

**Balance Sheet**  
(Unaudited)  
As at August 31, 1997



**Outlook**

1 9 9 7  
interim report

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	August 31 1997	August 31 1996
<b>Assets</b>		
Current assets:		
Cash	\$ 148,165	\$ 291,567
Accounts receivable	435,697	94,247
Prepaid expenses	10,266	16,552
	594,128	402,366
Capital assets	142,343	194,382
Deferred development costs	553,256	422,079
	<b>\$ 1,289,727</b>	<b>\$ 1,018,827</b>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 41,344	\$ 19,952
Deferred revenue	79,359	200,779
Shareholders' equity:		
Share capital	1,996,967	1,770,128
Deficit	(827,943)	(972,032)
	1,169,024	798,096
	<b>\$ 1,289,727</b>	<b>\$ 1,018,827</b>

Three corporate goals will dominate Bridges' fourth quarter:

**Fiscal Year Profitability** - Bridges' core goal in 1997 was to achieve operational profitability in our second year as a publicly traded company. Towards that objective, Bridges has targeted 90 new site subscription sales for the fourth quarter. Ninety sales are projected to satisfy Bridges' 1997 goal of year-end profitability.

**New Product Release** - Bridges will release a Career Explorer upgrade (CX 98) to more aggressively pursue the North American school market. CX 98 includes new psychological testing, an online portfolio service and links to college and job Web sites. It's projected these developments will support our high rate of resubscription and encourage new subscribers to the CX 98 career information service.

**New Market Development** - Bridges management will examine new market opportunities in the fourth quarter. The Company will seek strategic partners to assist with the regionalization of Career Explorer, translation of CX 98 into other languages and the creation of new products through the use of existing CX 98 content. These developments will be positioned to increase Bridges' profit margins for fiscal year 1998.

Doug J Manning  
Chairman and Chief Executive Officer

For the Nine Months  
Ending August 31, 1997



**Corporate Information**

**Doug Manning**  
Chairman, CEO, Director

**Dave Cousins**  
Corporate Relations

**Jerry Scherle**  
Director

**Ed Hall**  
Director

**Frank Bowers**  
President

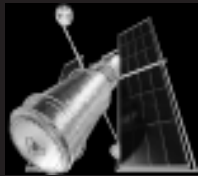
**Mike Martin**  
Vice President, Sales



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THE BRIDGES INITIATIVES INC.

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## CEO's Message

For the first nine months ending August 31, 1997, The Bridges Initiatives Inc. reported an operating profit of \$220,242. Revenues of \$1,059,050 were reported with operating expenditures of \$838,808. New sales have exceeded management's expectations. The 206 new site sales were significantly higher than projections of 60 new sales during the Q3 period. Revenues were also generated from two new ventures for Bridges: content syndication and bulk purchasing of licences by region. Canada WorkInfoNet has purchased six months of Bridges content for their Web site and the North Carolina Occupational Information Coordinating Committee has bulk purchased 50 licences for distribution in their state.

Bridges' third quarter was marked by the following developments:

North Carolina and North Dakota have agreed to be pilot states for Bridges' Career Explorer product development. This arrangement allows Bridges to customize its service to meet the specific needs of American students. As part of this arrangement, North Carolina's Occupational Coordinating Committee has bulk purchased 50 Career Explorer site licences for distribution in their state. These schools will form the core of North Carolina's pilot network.

The third quarter featured an unexpected but welcomed surge in sales activity. Bridges' 206 new site sales more than tripled the projected 60 sales for the quarter. In previous years, summer sales have lagged behind subscriptions for the rest of the year -- obviously not the case in 1997. Over 700 sites now subscribe to the Career Explorer service.

Canada WorkInfoNet, a not-for-profit organization funded by the Canadian federal government, has purchased a six-month subscription to Bridges' new syndicated career news service. Their intention is to increase 'hits' on their Web site by providing dynamic daily career content. Interested investors can visit the site at <http://workinonet.bridges.com>. In addition, Bridges' first regional career news service debuted in Q3. British Columbia's WorkInfoNet, a provincial not-for-profit organization, has contracted Bridges to customize its content and publish it daily on the Internet. BC WorkInfoNet's Daily Career News can be viewed at: <http://workinonet.bc.ca/dailynews/dnews.cfm>.

Other developments in the quarter include the addition of two new internal salespeople, and the upgrading of our online Career Explorer service.



## Statement of Loss and Deficit (Unaudited)

For the Nine Months Ending August 31, 1997

	August 31 1997	August 31 1996
Revenue	\$ 1,059,050	\$ 134,885
Cost of sales	129,764	134,516
	929,286	369
Expenses:		
Selling, general & administration	709,044	621,518
Operating Income (Loss)	220,242	(621,149)
Amortization of Assets	262,366	63,190
Interest Income	-	22,264
<b>Net Loss</b>	<b>\$ 42,124</b>	<b>\$ 662,075</b>

	August 31 1997	August 31 1996
Net Loss	\$ 42,124	\$ 662,075
Deficit, beginning of period	785,819	309,958
<b>Deficit, end of period</b>	<b>\$ 827,943</b>	<b>\$ 972,032</b>

THE BRIDGES INITIATIVES INC.



## Statement of Changes in Financial Position (Unaudited)

For the Nine Months Ending August 31, 1997

	August 31 1997	August 31 1996
Cash provided by (used in):		
Operations:		
Loss for the period	\$ (42,124)	\$ (662,075)
Add item not involving cash		
Amortization	262,366	63,190
Add item involving cash		
Deferred revenue	59,280	96,946
	279,522	(501,939)
Change in non-cash operating working capital	(365,813)	(150,100)
	(86,291)	(652,039)
Financing:		
Issuance of common shares	201,587	1,290,254
Net proceeds from loan	-	(35,000)
	201,587	1,255,254
Investments:		
Expenditures on capital assets	(7,471)	(135,597)
Expenditures on deferred development costs	(46,985)	(125,772)
	(54,456)	(261,369)
Increase (decrease) in cash	60,840	341,846
Cash (deficit), beginning of period	87,325	(50,279)
<b>Cash, end of period</b>	<b>\$ 148,165</b>	<b>\$ 291,567</b>

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