

UNITED REEF LIMITED

QUARTERLY REPORT
FOR THE THREE MONTHS ENDED FEBRUARY 28, 2003

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REPORT TO SHAREHOLDERS

Dear Shareholders:

On March 6th the Company closed the first tranche of its units offering with subscriptions for 3,260,250 units. The offering consists of up to 8,000,000 units at a price of \$0.10 per unit. Each unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.20 for a period of eighteen months from the date of closing. The Company is continuing to receive subscriptions to the offering and anticipates further closings.

During the quarter ended February 28, 2003 we negotiated further settlements of historic debt resulting in gains of approximately \$18,000 and repaid the loan advanced by a director of the Company in November, 2002. Completion of these matters has moved us closer to our plan to reactivate the Company in the mineral exploration sector.

Substantial exploration activity continues in the Sudbury Mining camp, which has continued to attract interest in the Company's Nickel Offsets property located in Foy Township. Our compilation of data related to the past producing nickel-copper property continued during the quarter and preparations for an initial exploration program were advanced including negotiation of a diamond drilling contract. Work on the property will commence as soon as adequate subscriptions to our private placement offering have been closed to finance the program. The initial exploration program has a budget of \$240,000.

On behalf of the Board of Directors we thank the shareholders for their continuing support of the Company.

"Signed"

Michael D. Coulter
President

March 25, 2003

UNITED REEF LIMITED**Balance Sheet**

(Expressed in Canadian dollars)

	February 28 2003	November 30 2002
	(unaudited)	(audited)
ASSETS		
Current		
Cash	\$ 24,251	\$ 22,048
Prepaid expenses and sundry receivables	10,511	6,177
	<u>34,762</u>	<u>28,225</u>
Investment in AXMIN Inc.	70,759	98,123
Investment in exploration properties	41,902	27,175
	<u>\$ 147,423</u>	<u>\$ 153,523</u>
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 46,129	\$ 36,350
Loan payable to a related party	-	25,040
Due to a related party	19,593	16,359
	<u>65,722</u>	<u>77,749</u>
SHAREHOLDERS' EQUITY		
Capital Stock		
Authorized: Unlimited common shares without par value		
Issued: 39,262,203 (2002 - 39,262,203)	17,127,558	17,127,558
Shares to be issued	326,025	326,025
Deficit	(17,371,882)	(17,377,809)
	<u>81,701</u>	<u>75,774</u>
	<u>\$ 147,423</u>	<u>\$ 153,523</u>

See accompanying notes to the financial statements.

UNITED REEF LIMITED
Statement of Operations and Deficit
(Expressed in Canadian dollars)
(unaudited)

For the three months ended February 28,	2003	2002
Revenue	<u>\$ -</u>	<u>\$ -</u>
Expenses		
Administration	\$ 19,769	\$ 20,799
Insurance	3,425	4,709
Shareholder information and filing fees	16,006	-
Transfer Agent	5,312	-
Legal	16,091	-
Advertising	<u>2,621</u>	<u>-</u>
Loss before the following	(63,224)	(25,508)
Write off of exploration and research expenditures	(7,570)	-
Gain on sale of marketable securities	58,379	-
Gain on settlement of debt	<u>18,342</u>	<u>-</u>
Net income (loss) for the period	5,927	(25,508)
DEFICIT, beginning of the period	<u>(17,377,809)</u>	<u>(17,354,680)</u>
DEFICIT, end of the period	<u>\$ (17,371,882)</u>	<u>\$ (17,380,188)</u>
Income (loss) per share for the period	<u>\$ 0.00</u>	<u>\$ (0.00)</u>

See accompanying notes to the financial statements.

UNITED REEF LIMITED**Statement of Cash Flow**

(Expressed in Canadian dollars)

(unaudited)

For the three months ended February 28,	2003	2002
Operating activities		
Net income (loss) for the period	\$ 5,927	\$ (25,508)
Write off exploration and research expenditures	7,570	-
Gain on sale of marketable securities	(58,379)	-
Gain on settlement of debt	(18,342)	-
	<u>(63,224)</u>	<u>(25,508)</u>
Non-cash items:		
Prepaid and sundry receivables	(4,334)	1,417
Accounts payable and accrued liabilities	28,121	(154)
	<u>(39,437)</u>	<u>(24,245)</u>
Investing activities		
Proceeds on sale of marketable securities	85,743	8,379
Expenditures (recoveries) on resource properties	(22,297)	500
	<u>63,446</u>	<u>8,879</u>
Financing activities		
Decrease in loan payable to a related party	(25,040)	-
Increase (decrease) in amounts due to a related party	3,234	(2,790)
	<u>(21,806)</u>	<u>(2,790)</u>
Change in cash	2,202	(18,156)
CASH, beginning of period	22,048	44,749
CASH, end of period	\$ 24,250	\$ 26,593

See accompanying notes to the financial statements.

Notes to the Financial Statements

For the three month periods ended February 28, 2003 and 2002 (unaudited)

1. *Nature of Operations*

United Reef Limited (the "Company") is a mineral exploration company, which has been inactive in recent years. Management is currently taking steps to reactivate the Company. (See Notes 2 and 4).

2. *Accounting Policies*

These interim financial statements should be read in conjunction with the Company's year-end audited financial statements. The financial statements of the Company have been prepared in accordance with Canadian generally accepted accounting principals and follow the same accounting principals and methods of application as disclosed in Note 2 of the Company's audited financial statements for the year ended November 30, 2002.

3. *Comparative Figures*

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

4. *Capital Stock*

Effective March 6, 2003 the Company closed the first tranche of subscriptions for 3,260,250 Units in the offering (the "Offering") previously announced on December 19, 2002. These subscriptions were reported as shares to be issued at February 28, 2003. The Offering consists of up to 8,000,000 units (the "Units") of the Company at a price of \$0.10 per Unit. Each Unit consists of one common share and one-half of one common share purchase warrant. Each whole warrant entitles the holder to purchase one additional common share at a price of \$0.20 for a period of eighteen months from the date of closing.

The Units closed on March 6, 2003 include subscriptions from four arm's-length creditors who have accepted 1,835,250 Units in settlement of \$183,525 of debt owed to them by the Company. As well, the Company closed subscriptions with three parties related to the Company. These include 750,000 Units issued to a non arm's-length creditor of the Company in settlement of \$75,000 of debt owed to it by the Company and aggregate subscriptions for 675,000 Units from two directors of the Company for cash consideration of \$67,500.

The Offering is being made in conjunction with the Company's reactivation plan as a mineral exploration company. The Company is continuing to receive subscriptions to the Offering and anticipates further closings.

As of March 7, 2003, the only securities of the Company outstanding, that may be converted, exercised or exchanged for voting or equity securities of the Company, are the 1,630,124 warrants issued pursuant to the above transaction which are each exercisable into one common share of the Company at \$0.20 per share until September 6, 2004.