred Shares of the Corporation.

The cancellation of the authorized Series I Preferred Shares and Series II Preferred Shares of the Corporation were effective immediately. The cancellation of the Common Shares and the exchange for the Multiple Voting Shares and the Subordinate Voting Shares took place concurrent with the closing of the public offering.

On October 30, 2003, the Company completed its initial closing of its public offering of a minimum of 33,500,000 and a maximum of 50,000,000 units ("Units"). At the initial closing, an aggregate of 33,926,835 Units were issued at a price of \$0.30 per Unit for total gross subscription proceeds of \$10,178,050. On November 25, 2003, the Company closed a second tranche of its public offering. An aggregate of 4,333,000 Units were issued at a price of \$0.30 per Unit for total gross subscription proceeds of \$1,299,900. In total, Global issued 38,259,835 Units at a price of \$0.30 for gross subscription proceeds of \$11,477,950. Each Unit is comprised of one subordinate voting share and one-half of one subordinate voting share purchase warrant of the company. Each whole warrant entitles the holder to purchase an additional subordinate voting share at a price of \$0.50 per share at any time for 2 years from the closing date. After giving effect to the issuance of these Units, the Company had a total of 42,245,732 subordinate voting shares, 3,985,892 multiple voting shares and 17,463,417 full warrants issued and outstanding.

Concurrent with the closing, the TSX Venture Exchange recognized Global as an active issuer and its shares began trading under the symbol's GGH.A (Multiple Voting Shares) and GGH.B (Subordinate Voting Shares) on the TSX Venture Exchange. The Company was previously listed as an inactive issuer on the NEX Board of the TSX Venture Exchange.

The closing of the financing ensured adequate funding for the company's reactivation plan as a merchant banking organization that focuses on providing a range of investment banking services to small and mid-cap companies in North America in both the public and private markets.

Operating Results

Once, Global completed its initial closing of its public offering on October 30, 2003, Global became a fully operational merchant bank. During the last two months of the year it was active with its bridge loan activities within the oil and gas, technology and bionics sectors. In December 2003, Global provided a \$2,000,000 secured loan facility to Quebec City based Victhom Human Bionics Inc. (TSX Venture Exchange: "VHB"). The terms of the loan consist of a \$1,000,000 Bridge Loan and a \$1,000,000 Loan with a convertibility feature. Each loan had an interest rate of one percent (1%) per month and the conversion rate was one common share per each \$1.25 of the convertible loan. Also in December 2003, Global provided a \$500,000 secured convertible debenture to Toronto based, Cogient Corp., a next generation software solutions provider, focused on the medical clinic and health insurance sectors. As at December 31, 2003, Global had \$3,049,470 outstanding in bridge loans.

Prior to the underwriting Global was marginally active with its bridge loan activities within the oil & gas, technology and biotechnology sectors. Specifically, Global had provided secured bridge loans amounting to approximately \$600,000 to VoicelQ Inc., American Natural Energy Corp., and Genetic Diagnostics Inc. In each case, the bridge loan was structured to provide Global with a minimum interest rate of one percent (1%) per month as well as an equity bonus ranging from 15% to 20% of the principal amount of the loan.

During the year, Global earned \$403,118 from its notes, bridge loans and investments including \$277,211 during the fourth quarter of 2003. Global incurred expenses totaling \$277,007 during the year including \$111,133 in the fourth quarter of 2003. Global wrote down one of its legacy investments by \$17,274 to its market value. During the year, Global recovered income taxes in the amount of \$18,305.

Global had a net income of \$127,142 for the year including a net income of \$148,803 for the fourth quarter of 2003. Global earned \$0.01 per weighted average share during the year.

Net Asset Value Per Share

	Basic	Fully diluted*
At closing of public offering	\$0.264	\$0.337
# of shares outstanding	46,231,617	75,300,510
December 31, 2003	\$0.284	\$0.348
# of shares outstanding	46,141,617	75,210,510

(* includes 19,629,917 \$0.50 warrants, 3,700,000 \$0.26 options and 3,825,984 \$0.30 broker options (units))

Net Asset Value includes the market value less cost on all options, warrants and convertibility features in Global's portfolio of bridge loan financings. As at December 31, 2003, Global had options, warrants and convertibility features with a value of \$240,000 (nil at closing of public offering).

Financings

On October 2, 2003 Global completed a Private Placement in the amount of \$300,000 for a total of 1,000,000 units at a price of \$0.30 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. Each full warrant entitling the holder to acquire one common share at a price of \$0.50 per share for a period of two years. During the fourth quarter of 2003, Global completed a public offering for gross subscription proceeds of \$11,477,950 (see Capital Reorganization and Public Offering above).

Liquidity & Capital Resources

As at December 31, 2003, Global had \$1,255,982 in cash, \$173,091 in short term investments, \$138,464 in interest and dividends receivable, \$3,246,864 in notes receivable and bridge loans and \$7,682,256 in portfolio investments. The Corporation has no debt.

Forward-Looking Information

Certain information included in this report is forward looking and based on assumptions and anticipated results that are subject to uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different from those expected or implied.

The forward-looking information contained in this document is current only as of the date of document. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

GLOBAL (GMPC) HOLDINGS INC.
Financial Statements
December 31, 2003

GLOBAL (GMPC) HOLDINGS INC.

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December 31, 2003

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AUDITORS' REPORT

To the Shareholders of Global (GMPC) Holdings Inc.

We have audited the balance sheet of Global (GMPC) Holdings Inc. as at December 31, 2003 and 2002 and the statements of income and deficit and cash flows for the years then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit 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 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 company as at December 31, 2003 and 2002 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"HINCHCLIFFE SAPI LLP"

TORONTO, Ontario
February 26, 2004

Chartered Accountants

GLOBAL (GMPC) HOLDINGS INC.

Balance Sheet

December 31, 2003

	<u>2003</u>	<u>2002</u>
ASSETS		
Cash	\$ 1,255,982	\$ 345,199
Short term investments (Note 3)	173,091	200,000
Accounts receivable	56,666	29,422
Interest and dividends receivable		
Notes receivable (Note 14)	22,810	7,713
Bridge loans	45,879	1,926
Portfolio and short term investments (Note 14)	69,775	7,580
Notes and bridge loans receivable		
Notes receivable (Note 6, 14)	197,394	87,653
Bridge loans (Note 7)	3,049,470	63,672
Portfolio investments (Note 8, 14)	7,682,256	1,186,267
Property, plant and equipment (Note 4)	4,156	-
	<u>\$ 12,557,479</u>	<u>\$ 1,929,432</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Accounts payable	\$ 83,337	\$ 50,352
CONTINGENT LIABILITIES (Note 17)		
SHAREHOLDERS' EQUITY		
Share capital (Note 9, 11)	14,655,070	4,194,290
Contributed surplus (Note 10)	248,080	240,940
Deficit	<u>(2,429,008)</u>	<u>(2,556,150)</u>
	<u>12,474,142</u>	<u>1,879,080</u>
	<u>\$ 12,557,479</u>	<u>\$ 1,929,432</u>

ON BEHALF OF THE BOARD

"Gordon Ewart" *Director*

"Jason Ewart" *Director*

GLOBAL (GMPC) HOLDINGS INC.**Statement of Income and Deficit****Year Ended December 31, 2003**

	2003	2002
REVENUE		
Income on notes, bridge loans and investments		
Interest and dividend income <i>(Note 14)</i>	\$ 188,673	\$ 50,233
Gain on sale of portfolio investments	170,243	4,991
Foreign exchange loss	(33,798)	(1,186)
Consulting fees <i>(Note 14)</i>	78,000	-
	<u>403,118</u>	<u>54,038</u>
EXPENSES		
Amortization	733	-
Audit and legal fees	12,500	38,752
Filing and listing fees	48,865	20,135
Management and consulting fees <i>(Note 14)</i>	113,873	86,905
Miscellaneous <i>(Note 14)</i>	33,713	13,078
Rent <i>(Note 14)</i>	14,012	352
Salaries and employee benefits <i>(Note 14)</i>	41,354	-
Travel and promotion <i>(Note 14)</i>	11,957	4,757
	<u>277,007</u>	<u>163,979</u>
INCOME (LOSS) FROM OPERATIONS	126,111	(109,941)
OTHER ITEMS		
Writedown of portfolio investments	<u>(17,274)</u>	<u>(369,507)</u>
INCOME (LOSS) BEFORE INCOME TAXES	108,837	(479,448)
INCOME TAXES (RECOVERED)	<u>(18,305)</u>	<u>38,369</u>
NET INCOME (LOSS)	127,142	(517,817)
DEFICIT - BEGINNING OF YEAR	<u>(2,556,150)</u>	<u>(2,038,333)</u>
DEFICIT - END OF YEAR	<u>\$ (2,429,008)</u>	<u>\$ (2,556,150)</u>
NET INCOME (LOSS) PER SHARE <i>(Note 5)</i>	<u>\$ 0.01</u>	<u>\$ (0.07)</u>

GLOBAL (GMPC) HOLDINGS INC.

Statement of Cash Flows

Year Ended December 31, 2003

	2003	2002
OPERATING ACTIVITIES		
Net income (Loss)	\$ 127,142	\$ (517,817)
Items not affecting cash:		
Gain on sale of portfolio investments	(170,243)	(4,991)
Amortization	733	-
Writedown of portfolio investments	17,274	369,507
	<u>(25,094)</u>	<u>(153,301)</u>
Net changes in non-cash working capital	<u>(117,904)</u>	<u>(20,958)</u>
Cash flow used by operating activities	<u>(142,998)</u>	<u>(174,259)</u>
INVESTING ACTIVITIES		
Increase in notes and bridge loans receivable		
Notes receivable	(109,741)	(87,553)
Bridge loans	(2,985,798)	(63,772)
Purchase of portfolio investments	(8,822,111)	(2,495,676)
Proceeds from sale of portfolio investments	2,481,491	2,023,905
Additions to property, plant and equipment	(4,889)	-
Cash flow used by investing activities	<u>(9,441,048)</u>	<u>(623,096)</u>
FINANCING ACTIVITIES		
Repayment of balance due from related party	-	1,000,000
Issuance of shares		
Private placement	300,000	-
Public offering	10,187,270	-
Purchase of treasury shares	(26,490)	-
Increase in contributed surplus	7,140	-
Cash flow from financing activities	<u>10,467,920</u>	<u>1,000,000</u>
INCREASE IN CASH POSITION	883,874	202,645
CASH - BEGINNING OF YEAR	545,199	342,554
CASH - END OF YEAR	\$ 1,429,073	\$ 545,199
CASH FLOW PER SHARE FROM OPERATING ACTIVITIES (Note 5)	\$ (0.01)	\$ (0.03)
CASH CONSISTS OF:		
Cash	\$ 1,255,982	\$ 345,199
Short term investments	173,091	200,000
	<u>\$ 1,429,073</u>	<u>\$ 545,199</u>

GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

December 31, 2003

1. NATURE OF BUSINESS

Global (GPMC) Holdings Inc. ("the Company") is incorporated under the Canada Business Corporations Act and provides a range of merchant banking services to small and mid-size cap companies in North America in both the public and private markets. The company provides bridge loan services (asset backed/collateralized financing) ranging from \$100,000 to \$2,000,000 to companies across many industries such as oil and gas, mining, real estate, manufacturing, retail, financial services, technology and biotechnology.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant for the company.

Investments

Investments are valued at lower of cost and market value. Declines in market value below cost are recognized when such declines are considered other than temporary. Investment income is recorded on the accrual basis. Cash distributions, which are considered to be a return of capital, are applied to reduce the carrying value of investments.

Property, Plant and Equipment

Property, plant and equipment assets are stated at cost less accumulated amortization. Property, plant and equipment assets are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%	declining balance
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Foreign Currency Translation

Monetary assets and liabilities denominated in currencies other than Canadian dollars are translated into Canadian dollars at the rate of exchange in effect at the balance sheet date. Revenues and expenses are translated at the transaction exchange rate. Foreign currency gains and losses resulting from the translation of assets and liabilities are reflected in net income of the period.

Future Income Taxes

The company uses the liability method of tax allocation in accounting for income taxes. Under this method, future tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities, and measured using the substantially enacted tax rates and laws that will be in effect when the differences are expected to reverse.

GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

December 31, 2003

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Stock-Based Compensation Plan

The company's stock option plan is described in Note 11. For 2002, the company adopted the recommendations of the Canadian Institute of Chartered Accountants for stock-based compensation. The company has elected to follow the intrinsic value based method of accounting for stock options granted. Accordingly, no compensation expense is recognized on the grant of share options to Directors and employees as the exercise price is equal to the market price on the date of grant. Any consideration paid by Directors and employees on the exercise of stock options or purchase of shares is credited to share capital.

Financial Instruments

Unless otherwise noted, it is management's opinion that the company is not exposed to any significant interest, currency, credit or market risks arising from its financial instruments. The fair value of all financial instruments approximates their carrying value, except for investments in common shares as disclosed in Note 7.

Measurement Uncertainty

The precise value of many assets and liabilities is dependent on future events. As a result, preparation of financial statements for a period involves the use of approximations which have been made using careful judgement. Actual results could differ from those approximations.

Related Party Transactions

Related party transactions are 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.

Cash Equivalents

For the purpose of the statement of cash flows, cash and cash equivalents include cash on hand, balances with banks and highly liquid temporary money market instruments with original maturity dates of three months or less. Non-cash working capital items include accounts receivable, interest and dividends receivable and accounts payable.

GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

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3. SHORT TERM INVESTMENTS

	<u>2003</u>	<u>2002</u>
Canadian treasury bill, par value \$139,000, due February 26, 2004, bearing an interest rate of 2.61% per annum	\$ 138,160	\$ -
Reedemable GIC, one year, due October 15, 2004, bearing an interest rate of 1.3% per annum	34,931	-
Reedemable GIC, one year, due October 15, 2003, bearing an interest rate of 2.0% per annum	-	200,000
	<u>\$ 173,091</u>	<u>\$ 200,000</u>

4. PROPERTY, PLANT AND EQUIPMENT

	Cost	Accumulated amortization	2003 Net book value	2002 Net book value
Computer equipment	\$ 4,889	\$ 733	\$ 4,156	\$ -

5. NET INCOME (LOSS) PER SHARE AND CASH FLOW PER SHARE

Net income (loss) per share and cash flow per share have been calculated using the weighted average number of common shares outstanding during the year. Cash flow per share is based on cash provided by operating activities.

6. NOTES RECEIVABLE

	<u>2003</u>	<u>2002</u>
9.5% Promissory note, interest and principal due on demand, unsecured (see Note 14)	\$ -	\$ 74,653
0.5% Promissory note, interest and principal due on demand, interest compounded monthly, unsecured (see Note 14)	-	13,000
12.0% Promissory note, due on demand, interest compounded monthly, secured by a mortgage on property	82,394	-
12.0% Promissory note, due on demand, interest compounded monthly, unsecured	25,000	-
12.0% Promissory note, due March 10, 2004, interest compounded monthly, unsecured (see Note 14)	90,000	-
	<u>\$ 197,394</u>	<u>\$ 87,653</u>

GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

December 31, 2003

7. BRIDGE LOANS

	<u>2003</u>	<u>2002</u>
12.0% Bridge loan, due on demand, interest payable monthly, secured by a general security agreement (see Note 14)	\$ -	\$ 63,672
24.0% Bridge loan, interest and principal due February 13, 2004, secured by a general security agreement and a share pledge	146,770	-
15.0% Bridge loan, due March 10, 2004, interest payable monthly, secured by a general security agreement (see Note 14)	127,700	-
8.0% Convertible debenture, due June 22, 2004, interest payable monthly, secured by a general security agreement and a share pledge	500,000	-
10.8% Bridge loan, due November 1, 2004, interest payable monthly, secured by a general security agreement and a share pledge	275,000	-
12.0% Bridge loan, due June 17, 2005, interest payable monthly, secured by a first ranking movable hypothec in the amount of \$1,200,000	1,000,000	-
12.0% Convertible loan, due December 17, 2005, interest payable monthly, secured by a first ranking movable hypothec in the amount of \$1,440,000	1,000,000	-
	\$ 3,049,470	\$ 63,672

Bridge loans are valued at lower of cost and estimated net realizable value. The determination of net realizable value of bridge loans receivable that are not publicly traded is dependent on management's assessment of whether a provision for impairment in value is required.

GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

December 31, 2003

8. PORTFOLIO INVESTMENTS

	<u>2003</u>	<u>2002</u>
Marketable securities (fair value \$7,620,046, 2002 \$543,592)	\$ 7,074,549	\$ 556,863
Common shares (fair value \$463,812, 2002 \$259,345)	346,879	329,404
Preferred shares (see Note 14)	200,000	200,000
Interest in oil and gas properties, net	<u>60,828</u>	<u>100,000</u>
	<u>\$ 7,682,256</u>	<u>\$ 1,186,267</u>

- a) Fair value of investments in marketable securities, common shares and preferred shares disclosed above are based on the quoted closing market prices at the balance sheet date.
- b) In prior years the company had previously invested in emerging growth companies which were in the development stage or in companies which primarily held investments in such companies. Certain investments were in companies who had not yet established commercial viability for their business activities and had not yet earned significant revenue; therefore, the quoted market values of their shares was not necessarily indicative of the fair value of these investments and the recoverability of invested amounts was dependent upon the eventual commercial success of these entities. These investments had a quoted market value lower than the carrying amount. However, since management did not consider it practical to determine fair value by other means and considered the decline as temporary, the carrying amount was not adjusted to the lower market value. During the current year all portfolio investments have been written down to their market value as at the balance sheet date.
- c) Proceeds received from interests in oil and gas properties are recorded as a reduction of the carrying value of the interests until the cost of the interest has been fully recovered. Proceeds received in excess of the cost of the interests are recognized as income. Management did not considered it practical to determine the fair value of its interests in oil and gas properties but believes that fair value exceeds carrying value since revenues have been regularly received from its investment in the properties.
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GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

December 31, 2003

9. SHARE CAPITAL

	<u>2003</u>	2002
Authorized:		
NIL (2002 unlimited) preferred shares		
NIL (2002 unlimited) common shares		
Unlimited (2002 NIL) multiple voting shares		
Unlimited (2002 NIL) subordinate voting shares		
Issued:		
NIL (2002 6,971,783) common shares	\$ -	\$ 4,194,290
3,985,891 (2002 NIL) multiple voting shares	2,247,145	-
42,155,726 (2002 NIL) subordinate voting shares	12,407,925	-
	<u>\$ 14,655,070</u>	<u>\$ 4,194,290</u>

<u>Common Shares</u>	<u>2003</u>		<u>2002</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Opening balance	6,971,783	\$ 4,194,290	6,971,783	\$ 4,194,290
Issue for cash pursuant to private placement (see below)	<u>1,000,000</u>	<u>300,000</u>	-	-
	7,971,783	4,494,290	6,971,783	4,194,290
Share exchange (see below)	<u>(7,971,783)</u>	<u>(4,494,290)</u>	-	-
Closing balance	<u>-</u>	<u>\$ -</u>	<u>6,971,783</u>	<u>\$ 4,194,290</u>

On October 2, 2003 the company completed a private placement of 1,000,000 common shares at price of \$0.30 per share for aggregate gross proceeds of \$300,000 to provide for additional working capital to the company.

On July 18, 2003, the Directors of the company approved an amendment to the Articles of Incorporation to create two new classes of shares, to be designated as multiple voting shares and subordinate voting shares, to exchange each issued and outstanding common share for one-half of a multiple voting share and one-half of a subordinate voting share and to cancel the previously authorized classes of common and preferred shares.

The holders of subordinate voting shares are entitled to one vote for each subordinate voting share held at all meetings of Shareholders. The holders of multiple voting shares are entitled to four votes for each multiple voting share held at all meetings of Shareholders.

The holders of multiple voting shares have the right, at any time, to require that the company exchange multiple voting shares into subordinate voting shares, on a basis of one subordinate voting share for each multiple voting share to be exchanged.

GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

December 31, 2003

9. SHARE CAPITAL *(continued)*

<u>Multiple Voting Shares</u>	<u>2003</u>		<u>2002</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Opening balance	-	\$ -	-	\$ -
Share exchange (see above)	<u>3,985,891</u>	<u>2,247,145</u>	-	-
Closing balance	<u><u>3,985,891</u></u>	<u><u>\$ 2,247,145</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>

<u>Subordinate Voting Shares</u>	<u>2003</u>		<u>2002</u>	
	<u>Number</u>	<u>Amount</u>	<u>Number</u>	<u>Amount</u>
Opening balance	-	\$ -	-	\$ -
Share exchange (see above)	<u>3,985,891</u>	<u>2,247,145</u>	-	-
Issued for cash (see below)				
Tranche 1	<u>33,926,835</u>	<u>10,178,051</u>	-	-
Tranche 2	<u>4,333,000</u>	<u>1,299,900</u>	-	-
Share issue costs	<u>-</u>	<u>(1,290,681)</u>	-	-
	<u>42,245,726</u>	<u>12,434,415</u>	-	-
Treasury shares acquired (see Note 11)	<u>(90,000)</u>	<u>(26,490)</u>	-	-
Closing balance	<u><u>42,155,726</u></u>	<u><u>\$ 12,407,925</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>

On October 22, and November 25, 2003 the company completed a public offering of 38,259,835 subordinate voting shares at a price of \$0.30 per share for aggregate gross proceeds of \$11,477,951, less listing fees and issue costs of \$1,290,681 to provide additional working capital to the company.

As at December 31, 2003, 19,129,917 subordinate voting share warrants with an exercise price of \$0.50 per share are outstanding. The remaining weighted average life of the outstanding warrants is 1 year and 10 months. 250,000 subordinate voting share warrants and 250,000 multiple voting share warrants with an exercise price of \$0.50 per share are also outstanding with the remaining weighted average life of the warrants being 1 year and 8 months.

As at December 31, 2003, 3,825,984 compensation options with an exercise price of \$0.30 per unit are outstanding. Each unit is comprised of one subordinate voting share and one-half of one subordinate voting share purchase warrant of the company. Each whole warrant entitles the holder to purchase an additional subordinate voting share at a price of \$0.50 per share at any time for two years from the closing date. These compensation options were issued to the underwriters of the public offering. The remaining weighted average life of the outstanding compensation options is 1 year and 10 months.

GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

December 31, 2003

10. CONTRIBUTED SURPLUS

On December 31, 2003, the company completed a treasury share purchase of 90,000 subordinate voting shares with a stated capital cost of \$26,490 for \$19,350, resulting in a increase in contributed surplus of \$7,140.

11. STOCK-BASED COMPENSATION PLAN

On July 18, 2003 the Directors of the company approved the cancellation of the existing stock option plan of 1,500,000 authorized common shares with an exercise price of \$0.25 per share.

On July 18, 2003 the Directors of the company approved a new stock option plan. The maximum number of common shares authorized to be optioned was 700,000. There were no options granted under this plan.

On November 7, 2003 the Directors of the company cancelled the above stock option plan and approved a new stock option plan, subject to TSX Venture approval. The maximum number of subordinate voting shares authorized to be optioned is 4,100,000.

On November 7, 2003 the Directors of the company approved the issuance of 3,700,000 options at an exercise price of \$0.26 per share. The options are exercisable in whole or in part at any time prior to November 7, 2008.

GLOBAL (GMPC) HOLDINGS INC.

Notes to Financial Statements

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12. INCOME TAXES

	<u>2003</u>	<u>2002</u>
Basic tax amount at 41.62% (2002 38.60%)	\$ 45,000	\$ (200,000)
Amounts not subject to tax	(49,000)	(1,000)
Unrecognized income tax benefits	7,000	144,000
Amounts not included in income but deductible for tax purposes	(108,000)	-
Change in future income tax rate	-	(1,000)
	<u>(105,000)</u>	<u>(58,000)</u>
Unrecorded income tax benefits	86,695	96,369
	<u>\$ (18,305)</u>	<u>\$ 38,369</u>

Included in unrecognized deductible temporary differences are approximately \$1,256,000 in temporary differences relating to investments primarily represented by writedowns of permanently impaired investments and \$1,124,000 in net capital losses for income tax purposes which may be carried forward and used to reduce taxable income in future years. The net capital losses have no expiry date.

The potential income tax benefits arising from these temporary differences are not recorded in these financial statements since at the balance sheet date it is more likely than not that the future tax asset will not be realized.

There is an unrecognized permanent difference of approximately \$1,032,000 resulting from capitalized share issues expenses that can be deducted for tax purposes in equal amounts over the following four years. The potential income tax benefits arising from this permanent difference are not recorded in these financial statements since at the balance sheet date it is more likely than not that the future tax asset will not be realized.

13. SUPPLEMENTARY CASH FLOW INFORMATION

	<u>2003</u>	<u>2002</u>
Interest paid	\$ 3,895	\$ 3,640
Income taxes paid	-	38,369

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14. RELATED PARTY TRANSACTIONS

- a) Notes receivable and bridge loans include balances due from a company having a current Executive Officer in common with the company and with a company controlled by a current Director of the company, having a cost of \$217,700 (2002 \$151,325).
 - b) Portfolio investments include shares of companies having a current Executive Officer in common with the company, with a cost of \$251,825 (2002 \$258,047) and a fair value of \$534,551 (2002 \$227,976).
 - c) Interest and dividend income include interest earned on notes receivable and bridge loans with a current Executive Officer of the company in the amount of \$28,925 (2002 \$9,658).
 - d) Consulting fees income include \$32,000 (2002 \$NIL) received from companies with a current Executive Officer in common with the company.
 - e) Management and consulting fees, miscellaneous, salaries and employee benefits, and travel and promotion expenses include \$173,763 (2002 \$86,500) paid to companies controlled by current Executive Officers and Directors of the company and a company with a current Executive Officer in common with the company.
 - f) Included in rent expense is \$13,140 reimbursed by a company with Directors in common with the company.
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15. FINANCIAL INSTRUMENTS

Currency Risk

The company is exposed to certain currency risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

Credit Risk

Concentration of credit risk may arise from exposures to a single debtor or to a group of debtors having similar characteristics such that their ability to meet their current obligations is expected to be affected similarly by changes in economic or other conditions. To alleviate the potential for risk concentration, collateral agreements are secured and monitored in light of changing industry and market conditions.

Market Risk

The company is exposed to certain market risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to an individual security or its issuer or factors affecting all securities traded in the market.

Fair Values

The company's financial instruments consist of cash, short term investments, accounts receivable, interest and dividends receivable, portfolio investments and accounts payable. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

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16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's basis of presentation.

17. CONTINGENT LIABILITIES

In 1998, the company and other parties were named as defendants in a lawsuit filed in the Supreme Court of Newfoundland alleging that the common shares which they hold in the company were sold to them without their knowledge. In 2001, the company was named in a second action against the company, by the same plaintiffs, alleging that the company failed to comply with the applicable provisions of the *Canada Business Corporations Act* giving Shareholders the right of dissent with respect to certain transactions and to be paid the fair market value for these shares. Management has filed statements of defence for each action. No provision has been made for these claims in the financial statements.

The ultimate outcome of these claims is not determinable at the time of issue of these financial statements and the costs, if any, will be charged to income in the period(s) in which they are finally determined.
