

# ALBERTA COMPLIANCE SERVICES INC.



03050996

March 24, 2003

Securities & Exchange Commission  
450 Fifth Street N. W.  
Washington, DC  
USA 20549

SUPPL

Attention: Office of International Corporate Finance

Dear Sirs:

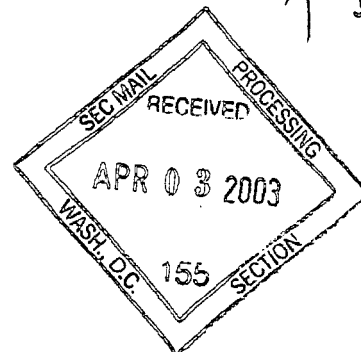
Re: International Health Partners Inc. (formerly Canadian Dental Partners Inc.)  
File No. 82-4868

Please accept for filing the following documents that include information required to be made public:

1. News Release dated February 25, 2003
2. Interim Financial Statements for the 6 months ended December 31, 2002
3. BCSC Form 51-901F
4. Qualifying Issuer Certificate

Yours truly,  
ALBERTA COMPLIANCE SERVICES INC.

Sherri Van Ham  
Associate



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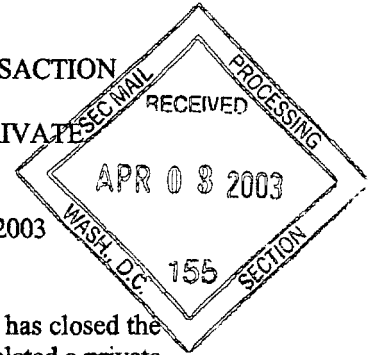
82-4868

**PCG VENTURES INC. ANNOUNCES CLOSING OF QUALIFYING TRANSACTION**

**INTERNATIONAL HEALTH PARTNERS ANNOUNCES CLOSING OF PRIVATE PLACEMENT**

SYMBOL: PCG TSX Venture  
SYMOBL: IHP TSX Venture

February 24, 2003



Calgary – PCG Ventures Inc. (the “Corporation”) is pleased to announce that it has closed the previous announced Qualifying Transaction whereby the Corporation has completed a private placement with International Health Partners Inc. (“Health Partners”).

The Corporation has purchased 2,702,000 common shares of Health Partners at \$0.10 per share for a value of \$270,200.

Completion of the Qualifying Transaction was subject to a number of conditions, including Exchange acceptance and majority of the minority shareholder approval. The required shareholder approval was obtained at a meeting held January 31, 2003. All the conditions have been met except for the final Bulletin to be issued by the TSX Venture Exchange (“Bulletin”), which Bulletin is expected to be issued in early March.

After the Bulletin has been issued, the Corporation will deliver the Health Partners shares pro rata to its shareholders and will then dissolve itself. Each shareholder of the Corporation will receive one Health Partner share for each PCG Ventures shares owned. The shares will be issued on a push-out basis and therefore the current shareholders will not be required to return their shares in the Corporation for cancellation. The founder shares of PCG Ventures will continue to be subject to an Escrow Agreement.

Paul Grehan, currently a director of the Corporation, will join the Board of Directors of Health Partners upon the issuance of the Bulletin.

Health Partners announces the closing of its previously announced private placement of \$300,000 whereby 3,000,000 shares will be issued or reserved by issuance at a price of \$0.10 per share, subject to filing the Exchange documents and the issuance of the Exchange Bulletin. Of the 3,000,000 shares, 2,702,000 shares will be issued to PCG Ventures pursuant to the closing of their Qualifying Transaction. The balance of the private placement will be closed with employees and consultants of Health Partners.

International Health Partners Inc. provides practice management services to medial and dental practitioners, thus allowing them to focus on quality patient care. Health Partners markets and operates dental facilities in Alberta under the brand name BrightSmile Dental Centres and 310-Smile. Further information on Health Partners can be obtained form [www.sedar.com](http://www.sedar.com) or [www.ihp.com](http://www.ihp.com).

For further information, please contact: Earle Pasquill, President, PCG Ventures Inc. Ph 604-224-1269 or David McQuaig, President, International Health Partners Inc. Ph 403-264-7664.

The TSX Venture Exchange has not reviewed and does not accept responsibility for accuracy or adequacy of this release.

82-4868



INTERNATIONAL  
**HEALTH  
PARTNERS**  
INC.

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2nd  
Quarter Report



for the period ending  
December 31, 2002

## PRESIDENT'S REPORT TO SHAREHOLDERS

In the second quarter ending December 31, 2002, International Health Partners Inc. ("IHP") maintained stable revenues and continued to be cash flow positive despite December traditionally being a slow revenue month due to the holidays. Management anticipates healthier returns in the final two quarters of 2003. The small increase in the net loss was attributable to a \$9,000 early pay-out penalty included in long term interest expense as well as a one time increase in listing and filing fees and increases in accounting fees related to developing the Company Report and Corporate Financial Model.

The PCG Ventures Inc. shareholders' meeting was held on January 31, 2003 and the Corporation has now completed that transaction. At present, Management is anticipating issuing Letters of Intent for one, possibly two acquisitions with a view to closing in the fourth quarter of 2003.

During the second quarter, Management was extremely focused on completing its Company Report and Corporate Financial Model in conjunction with Loewen & Partners Corporate Services Inc.

Going forward into 2003, we are currently in negotiations with lenders to secure 7.5 million dollars in debt equity style financing. These funds will allow IHP to successfully begin and complete a very active acquisition program.

Management is very excited of the opportunities and is confident of the progress it is making in becoming Canada's foremost dental practice management company.

Sincerely,

*"Signed"*

David B. McQuaig  
President & CEO

Calgary, Alberta  
February 26, 2003

**CONSOLIDATED STATEMENT  
OF OPERATIONS AND DEFICIT**  
For the Period Ended December 31 (Unaudited)

	Three Months		Six Months	
	2002	2001	2002	2001
Dental facilities revenue	\$ 1,015,175	\$ 856,982	\$ 2,042,765	\$ 1,729,697
Medical facilities revenue	313,043	302,455	613,695	583,176
Management fees	22,320	30,914	46,281	56,399
<b>TOTAL REVENUE</b>	<b>1,350,538</b>	<b>1,190,351</b>	<b>2,702,741</b>	<b>2,369,272</b>
Dental, medical and lab fees	611,828	562,174	1,227,385	1,107,339
	738,710	628,177	1,475,356	1,261,933
Other income and expenses				
Operating expenses	537,613	475,482	1,075,527	937,856
General and administrative	161,091	142,035	326,181	284,197
Amortization	54,850	50,864	107,813	118,946
Interest on long-term obligations	34,330	16,736	40,731	35,338
Other income	(1,079)	(874)	(1,617)	(3,614)
	786,805	684,243	1,548,635	1,372,723
<b>Net loss</b>	<b>(48,095)</b>	<b>(56,066)</b>	<b>(73,279)</b>	<b>(110,790)</b>
Deficit, beginning of the period	(1,266,945)	(1,059,346)	(1,241,761)	(1,004,622)
Deficit, end of the period	\$(1,315,040)	\$(1,115,412)	\$(1,315,040)	\$(1,115,412)
Loss per share, basic	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)
Loss per share, fully diluted	\$(0.01)	\$(0.01)	\$(0.01)	\$(0.02)

**CONSOLIDATED BALANCE SHEET**  
(Unaudited)

	December 31,2002	June 30,2002
<b>ASSETS</b>		
Current assets		
Cash	\$ -	\$ -
Cash held in trust	249,295	148,725
Short-term investments	167,385	138,158
Accounts receivable	331,551	344,245
Inventory	39,287	39,338
Prepaid expenses and deposits	46,050	63,023
	833,568	733,489
Capital assets	1,129,438	1,181,507
Intangible assets	5,700	6,333
Goodwill	452,005	452,005
	<b>\$ 2,420,711</b>	<b>\$ 2,373,334</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Bank indebtedness	\$ 74,120	\$ 17,605
Accounts payable and accrued liabilities	496,707	708,209
Other accounts payable ( <i>Note 3</i> )	249,295	30,000
Deferred revenue	167,385	138,158
Current portion of long-term debt	34,440	51,940
Current portion of capital lease obligations	117,672	67,861
Convertible debenture	70,000	60,000
	1,209,619	1,073,773
Long-term debt	10,987	28,207
Capital lease obligations	836,838	828,824
	2,057,444	1,930,804
Shareholders' equity:		
Share capital	1,678,307	1,684,291
Deficit	(1,315,040)	(1,241,761)
	363,267	442,530
	<b>\$ 2,420,711</b>	<b>\$ 2,373,334</b>

**CONSOLIDATED STATEMENT OF CASH FLOWS**

For the Period Ended December 31 (Unaudited)

	Three Months		Six Months	
	2002	2001	2002	2001
<b>Cash flows from (used in) operating activities:</b>				
Net income (loss)	\$ (48,095)	\$ (56,066)	\$ (73,279)	\$ (110,790)
Items not involving cash:				
Amortization	54,850	50,865	107,813	118,946
Services and purchases settled with issuance of shares	-	-	30,000	2,500
Cancellation of common shares	-	-	(17,500)	-
	6,755	(5,201)	47,034	10,656
Net change in non-cash working capital relating to operating balances	321,724	218,387	66,737	155,620
	328,479	213,186	113,771	166,276
<b>Cash flows from (used in) financing activities:</b>				
Issuance of common shares (net of share issue costs)	(17,100)	(7,326)	(18,484)	308,461
Proceeds from convertible debenture (net of repayments)	10,000	(15,000)	10,000	80,000
Proceeds from capital lease obligations (net of repayments)	2,681	(26,650)	27,511	(46,268)
Repayment of long-term debt	(22,980)	(24,363)	(34,720)	(4,035)
	(27,399)	(73,339)	(15,693)	338,158
<b>Cash flows from (used in) investing activities:</b>				
Purchase of capital assets	(12,979)	(73,47)	(24,796)	(163,521)
Purchase of intangible assets	-	-	-	(35,770)
Business acquisition costs capitalized	-	(4,061)	-	(6,561)
Purchase of goodwill	-	-	-	(245,676)
	(12,979)	(11,408)	(24,796)	(451,528)
Increase (decrease) in cash and cash equivalents	288,101	128,439	73,282	52,906
Cash (deficiency), beginning of period	54,459	(113,501)	269,278	(37,968)
<b>Cash and Cash equivalents, end of period</b>	<b>\$ 342,560</b>	<b>\$ 14,938</b>	<b>\$ 342,560</b>	<b>\$ 14,938</b>
<b>Cash and cash equivalent consist of:</b>				
Cash (bank indebtedness)	\$ (74,120)	\$ (138,182)	\$ (74,120)	\$ (138,182)
Cash held in trust	249,295	-	249,295	-
Short-term investments	167,385	153,120	167,385	153,120
	<b>\$ 342,560</b>	<b>\$ 14,938</b>	<b>\$ 342,560</b>	<b>\$ 14,938</b>

## NOTES TO FINANCIAL STATEMENTS

### 1. GENERAL

These interim consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended June 30, 2002, as they do not include all of the disclosure requirements of annual financial statements.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of these financial statements are the same as those used in the annual consolidated financial statements, except the Corporation has adopted the recommendations of the Canadian Institute of Chartered Accountants on accounting for stock-based compensation effective July 1, 2002.

The recommendations require that all stock-based awards made to non-employees be measured and recognized using a fair value based method. The recommendations encourage the use of a fair value based method for direct awards of stock, stock appreciation rights, and awards that call for settlement in cash or other assets. Awards that a company has the ability to settle in stock are recorded as equity, whereas awards that a company is required to or has a practice of settling in cash are recorded as liabilities. For stock options granted to employees, the Corporation has adopted the disclosure only provisions of the new recommendations whereby pro-forma net income and pro forma earnings per share are disclosed in the notes to the financial statements, as if the fair value based method of accounting had been used. This disclosure is provided for stock option grants after June 30, 2002, but not for any grants on that date or prior to that date.

### 3. OTHER ACCOUNTS PAYABLE

Share subscriptions payable in the amount of \$249,295 for Common Shares issued subsequent to December 31, 2002 and paid with cash held in trust at December 31, 2002.

### 4. STOCK-BASED COMPENSATION

If the Corporation had used the fair value method of accounting for stock-based compensation, the Corporation's net loss and loss per share would have been increased to the pro forma amounts indicated below:

	Six Months Ended December 31, 2002		
	Net Loss	Loss per share basic	Loss per share fully diluted
As reported	\$(73,279)	\$(0.01)	\$(0.01)
Pro forma	\$(75,019)	\$(0.01)	\$(0.01)

The fair value of each option grant is estimated on the date of grant to be \$0.00582 per share using the Black-Scholes option pricing model with the following assumptions for grants in the six month period ended December 31, 2002: no dividends are to be paid, expected volatility of 9%, risk-free interest rate of 4.09%, and expected lives of 5 years.

### 4. COMPARATIVE FIGURES

Certain figures for the prior period financial statements have been restated to conform to the current period presentation.



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**CORPORATE INFORMATION**

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**BOARD OF DIRECTORS**

David B. McQuaig  
Randy Dawson  
Dr. Nathaniel Podilsky  
Robert Syverson  
H. Steve Walton

**OFFICERS**

David B. McQuaig, President and CEO  
Brian Lamb, CMA, Chief Financial Officer  
Randy Dawson, Secretary

**LEGAL COUNSEL**

Drummond Phillips & Sevalrud LLP

**BANK**

Bank of Montreal

**AUDITORS**

Buchanan Barry LLP

**TRANSFER SERVICES**

Computershare Trust Company of Canada

**STOCK EXCHANGE LISTING**

TSX Venture Exchange  
Trading Symbol "IHP"

**HEAD OFFICE**

#201, 501 – 18 Ave. S.W.  
Calgary, Alberta, Canada T2S 0C7  
Ph: (403) 264-7664; Fax: (403) 264-7640  
Website: [www.ihp.ca](http://www.ihp.ca)

**INTERNATIONAL HEALTH PARTNERS INC.**  
 Quarterly Report to Shareholders for the Second Quarter December 31, 2002

**FORM 51-901F**

**Quarterly Report**

Incorporated as part of:       Schedule A  
     Schedules B & C

**ISSUER DETAILS:**

NAME OF ISSUER:	International Health Partners Inc.
ISSUER ADDRESS:	Suite 201, 501 – 18 Ave. S.W. Calgary, Alberta T2S 0C7
ISSUER TELEPHONE NUMBER:	403-264-7664
ISSUER FAX NUMBER:	403-264-7640
CONTACT PERSON:	David B. McQuaig
CONTACT'S POSITION:	President & CEO
CONTACT'S TELEPHONE NUMBER:	403-264-7664
FOR QUARTER ENDING:	December 31, 2002
WEB SITE:	<a href="http://www.ihp.ca">www.ihp.ca</a>
CONTACT E-MAIL ADDRESS:	<a href="mailto:davidb@ihp.ca">davidb@ihp.ca</a>
DATE OF REPORT:	February 21, 2003

**CERTIFICATE**

**THE THREE SCHEDULES REQUIRED TO COMPLETE THIS QUARTERLY REPORT ARE ATTACHED AND THE BOARD OF DIRECTORS HAS APPROVED THE DISCLOSURE CONTAINED THEREIN. A COPY OF THIS REPORT WILL BE PROVIDED TO ANY SHAREHOLDER WHO REQUESTS IT.**

David B. McQuaig	<i>"David B. McQuaig"</i>	2003/02/21
Name of Director	Signed (Typed)	Date Signed (YY/MM/DD)
Nathaniel Podilsky	<i>"Nathaniel Podilsky"</i>	2003/02/21
Name of Director	Signed (Typed)	Date Signed (YY/MM/DD)

**INTERNATIONAL HEALTH PARTNERS INC.**

Quarterly Report to Shareholders for the Second Quarter ended December 31, 2002

**SCHEDULE B****SUPPLEMENTARY INFORMATION  
FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2002****1. ANALYSIS OF EXPENSES**

For the six month period ended December 31, 2002, dental, medical and lab fees in the amount of \$1,227,385 consist of professional fees of \$1,052,680 and lab fees of \$174,705.

Other expenses are broken down into four main categories. \$1,075,527 relates to operating expenses directly incurred in the daily operation of medical and dental facilities, including wages in the amount of \$566,181. \$326,181 relates to general and administrative expenses incurred by head office. These consist of expenses incurred by the management team in Calgary and the accounting department in Edmonton. They include salaries in the amount of \$181,449 as well as general office expenses, marketing and staffing administration expenses. Depreciation and amortization of \$107,813 relates to facilities and equipment.

**2. RELATED PARTY EXPENDITURES**

There were no related party transactions.

**3. (a) SUMMARY OF SECURITIES ISSUED DURING THE PERIOD**

Date of Issue	Type of Security	Type of Issue	Number	Price	Total Proceeds	Type of Consideration
July 23	Shares	Acquisition	150,000	\$0.10	\$15,000	Assets
August 19	Shares	Acquisition	150,000	\$0.10	\$15,000	Assets
August 23	Shares	Cancellation	100,000	\$0.175	\$(17,500)	Services

**(b) SUMMARY OF OPTIONS GRANTED DURING THE PERIOD**

Date	Number	Name of Optionee	Exercise Price	Expiry Date
Sept. 5	40,000	David McQuaig	\$0.10	September 5, 2007
Sept. 5	40,500	Dr. N. Podilsky	\$0.10	September 5, 2007
Sept. 5	75,000	Brian Lamb	\$0.10	September 5, 2007
Sept. 5	20,500	Randy Dawson	\$0.10	September 5, 2007
Sept. 5	16,000	Robert Syverson	\$0.10	September 5, 2007
Sept. 5	16,000	Steve Walton	\$0.10	September 5, 2007
Sept. 5	16,000	Dr. S. Rajpal	\$0.10	September 5, 2007
Sept. 5	20,000	Suzanne Armstrong	\$0.10	September 5, 2007
Sept. 5	10,000	Rita Loken	\$0.10	September 5, 2007
Sept. 5	5,000	Mariann McPherson	\$0.10	September 5, 2007
Sept. 5	5,000	Jo-Ann Collison	\$0.10	September 5, 2007
Sept. 5	35,000	Dr. D. Daniel	\$0.10	September 5, 2007

**4. (a) & (b) PARTICULARS OF AUTHORIZED CAPITAL AND SUMMARY OF SHARES ISSUED AND OUTSTANDING**

Authorized:	Unlimited Common Shares with no par value
Issued:	8,624,774 Common Shares
Value of Common Shares:	\$1,678,307

**INTERNATIONAL HEALTH PARTNERS INC.**

Quarterly Report to Shareholders for the Second Quarter ended December 31, 2002

**SCHEDULE B - SUPPLEMENTARY INFORMATION cont'd**

## 4. (c) SUMMARY OF OPTIONS AND WARRANTS OUTSTANDING AS AT DECEMBER 31, 2002:

Security	Number	Exercise Price	Expiry Date
Options	181,200	\$0.25	October 6, 2004
Options	39,200	\$0.36	March 16, 2005
Options	293,100	\$0.16	October 29, 2006
Options	299,000	\$0.10	September 5, 2007
Warrants	1,324,500	\$0.25	May 30, 2003
Warrants	700,000	\$0.20	November 16, 2003

## (d) NUMBER OF SHARES SUBJECT TO ESCROW AS AT SEPTEMBER 30, 2002

N/A

## 5. LIST OF DIRECTORS AND OFFICERS AS AT FEBRUARY 21, 2003

David B. McQuaig	Director, President and CEO
Randy Dawson	Director, Secretary
Dr. Nathaniel Podilsky	Director
Robert Syverson	Director
Steve Walton	Director
Brian Lamb, CMA	Chief Financial Officer

## **INTERNATIONAL HEALTH PARTNERS INC.**

Quarterly Report to Shareholders for the Second Quarter ended December 31, 2002

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### **SCHEDULE C**

#### **MANAGEMENT DISCUSSION AND ANALYSIS FOR THE SIX MONTH PERIOD ENDING DECEMBER 31, 2002**

##### **DESCRIPTION OF BUSINESS**

International Health Partners Inc. provides practice management services to medical and dental practitioners, thus allowing them to focus on quality patient care. The Corporation markets and operates dental facilities with the brand Brightsmile Dental Centres and trades under the symbol IHP on the TSX Venture Exchange.

##### **DISCUSSION OF OPERATIONS AND FINANCIAL CONDITION**

- For the six month period ended December 31, 2002, the Corporation recorded total revenue of \$2,702,741 of which \$2,089,046 was derived from dental facilities & management fee income and \$613,695 was derived from medical facilities income.
- Expenses directly relating to the dental and medical facilities income were \$1,227,385. These expenses consist of professional fees of \$1,052,680 and lab fees of \$174,705. Operating expenses relating to the dental and medical facilities were \$1,075,527, including wages in the amount of \$566,181. General and administrative expenses for the management of the Corporation were \$326,181, including wages in the amount of \$181,448.
- The Corporation issued a news release September 30, 2002 announcing that it will issue Common Shares through a private placement for a maximum of \$300,000. The issue price will be \$0.10 per share. PCG Ventures Inc. will purchase the majority of the shares. The placement is subject to regulatory approval and the approval of the shareholders of PCG Ventures Inc.
- The Corporation renewed the dental contract with the Graduate Students Association of the University of Alberta for a two-year period commencing October 15, 2002 to October 14, 2004.
- The Corporation granted stock options to acquire 299,000 shares to directors, officers and employees on September 5, 2002. The options have an exercise price of \$0.10 and expire September 5, 2007.
- Effective July 2002, the Corporation renegotiated capital leases in the amount of \$333,581. The implicit interest rate is 7.5% and the maturity date is October 2009.
- The Corporation intends to continue to acquire new dental and medical contracts over the ensuing year. Management is currently seeking acquisition capital for several existing opportunities.
- In addition, management is continuing with its previous objective of increasing revenue and profitability at the existing facilities.

Certificate under Subsection 2.7(2) or (3) of  
Multilateral Instrument 45-102 Resale of Securities

International Health Partners Inc. has distributed securities under a provision listed in Appendix D or E to Multilateral Instrument 45-102 or a provision of securities legislation that specifies that the first trade of the securities is subject to section 2.5 or 2.6 of Multilateral Instrument 45-102 and hereby certifies that in respect of a distribution on February 21, 2003 of 3,000,000 common shares of International Health Partners Inc, International Health Partners Inc. was a qualifying issuer within the meaning of Multilateral Instrument 45-102 Resale of Securities at the distribution date.

Dated at Calgary this 28th day of February, 2003

INTERNATIONAL HEALTH PARTNERS INC.

Per: <sup>"signed"</sup>  
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David B. McQuaig  
President