CLENCH FRAUD TRUST

Financial Statements

One Month Period Ended December 31, 2004

MACNEILL EDMUNDSON LLP

CLENCH FRAUD TRUST

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One Month Period Ended December 31, 2004

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MACNEILL EDMUNDSON LLP
CHARTERED ACCOUNTANTS

James B. MacNeill C.A.
Robert F. Edmundson C.A.

AUDITORS' REPORT

To the Members of Clench Fraud Trust

We have audited the statement of financial position of Clench Fraud Trust as at December 31, 2004 and the statements of revenues and expenditures, changes in net assets and cash flow for the one month period then ended. These financial statements are the responsibility of the trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the trust as at December 31, 2004 and the results of its operations and its cash flows for the period then ended in accordance with Canadian generally accepted accounting principles.

MacNeill Edmundson LLP

London, Ontario
May 16, 2007

LICENSED PUBLIC ACCOUNTANTS

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CLENCH FRAUD TRUST

Statement of Financial Position

December 31, 2004

ASSETS	
CURRENT	
Cash	**$ 14,699,456**
LIABILITIES AND NET ASSETS	
CURRENT	
Accounts payable	**$ 1,200**
Due to related parties *(Note 3)*	**3,732**
	4,932
NET ASSETS	
General fund	**14,694,524**
	$ 14,699,456

ON BEHALF OF THE BOARD

_____ *Director*

_____ *Director*

CLENCH FRAUD TRUST

Statement of Changes in Net Assets

One Month Period Ended December 31, 2004

	General Fund	2004
Settlement contributions during year	$ 15,000,000	**$ 15,000,000**
Trust distributions declared	(1,852)	**(1,852)**
Excess (deficiency) of revenue over expenses	(303,624)	**(303,624)**
NET ASSETS - END OF PERIOD	$ 14,694,524	**$ 14,694,524**

CLENCH FRAUD TRUST

Statement of Revenues and Expenditures

One Month Period Ended December 31, 2004

REVENUE	
Interest income	$ 4,932
EXPENSES	
Office	1,880
Professional fees	306,676
	308,556
DEFICIENCY OF REVENUE OVER EXPENSES	$ (303,624)

CLENCH FRAUD TRUST

Statement of Cash Flow

One Month Period Ended December 31, 2004

OPERATING ACTIVITIES	
Deficiency of revenue over expenses	$ (303,624)
Change in non-cash working capital:	
Accounts payable	1,200
Cash flow used by operating activities	(302,424)
FINANCING ACTIVITIES	
Trust distributions declared	(1,852)
Owner's contributions	15,000,000
Advances from related parties	3,732
Cash flow from financing activities	15,001,880
INCREASE IN CASH FLOW	14,699,456
Cash - beginning of period	-
CASH - END OF PERIOD	$ 14,699,456

CLENCH FRAUD TRUST

Notes to Financial Statements

One Month Period Ended December 31, 2004

1. DESCRIPTION OF TRUST

The trust was created on November 26, 2004 with the purpose of receiving the settlement from the Government of Canada relating to the Clench Defalcation. The trust was created to benefit the members of the Chippewas of the Thames First Nation. Trust property is to be used to provide funding for benevolent purposes, to promote economic development and to assist in housing needs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The trust follows accounting principals generally accepted in Canada in preparing its financial statements. The significant accounting policies that were used are as follows:

Revenue recognition

a) Income from investments held is recognized when earned.

Investments

Short term investments are carried at the lower of cost and market value.

Short term investments consist primarily of bonds and debentures. Such short term investments are carried at cost, which approximates fair value, due to the short period of time to maturity.

3. DUE TO RELATED PARTIES

Advances received / repaid	$	**1,880**
Trust distribution declared		**1,852**
Chippewas of the Thames First Nation - closing balance	$	**3,732**

Legal fees relating to the settlement of the Clench Defalcation were paid by the Chippewas of the Thames First Nation with funds advanced from the Government of Canada. These loan amounts reduced the net settlement received by the Clench Fraud Trust and were therefore recorded as an expense of the trust in 2004.

The trust declares distributions each year to the Chippewas of the Thames First Nation to reduce the trust's taxable income to Nil. The trust records payments of funds to beneficiaries as distributions of the income declared payable to Chippewas of the Thames First Nation.