

Tri-White Corporation
CONSOLIDATED BALANCE SHEETS

As at,

(in thousands of dollars)	March 31, 2003 \$	December 31, 2002 \$
	[Unaudited]	[Audited]
ASSETS		
Current		
Cash and cash equivalents	1,691	1,688
Accounts receivable	646	1,377
Loan receivable [note 4]	2,500	0
Income and other taxes recoverable	1,342	1,191
Inventories	4,750	4,896
Prepaid expenses and other assets	4,630	932
	15,559	10,084
Portfolio investments [note 5]	8,853	12,853
Long-term investments [note 6]	25,851	24,312
Capital assets [note 7]	89,031	88,146
Total assets	139,294	135,395
LIABILITIES AND SHAREHOLDERS' EQUITY		
Liabilities		
Current		
Bank indebtedness and loans	12,546	4,218
Accounts payable and accrued liabilities	2,194	4,302
Current portion of provision for future site restoration	204	232
	14,944	8,752
Future income tax liabilities	17,050	17,877
Provision for future site restoration	294	316
Total liabilities	32,288	26,945
Shareholders' equity		
Share capital [note 8]	61,104	61,084
Retained earnings	40,331	42,662
Cumulative translation adjustment	5,571	4,704
Total shareholders' equity	107,006	108,450
Total liabilities and shareholders' equity	139,294	135,395

See accompanying notes to the financial statements

Tri-White Corporation

CONSOLIDATED STATEMENTS OF LOSS AND RETAINED EARNINGS
(Unaudited)

For the three months period ended,

	March 31, 2003	March 31, 2002
(in thousands of dollars, except for per share amounts)	\$	\$
REVENUE	265	280
Cost of sales and operating expenses	644	619
Loss from operations before the undernoted	(379)	(339)
Amortization	2	3
Loss before other income (expense) and income taxes	(381)	(342)
OTHER INCOME (EXPENSE)		
Interest and other	126	(108)
Loss of equity accounted investments [note 6]	(1,095)	(1,060)
	(969)	(1,168)
Loss before income taxes	(1,350)	(1,510)
Provision for (recovery of) income taxes		
Current	388	(578)
Future	(785)	398
	(397)	(180)
Net loss for the period	(953)	(1,330)
Retained earnings, beginning of period	41,458	41,458
Dividends paid	(1,378)	(1,374)
Retained earnings, end of period	39,127	38,754
Loss per share		
Basic	(0.02)	(0.03)
Diluted	(0.02)	(0.03)

See accompanying notes to the financial statements

Tri-White Corporation

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

For the three months period ended,

(in thousands of dollars)	March 31, 2003 \$	March 31, 2002 \$
OPERATING ACTIVITIES		
Net loss for the period	(953)	(1,330)
Items not affecting cash		
Amortization	2	3
Future income taxes	(785)	398
Loss of equity accounted investments	1,095	1,060
Net change in operating assets and liabilities	(7,622)	(6,231)
Cash used in operating activities	(8,263)	(6,100)
FINANCING ACTIVITIES		
Dividends paid	(1,358)	(1,130)
Cash used in financing activities	(1,358)	(1,130)
INVESTING ACTIVITIES		
Proceeds on sale of investments	4,000	0
Proceeds on sale of assets	0	382
Purchase of capital assets	(888)	(263)
Purchase of investments	(2,633)	(194)
Site restoration expenditures	(50)	0
Cash provided by (used in) investing activities	429	(75)
Effect of currency translation on cash balances and cash flows	867	(175)
Net decrease in cash and cash equivalents during the period	(8,325)	(7,480)
Cash and cash equivalents, beginning of period	(2,530)	(6,339)
Cash and cash equivalents, end of period	(10,855)	(13,819)
Represented by:		
Cash and cash equivalents	1,691	268
Bank indebtedness and loans	(12,546)	(14,027)
Cash and cash equivalents, end of period	(10,855)	(13,759)

See accompanying notes to the financial statements

Tri-White Corporation

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

March 31, 2003

1. NATURE OF OPERATIONS

Tri-White Corporation [the "Company"] formed under the laws of Canada, operates a tourist railway with related services in Alaska, British Columbia and the Yukon Territory under the business name White Pass & Yukon Route and in Canada is engaged in merchant banking activities. As a merchant banker, the Company seeks out opportunities and invests in debt and equity investments in both public and private companies.

2. BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited interim consolidated financial statements [the "financial statements"], prepared in accordance with Canadian generally accepted accounting principles, contain all adjustments necessary to present fairly, the financial position of the Company as at March 31, 2003 and December 31, 2002 and the results of its operations and its cash flows for the three month period ended March 31, 2003 and 2002.

These financial statements do not contain all disclosures required by Canadian generally accepted accounting principles for annual financial statements, and accordingly, these financial statements should be read in conjunction with the most recently prepared consolidated financial statements for the year ended December 31, 2002.

3. ACCOUNTING POLICIES

SEASONALITY

The Company's tourist operations are shut down from late September to the end of April. Consistent with prior years, operating and end of season maintenance costs are deferred during the quarter and amortized over the following three month period. The deferral as at March 31, 2003, was \$1.9 million [March 31, 2002 - \$1.7 million], net of income taxes.

4. LOAN RECEIVABLE

On February 28, 2002, the Company entered into an agreement with a related party, Paros Enterprises Limited, to provide a revolving demand credit facility to Paros, in the amount of \$5 million bearing interest rate of prime plus 1%. Paros is a significant shareholder of the Company. During the period, the Company loaned \$2.5 million [March 31, 2002 - \$3 million, December 31, 2002 - \$nil] under this facility.

5. PORTFOLIO INVESTMENTS

	March 31, 2003	December 31, 2002
(in 000's)	\$	\$
Cost	8,853	12,853
Market	8,113	12,462

During the three month period ended March 31, 2003, the Company sold certain investments for proceeds of \$4 million, and no gain or loss was realized.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

March 31, 2003

6. INVESTMENTS

The Company accounts for the investment in ClubLink Corporation ["ClubLink"] using the equity method. During the three month period ended March 31, 2003, the Company has recorded equity loss of \$1.1 million [three month period ended March 31, 2002 - \$1.1 million].

During the three month period ended March 31, 2003, the Company purchased additional 360,175 common shares of ClubLink for a cash consideration of \$2.6 million. The Company now owns 28.49% [December 31, 2002 - 26.6%] of ClubLink's outstanding common shares.

7. CAPITAL ASSETS

Capital assets consist of the following:

(in 000's)	March 31, 2003			December 31, 2002		
	Cost \$	Accumulated amortization \$	Net Book value \$	Cost \$	Accumulated amortization \$	Net Book value \$
Land and tunnels	1,627	-	1,627	1,625	-	1,625
Buildings	20,842	2,408	18,434	20,813	2,408	18,405
Equipment	29,393	6,624	22,769	29,191	6,622	22,569
Docks	58,629	12,427	46,201	57,974	12,427	45,547
	110,491	21,459	89,031	109,603	21,457	88,146

8. CAPITAL STOCK

[A] SHARE CAPITAL

Authorized

Unlimited preference shares, no par value, issuable in series

Unlimited common shares, no par value

Issued and fully paid (in 000's)	Number of Common shares	\$
Balance December 31, 2001	45,781	60,786
Dividend reinvestment plan	116	298
Balance December 31, 2002	45,897	61,084
Dividend reinvestment plan	8	20
Balance March 31, 2003	45,905	61,104

(in 000's)	2003	2002
Weighted average common shares outstanding – basic	45,898	45,859
Dilutive effect of stock options	155	70
Weighted average common shares outstanding – diluted	46,053	45,929

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

March 31, 2003

The Company has been approved by The Toronto Stock Exchange to make a normal course issuer bid to purchase up to 2,294,147 [2001 - 748,996] common shares. The program expires August 25, 2003 [2001 - August 23, 2002]. During the period, no purchases were made under this plan.

The Company also issued 8,176 shares [2002 - 95,840] shares pursuant to the dividend reinvestment plan

[B] STOCK OPTIONS

The Company has a fixed stock option plan open to directors, officers, full-time employees and consultants of the Company. Under this plan, the Company may grant total options to a maximum of 10% of the issued and outstanding common shares of the Company on a non-diluted basis. Under the plan, the exercise price generally equals the market price of the Company's stock on the day prior to the date of grant and adoption's maximum term is ten years. The options vest 20% on each anniversary from the date of granting.

A summary of the status of the option plan as at March 31, 2003 is as follows:

	Number of options outstanding	Average price \$	Number of vested options
Outstanding at December 31, 2001	747,000	2.03	488,200
Forfeited	(4,000)	2.05	
Outstanding at December 31, 2002	743,000	2.03	505,800
Forfeited	(35,000)	2.04	
Outstanding at March 31, 2003	708,000	2.03	591,400

At March 31, 2003 outstanding options have the following terms:

Common shares to be issued	Options outstanding			Options exercisable	
	Range of exercise price \$	Weighted average price \$	Expiry date	Number of exercisable options	Weighted average price \$
525,000	1.90	2.05	2008	515,000	2.03
8,000	2.00	2.00	2009	6,400	2.00
175,000	2.03	2.03	2011	70,000	2.03
708,000				591,400	2.03

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

March 31, 2003

9. SEGMENTED INFORMATION

The Company operates primarily in two operating segments, rail tourism and docking and Corporate and other operations. The rail tourism and docking operations are defined to include the railway and dock operation of British Yukon Railway, British Columbia-Yukon Railway, White Pass and Yukon Canada Inc. and its subsidiaries. It operates docking facilities for ships and a tourist scenic/historic railway primarily in Alaska with a small portion in Canada. Corporate and other operations include, corporate office and other management and merchant banking operations.

	Three months ended March 31, 2003			Three months ended March 31, 2002		
	Rail Tourism	Corporate and other	Total	Rail Tourism	Corporate and other	Total
(in 000's)	\$	\$	\$	\$	\$	\$
Revenue	265	0	265	280	0	280
Cost of sales and operating expenses	309	335	644	343	276	619
Amortization	0	2	2	0	3	3
Loss before other income (expense) and income taxes	(44)	(337)	(381)	(63)	(279)	(342)
Interest and other	100	26	126	63	(171)	(108)
Loss of equity accounted investments	0	(1,095)	(1,095)	0	(1,060)	(1,060)
Earnings (loss) before income taxes	56	(1,406)	(1,350)	0	(1,510)	(1,510)
Income tax recovery	(48)	(349)	(397)	0	(180)	(180)
Net earnings (loss) for the period	104	(1,057)	(953)	0	(1,330)	(1,330)

Note 1: There are no inter segment revenue

	March 31, 2003			December 31, 2002		
	\$	\$	\$	\$	\$	\$
Total assets	99,310	39,985	139,295	95,383	40,012	135,395
Capital assets	89,003	29	89,031	88,115	31	88,146
Capital expenditures	888	-	888	6,830	-	6,830

10. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the March 31, 2003 consolidated financial statements.