

BELLTECH VENTURES LTD.

FINANCIAL STATEMENTS
(Unaudited – Prepared by Management)

SEPTEMBER 30, 2004

BELLTECH VENTURES LTD.
BALANCE SHEETS
(Unaudited – Prepared by Management)

	September 30, 2004	December 31, 2003
ASSETS		
Current		
Cash	\$ 3,593	\$ 84,202
Term deposits	-	57,484
Receivables	5,381	2,642
Prepaid expenses	<u>1,833</u>	<u>1,727</u>
	10,807	146,055
Deferred acquisition costs (Note 3)	57,595	-
Equipment	<u>913</u>	<u>1,083</u>
	<u>\$ 69,315</u>	<u>\$ 147,138</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

Current		
Accounts payable and accrued liabilities	<u>\$ 8,511</u>	<u>\$ 41,346</u>
Shareholders' equity		
Capital stock (Note 4)	238,643	388,643
Contributed surplus (Note 4)	150,000	-
Deficit	<u>(327,839)</u>	<u>(282,851)</u>
	<u>60,804</u>	<u>105,792</u>
	<u>\$ 69,315</u>	<u>\$ 147,138</u>

Commitment (Note 5)

Subsequent event (Note 6)

The accompanying notes are an integral part of these financial statements.

BELLTECH VENTURES LTD.
STATEMENTS OF OPERATIONS AND DEFICIT
(Unaudited – Prepared by Management)

	Three Month Period Ended September 30, 2004	Three Month Period Ended September 30, 2003	Nine Month Period Ended September 30, 2004	Nine Month Period Ended September 30, 2003
EXPENSES				
Amortization	\$ 54	\$ 78	\$ 170	\$ 234
Bank charges and interest	11	22	254	74
Filing fees	-	-	3,410	1,639
Investigation costs	-	-	3,443	-
Office and miscellaneous	2,585	3,453	7,940	7,386
Professional fees	3,455	(1,951)	19,672	11,372
Rent	-	2,586	4,303	7,549
Transfer agent and regulatory fees	1,376	-	5,007	-
Travel and entertainment	-	1,398	1,019	5,049
	<u>-</u>	<u>1,398</u>	<u>1,019</u>	<u>5,049</u>
Loss before other items	(7,481)	(5,586)	(45,218)	(33,303)
OTHER ITEMS				
Interest income	3	928	230	1,194
Other income	-	3,981	-	3,981
	<u>3</u>	<u>4,909</u>	<u>230</u>	<u>5,175</u>
Loss for the period	(7,478)	(677)	(44,988)	(28,128)
Deficit, beginning of period	<u>(320,361)</u>	<u>(235,070)</u>	<u>(282,851)</u>	<u>(207,619)</u>
Deficit, end of period	\$ (327,839)	\$ (235,747)	\$ (327,839)	\$ (235,747)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Weighted average number of common shares outstanding	1,500,000	3,000,000	2,392,336	3,000,000

The accompanying notes are an integral part of these financial statements.

BELLTECH VENTURES LTD.
STATEMENTS OF CASH FLOWS
(Unaudited – Prepared by Management)

	Three Month Period Ended September 30, 2004	Three Month Period Ended September 30, 2003	Nine Month Period Ended September 30, 2004	Nine Month Period Ended September 30, 2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss for the period	\$ (7,478)	\$ (677)	\$ (44,988)	\$ (28,128)
Item not affecting cash:				
Amortization	54	78	170	234
Changes in non-cash working capital items:				
(Increase) decrease in receivables	(1,279)	6,094	(2,739)	9,436
(Increase) decrease in prepaid expense	213	533	(106)	308
Increase (decrease) in accounts payable and accrued liabilities	<u>1,690</u>	<u>(10,230)</u>	<u>(32,835)</u>	<u>(3,924)</u>
Net cash used in operating activities	<u>(6,800)</u>	<u>(4,202)</u>	<u>(80,498)</u>	<u>(22,074)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Term deposit	-	24,342	57,484	42,532
Deferred acquisition costs	<u>(37,205)</u>	<u>(31,433)</u>	<u>(57,595)</u>	<u>(31,433)</u>
Net cash provided by (used in) investing activities	<u>(37,205)</u>	<u>(7,091)</u>	<u>(111)</u>	<u>11,099</u>
Decrease in cash during the period	(44,005)	(11,293)	(80,609)	(10,975)
Cash, beginning of period	<u>47,598</u>	<u>12,434</u>	<u>84,202</u>	<u>12,116</u>
Cash, end of period	<u>\$ 3,593</u>	<u>\$ 1,141</u>	<u>\$ 3,593</u>	<u>\$ 1,141</u>
Cash paid for:				
Interest	\$ -	\$ -	\$ -	\$ -
Income taxes	-	-	-	-

There were no significant non-cash transactions during the periods ended September 30, 2004 and 2003.

The accompanying notes are an integral part of these financial statements.

1. BASIS OF PRESENTATION

The interim period financial statements have been prepared by the Company 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 preceding year. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of annual financial statements. Certain information and footnote disclosure normally included in financial statements prepared in accordance with generally accepted accounting principles has been condensed or omitted. These interim period statements should be read together with the audited financial statements and the accompanying notes included in the Company's latest annual report for the year ended December 31, 2003. 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 OF OPERATIONS

Belltech Ventures Ltd. (the "Company") was incorporated under the *Company Act* of British Columbia on February 16, 2000 and, until December 12, 2003, was classified as a Capital Pool Company under the policies of the TSX Venture Exchange ("TSX-V"). The principal business of the Company is the identification and evaluation of assets or businesses and once identified or evaluated, to negotiate an acquisition or participation in a business subject to receipt of shareholder approval. All operations are in Canada.

Effective December 12, 2003, the common shares of the Company were delisted from the TSX-V as a result of the Company's failure to complete a qualifying transaction within the required time period.

Subsequent to the period end, the Company amalgamated with Welichem Biotech Inc. ("Welichem") (Note 6).

3. DEFERRED ACQUISITION COSTS

Costs, such as legal, accounting, due diligence and filing fees relating to potential business acquisitions are deferred and applied towards the cost of the acquisition when completed. Such costs are expensed if the potential acquisition is no longer considered viable by management.

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4. CAPITAL STOCK AND CONTRIBUTED SURPLUS

	Number of Shares	Amount	Contributed Surplus
Authorized			
Unlimited number of common share without par value			
Issued			
Balance as at December 31, 2003	3,000,000	\$ 388,643	\$ -
Cancelled	<u>(1,500,000)</u>	<u>(150,000)</u>	<u>150,000</u>
Balance as at September 30, 2004	<u>1,500,000</u>	<u>\$ 238,643</u>	<u>\$ 150,000</u>

Included in capital stock at December 31, 2003 were 1,500,000 common shares which were subject to an escrow agreement. Pursuant to the escrow agreement, the escrow shares were to be cancelled in the event the Company's shares were delisted from the TSX Venture Exchange (the "TSX-V") prior to the Company completing a Qualifying Transaction. In 2003, the Company's shares were delisted from the TSX-V. Accordingly, during the current period, the 1,500,000 escrow shares, with an assigned value of \$150,000, were cancelled. Capital stock was reduced by \$150,000 with an equivalent amount recorded as contributed surplus.

5. COMMITMENT

In July 2004, the Company signed an amalgamation agreement (the "Agreement") with Welichem, a closely-held biotechnology company based in British Columbia, and the shareholders of Welichem to effect a business combination conducted by amalgamating Welichem and the Company. The existing shareholders of Welichem will hold the majority of the issued and outstanding shares of the newly amalgamated company ("Amalco") after the proposed business combination. Amalco will engage in the drug development activities currently being carried on by Welichem.

Pursuant to the terms of the Agreement, all shares of the Company and Welichem shall be converted into common shares of Amalco as follows:

- i) Each common share of the Company will be exchanged for one common share of Amalco;
- ii) Each common share of Welichem will be exchanged for 1.5 common shares of Amalco; and
- iii) Each preferred share of Welichem will be exchanged for approximately 9.09 common shares of Amalco.

Each stock option of Welichem will also be exchanged for 1.5 stock options of Amalco, with the equivalent expiry date and the exercise price to be adjusted for the share exchange ratio.

The proposed amalgamation is subject to a number of conditions including shareholder and regulatory approval.

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6. SUBSEQUENT EVENT

Effective November 1, 2004, the Company amalgamated with Welichem under the British Columbia Business Corporations Acts.