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STELAX INDUSTRIES LTD
Form 10-K
August 26, 2002

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K

(Mark One)

- (X) Annual report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended March 31, 2002 or
- () Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____.

STELAX INDUSTRIES LTD.
(Exact name of registrant as specified in its charter)
Commission file number 0-18052

British Columbia, Canada	None

(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
4287-A Beltline Road, # 105, Addison, Texas	75001

(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (972) 233-6041

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, no par value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve (12) months and (2) has been subject to such filing requirements for the past ninety (90) days.

Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. []

The aggregate market value of the voting stock held by non-affiliates of the Registrant as of July 12, 2001 was approximately \$21,413,122. At March 31, 2002 there were 43,184,775 shares of common stock outstanding.

Documents Incorporated by Reference
NOT APPLICABLE

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ITEM 1. BUSINESS

Introduction

Stelax Industries Ltd. (the "Registrant") was incorporated under the laws of British Columbia, Canada in May 1987. The Registrant's principal activities are conducted through its wholly-owned subsidiary, Stelax (U.K.) Limited, a corporation organized under the laws of the United Kingdom ("Stelax (U.K.)"). The Company owns certain real and personal property in Wales, United Kingdom comprising the Aberneath steel mill facilities (the "Aberneath Facility"). Stelax (U.K.) produces two separate product lines through the Aberneath Facility: (i) Nuovinox(TM), a stainless steel clad product with a carbon steel core utilizing the Company's unique patented manufacturing process and (ii) steel abrasive shot pellets which are used as an abrasive cleaner and polisher in steel manufacturing. See "--- Products", below.

Originally incorporated as Zfax Image Corp, until 1992 the Registrant was engaged in the development and production of a portable facsimile machine using certain advanced facsimile technology. On March 31, 1995, the Registrant sold this business to the Company's president for book value.

On November 15, 1995, the Company finalized agreements to acquire the real, personal and intellectual property comprising the Aberneath steel mill facility, paying cash of approximately \$1,377,000 and issuing 2,925,000 shares of Common Stock and assuming debt of approximately \$1,316,000. The registrant acquired the facility from an entity that had gone into receivership in 1992. The then owner had maintained but not operated the facility after entering into receivership but prior to being acquired by the Registrant. The Registrant financed the acquisition principally through the issuance of \$600,000 in convertible notes, which were subsequently converted, and the sale of \$1,540,000 of Common Stock and Warrants.

In July 1996, the Registrant sold 10,800,000 shares of Common Stock, raising \$10,831,000. Approximately \$1,100,000 of the proceeds were used to liquidate outstanding mortgages on the Aberneath property. As part of this financing, the Registrant's Common Stock began trading on the Le Nouveau Marche of the Paris Stock Exchange.

Beginning in fiscal 1997, the Registrant commenced operations from Aberneath plant, principally producing stainless steel. The Registrant also began developing the market for the Nuovinox product. In 1998, the market for stainless steel was subject to severe pricing pressures, and the Company determined to cease production of stainless steel while the Registrant developed the Nuovinox market. Operating losses since 1997 essentially depleted the Registrant's working capital.

In the first quarter of fiscal 2001, the Registrant began receiving orders for the Nuovinox product, In July 2000, with its assets unencumbered, the Registrant obtained financing from Bank of America so that the Registrant could fulfill those orders. This financing provided \$5,000,000 of a term loan, \$500,000 of receivable financing and \$250,000 inventory financing. Bank of America subsequently assigned this obligation to Wells Fargo. While the Registrant made some shipments in fiscal 2001, the registrant expended resources on new mill tooling, completing a finishing line and improving Nuovinox metallurgical properties and product quality.

The Registrant's U.K. subsidiary commenced quantity production in the quarter ended June 2001 but was unable to increase production for sufficiently large volumes to obtain profitability or service debt. In March 2002 the Registrant's U.K. subsidiary was placed into receivership and the receiver acquired the assets of the U.K. subsidiary, and the assets were subsequently transferred to

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Wells Fargo Business Credit, Inc. The Registrant's operations thus ceased.

The Registrant has entered into a letter of intent with Wells Fargo Business Credit, Inc. to acquire for \$1,750,000 all of the assets formerly owned by the U.K. subsidiary of Wells Fargo Business Credit Inc. The letter of intent also contemplates granting to Wells Fargo Business Credit Inc. a warrant to purchase 500,000 shares of the Registrant's Common Stock. The Registrant anticipates entering in the near future into a formal agreement to fund the reacquisition of these assets and obtain operating capital and commence production soon thereafter.

The Registrant's principal executive offices are located at 4004 Beltline Rd., Suite 107, Dallas, Texas 75244, and its telephone number is (972) 233-6041. Unless otherwise required by the context, the term "Company" as used herein shall mean the Registrant and Stelax (U.K.). The Registrant changed its name from ZFAX Image Corp. to its present name in May 1996.

The Aberneath Facility

The Aberneath Facility is located at Briton Ferry, Neath in South Wales, United Kingdom. The facility is located on the banks of the River Neath beside a deep water wharf and close to highway and national rail links. The facility includes approximately five acres of land. The steel mill plant is divided into three bays, each approximately 650 feet long, for a total of approximately 130,000

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square feet of production space. There is a separate building on the premises with approximately 8,000 square feet of office and administrative space.

The facility has an open air storage and preparation area covering approximately two acres of land for the purpose of preparing scrap metal for use in the Company's Nuovinox product. The interior of the plant contains a modern walking beam furnace, a rolling mill, a cooling and finishing area and a quality control process area. All production areas in the plant are serviced by overhead gantries or pedestal mounted or mobile cranes.

During the year ended March 31, 2000, the Company produced limited quantities of Nuovinox for use by potential customers in their testing and evaluation of the product. During the fiscal year ended March 31, 2001, the Company sold limited quantities of its Nuovinox product. Some production occurred in the fiscal year ended on March 31, 2002 but the Company had depleted its capital resources which ultimately resulted in a receiver acquiring the Aberneath facility which was subsequently sold to Wells Fargo Business Credit, Inc.

Products

The Aberneath facility is capable of producing two distinct product lines: (i) the Company's patented Nuovinox product, a stainless steel clad product with metallurgically joined carbon steel core and (ii) steel abrasive shot in various sizes marketed under the name Stelablast.

Nuovinox is a carbon steel product clad with stainless steel. From raw stainless steel the Registrant creates tubes several inches in diameter and fills the tubes with treated scrap steel, reducing and elongating the tubes in a proprietary process until the desired product is created, usually rebar 1/2 inch or larger in diameter with a core of carbon steel and an outer casing of stainless steel. While the Registrant believes that the most commonly produced product will be rebar, Nuovinox can be manufactured in flat bar, round bar and pipes of various sizes and dimensions. The resultant product, which generally consists of up to 25% of stainless steel by weight, has created a molecular bond

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between the carbon steel core and the stainless steel exterior. The raw materials for the rebar comes from very low grade scrap steel, which the Registrant believes to be in adequate supply at its facility in the U.K.

Nuovinox has corrosion resistant properties comparable to stainless steel and achieves superior level of mechanical strength when compared with solid stainless steels manufactured by other parties. The Company prices its Nuovinox at approximately one-third of the price of stainless steel products.

The properties of the stainless steel cladding enable Nuovinox to be used for many applications which require an upgrading of carbon steel or a substitute for stainless steel, in particular where corrosion resistance, hygiene and aesthetics are determining factors. Although it has not been extensively marketed, the Company believes there is considerable interest in Nuovinox from customers around the world who have expressed their intention of using the product in a variety of applications.

The Company believes Nuovinox will compete with carbon and stainless steel based on the following properties and characteristics of Nuovinox:

- " High level of corrosion resistance;
- " Stronger than pure stainless steel (when incorporating a high tensile carbon steel core);
- " Strength and ductility superior to mild steel; and
- " Minimal maintenance when incorporated in structures.

The abrasive products produced by the Company are produced as a by-product of the process used in producing Nuovinox. The Registrant believes that its abrasive product, Stelablast, offers a superior and longer lasting shot blast than conventional cast steel shot at a price of approximately 44% of conventional cast steel shot.

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Customers and Distribution

During the 2000, 2001 and 2002 fiscal years, the Company distributed its Nuovinox and abrasive products through its direct marketing efforts. Over the last several years, the Registrant has developed contacts with United States and Federal and State transportation authorizations, confirming the utility of Nuovinox for highways and bridges.

In 1997, the United States passed the Intermodal Surface Transportation Act to test for new materials used in highway construction with a goal of achieving a 75 to 100 year life objective for bridges and highways. Existing highway life is approximately 25 years, largely because rebar and dowels rust, expand, and break down roads and bridges, particularly in high corrosive areas near salt water. Dowels are used to pin concrete highway sections that are about 15 feet apart with each lane requiring 12 dowels per join. While stainless steel can be used for pins and rebar in concrete highways, particularly in high corrosive areas, stainless steel costs approximately three times that of Nuovinox.

Industry Conditions and Competition

The steel industry is generally considered to be highly competitive and cyclical with a great number of large and sophisticated producers, all of whom have

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greater financial and technical resources than the Company. Additionally, the cycles for steel products vary from one specialty steel to another.

Economic conditions among end-users of steel products may result in cyclical downturns in business, even in markets expected to expand over the long term. Until a wide range of different products used in varying sections is produced by the Company, such downturns may have a significant impact on the Company's revenues.

Nuovinox is a new product that has been extensively tested. During the 2001 fiscal year, the Company has received various commitments for the use of the product. Further product acceptance may be affected by pricing and the other variables beyond the Company's control. Management of the Company is not aware of any product other than pure stainless steel that competes directly with Nuovinox.

Currency Fluctuations

It is anticipated that the Company's expenses and sales will be denominated in several currencies, including major European currencies, the US Dollar and the Yen. As a result the Company's operating income and cash flow will be significantly exposed to currency fluctuations. Management intends to monitor the Company's exposure to currency risks, and, as appropriate, use financial forward or other instruments to minimize the effect of these fluctuations. No such instruments were held as of March 31, 2001 and there can be no assurance that the Company would be able to obtain such instruments. However, there can be no assurance that exchange rate fluctuations will not have an adverse effect on the Company's results of operations or financial condition.

Research and Development

During the last three fiscal years the Company has not spent any amounts on research and development. In the future, amounts may be incurred as specific customer requirements may arise in connection with the sale of customized Nuovinox products.

Patents and Trademarks

The Company holds approximately 70 worldwide patents for Nuovinox. The Company considers its patents important for the success of such product.

Employees

As of August 15, 2002, the Company had 4 employees or independent contractors working for the Company. The Company anticipates increasing the number of employees in the 2003 fiscal year as the Company expands production at the Aberneath Facility.

ITEM 2. PROPERTIES

The Company's principal executive offices in the United States are located 4287-A Beltline Road, # 105, Addison, Texas 75001 and are occupied pursuant to a month to month lease. Until acquired by a receiver in March 2002 the Company owned the land and buildings comprising the Aberneath Facility in Wales, United Kingdom. See Item 1. Business - The Aberneath Facility. The Company has a letter of intent with the purchaser from the receiver, Wells Fargo Business Credit, Inc., to reacquire the facility for \$1,750,000 and a warrant to purchase 500,000 shares of the Company's Common Stock.

ITEM 3. LEGAL PROCEEDINGS

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The Company is not a party to any material pending legal proceedings. The proceedings in the UK by the receiver whereby the receiver acquired the Aberneath facility have been completed.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

The Registrant's Common Stock is quoted on the NASDAQ Bulletin Board System. The Registrant's Common Stock in the United States trades under the symbol "STAX". They represent inter-dealer prices and do not represent actual transactions. The range of the closing high and low bid and prices as quoted on the NASDAQ Bulletin Board from April 1, 1999 through March 31, 2001 is as follows:

Fiscal 2001 -----	High ----	Bid 	Low ---	High ----
First Quarter	1.6875		0.875	1.8125
Second Quarter	1.25		0.35	1.375
Third Quarter	0.65		0.30	0.70
Fourth Quarter	0.505		0.28	0.54
Fiscal 2002 -----	High ----	Bid 	Low ---	High ----
First Quarter	0.81		0.32	0.87
Second Quarter	0.70		0.25	0.73
Third Quarter	0.91		0.23	0.97
Fourth Quarter	0.75		0.24	0.78

The Registrant's Common Stock is also quoted on the Le Nouveau Marche of the Paris Stock Exchange. Trading on the Le Nouveau Marche commenced July 11, 1996.

Holdings

As of August 15, 2002, there were approximately 200 holders of record of the Registrant's Common Stock.

Dividends

The future payment by the Registrant of dividends, if any, rests within the discretion of its Board of Directors and will depend upon the Registrant's earnings, if any, capital requirements and the Registrant's financial condition, as well as other relevant factors. The Registrant has not declared dividends since its inception, and has no present intention of paying cash dividends on its Common Stock in the foreseeable future, as it intends to use earnings, if any, to generate growth.

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Foreign Regulation

The Investment Canada Act ("ICA"), which became effective on June 30, 1985, regulates the acquisition by non-Canadians of control of a Canadian business enterprise. In effect, the ICA required review by Investment Canada, the agency which administers the ICA, and approval by the Canadian government in the case of an acquisition of control of a Canadian business by a non-Canadian where: (i) in the case of a direct acquisition (for example, through a share purchase or asset purchase), the assets of the business are \$5 million or more in value; or (ii) in the case of an indirect acquisition (for example, the acquisition of the foreign parent of the Canadian business) where the Canadian business has assets of \$50 million or more in value or if the Canadian business represents more than 50% of the assets of the original group and the Canadian business has assets of \$5 million or more in value. Review and approval are also required for the acquisition or establishment of a new business in areas concerning Canada's cultural heritage or national identity such as book publishing, film production and distribution, television and radio, production and distribution of music, and the oil and natural gas industry, regardless of the size of the investment.

In the context of the Company, in essence, three methods of acquiring control of a Canadian business are regulated by the ICA: (i) the acquisition of all or substantially all of the assets used in carrying on the Canadian business; (ii)

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the acquisition, directly and indirectly, of voting shares of a Canadian corporation carrying on the Canadian business; (iii) the acquisition of voting control of an entity which controls, directly or indirectly, another entity carrying on a Canadian business. An acquisition of a majority of the voting interests of an entity, including a corporation, is deemed to be an acquisition of control under the ICA. An acquisition of less than one-third of the voting shares of a corporation is deemed not to be an acquisition of control. An acquisition of less than a majority, but one-third or more, of the voting shares of a corporation is presumed to be an acquisition of control unless it can be established that on the acquisition the corporation is not, in fact, controlled by the acquirer through the ownership of voting shares. For partnerships, trusts, joint ventures or other unincorporated entities, an acquisition of less than a majority of the voting interests is deemed not to be an acquisition of control.

In 1988, the ICA was amended pursuant to the Free Trade Agreement dated January 2, 1988 between Canada and the United States to relax the restrictions of the ICA. As a result of these amendments, except where the Canadian business is in the cultural, oil and gas, uranium, financial services or transportation sectors, the threshold for direct acquisition of control by U.S. investors and other foreign investors acquiring control of a Canadian business from U.S. investors has been raised from \$5 million to \$150 million of gross assets, and indirect acquisitions are not reviewable.

In addition to the foregoing, the ICA requires that all other acquisitions of control of Canadian businesses by non-Canadians are subject to formal notification to the Canadian government. These provisions require a foreign investor to give notice in the required form, which notices are for information, as opposed to review, purposes.

The Company does not believe that it is subject to the provisions of ICA because it does not have a place of business or employees in Canada nor assets in Canada used to carry on the Company's business, all of which are definitional requirements to be considered a Canadian business subject to such act. The

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Company does not plan to alter its contacts with Canada and, therefore, believes that ICA will continue not to be applicable to the Common Stock of the Company and the acquisition thereof by a non-resident or non-citizen of Canada. However, in the event that management of the Company should for whatever reason decide that it would be in the best interests of the Company to hire employees in Canada, lease office space in Canada or acquire properties in Canada, the Company would probably be deemed to be a Canadian based enterprise and ICA would be applicable.

Certain Tax Matters

Following is a brief summary of the United States and Canadian federal income tax provisions which the Company believes are material to an understanding of the federal income tax matters relating to the ownership of the Company's Common Stock. The discussion is for general information only and is not a complete description of all potential consequences which may arise or of all the rules that may be relevant to certain stockholders. The discussion is not intended to be, nor should it be construed to be, legal or tax advice to any particular stockholder. It is the responsibility of each stockholder of the Company to consult with his own tax advisors with respect to these and other provisions which may affect his individual tax position.

The presently existing tax treaty between the United States and Canada essentially calls for taxation of stockholders by the stockholder's country of residence. In those instances in which a tax may be assessed by the other country, a corresponding credit against the tax owed in the country of residence is normally available. Stockholders of the Registrant should consult with their own tax advisors, however, for full details.

A. United States Taxes.

In general, a stockholder that is a non resident alien will not be taxed by the United States on dividends paid by the Registrant. However, a non resident alien stockholder who engages in a U.S. business under certain circumstances may be subject to United States federal income tax. Also, a non resident alien may be subject to United States withholding tax on dividends paid by the Registrant, though a tax treaty may alter this treatment. Please consult your tax advisor regarding the impact of applicable tax treaties.

The gross amount of dividends received by a United States individual or United States resident will be subject to United States federal income tax generally in the same manner as dividends received from United States corporations. However, the stockholder generally may claim a credit against his United States federal income tax liability for the Canadian tax withheld from the dividend payment. The amount of the foreign tax credit is subject to various limitations. Stockholders should consult their own tax advisors with respect to such limitations. Dividends from foreign corporations such as the Registrant do not qualify for the dividends received deduction for corporate stockholders under Code Section 243, but may qualify for the dividends received

deduction for dividends paid by certain foreign corporations under Code Section 245 if the holder owns at least 10% of the stock of the Registrant by vote and value.

Except in the case of shares beneficially owned by a person who is or

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is deemed to be a resident of the United States or has or is deemed to have a "permanent establishment" in the United States, United States federal income tax consequences generally will not arise upon a disposition of the Registrant's Common Stock by a resident of Canada. The United States federal income tax consequences arising for a United States resident upon a disposition of the Registrant's Common Stock will depend upon whether such shares are capital assets. Generally, if the disposed stock is a capital asset, the entire gain or loss realized upon the disposition would be treated as capital gain or loss. Such capital gain or loss will be long-term if the Common Stock is held for more than one year. However, even if the shares are considered capital assets, under certain circumstances a portion of the gain may be recharacterized as ordinary income under Code Section 1248. If the disposed stock is not a capital asset, the entire gain or loss would be treated as ordinary income or loss.

Capital gains income generally is taxed at a maximum tax rate of 28%. An individual's capital losses are still allowed in full against capital gains. In addition, capital losses are allowed against up to \$3,000 of ordinary income, and the excess of net long-term capital loss over net short-term capital gain is allowed in full for this purpose.

B. Canadian Taxes.

The following is a summary of the principal Canadian federal income tax considerations generally applicable in respect of the Common Shares. The tax consequences to any particular holder of Common Shares will vary according to the status of that holder as an individual, trust, corporation, or member of a partnership, the jurisdiction in which that holder is subject to taxation, the place where that holder is resident and, generally, according to that holder's particular circumstances. This summary is applicable only to holders who are resident in the United States, have never been resident in Canada, hold their Common Shares as capital property, and will not use or hold the Common Shares in carrying on business in Canada.

This summary is based upon current provisions of the Income Tax Act of Canada and the regulations thereunder (collectively, the "ITA"), publicly-announced current proposals to amend the ITA and the current administrative practices of Revenue Canada. This summary does not take into account provincial income tax consequences. The summary assumes that the publicly announced current proposals will be enacted as proposed with effective dates set out therein; otherwise, the summary assumes that there will be no other changes in law whether by judicial or legislative action.

This summary is of a general nature only and is not exhaustive of all possible income tax consequences. It is not intended as legal or tax advice to any particular holder of Common Shares and should not be so construed. Each holder should consult his own tax advisor with respect to the income tax consequences applicable to him in his own particular circumstances.

Disposition of Common Shares

Under the ITA, a gain from the sale of Common Shares by a non-resident will not be subject to Canadian tax, provided the shareholder (and/or persons who do not deal at arm's length with the shareholder) has not held a "substantial interest" in the Registrant (25% or more of the shares of any class of the Registrant's stock) at any time in the five years preceding the disposition. Generally, the Canadian-United States Tax Convention (the "Tax Convention") will exempt from Canadian taxation any capital gain realized by a resident of the United States,

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provided that the value of the common stock is not derived principally from real property situated in Canada.

If a non-resident was to dispose of Common Shares to another Canadian corporation which deals or is deemed to deal on a non-arm's length basis with the non-resident and which, immediately after the disposition, is connected with the Registrant (i.e., controls the Registrant or holds shares representing more than 10% of the voting power and more than 10% of the market value of all issued and outstanding Common Shares of the Registrant), the excess of the proceeds over the paid-up capital of the Common Shares sold will be deemed to be taxable as a dividend either immediately or eventually by means of a deduction in computing the paid-up capital of the purchasing corporation.

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Dividends

In the case of any dividends paid to non-residents, the Canadian tax is withheld by the Registrant, which remits only the net amount to the shareholder. By virtue of Article X of the Tax Convention, the rate of tax on dividends paid to beneficial owners who are residents of the United States is generally limited to 15% of the gross dividend (or 10%, reducing to 6% in 1996 and 5% in 1997 and thereafter, in the case of certain corporate shareholders owning at least 10% of the Registrant's voting shares). In the absence of the treaty provisions, the rate of Canadian withholding tax imposed on non-residents is 25% of the gross dividend. Stock dividends received by non-residents from the Registrant are treated by Canada as ordinary dividends.

ITEM 6. SELECTED FINANCIAL DATA

The table below sets forth certain financial data for the Company for its fiscal years ended March 31, 2002 to 1998. and should be read in conjunction with the Consolidated Financial Statements and Notes thereto included elsewhere herein.

	YEARS ENDED MARCH 31,			
	2002	2001	2000	
Sales	\$ 559,170	\$ 304,377	\$ 136,191	\$
Gross Loss	(894,229)	(716,832)	(657,930)	
Net Loss	(10,567,768)	(2,902,573)	(2,279,926)	
Total Assets	251,516	10,470,398	9,727,826	
Long Term Obligations	-	2,916,666	-	
Total Liabilities	5,322,214	5,932,635	2,811,683	
Common Stock Outstanding at year end	43,184,775	39,240,175	37,521,442	
Net Loss per share	\$ (0.25)	\$ (0.10)	\$ (0.06)	\$

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Forward-Looking Statements - Cautionary Statements. This Annual Report contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Specifically, all statements other than statements of historical facts included in this report regarding the Company's financial position, business strategy and plans and objectives of management of the Company for future operations are

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forward-looking statements. These forward-looking statements are based on the beliefs of the Company's management, as well as assumptions made by and information currently available to the Company's management. When used in this report, the words "anticipate," "believe," "estimate," "expect," and "intend" and words or phrases of similar import, as they relate to the Company or Company management, are intended to identify forward-looking statements. Such statements reflect the current view of the Company with respect to future events and are subject to risks, uncertainties and assumptions related to various factors including, without limitation, competitive factors, general economic conditions, customer relations, increases in raw material prices, governmental regulation and supervision, seasonality, acceptance of the Company's Nuovinox products in the marketplace, technological changes and changes in industry practices ("cautionary statements"). Although the Company believes that its expectations are reasonable, it can give no assurance that such expectations will prove to be correct. Based upon changing conditions, should any one or more of these risks or uncertainties materialize, or should any underlying assumptions prove incorrect, actual results may vary materially from those described herein as anticipated, believed, estimated, expected or intended. 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 the applicable cautionary statements.

Liquidity and Capital Resources

In fiscal 1999 and 2000 the Company ceased production and sales of stainless steel and developed the market for its Nuovinox product, much of which involved extensive testing for United States federal and state transportation authorities to demonstrate the utility of the Nuovinox product in bridges and highways. By the end of fiscal 2000, this process was sufficiently successful and complete to begin sales. With the Company's plant facilities unencumbered, in July 2000 the Company's United States subsidiary entered into a Loan and Security Agreement with Bank of America Commercial Finance Corporation (the "Loan Agreement") whereby the Company obtained a Term Loan as well as Revolving Credit and Credit Accommodations. The maximum amount that can be borrowed under the Loan Agreement is \$5,750,000.

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The proceeds from the term loan were used to fund operational losses to the extent necessary to cover the start up period for Nuovinox sales and to finance inventory and receivables to the extent that the Company will need funds in excess of borrowing under the Term Loan for inventory and receivables.

Financially, the Company had to achieve positive cash flow, including debt service, from the capital provided from the Loan Agreement. This goal seemed achievable because the Nuovinox product had received strong acceptance and a large number of orders. Production of Nuovinox began in large quantities in the first quarter 2001, the delay being caused by the development of processes unique to the product, development that had not been completed and implemented successfully when the Company's subsidiary entered into receivership in March 2002.

In fiscal 1999, at the end of which the Company ceased production of stainless steel, the Company incurred a loss of \$3,150,498 and in fiscal 2000 incurred a loss of \$2,279,926. These losses continued as increased production began on the Nuovinox product in fiscal 2001 when the Company incurred a loss of \$2,902,573. Because the Company incurs a substantial amount of depreciation and amortization, \$506,050 in fiscal 1999 \$538,673 in fiscal 2000, and \$555,231 in fiscal 2001, the cash losses for fiscal 1999, 2000 and 2001 were approximately \$2,640,000, \$1,740,000 and \$2,450,000, respectively.

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In fiscal 1999 the cash loss of approximately \$2,640,000 was principally funded through the liquidation of current assets. Between March 31, 1998, and March 31, 1999, the Company's cash position decreased from \$852,892 to \$42,973, receivables decreased from \$597,426 to \$19,505 and inventories decreased from \$948,093 to \$195,663, a reduction in current assets of \$2,140,271. The amount of the cash loss that was not funded through the liquidation of current assets as well as some increases in property were funded through sales of common stock that netted \$726,670.

In fiscal 2000 the cash loss of approximately \$1,740,000 was funded through financing activities. A related party loaned the Company approximately \$1,000,000 and the Company issued Common Stock, the sale of which resulted in net proceeds to the Company of approximately \$800,000.

In fiscal 2001, cash losses were funded through a line of credit.

In fiscal 2002, there were no other sources of funds to cover cash losses and in March 2002, the U.K. subsidiary entered into receivership.

The Company has entered into a letter of intent to acquire for \$1,750,000 from Wells Fargo Bank the Company's assets transferred to it as a result of the receivership. Presently, the Company has a backlog of \$2,500,000 in orders. It is attempting to obtain financing of \$3,000,000 to acquire the assets and obtain operating capital to begin production to deliver the Nuovinox product. Management of the Company believes that operational problems that prevented efficient production have been solved such that the Company can be profitable and cash flow positive following this financing.

Nonetheless, the Company's audit report is qualified because of the concern over the Company's ability to continue as a going concern.

2002 versus 2001

By the end of fiscal 2001 on March 31, 2001, the Company had used the maximum amount available under the Loan Agreement. The Company had to reduce staffing and limit production in the second quarter of fiscal 2002 due principally to the unavailability of capital to expand production and meet demand.

Nonetheless, the Company's revenues increased to \$559,170 in fiscal 2002 period compared to revenues of \$304,377 in the earlier period. Cost of sales in fiscal 2002 were 1,453,399 compared to 1,021,209 in 2001, that is, in fiscal 2002 each \$1.00 in revenue cost about \$2.60 compared to \$1.00 in revenue in fiscal 2001 costing about \$3.63. The more favorable result in fiscal 2002 reflects greater volume productions obtained in that year but the expense reflects that inefficiencies still existed that prohibited the Company to operate. General and administrative expenses declined in the later period as the Company attempted to scale back operations without working capital. increased significantly as the Company began to staff to levels required to support full production. Finally, the Company incurred significant interest expense of \$656,276 in fiscal 2002, essentially interest expense on the Loan Agreement.

Without adequate capital to effect efficient operations, the U.K. subsidiary was placed into receivership in March 2002 with the consequence that the company incurred a write-down of its investment in that subsidiary in the amount of \$7,346,348. With the \$2,295,227 loss from operations, the Company's net loss was \$10,295,346.

2001 versus 2000

The Company incurred a net loss of \$2,902,573 in fiscal 2001 compared to a net loss of \$2,279,926 in fiscal 2000. The principal increases in expenses that

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contributed to this loss were an increase of interest expense to \$465,032 from

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\$90,785 and an increase in Selling, general and administrative expenses to \$1,813,549 from \$1,531,930. The Company's gross loss increased approximately \$60,000 in fiscal 2001 from \$657,930 in the previous fiscal year.

The Company's credit facility from Bank of America became available in the first quarter of fiscal 2001 but production of Nuovinox did not occur in any quantity until the second quarter of fiscal 2001. This production was not, however, large, reflecting the need for further developments in the manufacturing processes and technical developments in the Nuovinox product.. The Company also experienced some inefficiencies in production that arose from the first efforts at production on a large scale. Accordingly, while revenues rose to \$304,377 in fiscal 2001 from \$136,191 in fiscal 2000, fiscal 2001's revenues do not reflect a significant level of production.

Nonetheless, the cost of sales for fiscal 2001 do reflect the staffing and other costs that are required to engage in production of Nuovinox on a large scale. Accordingly, cost of sales in fiscal 2001 increased to \$1,021,209 from \$794,121 in fiscal 2000, more than offsetting the increase in revenues in fiscal 2001 of \$168,186 from the previous year.

Inflation

The Company's operations may be impacted by the effects of inflation and changing prices as increased prices may reduce the demand for steel products. Additionally, the price of nickel has direct impact on the Company as nickel is an integral component to the price of the stainless steel utilized in Nuovinox.

Accounting Policies

Stelax Industries's accounting policies are detailed in Note A to Financial Statements. Stelax Industries follows US GAAP. In applying these accounting policies in the preparation of Stelax Industries's financial statements, management is required to make estimates and assumptions about future events that affect the reporting and disclosure of assets and liabilities at the balance sheet dates and the reported amounts of revenue and expense during the periods covered. The following is a summary of certain critical accounting policies of Stelax Industries which are impacted by judgments and uncertainties and for which different amounts would be reported under a different set of conditions or using different assumptions.

Revenue recognition -- Stelax Industries records revenue upon receipt and acceptance by the customer. For the years ended March 31, 2002, 2001 and 2000, there was no unbilled revenue included in total revenues.

Derivatives and financial instruments -- Stelax Industries accounts for derivatives in accordance with Statement of Financial Accounting Standards (SFAS) No. 133 "Accounting for Derivative Instruments and Hedging Activities". SFAS No. 133 requires the recognition of derivatives in the balance sheet and the measurement of those instruments at fair value. Changes in the fair value of derivatives are recorded in earnings, unless (i) the normal purchase or sale exception or (ii) cash flow hedge accounting is elected. At March, 31 2002, 2001 and 2000 there were no derivative or financial instruments to disclose.

CHANGES IN ACCOUNTING STANDARDS

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On April 1, 2001, Stelax Industries adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS No. 137 and SFAS No. 138. (See Note A to Consolidated Financial Statements.) At March, 31 2002 there were no derivative or financial instruments to disclose.

SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities", became effective for Stelax Industries for transfers on or after April 1, 2001. SFAS No. 140 revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires additional disclosures in its financial statements. There have been no transfers to disclose, therefore SFAS No 140 has no impact in the accompanying financial statements.

SFAS No. 141, "Business Combinations", became effective for Stelax Industries on July 1, 2001. SFAS No. 141 requires the use of the purchase method of accounting for business combinations initiated and completed after June 30, 2001 and eliminates the use of the pooling-of-interests method. Stelax Industries have not made any acquisitions in the year to March 31, 2002.

SFAS No. 142, "Goodwill and Other Intangible Assets", became effective for Stelax Industries beginning April 1, 2002. SFAS No. 142 requires, among other things, the allocation of goodwill to reporting units for the purpose of

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assessing potential impairment based upon the current fair value of the reporting units and the discontinuance of goodwill amortization. In addition, SFAS No. 142 requires completion of a transitional goodwill impairment test within six months from the date of adoption. It establishes a new method of testing goodwill for impairment on an annual basis or on an interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. Any goodwill impairment loss during the transition period will be recognized as the cumulative effect of a change in accounting principle. Subsequent impairments will be recorded in operations. At March, 31 2002 all goodwill has been eliminated.

SFAS No. 143, "Accounting for Asset Retirement Obligations", will become effective for Stelax Industries on April 1, 2003. SFAS No. 143 requires the recognition of a fair value liability for any retirement obligation associated with long-lived assets. The offset to any liability recorded is added to the previously recorded asset and the additional amount is depreciated over the same period as the long-lived asset for which the retirement obligation is established. SFAS No. 143 also requires additional disclosures.

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", will become effective for Stelax Industries as of April 1, 2003. SFAS No. 144 establishes a single accounting model, based on the framework established in SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", for long-lived assets to be disposed of by sale and resolves significant implementation issues related to SFAS No. 121.

For standards not yet adopted, Stelax Industries is evaluating the potential effect on its financial position and results of operations.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company does not engage in any hedging activities. In particular, the Company does not hedge its sales for currency fluctuations, and, accordingly, does not acquire market risk sensitive instruments. Over the last two fiscal

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years, market risks have been negligible because of the small amount of operations in which the Company has engaged.

The Company's primary market risk is anticipated to be a currency exchange rate risk and the Company does not, at the present time, anticipate engaging in management of that risk. For the next fiscal year, the Company's operations will be principally conducted in the United Kingdom with sales anticipated in the United States and Canada. In addition to currency market risk resulting from trade accounts receivable, the Company anticipates any lending to be denominated in U.S. Dollars. A significant increase in the Pound relative to Dollar would make United States trade receivables worth less in the United Kingdom, decreasing profit margins for products produced in the United Kingdom and sold in the United States.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See the consolidated financial statements beginning at page F-2 of this Form 10-K Annual Report.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

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PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Directors and Officers

The directors and executive officers of the Company as of March 31, 2000 are as follows:

Name and Age	Position	Served In Office Since
Harmon S. Hardy, 73	Chairman of the Board, President and Chief Financial Officer	1987
Ruben Grubner, 46	Director	1995
William D. Alexander, 53	Director	1996

Harmon S. Hardy has been the President of the Company since its inception in May, 1987 and is Chairman and President of various other entities. Mr. Hardy devotes a substantial portion of his time to the matters and business of the Company.

Ruben Grubner has been President of Altec Travel, a travel service firm in Vancouver, B.C., Canada since 1978.

William D. Alexander is a Senior Vice-President with Bank of Nova Scotia in Toronto, Canada and has been employed by the bank since 1987.

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Compliance with Section 16(a) of the Securities Exchange Act of 1934

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's officers and directors, and persons who own more than 10% of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission. Officers, directors and 10% stockholders are required by regulations promulgated by the Securities and Exchange Commission to furnish the Company copies of all Section 16(a) reports they file.

The Company believes all Section 16(a) filing requirements applicable to its officers, directors and 10% beneficial owners were complied with through March 31, 2002, except that the directors failed to file timely reports regarding the grant of stock options.

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ITEM 11. EXECUTIVE COMPENSATION

The following table sets forth information with respect to the compensation to the Company's chief executive officer at March 31, 2000 for services rendered during the fiscal years ended March 31, 2001, 2000, and 1999. The table includes for the same periods those individuals receiving in excess of \$100,000 per year.

Name	Year	Salary	Bonus	Other	Stock Options (Shares)
	Annual Compensation (1)				
Harmon S. Hardy	2002	\$ 144,000 (5)	\$ -	\$ -	-
Chariman of the	2001	\$ 144,000	\$ -	\$ -	-
Board of Directors,	2000	\$ 144,000	\$ -	\$ -	-
President and Chief Financial Officer					
A. Cacace	2002	\$ 126,895	\$ -	\$ -	-
Managing Director	2001	\$ 133,805	\$ -	\$ -	-
Of Stelax U.K.	2000	\$ 145,800	\$ -	\$ -	-

- (1) The compensation described in the table does not include the cost to the Company of benefits furnished to certain officers, including premiums for health insurance, and other personal benefits provided to such individuals that are extended in connection with the conduct of the Company's business. No executive officer named above received other compensation in excess of the lesser of \$50,000 or 10% of such officer's salary and bonus compensation.
- (2) Includes a monthly car allowance which has been accrued but not paid.
- (3) Mr. Cacace's salary was paid in Pounds Sterling and converted at the rate of 1.41 pounds per Dollar. Of \$126,895 salary, \$88,738 was accrued but not paid.
- (4) Includes employment insurance.
- (5) The entire amount was accrued but not paid.

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2002 Option Grants

There were 200,000 options granted to Mr. Hardy during the fiscal year ended March 31, 2002. In addition the exercise date on 1,350,000 of options granted to Mr. Hardy was extended from January 2002 to January 2005 during the fiscal year ended March 31, 2002. There were no options granted to Mr. Cacace during the fiscal year ended March 31, 2002, however the exercise date on 500,000 of options granted to Mr. Cacace was extended from January 2002 to January 2005 during the fiscal year ended March 31, 2002

See Item 13. Certain Relationships and Related Transactions.

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ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 31, 2002, the number and percentage of outstanding shares of Common Stock beneficially owned by (i) each person known by the Company to be a beneficial owner of more than five percent (5%) of the Company's Common Stock; (ii) each of the executive officers of the Company; (iii) each director of the Company; and (iv) all officers and directors as a group:

Name and Address of Beneficial Owner (1)	Shares of Common Stock Beneficially Owned
Harmon S. Hardy, Jr. 4004 Belt Line Road, Suite 107 Dallas, TX 75244	8,350,000
Ruben Grubner	100,000
William D. Alexander	200,000
All Officers and Directors as a Group	8,650,000

* Represents less than one percent

(1) The persons named in the table have sole voting and investment power with respect to all shares of Common Stock showing as beneficially owned by them, subject to community property laws, where applicable, and the information contained in the footnotes to the table.

(2) Includes options to purchase 3,000,000 shares of common stock.

(3) Includes options to purchase 100,000 shares of common stock.

(4) Includes options to purchase 200,000 shares of common stock.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

As of March 31, 2002 and 2001, the Company owed an aggregate of \$1,035,730 and \$960,328, respectively, to Mr. Hardy, the Company's President, and to his affiliates. These amounts are payable on demand. Effective January 12, 1999, Mr. Hardy began providing a line of credit up to \$600,000 for the benefit of the

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Company. The credit line bears interest at 10% per annum. The Company granted 600,000 warrants to purchase common stock of the Company at \$0.30 per shares as consideration of the credit line. In fiscal year 2000, the line of credit was extended to \$1,200,000 at the same interest rate, and the Company granted Mr. Hardy a warrant to purchase an additional 600,000 shares of common stock for \$0.50 per share. The warrants may be exercised for a period of five years from the date of the grant. At March 31, 2002 and 2001, \$478,283 and \$406,928 of the total owed to Mr. Hardy represented draws on the line of credit and interest.

At March 31, 2002 and 2001, the Company owed to Mr. Cacace personally \$nil and \$209,194, respectively.

On January 1, 1999, and again on December 15, 2000, Mr. Hardy and the President of a subsidiary converted debt owed to each into common stock of the Company. The conversion resulted in the Company issuing 1,125,000 and 1,500,000 shares of common stock being issued in exchange for \$225,000 and \$375,000 of debt, respectively. The exchange ratio was at current market price of the common stock.

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PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

- (a) See "Index to Consolidated Financial Statements" included at F-1 of this Form 10-K Annual Report for a listing of financial statements and schedules filed as a part of this Form 10-K Annual Report.
- (b) The following exhibits are filed as a part of this Annual Report on Form 10-K:

Exhibit Number	Description of Exhibit	Location
3(a)	Certificate of Incorporation of the Company	
3(b)	Memorandum of Association of the Company	
3(c)	Articles of the Company	
3(d)	Amendment to Articles of the Company	
3(e)	Amendment to Articles of the Company changing the name to "Stelax Industries Ltd."	
4(a)	Form of Stock Certificate	
4(b)	Form of 7% Convertible Note due August 31, 1997	
4(c)	Form of Common Stock Purchase Warrant	
10(a)	Sale and Purchase Agreement dated August 4, 1995 by and between Shipyard Limited and ZX(UK) Limited (c/k/a Stelax (U.K.) Limited)	

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- 10(b) Agreement for Sale and Purchase of Assets by and between
Camborne Industries PLC (in receivership) and ZX(UK)
Limited(c/k/a Stelax (U.K.) Limited)
- 10(c) Agreement relating to the land and buildings at Wern
Works, Briton Ferry Neath by and between Maritime
Transport Services Limited and ZX(UK) Limited (c/k/a
Stelax (U.K.) Limited)
- 10(d) Variation Agreement dated November 13, 1995 by and between
Camborne Industries PLC and ZX(UK) Limited (c/k/a Stelax (U.K.)
Limited)
- 10(e) Agreement dated November 13, 1995 by and between
Maritime Transport Services Limited and ZX(UK) Limited
(c/k/a Stelax (U.K.) Limited)
- 10(f) Chattel Mortgage dated November 13, 1995 by and between
ZX(UK) Limited and Camborne Industries PLC (c/k/a Stelax
(U.K.) Limited)
- 10(g) Patent Mortgage dated November 13, 1995 by and
between ZX(UK) Limited and Camborne Industries PLC (c/k/a
Stelax (U.K.) Limited)
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- 10(h) Trademarks Mortgage dated November 13, 1995 by and between
ZX(UK) Limited and Camborne Industries PLC (c/k/a Stelax
(U.K.) Limited)
- 21(a) Subsidiaries of the Company
- Stelax (U.K.) Limited, a United Kingdom subsidiary
Stelax USA, Inc., a Delaware corporation

*Filed herewith

- a. Incorporated by reference from the Form S-18 Registration
Statement, as amended (No. 33-27667-FW), for the Company.
- b. Incorporated by reference from the Form 8-K dated November 7,
1995.
- (c) Reports on Form 8-K.
No reports on Form 8-K were filed during the last fiscal
quarter of 2002.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Stelax Industries Ltd
British Columbia, Canada

We have audited the accompanying consolidated balance sheet of Stelax Industries Ltd and subsidiary as of March 31, 2002 and 2001, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the three years in the period ended March 31, 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements and financial schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of Stelax Industries Ltd and subsidiary as of March 31, 2002 and 2001, and the results of their operations and their cash flows for each of the three years in the period ended March 31, 2002 in conformity with accounting principles accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note I to the financial statements, at March 31, 2002, the Company was not in compliance with certain covenants of its long-term loan agreement. The Company is attempting to renegotiate the terms and covenants of the loan agreement and also is seeking other sources of long-term financing. The Company's negative working capital, its recurring losses from operations and its difficulties in meeting its loan agreement covenants and financing needs, as discussed in Note I raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note I. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ DELOITTE & TOUCHE

DELOITTE & TOUCHE
Chartered Accountants
Cardiff, UK

Date August 23, 2002

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Stelax Industries Ltd

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CONSOLIDATED BALANCE SHEETS
(Presented in United States dollars)

ASSETS

	March 31, 2002

CURRENT ASSETS:	
Cash and cash equivalents	\$ 4,102
Note Receivable	141,480
Accounts Receivable-Trade, net (allowance for doubtful accounts at March 31, 2002 and 2001 \$0 and \$0, respectively)	-
Receivable from related parties	3,000
Inventory-Raw materials	-
Work in process	-
Finished goods	-
Prepays and other current assets	-

Total Current Assets	148,582
PROPERTY & EQUIPMENT-AT COST:	
Plant & Machinery	-
Building	-
Land	-

Accumulated Depreciation	-

Total Property & Equipment	-
INTANGIBLE ASSETS (patents)	
(accumulated amortization of \$0 and \$276,556 at March 31, 2002 & 2001, respectively)	-
OTHER ASSETS	102,934
TOTAL ASSETS	\$ 251,516
	=====

See notes to consolidated financial statements.

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Stelax Industries Ltd

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BALANCE SHEETS (Presented in United States dollars)

LIABILITIES AND STOCKHOLDERS' EQUITY

	March 31, 2002
CURRENT LIABILITIES:	
Accounts payable	\$ 206,653
Payable to related parties	1,035,730
Accrued interest	433,998
Note payable--short term	3,645,833
Total Current Liabilities	5,322,214
STOCKHOLDERS' EQUITY:	
Common stock - 50,000,000 shares authorized, no stated par value; issued and outstanding 43,184,775 and 39,240,175 shares at March 31, 2002 and 2001, respectively	25,281,717
Cumulative translation adjustments	83,684
Accumulated deficit	(30,436,099)
Total Stockholders' Equity	\$ (5,070,698)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 251,516

See notes to consolidated financial statements.

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Stelax Industries Ltd.

CONSOLIDATED STATEMENTS OF OPERATIONS (Presented in United States dollars)

Year Ended		
March 31,	March 31,	March 31,

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	2002 -----	2001 -----	2000 -----
Sales	\$ 559,170	\$ 304,377	\$ 136,191
Cost of sales	1,453,399	1,021,209	794,121
	-----	-----	-----
Gross loss	(894,229)	(716,832)	(657,930)
Selling, general and administrative expenses (including depreciation and amortization of 548,167, \$555,231 and \$538,673 for the years ended March 31, 2002, 2001 and 2000, respectively)	1,908,602	1,813,549	1,531,211
	-----	-----	-----
Loss from operations	(2,802,831)	(2,530,381)	(2,189,141)
Other income (expense):			
Interest income	2,505	92,840	-
Interest expense	(656,276)	(465,032)	(90,785)
Investment write-downs and other charges	(7,111,166)	-	-
	-----	-----	-----
Net loss	\$ (10,567,768)	\$ (2,902,573)	\$ (2,279,926)
	=====	=====	=====
Weighted average shares of common stock - basic and diluted	41,220,912	37,993,516	36,267,505
	=====	=====	=====
Net loss per share - basic and diluted	\$ (0.26)	\$ (0.08)	\$ (0.06)
	=====	=====	=====

See notes to consolidated financial statements.

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Stelax Industries Ltd

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Presented in United States dollars)

	Common Stock		Accumulated Deficit	Transla Adjustm
	Shares	Amount		
	-----	-----	-----	-----
BALANCE at April 1, 1999	35,963,729	\$22,885,219	\$ (14,685,832)	\$ 202
Common stock issued during the period: \$.51 to \$.56 per share for note payable				

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conversion	725,000	354,453	-	
\$.55 to \$1.25 per share	257,713	187,800	-	
\$.30 to \$.95 per share for option exercise	575,000	258,750	-	
Foreign currency translation adjustment	-	-	-	(7)
Net loss	-	-	(2,279,926)	
COMPREHENSIVE LOSS				

BALANCE at March 31, 2000	37,521,442	\$23,686,222	\$ (16,965,758)	195
Common stock issued during the period:				
\$.25 per share for related party note payable conversion	1,500,000	375,000	-	
\$.30 per share	82,733	24,820	-	
Stock for compensation \$.72 per share	136,000	97,920	-	
Foreign currency translation adjustment	-	-	-	26
Net loss	-	-	(2,902,573)	
COMPREHENSIVE LOSS				

BALANCE at March 31, 2001	39,240,175	\$24,183,962	\$ (19,868,331)	222
Common stock issued during the period:				
\$.25 per share for related party note payable conversion	3,100,000	775,000	-	
\$.30 to \$.50 per share	844,600	322,755	-	
Foreign currency translation adjustment	-	-	-	(138)
Net loss	-	-	(10,567,768)	
COMPREHENSIVE LOSS				

BALANCE at March 31, 2002	43,184,775	\$25,281,717	\$ (30,436,099)	83
=====				

See notes to consolidated financial statements.

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Stelax Industries Ltd

CONSOLIDATED STATEMENTS OF CASH FLOWS
(Presented in United States dollars)

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	Year Ended		
	March 31, 2002	March 31, 2001	March 31, 2000
OPERATING ACTIVITIES			
Net loss	\$ (10,567,768)	\$ (2,902,573)	\$ (2,279,926)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation & amortization	548,167	555,231	538,673
Allowance for doubtful accounts	-	-	-
Foreign currency transaction gain(loss)	(138,448)	26,453	(7,185)
Changes in operating assets and liabilities:			
Decrease (increase) in receivables	108,981	(49,534)	(42,942)
Decrease (increase) in inventory & other assets	325,069	(226,103)	1,263
Increase (decrease) in accounts payable & accrued interest	(89,588)	(1,045,714)	1,148,246
Net cash (used) provided by operating activities	(9,813,587)	(3,642,240)	(641,871)
INVESTING ACTIVITIES			
Purchase of property, equipment & intangibles			
Purchase of property, equipment & intangibles	8,440,071	(266,130)	(157,445)
Net cash used by investing activities	8,440,071	(266,130)	(157,445)
FINANCING ACTIVITIES:			
Convertible note payable issue/repayment	-	375,000	-
Net proceeds from common stock	1,097,755	122,740	801,003
Note payable issue	(520,833)	4,166,666	-
Net cash provided by financing activities	576,922	4,664,406	801,003
Increase (decrease) in cash and cash equivalents	(796,594)	756,036	1,687
Cash & cash equivalents at beginning of year	800,696	44,660	42,973
Cash & cash equivalents at end of year	\$ 4,102	\$ 800,696	\$ 44,660

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Interest paid	\$ -	\$ 372,098	\$ 31,034
	=====	=====	=====
Income taxes paid	\$ -	\$ -	\$ -
	=====	=====	=====

See notes to consolidated financial statements.

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STELAX INDUSTRIES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Presented in United States Dollars)

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

Stelax Industries, Ltd. (a Canadian corporation) formerly Zfax Image Corp., (the "Company") was incorporated on May 5, 1987, primarily to develop and produce portable facsimile machines. These operations were conducted through the Company's formerly owned subsidiary, Zfax, Inc.

On July 11, 1995, the Company incorporated Stelax (U.K.) Limited ("Stelax") as a wholly owned subsidiary in the United Kingdom to acquire certain assets of a steel mill in West Glamorgan, Wales and establish operations in the stainless steel manufacturing business. The financial statements for the years ended March 31, 2001 and 2000 include the accounts of the Company and its U.K. subsidiary. The operating loss of this subsidiary was \$2,223,244, and \$2,080,970 for the years ended March 31, 2001 and 2000 and it had identifiable assets of \$9,362,218 at March 31, 2000. All significant intercompany balances and transactions were eliminated. On March 7, 2002 an Administrative Receiver was placed in the subsidiary to manage the assets covered by the note payable agreement. The financial statements at March 31, 2002 consolidate the results of the subsidiary up to March 7, 2002, thereafter the subsidiary has been reported using the cost method. The operating loss of this subsidiary was \$2,295,227 upto March 7 2002. The company considers the investment in the subsidiary to be worthless accordingly the investment has been written off resulting in a loss of \$7,111,166.

The Company's consolidated financial statements are presented in accordance with accounting principles generally accepted in the United States of America (US GAAP).

DECONSOLIDATION OF STELAX (U.K.)

Under generally accepted accounting principles consolidation is generally required for investments of more than 50% of the outstanding voting stock of an investee except when control is not held by the majority owner. Under these principles, bankruptcy represents a condition which can preclude consolidation as control rests with the bankruptcy court, rather than the majority owner.

March 7, 2002 an Administrative Receiver was appointed to Stelax (U.K.) pursuant to a debenture instrument executed over the whole of the assets of the company in favour of Bank of America Finance Corporation dated June 30 2000 and assigned to Wells Fargo Business Credit Inc on April 20 2000. Accordingly from March 7, 2002 control rests with the Receiver not Stelax Industries.

The results of Stelax (U.K.) have been consolidated up to March 7, 2002

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thereafter Stelax (U.K) has been reported using the cost method. At March 7, 2002 Stelax (U.K.) had net assets of \$7,111,166 principally consisting of plant and equipment at the Aberneath facility in South Wales, United Kingdom. However Stelax Industries does not expect to recover any monies from the Receiver in respect of this investment. This investment has therefore been written off, and a loss of \$7,111,166 has been recorded in the income statement for the year to March 31, 2002.

CASH AND CASH EQUIVALENTS

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

LOSS PER SHARE

The computation of loss per share is based upon the weighted average shares of Common Stock outstanding during the period.

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STELAX INDUSTRIES LTD.
NOTES TO FINANCIAL STATEMENTS
(Presented in United States Dollars)

DEPRECIATION AND AMORTIZATION

Depreciation is provided using the straight-line method over the estimated useful lives of their assets as follows:

Buildings	20 years
Plant and equipment	4 to 20 years
Intangible assets (Patents)	12 years

INVENTORY

The Company records raw material purchases at the lower of cost or market value and records the disposition of inventory on a first-in, first out basis. Inventory is evaluated periodically for obsolete items.

RESEARCH AND DEVELOPMENT

Research and development expenses are charged to operations as incurred. There were no Research and development costs for the years ended March 31, 2002, 2001 and 2000.

START UP EXPENSES

All expenses incurred in connection with the start up of the steel mill have been expensed as incurred. Expenses incurred in relation to the commissioning of the planetary mill are capitalized as assets.

USE OF ESTIMATES

The preparation of the consolidated financial statements in conformity with US generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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IMPAIRMENT OF LONG-LIVED ASSETS

The Company accounts for impaired long-lived assets in accordance with Statement of Financial Accounting Standards ("SFAS") No. 121 "Accounting for the Impairment of Long-Lived Assets to be Disposed Of." This standard prescribes the method for asset impairment evaluation for long-lived assets and certain identifiable intangibles that are either held and used or to be disposed of. The Company reviews the carrying values of its long-lived and identifiable intangible assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable.

COMPREHENSIVE INCOME

Comprehensive income is reported in accordance with SFAS No. 130, "Reporting Comprehensive Income." Other comprehensive income includes foreign currency translation adjustments.

OTHER ASSETS

Other assets consist primarily of the capitalized costs of financing and is being amortized over the life of the loan.

INCOME TAXES

The Company uses the liability method of accounting for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Under the liability method, deferred income taxes are determined based upon enacted tax laws and rates applied to the difference between the financial statement and tax bases of assets and liabilities.

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STELAX INDUSTRIES LTD.
NOTES TO FINANCIAL STATEMENTS
(Presented in United States Dollars)

SEGMENT INFORMATION

The Company reports segment information in accordance with SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information." The Company operates in one industry, the manufacture of steel related products, in accordance with SFAS No. 131.

FOREIGN CURRENCY TRANSLATION

In accordance with the provisions of SFAS No. 52, "Foreign Currency Translation," exchange adjustments resulting from foreign currency transactions generally are recognized currently in income, whereas adjustments resulting from translations of financial statements are reflected in accumulated other comprehensive income (loss). The cumulative currency translation loss as of March 31, 2002 was \$83,684. Gains and losses on foreign currency transactions for the fiscal years ended March 31, 2002 and March 31, 2001 resulted in net foreign currency gains/(losses) of \$(138,448) and \$26,453 respectively.

FINANCIAL INSTRUMENTS

The fair values of financial instruments are determined by reference to various market data and other valuation techniques, as appropriate. Unless otherwise disclosed, the fair values of financial instruments approximate their recorded

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values.

DERIVATIVE INSTRUMENTS

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" (as amended by SFAS No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133") establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts (collectively referred to as derivatives), and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The Company does not have any items meeting the definition of a derivative.

REVENUE RECOGNITION

In December 1999, the Securities and Exchange Commission issued Staff Accounting Bulletin ("SAB") 101, "Revenue Recognition in Financial Statements", which provides guidance related to revenue recognition based on interpretations and practices followed by the SEC. SAB 101 requires companies to report any changes in revenue recognition as cumulative change in accounting principle at the time of implementation in accordance with Accounting Principles Board opinion 20, "Accounting Changes." The Company's policy is to recognize revenue upon receipt and acceptance by the customer.

BUSINESS COMBINATIONS

SFAS No. 141, "Business Combinations", became effective for Stelax Industries on July 1, 2001. SFAS No. 141 requires the use of the purchase method of accounting for business combinations initiated and completed after June 30, 2001 and eliminates the use of the pooling-of-interests method. Stelax Industries have not made any acquisitions in the year to March, 31 2002.

GOODWILL AND OTHER INTANGIBLE ASSETS

SFAS No. 142, "Goodwill and Other Intangible Assets", became effective for Stelax Industries beginning April 1, 2002. SFAS No. 142 requires, among other things, the allocation of goodwill to reporting units for the purpose of assessing potential impairment based upon the current fair value of the reporting units and the discontinuance of goodwill amortization. In addition, SFAS No. 142 requires completion of a transitional goodwill impairment test within six months from the date of adoption. It establishes a new method of testing goodwill for impairment on an annual basis or on an interim basis if an event occurs or circumstances change that would reduce the fair value of a reporting unit below its carrying value. Any goodwill impairment loss during the transition period will be recognized as the cumulative effect of a change in accounting principle. Subsequent impairments will be recorded in operations. At March, 31 2002 all goodwill has been eliminated.

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STELAX INDUSTRIES LTD.
NOTES TO FINANCIAL STATEMENTS
(Presented in United States Dollars)

RETIREMENT OBLIGATIONS

SFAS No. 143, "Accounting for Asset Retirement Obligations", will become

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effective for Stelax Industries on April 1, 2003. SFAS No. 143 requires the recognition of a fair value liability for any retirement obligation associated with long-lived assets. The offset to any liability recorded is added to the previously recorded asset and the additional amount is depreciated over the same period as the long-lived asset for which the retirement obligation is established. SFAS No. 143 also requires additional disclosures.

LONG LIVED ASSETS

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets", will become effective for Stelax Industries as of April 1, 2003. SFAS No. 144 establishes a single accounting model, based on the framework established in SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of", for long-lived assets to be disposed of by sale and resolves significant implementation issues related to SFAS No. 121.

For standards not yet adopted, Stelax Industries is evaluating the potential effect on its financial position and results of operations.

B. RELATED PARTY TRANSACTIONS

As of March 31, 2002 and 2001, funds were due to the President and his affiliates totaling \$1,035,730 and \$960,328 respectively. These amounts are payable on demand. Effective January 12, 1999, the President of the Company began providing a line of credit up to \$600,000 for the benefit of the Company. The credit line bears interest at 10% and 600,000 warrants to purchase Common Stock of the Company at \$.30 a share were issued as consideration of such credit line. In fiscal year 2000, the line of credit was extended to \$1,200,000 at the same interest rate. An additional 600,000 warrants were issued at \$.50 a share. The warrants are valid for five (5) years. At March 31, 2002 and 2001, \$478,283 and \$406,928 of the total owed to the President represented draws on the line of credit and accrued interest.

At March 31, 2002 and 2001, the Company owed the President of the subsidiary \$nil and \$209,194.

On December 15, 2000, the President of the Company and the President of the subsidiary converted debt owed to each into Common Stock of the Company. The conversion resulted in 1,500,000 common shares being issued in exchange for \$375,000 of debt, respectively. The exchange ratio was at current market price of the Common Stock.

A receivable of \$141,480 exists from employees and contractors of the Company. There is no stated interest and no set repayment terms.

C. MAJOR CUSTOMER INFORMATION

One customer accounted for approximately 21% and another accounted for approximately 14% of new sales in fiscal 2002. In fiscal 2001 one customer accounted for approximately 50% of net sales.

D. MAJOR SUPPLIERS' INFORMATION

The Company purchased inventory from two suppliers during the fiscal year ended March 31, 2001 accounting for 23% and 19% of total inventory purchases respectively. As of March 31, 2001 the Company had \$nil and \$nil respectively in amounts owed to these suppliers included in accounts payable. In 2002 the Company purchased inventory from one supplier accounting for 24% of total inventory purchased. As of March 31, 2002 the Company owed \$nil to this supplier.

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STELAX INDUSTRIES LTD.
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 (Presented in United States Dollars)

E OPTIONS

The Company has granted stock options to certain directors, officers, employees, investors and consultants to purchase shares of the Company's Common Stock under a non-qualified plan. Additional options were issued in fiscal year 2002 at prices ranging from \$0.40 to \$0.75 per share, which either approximates or exceeds fair market value at date of grant. The options are valid for three to five years.

A summary of the stock option transactions follows:

	NUMBER OF SHARES	EXERCISE PRICE PER SHARE	EXE
	-----	-----	-----
Options outstanding March 31, 2000	7,105,000		
Issued	225,000	\$0.50-\$0.85	
Options outstanding March 31, 2001	7,330,000		
Issued	3,490,000	\$0.40-\$0.75	
Options outstanding March 31, 2002	10,790,000		

Stock options are exercisable from date of grant until expiry date which range from January 2002 to January 2005.

The Company accounts for its share options in accordance with Accounting Principles Board Opinion No. 25 under which the compensation cost is recognized based on the difference, if any, between the appraised fair value of the company's stock at the time of option grant and the amount the employee must pay to acquire the stock.

Statement of Financial Accounting Standards ("FASB") No. 123 "Accounting for Stock Based Compensation" (SFAS 123) requires disclosure of pro forma information regarding net income and earnings per share had compensation cost been determined using the fair value method. The fair value of the Company's stock based awards was estimated as of the date of grant using the Black-Scholes option pricing model. Limitations on the effectiveness of the Black-Scholes option valuation model are that it was developed for use in estimating the fair value of trade options which have no vesting restriction and are fully transferable and that the model requires the use of highly subjective assumptions including expected stock price volatility. Because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measure of the fair value of its stock based awards. The fair value of options granted was estimated assuming no dividends and using the following weighted average assumptions.

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	2002	2001	2000
Risk free interest rate	5.38%	5.12%	6.91%
Expected term	2-5 years	2-5 years	2-5 ye
Volatility	154%	102%	109%
Weighted average fair value per share for options granted during the year	\$0.51	\$0.90	\$0.49

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STELAX INDUSTRIES LTD.
NOTES TO FINANCIAL STATEMENTS
(Presented in United States Dollars)

Had compensation costs for the Company's plan been recorded, the Company's net loss and earnings per share would have been as indicated below:

		2002	2001	2000
Net loss	as reported	\$10,567,768	\$2,902,573	\$2,279,92
	pro forma	\$11,320,702	\$4,155,287	\$3,269,72
Loss per share	as reported	\$ 0.25	\$ 0.10	\$ 0.06
	pro forma	\$ 0.24	\$ 0.13	\$ 0.09

F. COMMITMENTS AND CONTINGENCIES

The Company occupies corporate office space in Dallas, Texas on a month to month lease, after completing a long term lease. Rent expense for fiscal year 2002, 2001 and 2000 respectively was \$7,396, \$17,714 and \$17,714.

G. INCOME TAXES

The Company, as a Canadian corporation, does not file United States income tax returns. The UK subsidiary will file tax returns in the United Kingdom.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The only component of deferred taxes for the Company is its net operating loss carry forwards of approximately \$420,000 in Canada which began to expire in 1997 and \$nil in the U.K. Deferred tax assets at March 31, are:

	2002	2001
Deferred tax assets	\$ -	\$ 446,510
Valuation allowance	(-)	(446,510)
Net deferred-tax asset	\$ -	\$ -

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The valuation allowance was decreased by \$446,510 and \$54,206 during the fiscal years ended March 31, 2002 and 2001, respectively. Given the loss making position of the Company, it is uncertain whether losses could be utilized in the foreseeable future and therefore no benefit for deferred tax has been taken.

H. STOCKHOLDERS' EQUITY

Shares reserved for future issuance include 7,330,000 shares for stock options. From time to time, the directors may declare and authorize payments of dividends to the stockholders of record. To date, no dividends have been declared or paid.

In fiscal year 2000, Common Stock options totaling 2,040,000 were issued at \$.50 to \$1.10 per share. In fiscal year 2001, 225,000 Common Stock options were issued at \$.50 to \$.85 per share. In fiscal year 2002, 1,770,000 Common Stock options were issued at \$.40 to \$.85 per share.

Options on Common Stock totaling 1,622,000 were exercised in fiscal year 1999. Option price was \$.10 a share and the exercise occurred when current market price ranged from \$.20 to \$.50 a share. The Company is financing 90% of the exercise price on 1,572,000 shares. The note balance at March 31, 2001 and 2000 is \$141,480.

During fiscal year 2000, convertible notes payable were sold and converted for a net proceeds of \$354,453 and resulted in 725,000 shares being issued.

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STELAX INDUSTRIES LTD. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Presented in United States Dollars)

In fiscal year 2001, related parties converted debt owed of \$375,000 into common shares of 1,500,000.

During fiscal year 2002, 2001 and 2000, 844,600, 82,733 and 257,713 Common Stock shares were sold for either cash or services totaling \$322,755, \$24,820 and \$187,800, respectively.

During fiscal year 2000, 575,000 Common Stock options were exercised resulting in \$258,750 in cash. During fiscal year 2001, 136,000 Common Stock options were exercised resulting in \$97,920 in cash.

I. GOING CONCERN

The Company is in default of covenants and repayment schedules on the Term Loan, Revolving Credit and Credit Accommodations with Wells Fargo Business Credit, inc. As a result of these defaults on March 7, 2002 Wells Fargo have appointed an Administrative Receiver to the subsidiary under the terms of the debenture instrument.

The Receiver therefore acquired control of the U.K. assets including the group's Aberneath Steel Mill facility on March 7, 2002. The group's operations therefore ceased from this point.

The Company has entered a letter of intent with Wells Fargo Business Credit inc to acquire the U.K. assets for \$1,750,000.

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The Company's ability to execute this letter of intent and hence its ability to continue as a going concern is dependent upon it being able to raise additional funds.

The Company is confident that it will be able to raise sufficient funds to execute the letter of intent and provide sufficient working capital to re-commence and sustain production until the group becomes profitable.

The Directors are confident, with all the information available to them that the company will continue to be a going concern.

J. NET LOSS PER SHARE

Losses per share have been computed in accordance with SFAS No. 128, Earnings per Share. Basic and diluted losses per share are computed by dividing net loss by the weighted average number of shares of Common Stock outstanding during the year. Outstanding Common Stock options have been excluded from the calculation of diluted losses per share because their effect would be antidilutive.

K. BANK FINANCING

In July 2000 the Company obtained a Term Loan as well as Revolving Credit and Credit Accommodations. The balance of the loan at March 31, 2002 and 2001 is \$3,645,833 and \$4,166,666. Due to the bank's positioning of an Administrative Receiver in the subsidiary, the entire note payable is due in full.

In connection with the Loan Agreement the Company granted a warrant to Bank of America Commercial Finance Corporation to purchase up to 160,000 shares of Common Stock.

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STELAX INDUSTRIES LTD.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Presented in United States Dollars)

L. QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

2002 ----	Revenues -----	Net Loss -----	Net Loss Per Share -----
March	\$ (8,672)	\$ 8,019,158	\$ 0.26
December	35,007	722,120	0.06
September	266,338	1,041,722	0.03
June	266,497	784,768	0.02
2001 ----	Revenues -----	Net Loss -----	Net Loss Per Share -----
March	\$ 76,355	\$ 845,101	\$ 0.02
December	39,029	911,162	0.02
September	55,824	677,314	0.02
June	133,169	468,996	0.01

2000

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March	\$ 49,120	\$ 757,929	\$ 0.02
December	(6,372)	513,558	0.01
September	49,854	547,489	0.02
June	43,589	460,950	0.01

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

August 23, 2002

STELAX INDUSTRIES, LTD.

/s/ Harmon S. Hardy, Jr.

By: Harmon S. Hardy, Jr.
President and Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities indicated, on August 23, 2002.

NAME

OFFICE

/s/ Harmon S. Hardy, Jr.

Harmon S. Hardy, Jr.
(Principal Executive and Financial Officer)

President and
Chief Financial Officer

/s/ Ruben Grubner

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Ruben Grubner

Director

/s/ William D. Alexander

William D. Alexander

Director