



**BC FORM 51-901F**

**QUARTERLY AND YEAR END REPORT**

**SCHEDULE A – FINANCIAL STATEMENTS**

**FIRST AU STRATEGIES CORP.**

**for the nine months ended March 31, 2003**

Refer to the enclosed Financial Statements:

1. Balance Sheets as at March 31, 2003 and June 30, 2002.
2. Statements of Operations and Deficit for the three-month period from January 1, 2003 to March 31, 2003, the nine months ended March 31, 2003, the three-month period from January 1, 2002 to March 31, 2002 and the nine months ended March 31, 2002.
3. Statements of Cash Flows for the three-month period from January 1, 2003 to March 31, 2003, the nine months ended March 31, 2003, the three-month period from January 1, 2002 to March 31, 2002 and the nine months ended March 31, 2002.

**FIRST AU STRATEGIES CORP.**  
**BALANCE SHEETS**  
(Unaudited - Prepared by Management)

	March 31, 2003 \$	June 30, 2002 \$
<b>ASSETS</b>		
Current		
Cash and equivalents	290,966	34,711
Restricted cash	416,000	-
Accounts receivable	47,111	7,420
Prepaid expenses	<u>1,000</u>	<u>44,715</u>
	755,077	86,846
Mineral properties	810,196	208,046
Capital assets	<u>8,844</u>	<u>10,424</u>
	<u>1,574,117</u>	<u>305,316</u>
 <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current		
Accounts payable and accrued liabilities	47,659	98,141
Shareholder advances	-	45,000
Due to related parties	<u>70,181</u>	<u>76,040</u>
	<u>117,840</u>	<u>219,181</u>
Shareholders' equity		
Capital stock	3,540,653	1,673,691
Contributed surplus	1,875	1,875
Deficit	<u>(2,086,251)</u>	<u>(1,589,431)</u>
	<u>1,456,277</u>	<u>86,135</u>
	<u>1,574,117</u>	<u>305,316</u>

APPROVED BY THE DIRECTORS

"Robert A. Archer" Director

"Kaare G. Foy" Director

**FIRST AU STRATEGIES CORP.**  
**STATEMENTS OF OPERATIONS AND DEFICIT**  
(Unaudited - Prepared by Management)

	Three month period from Jan 1, 2003 to Mar 31, 2003 \$	Nine months ended Mar 31, 2003 \$	Three month period from Jan 1, 2002 to Mar 31, 2002 \$	Nine months ended Mar 31, 2002 \$
<b>EXPENSES</b>				
Consulting	151,669	228,383	27,560	41,796
Depreciation	527	1,580	661	1,983
Directors fees	8,000	24,000	7,500	22,500
Filing fees	6,899	13,958	5,580	13,878
General exploration expense	135	635	-	-
Investor relations	14,420	41,568	14,314	14,811
Management fees	18,000	45,000	7,500	25,500
Office and miscellaneous	8,645	28,787	10,389	23,076
Printing	345	7,887	3,705	7,994
Professional fees	13,595	33,392	15,016	70,715
Rent	6,819	19,323	13,996	45,064
Telephone	139	227	1,479	7,737
Transfer agent fees	1,295	5,349	1,290	3,903
Travel	9,591	22,799	18,443	20,995
Foreign exchange (gain) loss	<u>1,438</u>	<u>3,789</u>	<u>1,664</u>	<u>3,184</u>
Loss before undernoted	(241,517)	(476,677)	(129,097)	(303,136)
Write-off of mineral property	<u>(20,143)</u>	<u>(20,143)</u>	<u>-</u>	<u>-</u>
Income (loss) for the period	(261,660)	(496,820)	(129,097)	(303,136)
Deficit, beginning of period	<u>(1,824,591)</u>	<u>(1,589,431)</u>	<u>(1,309,449)</u>	<u>(1,135,410)</u>
Deficit, end of period	<u>(2,086,251)</u>	<u>(2,086,251)</u>	<u>(1,438,546)</u>	<u>(1,438,546)</u>
Loss per share		<u>(0.06)</u>		<u>(0.06)</u>

**FIRST AU STRATEGIES CORP.**  
**STATEMENTS OF CASH FLOWS**  
(Unaudited - Prepared by Management)

	Three month period from Jan 1, 2003 to Mar 31, 2003 \$	Nine months ended Mar 31, 2003 \$	Three month period from Jan 1, 2002 to Mar 31, 2002 \$	Nine months ended Mar 31, 2002 \$
Cash flows from (used in) operating activities				
Income (loss) for the period	(261,660)	(496,820)	(129,097)	(303,136)
Items not involving cash:				
Depreciation	527	1,580	661	1,983
Write-off of mineral property	20,143	20,143	-	-
Change in non-cash working capital items				
Accounts receivable	(6,111)	(39,691)	4,179	(3,283)
Prepaid expenses	20,491	43,715	(1,000)	6,996
Accounts payable	(151,033)	(50,482)	51,643	83,302
Shareholder advances	(45,000)	(45,000)	-	-
Due to related parties	(106,051)	(5,859)	31,559	35,185
	<u>(528,694)</u>	<u>(572,414)</u>	<u>(42,055)</u>	<u>(178,953)</u>
Cash flows from (used in) investing activities				
Mineral properties	<u>(101,082)</u>	<u>(594,743)</u>	<u>(24,145)</u>	<u>(93,913)</u>
	<u>(101,082)</u>	<u>(594,743)</u>	<u>(24,145)</u>	<u>(93,913)</u>
Cash flows from (used in) financing activities				
Issuance of common shares	1,404,287	1,839,412	276,500	327,200
Subscriptions received in advance	<u>(67,600)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,336,687</u>	<u>1,839,412</u>	<u>276,500</u>	<u>327,200</u>
Change in cash and cash equivalents during the period	706,911	672,255	210,300	54,334
Cash and cash equivalents, beginning of period	<u>55</u>	<u>34,711</u>	<u>38,000</u>	<u>193,966</u>
Cash and cash equivalents, end of period	<u>706,966</u>	<u>706,966</u>	<u>248,300</u>	<u>248,300</u>

**FIRST AU STRATEGIES CORP.**  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
Nine months ended March 31, 2003

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**1. BASIS OF PRESENTATION**

The interim period financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. All financial summaries included are presented on a comparative and consistent basis showing the figures for the corresponding period in the previous year.

The preparation of financial data is based on accounting principles and practices consistent with those in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance Canadian generally accepted accounting principles has been condensed or omitted.

These interim period financial statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual filing. In the opinion of the Company, its unaudited interim financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented.

**2. NATURE AND CONTINUANCE OF OPERATIONS**

First Au Strategies Corp. ("the Company") previously operated under the names of Red Fox Minerals Ltd. and Earth King Resources Inc. On March 17, 1997 the Company was continued under the Business Corporations Act (Yukon) and the name was changed to West African Gold Corp. On April 20, 1999 the Company changed its name to First Au Strategies Corp.

The Company is in the process of exploring and developing its mineral properties and has not yet determined whether these properties contain ore reserves that are economically recoverable. The recoverability of amounts shown as mineral properties is dependent upon the discovery of economically recoverable reserves, the ability of the Company to obtain the necessary financing to complete its exploration and development and upon future profitable production or proceeds from the disposition of the properties.

These interim period financial statements have been prepared on a going concern basis which assumes that the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. Continued operations of the Company are dependent on the ability of the Company's management to receive continued financial support and complete equity financing, or generate profitable operations in the future.

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	March 31, 2003	June 30, 2002
Deficit	\$ (2,086,251)	\$ (1,589,431)
Working capital (deficiency)	\$ 637,237	\$ (132,335)

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**FIRST AU STRATEGIES CORP.**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
 Nine months ended March 31, 2003

**3. MINERAL PROPERTIES**

	Birch	Casummit	Jim	Nickleby	Leg	Thorn	Total	
	Lake	Lake (a)	Lake	Lake (b)	Lake (c)	(d)	Mar 31, 2003	Jun 30, 2002
Balance beginning of period	\$28,207	\$42,067	\$18,943	\$15,893	\$43,711	\$59,225	\$208,046	\$ -
Option payments:								
Cash	-	10,000	-	-	4,000	25,000	39,000	37,500
Common shares	-	10,500	-	4,250	6,800	6,000	27,550	51,250
Staking	-	-	-	-	-	-	-	44,770
Analysis	-	4,746	-	-	-	7,046	11,792	870
Drilling	-	125,622	-	-	-	74,359	199,981	-
Field costs	-	70,363	-	-	-	117,375	187,738	15,560
Project admin	250	28,601	-	-	1,000	38,209	68,060	34,820
Geology	-	28,426	-	-	-	47,075	75,501	7,378
Geophysics	-	515	-	-	6,756	-	7,271	8,397
Linecutting	-	-	-	-	5,400	-	5,400	7,501
	250	278,773	-	4,250	23,956	315,064	622,293	208,046
Written-off during the period	-	-	-	(20,143)	-	-	(20,143)	-
	250	278,773	-	(15,893)	23,956	315,064	602,150	208,046
Balance, end of period	\$28,457	\$320,840	\$18,943	\$ -	\$67,667	\$374,289	\$810,196	\$208,046

a) Casummit Lake Property:

Effective October 31, 2001, the Company entered into an option agreement which grants the Company the exclusive working right and option, for a period of two years, to purchase a 51% undivided interest in the Casummit Lake mining claims situated in the Red Lake Mining Division, Northwestern Ontario. In consideration for the working right and purchase option the Company paid \$10,000 and issued 100,000 common shares. In order to maintain in force the working right and purchase option, the Company must make payments and issue shares as follows:

- i) On or before October 31, 2002, the Company must pay \$10,000 and issue 50,000 common shares and incur expenditures of at least \$250,000 in respect of the mining claims;
- ii) On or before October 31, 2003, the Company must pay \$20,000 and issue 50,000 common shares and incur cumulative expenditures of at least \$650,000 in respect of the mining claims.

The Company may terminate the option agreement at any time or let it lapse by failing to pay any or all of the payments and make any or all of the share issuances referred to above. Upon exercising the option, the Company will then participate in a joint venture for the further exploration and development of the mining claims, with its initial participating interest being 51%.

**FIRST AU STRATEGIES CORP.**  
NOTES TO THE UNAUDITED FINANCIAL STATEMENTS  
Nine months ended March 31, 2003

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b) Nickleby Lake Property:

Effective November 6, 2001, the Company entered into an option agreement which grants the Company the exclusive working right and option, for a period of four years, to purchase a 100% undivided interest in the mining claims comprising the Nickleby Lake property situated in the Thunder Bay Mining Division, Northwestern Ontario. In consideration for the working right and purchase option the Company paid \$7,500 and issued 25,000 common shares. In order to maintain in force the working right and purchase option, the Company must make payments and issue shares as follows:

- i) On or before November 6, 2002, the Company must pay \$12,500 and issue 25,000 common shares;
- ii) On or before November 6, 2003, the Company must pay \$15,000 and issue 25,000 common shares;
- iii) On or before November 6, 2004, the Company must pay \$25,000 and issue 25,000 common shares;
- iv) On or before November 6, 2005, the Company may exercise the purchase option. Should the Company elect to proceed it must pay an additional \$60,000.

The Company may terminate the option agreement at any time or let it lapse by failing to pay any or all of the payments and make any or all of the share issuances referred to above. Upon exercising the option, the Company's 100% interest will be subject to a 2% Net Smelter Return royalty, of which 1% can be purchased for \$1,000,000.

Effective November 19, 2002, the Company terminated the option agreement. As the Company was not able to meet all the conditions of termination it issued 25,000 common shares as compensation. The share issuance was approved by the Exchange. As a result of the termination the Company wrote off the capitalized costs totalling \$20,143 it had incurred on the Property.

c) Leg Lake Property:

Effective November 22, 2001, the Company entered into an option agreement which grants the Company the exclusive working right and option, for a period of four years, to purchase a 100% undivided interest in the mining claims comprising the Leg Lake property situated in the Red Lake Mining Division, Northwestern Ontario. In consideration for the working right and purchase option the Company paid \$5,000 and issued 25,000 common shares. In order to maintain in force the working right and purchase option, the Company must make payments and issue shares as follows:

- i) On or before November 22, 2002, the Company must pay \$8,000 (subsequently amended to \$4,000, amendment approved by the Exchange) and issue 25,000 common shares (subsequently amended to 40,000, amended approved by the Exchange);
- ii) On or before November 22, 2003, the Company must pay \$12,000 and issue 25,000 common shares;
- iii) On or before November 22, 2004, the Company must pay \$15,000 and issue 25,000 common shares;
- iv) On or before November 22, 2005, the Company may exercise the purchase option. Should the Company elect to proceed it must pay an additional \$45,000.

The Company may terminate the option agreement at any time or let it lapse by failing to pay any or all of the payments and make any or all of the share issuances referred to above. Upon exercising the option, the Company's 100% interest will be subject to a 2% Net Smelter Return royalty, of which 1% can be purchased for \$1,000,000.

**FIRST AU STRATEGIES CORP.**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
 Nine months ended March 31, 2003

d) Thorn Property:

Effective March 1, 2002, the Company entered into an option agreement which grants the Company the exclusive working right and option, for a period of three years, to purchase a 51% undivided interest in the Thorn Property situated in the Atlin Mining Division, Northwestern British Columbia. The Property is subject to a 3% Net Smelter Return royalty, of which 2% can be purchased from the underlying vendors for \$3,000,000. In consideration for the working right and purchase option the Company must pay \$15,000 and issue 100,000 common shares. In order to maintain in force the working right and purchase option, the Company must make payments and issue shares as follows:

- i) On or before March 1, 2003, the Company must pay \$25,000 and issue 50,000 common shares and incur expenditures of at least \$300,000 in respect of the mining claims;
- ii) On or before March 1, 2004, the Company must pay \$50,000 and issue 50,000 common shares and incur cumulative expenditures of at least \$700,000 in respect of the mining claims;
- iii) On or before March 1, 2005, the Company must pay \$100,000 and issue 50,000 common shares and incur cumulative expenditures of at \$1,200,000 in respect of the mining claims.

The Company may terminate the option agreement at any time or let it lapse by failing to pay any or all of the payments and make any or all of the share issuances referred to above. If the Company wishes to exercise the option, the optionor must first exercise its underlying option and the Company will then participate in a joint venture for the further exploration and development of the mining claims, with its initial participating interest being 51%.

**4. CAPITAL ASSETS**

March 31, 2003	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 4,538	\$ 4,375	\$ 163
Furniture and fixtures	<u>31,720</u>	<u>23,039</u>	<u>8,681</u>
	<u>\$ 36,258</u>	<u>\$ 27,414</u>	<u>\$ 8,844</u>
June 30, 2002	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 4,538	\$ 4,327	\$ 211
Furniture and fixtures	<u>31,720</u>	<u>21,507</u>	<u>10,213</u>
	<u>\$ 36,258</u>	<u>\$ 25,834</u>	<u>\$ 10,424</u>

**FIRST AU STRATEGIES CORP.**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
 Nine months ended March 31, 2003

**5. CAPITAL STOCK**

Authorized:

Unlimited number of common shares without par value

Issued:

	Number of Shares	Amount
Balance as at June 30, 2001	5,171,674	1,293,216
Issued for mineral properties	250,000	51,250
Issued on exercise of stock options	420,000	54,600
Issued on private placement, net of issue costs	1,150,000	276,500
Cancellation of common shares in escrow	<u>(5,208)</u>	<u>(1,875)</u>
Balance as at June 30, 2002	6,986,466	1,673,691
Issued on exercise of stock options	40,000	5,200
Issued on short form offering, net of issue costs	2,578,500	429,925
Issued as corporate finance fee	250,000	-
Issued on private placement, net of issue costs	14,727,000	1,404,287
Issued as finders' fee	141,600	-
Issued for mineral properties	<u>165,000</u>	<u>27,550</u>
Balance as at March 31, 2003	<u>24,888,566</u>	<u>\$ 3,540,653</u>

Included in issued capital stock are 357,010 (June 30, 2002 - 396,676) common shares held in escrow. The Company filed an Amendment to the Escrow Agreement dated December 31, 2001 whereby the escrow shares will be released over a 72 month time period.

**6. OPTIONS AND WARRANTS**

The Company, in accordance with the policies of the TSX Venture Exchange (the "Exchange"), is authorized to grant incentive stock options ("options") to officers, directors, employees and consultants. The Exchange policies permit the Company's directors to grant options for the purchase of shares of the Company to persons in consideration for services rendered. The exercise price of options is determined by the board of directors at the time of grant and may not be less than the closing price of the Company's shares on the trading day immediately preceding the date on which the option is granted and publicly announced, less an applicable discount, and may not otherwise be less than \$0.10 per share. The options can be granted for a maximum term of 5 years.

**FIRST AU STRATEGIES CORP.**  
**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**  
 Nine months ended March 31, 2003

**6. OPTIONS AND WARRANTS (cont'd...)**

As at March 31, 2003, the Company has incentive stock options outstanding as follows:

Number of Shares	Exercise Price	Expiry Date
70,000	\$0.31	July 4, 2003
50,000	\$0.13	November 3, 2006
440,000	\$0.13	December 1, 2006
430,000	\$0.16	October 29, 2007

As at March 31, 2003, the Company has agents' options outstanding as follows:

Number of Shares	Exercise Price	Expiry Date
304,275	\$0.25	October 28, 2003
	\$0.30	October 28, 2004

As at March 31, 2003, the Company has warrants outstanding as follows:

Type	Number of Warrants	Exercise Price	Expiry Date
Series "C"	500,000	\$0.20	April 9, 2003
Series "D"	330,000	\$0.30	March 29, 2004
Series "E"	3,554,500 (1)	\$0.25	October 28, 2003
		\$0.30	October 28, 2004
Series "F"	500,000	\$0.25	February 2, 2004
		\$0.30	February 2, 2005
Series "G"	11,627,000	\$0.15	March 19, 2004
		\$0.20	March 19, 2005
Finders' Warrants	778,000	\$0.15	March 19, 2004
		\$0.20	March 19, 2005

(1) Two warrants for one common share.

**7. RELATED PARTY TRANSACTIONS**

The Company entered into the following transactions with related parties:

- a) Paid or accrued consulting fees totalling \$111,008 to companies with directors in common.
- b) Paid or accrued directors' fees totalling \$24,000 to directors of the Company.
- c) Paid or accrued management fees totalling \$45,000 to a company with a director in common.
- d) Paid or accrued office rent and administration costs totalling \$60,823 to an officer of the Company and to a company with a director in common.
- e) Paid or accrued geological consulting costs totalling \$500 to a company with a director in common.

Included in due to related parties is \$38,501 due to companies with directors in common and \$31,680 due to directors of the Company.

**8. SUPPLEMENTAL DISCLOSURES WITH RESPECT TO CASH FLOWS**

For the nine months ended March 31, 2003, significant non-cash transactions included:

- a) The Company issued 165,000 common shares for a deemed value of \$27,550 pursuant to the terms of option agreements on the mineral properties.

For the nine months ended March 31, 2002, significant non-cash transactions included:

- a) The Company issued 150,000 common shares for a deemed value of \$26,250 pursuant to the terms of option agreements on the mineral properties.
- b) The Company cancelled 5,208 common shares held in escrow with a stated value of \$1,875 pursuant to the surrender by the holders.

**9. LOSS PER SHARE**

Basic loss per share is computed by dividing net loss by the weighted average number of shares outstanding during the reporting period. Diluted loss per share is computed similar to basic loss per share except that the weighted average number of shares outstanding are increased to include additional shares from the assumed exercise of stock options and warrants, if dilutive. The number of additional shares is calculated by assuming that outstanding stock options and warrants were exercised and that the proceeds from such exercises were used to acquire shares of common stock at the average market price during the reporting period. Diluted loss per share is the same as basic loss per share because the effect on the basic loss per share of outstanding options and warrants is anti-dilutive.



**BC FORM 51-901F**

**QUARTERLY AND YEAR END REPORT**

**SCHEDULE B - SUPPLEMENTARY INFORMATION**

**FIRST AU STRATEGIES CORP.**

**for the nine months ended March 31, 2003**

**1. Analysis of expenses and deferred costs:**

As disclosed separately in Schedule A - Financial Statements attached.

**2. Related party transactions are as follows:**

(a) Amounts due to related parties consist of:

- (i) \$38,501 due to companies with directors in common, and,
- (ii) \$31,680 due to directors of the Company.

(b) General and administrative expenses include the following:

- (i) Consulting fees of \$111,008 were paid or accrued to companies with directors in common.
- (ii) Directors' fees of \$24,000 were paid or accrued to directors of the Company.
- (iii) Management fees of \$45,000 were paid or accrued to a company with a director in common.
- (iv) Office rental and administration of \$60,823 were paid or accrued to an officer of the Company and to a company with a director in common.
- (v) Geological consulting costs of \$500 were paid or accrued to a company with a director in common.

(c) Mineral properties include the following:

- (i) Geological consulting costs of \$20,500 were paid or accrued to a company with a director in common.

**3. For the current fiscal year-to-date:**

(a) Summary of securities issued during the period:

Date Of Issue	Type Of Security	Type Of Issue	Number Of Shares	Price Per Share	Total Proceeds	Type Of Consideration	Commission Paid
Sep 30, 02	Common	Exercise of options	40,000	\$0.13	\$ 5,200	Cash	N/A
Oct 28, 02	Common	Short form offering	2,578,500	\$0.20	\$ 515,700	Cash	\$34,485
Oct 28, 02	Common	Corporate finance fee	250,000	N/A	N/A	N/A	N/A
Oct 28, 02	Common	Property payment	50,000	\$0.21	\$ 10,500	Mineral property	N/A
Jan 20, 03	Common	Property payment	40,000	\$0.17	\$ 6,800	Mineral property	N/A
Jan 20, 03	Common	Property payment	25,000	\$0.17	\$ 4,250	Mineral property	N/A
Feb 03, 03	Common	Private placement	520,000	\$0.13	\$ 67,600	Cash	N/A
Feb 03, 03	Common	Private placement	500,000	\$0.10	\$ 50,000	Cash	N/A
Mar 04, 03	Common	Property payment	50,000	\$0.12	\$ 6,000	Mineral property	N/A
Mar 20, 03	Common	Private placement	12,737,000	\$0.10	\$1,273,700	Cash	\$40,320
Mar 20, 03	Common	Finders' fee	141,600	N/A	N/A	N/A	N/A
Mar 28, 03	Common	Private placement	970,000	\$0.10	\$ 97,000	Cash	\$ 7,680

(b) Summary of options granted during the period:

Date	Number	Optionee	Exercise Price	Expiry Date
Oct 30, 02	100,000	Robert A. Archer	\$0.16	Oct 29, 07
Oct 30, 02	100,000	Kaare G. Foy	\$0.16	Oct 29, 07
Oct 30, 02	90,000	Bryan J. Frost	\$0.16	Oct 29, 07
Oct 30, 02	50,000	Wendy Ratcliffe	\$0.16	Oct 29, 07
Oct 30, 02	<u>90,000</u>	Richard Revelins	\$0.16	Oct 29, 07
	<u>430,000</u>			

#### 4. As at March 31, 2003:

(a) Summary of share capital:

Authorized - unlimited number of common shares without par value

Issued and outstanding -	Number	\$
Issued	24,888,566	\$3,540,653

(b) Summary of options, warrants and convertible securities outstanding:

	Number	Exercise Price	Expiry Date
Stock Options	70,000	\$0.31	Jul 04, 03
Stock Options	50,000	\$0.13	Nov 03, 06
Stock Options	440,000	\$0.13	Dec 01, 06
Stock Options	430,000	\$0.16	Oct 29, 07
Agents' Options	304,275	\$0.25	Oct 28, 03
		\$0.30	Oct 28, 04
Series "C" Warrants	500,000	\$0.20	Apr 09, 03
Series "D" Warrants	330,000	\$0.30	Mar 29, 04
Series "E" Warrants	3,554,500 <sup>(1)</sup>	\$0.25	Oct 28, 03
		\$0.30	Oct 28, 04
Series "F" Warrants	500,000	\$0.25	Feb 02, 04
		\$0.30	Feb 02, 05
Series "G" Warrants	11,627,000	\$0.15	Mar 19, 04
		\$0.20	Mar 19, 05
Finders' Warrants	778,000	\$0.15	Mar 19, 04
		\$0.20	Mar 19, 05

Note <sup>(1)</sup> Two warrants for one common share.

(c) Total number of shares subject to escrow or pooling agreements:

Escrow shares	357,010
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#### 5. As at the date of this report:

The names of the directors and officers are as follows:

Robert A. Archer	Director, President
Kaare G. Foy	Director, Chief Financial Officer
Bryan J. Frost	Director, Executive Chairman
Richard Revelins	Director
Wendy Ratcliffe	Secretary

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**QUARTERLY AND YEAR END REPORT**

**SCHEDULE C - MANAGEMENT DISCUSSION AND ANALYSIS**

**FIRST AU STRATEGIES CORP.**

**for the nine months ended March 31, 2003**

Description of Business

Effective October 31, 2001, the Company entered into an option agreement with Wolfden Resources Inc. ("Wolfden") to acquire an undivided 51% interest in the Casummit Lake Property. In consideration, the Company will make \$40,000 in cash payments, issue 200,000 shares and incur \$650,000 in exploration expenditures. The earn-in period will be two years. During the year ended June 30, 2002, the initial option payment of \$10,000 was made and the initial 100,000 shares, having a deemed price of \$0.17 per share, were issued. The Company also acquired, by staking, 50 claim units located in the Red Lake Mining Division, Northwestern Ontario. These claim units are contiguous to the 51 claim units, which are the subject property of the option agreement with Wolfden, described above, and are collectively designated as the "Casummit Lake Property". During the period ended December 31, 2002, the Company made the second option payment of \$10,000 and issued 50,000 shares, at a deemed price of \$0.21 per share. \$273,340 in exploration expenses, which includes the cost of the first year's exploration program, was incurred to March 31, 2003.

Effective November 6, 2001, the Company entered into an option agreement with Perry English to acquire an undivided 100% interest in the Nickleby Lake Property. In consideration, the Company will make \$120,000 in cash payments and issue 100,000 shares on or before the fourth anniversary of the option agreement. During the year ended June 30, 2002 the initial option payment of \$7,500 was made and the initial 25,000 shares, having a deemed price of \$0.17 per share, were issued. The Company also acquired, by staking, 23 claim units located in the Thunder Bay Mining Division, Northwestern Ontario. These claim units together with the 47 claim units, which are the subject property of the option agreement with Perry English, described above, are collectively designated as the "Nickleby Lake Property". Effective November 19, 2002, the option agreement was terminated. As the Company was not able to meet all the conditions of termination it agreed to issue 25,000 common shares to Perry English as compensation. The amendment was approved by the Exchange and the shares were issued at a deemed price of \$0.17 per share. As a result of the termination the Company wrote off the capitalized costs totalling \$20,143 it had incurred on the Property to March 31, 2003.

Effective November 22, 2001, the Company entered into an option agreement with Perry English to acquire an undivided 100% interest in the Leg Lake Property. In consideration, the Company will make \$85,000 in cash payments and issue 100,000 shares on or before the fourth anniversary of the option agreement. During the year ended June 30, 2002 the initial option payment of \$5,000 was made and the initial 25,000 shares, having a deemed price of \$0.20 per share, were issued. The Company also acquired, by staking, 186 claim units in the Red Lake Mining Division, Northwestern Ontario. These claim units together with the 35 claim units, which are the subject property of the option agreement with Perry English, described above, are collectively designated as the "Leg Lake Property". During the period ended December 31, 2002, the option agreement was amended by reducing the cash component, due on the first anniversary date, from \$8,000 to \$4,000 and by increasing the share component, due on the first anniversary date, from 25,000 share to 40,000 shares. The amendment was approved by the Exchange, the 40,000 shares were issued at a deemed price of \$0.17 per share and the \$4,000 cash payment was made. \$46,867 in exploration expenses, including staking fees, was incurred to March 31, 2003.

During the year ended June 30, 2002, the Company acquired, by staking, 334 claim units in the Thunder Bay Mining Division, Northwestern Ontario and are collectively designated as the "Jim Lake Property". \$18,943 in exploration expenses, including staking fees, was incurred to March 31, 2003.

Effective March 1, 2002, the Company entered into an option agreement with Rimfire Minerals Corporation to acquire an undivided 51% interest in the Thorn Property located in the Atlin Mining Division, Northwestern British Columbia. The property consists of 11 mineral claims, totalling 207 contiguous claim units. In consideration, the Company will make \$190,000 in cash payments, issue 250,000 shares and incur \$1,200,000 in exploration expenditures. The earn-in period will be three years. During the year ended June 30, 2002, the initial option payment of \$15,000 was made and the initial 100,000 shares, having a deemed price of \$0.25 per share, were issued. During the period of this report, the Company made the second option payment of \$25,000 and issued 50,000 shares, at a deemed price of \$0.12 per share. \$303,289 in exploration expenses was incurred to March 31, 2003.

During the year ended June 30, 2002, the Company acquired, by staking, 240 claim units in the Red Lake Mining Division, Northwestern Ontario and are collectively designated as the "Birch Lake Property". \$28,457 in exploration expenses, including staking fees, was incurred to March 31, 2003.

### Operations and Financial Conditions

The Company reports a loss of \$496,820 and cash outflows from operations of \$572,414 for the nine months ended March 31, 2003 compared with a loss of \$303,136 and cash outflows from operations of \$178,953 for the same nine-month period in the previous year.

As at March 31, 2003, amounts due to related parties consisted of \$38,501 due to companies with directors in common and \$31,680 due to directors of the Company.

During the period ended March 31, 2003, related party transactions included in general and administrative expenses consisted of consulting fees of \$111,008 paid or accrued to companies with directors in common, directors' fees of \$24,000 paid or accrued to directors of the Company, management fees of \$45,000 paid or accrued to a company with a director in common, office rental and administration of \$60,823 paid or accrued to an officer of the Company and to a company with a director in common and geological consulting costs of \$500 paid or accrued to a company with a director in common.

During the year ended June 30, 2002, the Company received approval from the TSX Venture Exchange ("the Exchange") to amend the escrow agreement dated February 27, 1997. The amendment converted the 396,676 shares remaining in escrow to a timed-release basis pursuant to the uniform escrow regime outlined in Canadian Securities administrators' Notice 46-301 and Canadian Venture Exchange Bulletin dated June 15, 2001, subject to an initial release time period of 72 months and providing for early release upon graduation as set out in the proposed uniform escrow regime. A 5% escrow release of 19,833 shares was effected on August 8, 2002 and again on February 10, 2003.

The Company received approval from the shareholders' at the annual general meeting held on December 16, 2002 and from the Exchange on the 2002 Incentive Stock Option Plan. Under the Plan a maximum of 10% of the shares of the Company from time to time issued and outstanding are reserved for the purposes of the Plan. The Company, then, granted to directors and officers options to purchase 430,000 common shares exercisable at a price of \$0.16 per share October 29, 2007.

During the period of this report, the Company cancelled 1,780,147 Series C share purchase warrants ("Series C warrants") and 820,000 Series D share purchase warrants ("Series D warrants") which the holders surrendered to the Company for cancellation. The Series C warrants were exercisable at \$0.20 per share until April 9, 2003. The Series D warrants were exercisable at \$0.30 per share until March 9, 2004.

During the period of this report, the Company announced the appointment of Robert A. Archer as President of the Company and Bryan Frost as Executive Chairman of the Company.

During the period ended March 31, 2003, no material contracts or commitments were entered into other than those described above under "Description of Business" and "Operations and Financial Conditions" and below under "Financings, Principal Purposes and Milestones", the Company was without legal proceedings, contingent liabilities, default under debt or other contingent obligations, no management changes were made and no special resolutions were passed by shareholders.

#### Subsequent Events

Subsequent to the period of this report, the Company granted to directors and officers, options to purchase 1,330,000 common shares exercisable at a price of \$0.15 per share until April 22, 2008.

Subsequent to the period of this report, the Company announced that it proposed a change of name, with no consolidation of share capital, to more accurately reflect the Company's business of exploring for and developing precious metal deposits in Canada. The proposed name is CANGOLD LIMITED. The name has been approved by the appropriate regulatory authorities and by shareholders at a special general meeting held on May 28, 2003.

No other significant events or transactions have occurred during the time from the date of the financial statements up to the date of this report.

#### Financings, Principal Purposes and Milestones

During the period ended September 30, 2002, 40,000 options were exercised at a price of \$0.13 per share for total proceeds of \$5,200.

During the period ended December 31, 2002, the Company received acceptance from the Exchange and closed the financing under its Second Amended and Restated Short Form Offering Document. 1,602,500 flow-through units and 976,000 non flow-through units were sold at \$0.20 per unit for gross proceeds of \$515,700. Each flow-through unit consists of one flow-through common share and one transferable Series E share purchase warrant ("Series E warrant"). Each non flow-through unit consists of one common share and two transferable Series E warrants. Two Series E warrants and \$0.25 will be required to subscribe for one common (non flow-through) share on or before October 28, 2003 and thereafter at \$0.30 until October 28, 2004. The Company also issued 250,000 common shares as a corporate finance fee and agent's options to purchase up to 304,275 common shares. The agent's options are exercisable at the same prices and in the same time periods as the Series E warrants. Proceeds from the flow-through financing will be used primarily to fund the Casummit Lake Property and the Thorn Property.

During the period of this report, the Company received acceptance from the Exchange and issued through a private placement 520,000 common shares at \$0.13 per share and 500,000 units at \$0.10 per unit. Each unit consists of one common share and one two-year non-transferable Series F share purchase warrant ("Series F warrant"). Each Series F warrant entitles the holder to purchase one common share at \$0.25 until February 2, 2004 and thereafter at \$0.30 until February 2, 2005.

During the period of this report, the Company received acceptance from the Exchange and issued through a private placement 4,160,000 flow-through units and 9,547,000 non flow-through units were sold at \$0.10 per unit for gross proceeds of \$1,370,700. Each flow-through unit consists of one flow-through common share and one-half of one non-transferable Series G share purchase warrant ("Series G warrant"). Each non flow-through unit consists of one common share and one non-transferable Series G warrant. Each Series G warrant entitles the holder to purchase one common share at \$0.15 until March 19, 2004 and thereafter at \$0.20 until March 19, 2005. The Company also issued 141,000 common shares as a finders' fee and granted warrants to finders to purchase up to 778,000 common shares. The finders' warrants are exercisable at the same prices and in the same time periods as the Series G

warrants. Proceeds from the flow-through financing will be used primarily to fund the Casummit Lake Property and the Thorn Property.

The Company did not undertake any other financings during the period of this report.

Liquidity and Solvency

The Company has incurred operating losses and cash outflows from operations in the periods ended March 31, 2003 and 2002 and has working capital of \$637,237 as at the period ended March 31, 2003 compared with a working capital deficiency of \$132,335 as at the year ended June 30, 2002. The financial statements have been prepared in accordance with Canadian generally accepted accounting principles on a going-concern basis which assumes the Company will be able to realize its assets and discharge its liabilities and commitments in the normal course of business.