



Financial Statements

2nd Quarter, 2005

Global (GMPC) Holdings Inc.

Management Discussion & Analysis

Dated: Aug 17, 2005

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 \$2,000,000 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 is guided by four core principles: Capital Preservation, Shareholder Value, Secure Generation of Income and Risk Management.

Overall Performance

On May 3, 2005, Global declared a cash dividend of \$0.01 per share payable to shareholders of Global's subordinate voting and multiple voting shares. The dividend was paid on May 31, 2005, to shareholders on record on May 16, 2005. It is the intention of the Company to pay out a portion of its future annual earnings to shareholders in the form of a dividend.

As at June 30, 2005 Global had net assets totaling \$14.0 million compared to \$13.1 million as at June 30, 2004 or \$0.318 (2004 - \$0.292) per share plus another \$0.022 (2004 - \$0.007) in unrealized gains on Global's portfolio investments, which includes convertible securities and warrants. The increase per outstanding share including unrealized gains on Global's portfolio investments is 13.7% over last year.

For the quarter ended June 30, 2005, Global had net income before taxes of \$331,311 or \$0.007 per share compared to an income before taxes of \$294,301 or \$0.007 per share for 2004. Global overhead was consistent in both periods, while Global's income from structuring fees increased 100% to \$179,893 as compared to the corresponding period in 2004. The above net income per share has been calculated using the weighted average number of multiple and subordinate voting shares during each year.

Total assets as at June 30, 2005 were \$14.9 million compared to \$13.7 million as at December 31, 2004. Included in total assets are \$0.4 million in net cash and short term investments (Dec 31, 2004 - \$1.1 million), \$7.3 million in notes receivable, bridge loans and convertible debentures (Dec 31, 2004 - \$5.4 million), \$6.2 million in portfolio investments (Dec 31, 2004 - \$6.8 million) with a fair value of \$6.7 million (Dec 31, 2004 - \$7.3 million) and \$0.3 million in other receivables (Dec 31, 2004 - \$0.3 million).

Summary of Quarterly Results

The following table sets out selected financial information and other data of Global (GMPC) Holdings Inc., which should be read in conjunction with the unaudited interim financial statements for the quarter ending June 30, 2005.

For the periods ended June 30	Three months		Six months	
	2005	2004	2005	2004
Total revenue	\$ 487,160	\$ 440,840	\$ 1,385,084	\$ 1,359,416
Net income before taxes for the period	331,311	294,301	943,513	939,624
Net income for the period	283,015	303,052	895,218	959,667
Net income per share ⁽¹⁾	\$ 0.007	\$ 0.007	\$ 0.022	\$ 0.021

(1) Net income per share has been calculated using the weighted average number of multiple and subordinate voting shares during each year. Diluted income (loss) per share were not calculated as they would be anti-dilutive.

Second Quarter of 2005 Operating Results

During the second quarter of 2005, Global provided \$2.9 million in bridge loans to public and private companies. The companies were in industries such as information technology, consumer products and real estate development. As at June 30, 2005, there were no loans that were in default.

Total revenue for the second quarter of 2005 was \$487,160 compared to \$440,840 for the corresponding period in 2004. Interest income was \$161,757, which was consistent to the same period in 2004. Dividend income decreased from \$207,285 to \$111,432 due to a decrease in the ownership of dividend paying investments. Gains on sale of investments were \$80,245 for the quarter compared to \$57,587 in 2004. Structuring fees increased from nil to \$179,893 during the quarter. Global incurred a foreign exchange loss of \$46,167 during the quarter due to the fluctuations in the US dollar.

Global's expenses for the second quarter of 2005 were \$155,849, which was up \$9,300 from the same period in 2004

Net income before taxes for the second quarter of 2005 was \$331,311 or \$0.007 per share compared to a net income before taxes of \$294,301 or \$0.007 per share in 2004. Global's income taxes for the second quarter of 2005 were \$48,297 compared to a refund of \$8,752 in the same period during 2004.

First Half of 2005 Operating Results

During the first half of 2005, Global provided \$5.0 million in bridge loans to public companies, private companies and individuals. The companies were in industries such as information technology, software, consumer products and real estate development.

Total revenue for the first half of 2005 was \$1,385,084 compared to \$1,359,413 for the corresponding period in 2004. Interest income was \$340,827 compared to \$308,517 in the same period in 2004. Dividend income decreased from \$339,173 to \$287,512 due to a decrease in the ownership of dividend paying investments. Gains on sale of investments were \$579,940 for the half-year compared to \$718,957 in 2004. Structuring fees increased from nil to \$220,393 for the half-year. Global incurred a foreign exchange loss of \$43,588 due to the fluctuations in the US dollar.

Global's expenses for the first half of 2005 were \$441,571, which was up \$21,800 from the same period in 2004

Net income before taxes for the first half of 2005 was \$943,513 or \$0.022 per share compared to a net income before taxes of \$939,624 or \$0.021 per share in 2004. Global's income taxes for the first half of 2005 were \$48,297 compared to a refund of \$20,043 in the same period during 2004.

Liquidity

As at June 30, 2005, Global had \$0.4 million in net cash and short-term investments, \$0.1 million in interest and dividends receivable, \$7.3 million in bridge loans and notes receivable and \$6.2 million in portfolio investments. The Corporation had no debt.

Transactions with Related Parties

The Company often receives the right to nominate a member to the board of directors of companies to which it provides a bridge loan. The nominees may be an employee, officer or director of the Company, and accordingly, the borrower may become related to the Company.

Bridge loans and convertible debentures include a balance due from a company having a current Director in common with the company, with a cost of \$1,080,000 (Dec 31, 2004 \$500,000).

Portfolio investments include shares of companies and partnerships having current Executive Officers and Directors in common with the company, with a cost of \$4,856,883 (Dec 31, 2004 \$4,285,594) and a fair value of \$5,537,946 (Dec 31, 2004 \$4,775,528).

Interest and dividend income include interest earnings on loans with current Executive Officers and Directors of the company in the amount of \$32,311 (2004 \$4,520) for the second quarter and \$63,291 (2004 \$6,634) year-to-date and dividends on

investments in shares in a company and partnership that have current Executive Officers and a Directors in common with the company in the amount of \$107,924 (2004 \$79,880) for the second quarter and \$270,138 (2004 \$85,130) year-to-date.

Management and consulting fees include \$29,425 (2004 \$37,645) for the second quarter and \$120,268 (2004 \$93,659) year-to-date paid to companies controlled by current Executive Officers and Directors of the company.

Forward-Looking Information

These materials include certain “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Other than statement of historical fact, all statements in this material, including, without limitation, statements regarding fair values of marketable securities, investments, bridge loans, convertible debentures, estimated asset retirement obligations, and future plans and objectives of the Company, are forward-looking statements that involve various known and unknown risks, uncertainties and other factors. There can be no assurance that such statements will prove accurate. Actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date of these materials. Important factors that could cause actual results to differ materially from the Company’s expectations include, without limitation, the level of bridge loans completed, the nature and credit quality of the collateral security, the sufficiency of cost estimates for remaining reclamation obligations as well as those factors discussed in the Company’s documents filed from time to time with the TSX Venture Exchange, Canadian securities regulators and other regulatory authorities. All subsequent written and oral forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified in their entirety by this notice.

**Global (GMPC) Holdings Inc.
Consolidated Balance Sheets**

	June 30	December 31
	2005	2004
	(Unaudited)	(Audited)
Assets		
Cash	\$ 112,228	\$ 1,063,972
Short term investments (note 3)	980,420	38,561
Accounts receivable and sundry assets	213,147	174,696
Prepaid expenses	1,792	-
Interest and dividends receivable	126,979	137,037
Notes receivable, bridge loans and convertible debentures (notes 3 & 4)	7,269,638	5,432,268
Portfolio investments (notes 3 & 4)	6,152,955	6,813,829
Property, plant and equipment	5,433	3,437
	<hr/>	<hr/>
	\$ 14,862,591	\$ 13,663,800
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Liabilities		
Bank indebtedness	\$ 696,923	\$ -
Accounts payable	116,271	56,259
	<hr/>	<hr/>
	813,194	56,259
Shareholders' Equity		
Share capital	13,983,780	13,997,425
Contributed surplus	958,648	956,728
Deficit	(893,031)	(1,346,612)
	<hr/>	<hr/>
	14,049,397	13,607,541
	<hr/>	<hr/>
	\$ 14,862,591	\$ 13,663,800

Global (GMPC) Holdings Inc.
Consolidated Interim Statements of Income and Deficit
(Unaudited)

For the periods ended June 30	Three Months		Six Months	
	2005	2004	2005	2004
Revenue				
Interest income	\$ 161,757	\$ 168,321	\$ 340,827	\$ 308,517
Dividend income	111,432	207,285	287,512	339,173
Gain on sale of investments	80,245	57,587	579,940	718,957
Structuring fees	179,893	-	220,393	-
Foreign exchange gain (loss)	(46,167)	7,646	(43,588)	(7,233)
	<u>487,160</u>	<u>440,840</u>	<u>1,385,084</u>	<u>1,359,413</u>
Expenses				
Management fees and salaries	109,460	98,400	343,512	301,528
Audit and legal fees	18,214	10,486	28,929	26,902
Office and general	12,485	19,745	27,069	50,581
Travel and promotion	2,388	3,781	11,657	13,411
Filing and listing fees	8,390	6,673	13,524	9,351
Rent	4,599	7,142	16,256	17,394
Amortization	312	312	623	623
	<u>155,849</u>	<u>146,540</u>	<u>441,571</u>	<u>419,789</u>
Income before income taxes	<u>331,311</u>	<u>294,301</u>	<u>943,513</u>	<u>939,624</u>
Income taxes (recovered)	<u>48,297</u>	<u>(8,752)</u>	<u>48,297</u>	<u>(20,043)</u>
Net income for the period	<u>283,015</u>	<u>303,052</u>	<u>895,218</u>	<u>959,667</u>
Deficit, beginning of period	<u>(734,408)</u>	<u>(1,772,393)</u>	<u>(1,346,612)</u>	<u>(2,429,007)</u>
Dividends	<u>441,636</u>	<u>-</u>	<u>441,636</u>	<u>-</u>
Deficit, end of period	<u>\$ (893,030)</u>	<u>\$ (1,469,340)</u>	<u>\$ (893,030)</u>	<u>\$ (1,469,340)</u>
Basic earnings per share	<u>\$ 0.007</u>	<u>\$ 0.007</u>	<u>\$ 0.022</u>	<u>\$ 0.021</u>

Global (GMPC) Holdings Inc.
Consolidated Statements of Cash Flows
(Unaudited)

For the periods ended June 30	Three Months		Six Months	
	2005	2004	2005	2004
Operating activities				
Net income for the period	\$ 283,015	\$ 303,052	\$ 895,217	\$ 959,667
Items not affecting cash				
Gain on sale of investments	(80,245)	(57,587)	(579,940)	(718,957)
Amortization	312	312	623	623
	203,082	245,777	315,901	241,333
Changes in non-cash working capital balances	(51,614)	(139,300)	29,827	(85,844)
Cash flow used by operating activities	151,468	106,477	345,728	155,449
Investing activities				
Purchase of portfolio investments	(1,342,236)	(646,431)	(2,233,638)	(5,965,359)
Proceeds from sale of investments	1,230,249	2,357,490	3,474,451	8,395,853
Increase in bridge loans and convertible debentures	(2,288,443)	(1,536,500)	(1,919,764)	(2,741,030)
Decrease (increase) in notes receivable	82,394	(57,540)	82,394	(57,540)
Additions to property, plant & equipment	(2,307)	-	(2,619)	(297)
Cash flow used by investing activities	(2,320,343)	117,020	(599,177)	(368,373)
Cash flows from financing activities				
Purchase of treasury shares	(13,644)	(230,204)	(13,644)	(376,981)
Increase in contributed surplus	1,919	45,674	1,919	71,182
Dividends paid	(441,636)	-	(441,636)	-
Cash flow used by financing activities	(453,361)	(184,530)	(453,361)	(305,799)
Increase (decrease in cash)	(2,622,236)	38,967	(706,808)	(518,722)
Cash, beginning of period	3,017,962	871,384	1,102,533	1,429,073
Cash, end of period	\$ 395,725	\$ 910,351	\$ 395,725	\$ 910,351
Cash consists of:				
Cash	\$ 112,228	\$ 736,149	\$ 112,228	\$ 763,149
Bank indebtedness	(696,923)	-	(696,923)	-
Short term investments	980,420	174,202	980,420	174,202
	\$ 395,725	\$ 910,351	\$ 395,725	\$ 910,351

Global (GMPC) Holdings Inc.
Notes to Financial Statements
(Unaudited)
June 30, 2005

1. Nature of Business

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

2. Significant Accounting Policies

These interim consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a basis consistent with those used and described in the most recent annual audited financial statements. The disclosures contained in these interim consolidated financial statements do not include all requirements of Canadian generally accepted accounting principles for annual financial statements. These interim consolidated financial statements should be read in conjunction with the most recent annual financial statements.

3. Financial Instruments

The carrying value of cash, accounts receivable, interest and dividends receivable and accounts payable approximate their fair values due to the short-term nature of these instruments.

The carrying values and fair values of the company's short term investments, notes receivable, bridge loans and convertible debenture and portfolio investments are as follows:

	June 30		December 31	
	2005 Carrying Value	2005 Fair Value	2004 Carrying Value	2004 Fair Value
Short term investments	\$ 980,420	\$ 980,420	\$ 38,561	\$ 38,561
Notes receivable	25,000	25,000	107,394	107,394
Bridge loans and convertible debentures	7,244,638	7,484,638	5,324,874	5,324,874
Portfolio investments				
- Publicly traded companies and partnerships	5,952,955	6,548,636	6,596,326	7,083,007
- Preferred shares	200,000	200,000	200,000	200,000
- Interest in oil and gas properties	-	-	17,502	17,502
	\$ 14,403,013	\$ 15,238,694	\$ 12,284,657	\$ 12,771,338

Global (GMPC) Holdings Inc.
Notes to Financial Statements
(Unaudited)
June 30, 2005

4. Share Capital

For the six-month period ending June 30, 2005, the company completed treasury purchases for cancellation under a normal course issuer bid of 46,500 subordinate voting shares with a stated capital of \$13,644 for \$11,725, resulting in an increase in contributed surplus of \$1,919.

5. Related Party Transactions

The company often receives the right to nominate a member to the Board of Directors of companies to which it provides a bridge loan. The nominees may be an employee, Officer or Director of the company, and accordingly, the borrower may become related to the company.

- a) Bridge loans and convertible debentures include a balance due from a company having a current Director in common with the company, with a cost of \$1,080,000 (December 31, 2004 \$500,000).
- b) Portfolio investments include shares of companies and partnerships having current Executive Officers and Directors in common with the company, with a cost of \$4,856,883 (December 31, 2004 \$4,285,594) and a fair value of \$5,537,946 (December 31, 2004 \$4,775,528).
- c) Interest and dividend income include interest earnings on loans with current Executive Officers and Directors of the company in the amount of \$32,311 (2004 \$4,520) for the second quarter and \$63,291 (2004 \$6,634) year-to-date and dividends on investments in shares in a company and partnership that have current Executive Officers and a Directors in common with the company in the amount of \$107,924 (2004 \$79,880) for the second quarter and \$270,138 (2004 \$85,130) year-to-date.
- d) Management fees and salaries include \$29,425 (2004 \$37,645) for the second quarter and \$120,268 (2004 \$93,659) year-to-date paid to companies controlled by current Executive Officers and Directors of the company.