

Balance Sheet (Unaudited)

February 28, 1997 and February 29, 1996

	February 28 1997	February 29 1996
Assets		
Current assets:		
Cash	\$ 81,773	\$ 900,262
Accounts receivable	100,841	23,113
Prepaid expenses	13,929	6,047
	196,543	929,422
Capital assets	171,617	130,004
Deferred development costs	651,695	316,061
	\$1,019,855	\$1,375,487
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	68,544	16,987
	68,544	16,987
Deferred revenue	25,258	68,775
Shareholders' equity:		
Share capital	1,915,401	1,768,855
Deficit	(989,348)	(479,130)
	926,053	1,289,725
	\$1,019,855	\$1,375,487

Outlook

Four Corporate goals will dominate the second quarter:

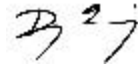
Increase New Subscriber Base - Many schools make purchase decisions for the following school year during the second quarter. To take advantage, sales strategies in the second and third quarters will focus on internally generated sales as opposed to distributors. Projected second-quarter sales are 150 new sites.

Customer Retention - Bridges will invoice \$187,000 in re-subscriptions during the second quarter. It is projected that our resubscription rate will exceed the 93% achieved last year.

New Regionalized Career News Product - Bridges will introduce regionalized Career News services for sale to Web sites seeking high quality career content. The new service will package existing Career Explorer content for customization and syndication through new selling channels.

Corporate Expansion - During the second quarter, Bridges management will develop a plan for corporate expansion. The plan will incorporate strategies to accelerate market penetration.

On behalf of the Board of Directors



Doug J. Manning
Chairman and Chief Executive Officer

Corporate Information

Doug Manning
Chairman, CEO, Director

Dave Cousins
Secretary

Jerry Scherle
Director

Ed Hall
Director

Frank Bowers
President

Mike Martin
Vice President, Sales
& Marketing



For the Three Months Ending
February 28, 1997

THE BRIDGES INITIATIVES INC.

The Bridges Initiatives Inc.

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For the three months ending February 28, 1997, The Bridges Initiatives Inc. reported a net loss of \$203,529. Total reported sales for the three-month period were \$152,649.

Management is pleased with our sales performance in the first quarter of 1997. One-hundred and two new sales were completed, exceeding projections by 70%. The first quarter is traditionally slow in the school market. First quarter 1997 revenues of \$152,649 represent 45% of total sales in 1996.

Bridges' expansion into the American marketplace has resulted in increased sales. The well-funded U.S. School-To-Work initiative and government plans to connect all American schools to the Internet should produce additional sales opportunities.

Bridges' first quarter was marked by the following developments:

On December 9, 1996, Bridges cofounder Dave Cousins and partner Jerry Scherle purchased 1.845 million shares of Bridges from Knowledge Plus Multimedia Publishing Ltd. These shares, combined with additional shares held by Doug Manning and Mr. Cousins, place majority control of the Company with the founders.

Bridges' expansion outside of British Columbia has been positive. By the end of the first quarter, Career Explorer was being used in 23 provinces, states and territories. Bridges' goal is to establish at least one Career Explorer subscriber in every state and province in North America by November 1997.

In addition:

Eighteen schools and one employment centre in six states have been trained to take part in a national pilot of Career Explorer. Students in Illinois, Michigan, North Dakota, North Carolina, Iowa and Vermont will test Career Explorer during the second quarter. Results of the pilot will be presented to the National Occupational Information Coordinating Committee's (NOICC) conference in July 1997.

Magazine awards have raised Career Explorer's profile in the United States. What's New magazine awarded Career Explorer its Annual Portfolio 1997, honoring it for "the fine quality and intent of its instructional materials". Media and Methods magazine has honored Career Explorer with its 1997 Awards Portfolio. Bridges was also selected as a finalist for Florida's Business Recognition Award for the Corporation's work with Stonewall Jackson Middle School in Orlando, Florida.

Statement of Loss and Deficit (Unaudited)

For the Three Months Ending February 28, 1997
and February 29, 1996

	February 28 1997	February 29 1996
Revenue	\$ 152,649	\$ 41,473
Costs of Sales	66,101	24,690
	86,548	16,783
Expenses:		
Amortization of		
Assests	86,891	17,951
Selling, general & administration	203,186	177,055
	290,077	195,006
Loss	203,529	178,223
Interest Income	-	9,051
Net Loss	203,529	169,172
Deficit, beginning of period	785,819	309,958
Deficit, end of period	\$ 989,348	\$ 479,130

Statement of Changes in Financial Position (Unaudited)

For the Three Months Ending February 28, 1997
and February 29, 1996

	February 28 1997	February 29 1996
Cash provided by (used in):		
Operations:		
Loss for the period	\$ (203,529)	\$ (169,172)
Add item not involving cash		
Amortization	86,891	17,951
Add item involving cash		
Deferred revenue	5,179	(35,058)
	(111,459)	(186,279)
Change in non-cash working capital	(7,420)	(71,426)
	(118,879)	(257,705)
Financing:		
Issuance of common shares	120,022	1,288,980
Net proceeds from loan	-	(35,000)
	120,022	1,253,980
Investments:		
Expenditures on equipment	(6,695)	(45,734)
	(6,695)	(45,734)
(Decrease) Increase in cash	(5,552)	950,541
Cash, beginning of period	87,325	(50,279)
Cash, end of period	\$ 81,773	\$ 900,262