

FRONT STREET SMALL CAP CANADIAN FUND
(formerly Multiple Opportunities Fund)

Financial Statements

December 31, 2003 and 2002

Index

Auditors' Report

Statement of Net Assets

Statement of Operations

Statement of Changes in Net Assets

Statement of Portfolio Investments

Statement of Financial Highlights – Series A Units

Statement of Financial Highlights – Series B Units

Statement of Financial Highlights – Series F Units

Notes to Financial Statements

ELLIS FOSTER

CHARTERED ACCOUNTANTS

1650 West 1st Avenue
Vancouver, BC Canada V6J 1G1
Telephone: (604) 734-1112 Facsimile: (604) 714-5916
E-Mail: generaldelivery@ellisfoster.com

AUDITORS' REPORT

To the Unitholders and Trustee of

FRONT STREET SMALL CAP CANADIAN FUND
(formerly Multiple Opportunities Fund)

We have audited the accompanying statement of net assets of **Front Street Small Cap Canadian Fund** (formerly Multiple Opportunities Fund) as at December 31, 2003 and 2002, the statements of operations and changes in net assets for the years then ended, the statement of portfolio investments as at December 31, 2003 and the statement of financial highlights for each of the years in the five-year period ended December 31, 2003. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 Fund at December 31, 2003 and 2002, the results of its operations and the changes in its net assets for the years then ended, the portfolio investments as at December 31, 2003 and the financial highlights for each of the years in the five-year period ended December 31, 2003, in accordance with Canadian generally accepted accounting principles.

Vancouver, Canada
February 24, 2004

"ELLIS FOSTER"
Chartered Accountants



A partnership of incorporated professionals

*An independently owned and operated member of Moore Stephens North America Inc., a member of Moore Stephens International Limited
- members in principal cities throughout the world*

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Statement of Net Assets
December 31, 2003 and 2002

	2003	2002
ASSETS		
Investments , at market value (cost - \$14,226,426; 2002 - \$7,942,040)	\$ 18,329,141	\$ 8,083,166
Cash and treasury bills	668,693	344,501
Subscriptions receivable	153,671	-
	<u>19,151,505</u>	<u>8,427,667</u>
LIABILITIES		
Management and performance fees payable	714,713	594,633
Accounts payable and accrued liabilities	24,075	26,300
Due to broker	-	41,931
Net assets representing unitholders' equity	<u>\$ 18,412,717</u>	<u>\$ 7,764,803</u>
Net assets applicable to outstanding units allocated as follows:		
Net asset value, Series A	\$ 2,576,041	\$ -
Units outstanding, Series A (note 4)	766,725	-
Net asset value per unit, Series A	\$ 3.36	\$ -
Net asset value, Series B	\$ 15,687,588	\$ 7,764,803
Units outstanding, Series B (note 4)	4,669,205	3,743,685
Net asset value per unit, Series B	\$ 3.36	\$ 2.07
Net asset value, Series F	\$ 149,088	\$ -
Units outstanding, Series F (note 4)	44,374	-
Net asset value per unit, Series F	\$ 3.36	\$ -

Approved by the Board: "Gary Selke"

Gary Selke
Director

"David Conway"

David Conway
Director

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Statement of Operations
Years Ended December 31, 2003 and 2002

	2003	2002
Investment income		
Interest	\$ 9,629	\$ 614
Dividends	21,418	12,774
	31,047	13,388
Expenses		
General and administrative	34,631	41,538
Goods and services tax	90,954	66,281
Management fees (notes 5 and 9)	223,947	171,360
Performance fees (notes 5 and 9)	943,063	653,510
Professional fees	123,423	57,632
Trustee fees	27,819	38,652
	1,443,837	1,028,973
Net investment loss for the year	(1,412,790)	(1,015,585)
Realized and unrealized gain on investments		
Realized gain on sale of investments (note 6)	3,184,062	2,117,682
Change in unrealized appreciation of value of investments	3,961,585	526,518
Net gain on investments for the year	7,145,647	2,644,200
Increase in net assets from operations for the year	\$ 5,732,857	\$ 1,628,615

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Statement of Changes in Net Assets
Years Ended December 31, 2003 and 2002

	2003	2002
Increase in net assets resulting from operations	\$ 5,732,857	\$ 1,628,615
Distribution to investors		
Realized gains on investments, net of expenses	-	(1,090,946)
Capital unit transactions		
Issuance of units		
Series A	2,179,527	-
Series B	13,446,536	292,364
Series F	166,413	-
	15,792,476	292,364
Redemption of units		
Series A	(37,622)	-
Series B	(10,804,777)	(1,229,078)
Series F	(35,020)	-
	(10,877,419)	(1,229,078)
Units issued on reinvestment of distributions		
Series B	-	1,090,946
	4,915,057	154,232
Increase in net assets for the year	10,647,914	691,901
Net assets, beginning of year	7,764,803	7,072,902
Net assets, end of year	\$ 18,412,717	\$ 7,764,803

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Statement of Portfolio Investments

December 31, 2003

Quantity	Name of Company		Cost	Market Value
142,400	ACETEX CORPORATION	\$	766,112	\$ 941,264
50,000	ALTAGAS SERVICES INC.		420,538	793,500
221,000	AMERIGO RESOURCES LTD.		149,130	442,000
714,285	BREAKWATER RESOURCES LTD.		250,000	457,142
65,000	CAPSTONE GOLD CORP.		56,576	78,000
75,000	COMPTON PETROLEUM CORPORATION		348,151	450,000
77,500	CPI PLASTICS GROUP, LTD.		466,499	466,550
168,300	CREW ENERGY INC.		632,355	637,857
255,800	DRILLERS TECHNOLOGY CORP.		346,708	306,960
125,000	DRILLERS TECHNOLOGY CORP. (WARRANTS)		-	-
400,000	DYNATEC CORPORATION		500,000	704,000
200,000	ENDEAVOUR MINING CAPITAL CORP.		646,400	816,000
50,000	ENDEAVOUR MINING CAPITAL CORP. (WARRANTS)		-	-
345,400	ENTREE GOLD INC.		447,845	587,180
125,000	ENTREE GOLD INC. (WARRANTS)		-	43,750
50,000	FAIRBORNE ENERGY LTD.		268,935	275,000
169,600	GENERAL MINERALS CORP.		331,686	474,880
78,000	GENERAL MINERALS CORP. (WARRANTS)		-	109,200
15,000	GMP CAPITAL CORP.		165,000	250,200
411,108	GUYANA GOLDFIELDS INC.		185,933	337,109
166,666	GUYANA GOLDFIELDS INC. (WARRANTS)		-	20,000
50,000	HAWKER RESOURCES INC.		198,500	255,000
4,120	INDIAN MOTORCYCLE COMPANY (PRIVATE COMPANY)		103,000	-
50,000	KETCH RESOURCES LTD.		341,500	450,000
25,000	KINGSWAY FINANCIAL SERVICES INC.		334,000	365,000
813,500	MAXIM POWER CORP.		393,168	341,670
500,000	MAXIM POWER CORP. (WARRANTS)		-	-
140,000	MIDNIGHT OIL & GAS LTD.		771,723	959,000
480,000	MILAGRO ENERGY INC.		384,000	561,600
10,000	MOMENTUM ENTERPRISES LTD.		224,730	-
100,000	NORSKE SKOG CANADA LIMITED		337,000	417,000
100,000	NORTHGATE EXPLORATION LTD.		265,000	267,000
82,000	PHOENIX TECHNOLOGY SERVICES INC.		166,428	274,700
5,000	PROGRESS ENERGY LTD.		27,157	62,500
330,000	RDM CORPORATION		604,623	366,300
117,700	REAL RESOURCES INC.		506,747	647,350
96,700	SAVANNA ENERGY SERVICES CORP.		346,392	942,825
45,000	SHAWCOR LTD.		679,800	701,550
102,800	SHERRITT INTERNATIONAL CORP.		519,884	729,880
746,000	SOUTHERN CROSS RESIDENTIAL INC.		307,423	932,500
200,000	ST. JUDE RESOURCES LTD.		400,000	520,000
100,000	ST. JUDE RESOURCES LTD. (WARRANTS)		-	-
100,000	STORM ENERGY LTD.		492,000	560,000
19,500	TRILOCH RESOURCES INC.		56,550	55,575
160,000	WIRELESS MATRIX CORP.		358,423	262,400
46,071	WORLD HEART CORP.		426,510	466,699
			\$ 14,226,426	\$ 18,329,141

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Statement of Financial Highlights - Series A Units

Five Years Ended December 31, 2003

(Data per Series A Unit)

	2003	2002	2001	2000	1999
Initial offering value	\$ 2.21	\$ -	\$ -	\$ -	-
Income from investment operations					
Net investment loss (note 7a)	(0.32)	-	-	-	-
Realized and unrealized gain on investments (note 7b)	1.47	-	-	-	-
	1.15	-	-	-	-
Net asset value, end of year	\$ 3.36	\$ -	\$ -	\$ -	-
Ratios/supplemental data					
Total net assets - end of year	\$ 2,576,041	\$ -	\$ -	\$ -	-
Weighted average net assets	\$ 1,011,492	\$ -	\$ -	\$ -	-
Management expense ratio (note 7d)	12.44%	-	-	-	-
Adjusted management expense ratio (note 7e)	3.33%	-	-	-	-
Portfolio turnover rate (note 7f)	1.74	-	-	-	-
Effective annual rate of return (note 7g)	62.32%	-	-	-	-

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Statement of Financial Highlights - Series B Units

Five Years Ended December 31, 2003

(Data per Series B Unit)

	2003	2002	2001	2000	1999
Net asset value - beginning of year	\$ 2.07	\$ 1.94	\$ 2.10	\$ 2.18	\$ 1.92
Income from investment operations					
Net investment loss (note 7a)	(0.32)	(0.30)	(0.32)	(0.09)	(0.03)
Realized and unrealized gain on investments (note 7b)	1.61	0.75	0.50	0.85	0.29
	1.29	0.45	0.18	0.76	0.26
Distributions to investors					
Net realized gain on investments (note 7c)	-	(0.32)	(0.34)	(0.84)	-
Net asset value - end of year	\$ 3.36	\$ 2.07	\$ 1.94	\$ 2.10	\$ 2.18

Ratios/supplemental data

Total net assets - end of year	\$ 15,687,588	\$ 7,764,803	\$ 7,072,902	\$ 7,154,616	\$ 6,696,451
Weighted average net assets	\$ 10,367,408	\$ 7,471,160	\$ 7,303,701	\$ 7,645,016	\$ 7,925,075
Management expense ratio (note 7d)	12.44%	13.77%	14.50%	3.15%	2.53%
Adjusted management expense ratio (note 7e)	3.33%	5.03%	3.08%	3.15%	2.53%
Portfolio turnover rate (note 7f)	1.74	3.00	1.45	1.04	2.03
Annual rate of return (note 7g)	62.32%	23.20%	8.57%	34.86%	13.54%

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Statement of Financial Highlights - Series F Units

Five Years Ended December 31, 2003

(Data per Series F Unit)

	2003	2002	2001	2000	1999
Initial offering value	\$ 2.21	\$ -	\$ -	\$ -	-
Income from investment operations					
Net investment loss (note 7a)	(0.32)	-	-	-	-
Realized and unrealized gain on investments (note 7b)	1.47	-	-	-	-
	1.15	-	-	-	-
Net asset value, end of year	\$ 3.36	\$ -	\$ -	\$ -	-
Ratios/supplemental data					
Total net assets - end of year	\$ 149,088	\$ -	\$ -	\$ -	-
Weighted average net assets	\$ 52,988	\$ -	\$ -	\$ -	-
Management expense ratio (note 7d)	12.44%	-	-	-	-
Adjusted management expense ratio (note 7e)	3.33%	-	-	-	-
Portfolio turnover rate (note 7f)	1.74	-	-	-	-
Effective annual rate of return (note 7g)	62.32%	-	-	-	-

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Notes to Financial Statements
December 31, 2003 and 2002

1. About the Fund

Front Street Small Cap Canadian Fund (formerly Multiple Opportunities Fund) (the "Fund") is an open-ended mutual fund trust which was created under the laws of the Province of British Columbia on July 26, 1985. The Fund's principal investment objective is capital appreciation, primarily through investments in publicly traded securities of junior issuers.

The Fund is managed by Front Street Capital (the "Fund Manager").

2. Significant Accounting Policies

The following is a summary of significant accounting policies followed by the Fund.

(a) Valuation of Investments

- i) Investments listed on a recognized exchange ("public companies") are valued at the closing sale price for the day on which the Net Asset Value of the Fund is being determined, or if such exchange is not open for trading on that date, then on the last previous date on which such exchange was open for trading.
- ii) Any investment for which a market quotation is not readily available ("private companies") shall be valued at its fair market value as determined by the Fund Manager.
- iii) Investments which are restricted as to transferability are valued at the market value of the unrestricted investment as provided in paragraphs (i) and (ii) above less a discount of 20%.

The process of valuing investments for which no published market exists is inevitably based on inherent uncertainties and the resulting values may differ from values that would have been used had a ready market existed for the investments.

(b) Investment Transactions and Income Recognition

Investment transactions are accounted for on the trade date and realized gains and losses from such transactions are calculated on an average cost basis. The accrual method is used to record income and expenses.

(c) Income Taxes

It is the policy of the Fund to allocate and distribute any taxable income annually to the unitholders of the Fund under the terms of the Trust Deed. The Fund is therefore not subject to income tax and, accordingly, no provision for income taxes is required in the accompanying financial statements.

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Notes to Financial Statements

December 31, 2003 and 2002

2. Significant Accounting Policies (Cont'd)

(d) Net Asset Value per Unit

The net asset value per unit is calculated by dividing the net asset value of a series of units by the total number of units of the series outstanding at the end of the year.

(e) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from those estimates.

3. Financial Instruments

The Fund's financial instruments consist of investments, cash and treasury bills, subscriptions receivable, accounts payable and accrued liabilities, and management and performance fees payable. It is management's opinion that the Fund is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

4. Units Authorized and Outstanding

The Fund is authorized to issue an unlimited number of units which are available in three series and which rank equally in all respects and represent a pro rata interest in the net assets of the Fund. Redemption and commission fees vary according to each series of units as follows:

Series A units - Redemption fees paid to the Fund Manager may be applicable upon the sale of units of this series based on the original cost amount and the time to disposition. A redemption fee of 5% applies to units of this series sold within the first year following acquisition. A redemption fee of 3% applies to units of this series sold within the second year following acquisition. A redemption fee of 1.5% applies to units of this series sold within the third year following acquisition. No redemption fee applies to units of this series sold after the third year following acquisition.

Series B units - Commission fees paid to brokers, dealers or advisors may be applicable upon the purchase of units of this series up to 5% of the gross purchase amount, at the discretion of the broker, dealer or advisor.

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Notes to Financial Statements

December 31, 2003 and 2002

4. Units Authorized and Outstanding (Cont'd)

Series F units - No redemption or commission fees are applicable to units of this series.

	2003	2002
Units outstanding, beginning of the year:		
Series A	-	-
Series B	3,743,685	3,644,816
Series F	-	-
Units issued during the year:		
Series A	781,168	-
Series B	1,772,422	659,152
Series F	57,530	-
Units redeemed during the year:		
Series A	14,443	-
Series B	846,902	560,283
Series F	13,156	-
Units outstanding, end of year:		
Series A	766,725	-
Series B	4,669,205	3,743,685
Series F	44,374	-

5. Management and Performance Fees

The Fund Manager provides investment and management services to the Fund. The Fund pays the Fund Manager a monthly management fee equal to 1/12 of 2% of the net asset value of the Fund calculated and paid at the end of each month payable monthly in arrears. The Fund is responsible for payment of all operating and administrative expenses of the Fund. The main components of these expenses are legal and accounting fees, printing expenses, filing fees, custodial fees, and expenses of making distributions to unitholders.

The Fund pays the Fund Manager a performance fee if the percentage gain in the net asset value of a series of the Fund (as adjusted for any prior return deficiencies) over the preceding calendar quarter or quarters since a performance fee was last payable exceeds the percentage gain or loss of the S&P/TSX Composite Index (the "Benchmark") over the same period. The fee will be equal to this excess return per unit multiplied by the number of units outstanding at the end of the quarter multiplied by 20%, provided that the net asset value per unit of the Fund (including distributions) is greater than all previous values at the end of each previous calendar quarter. The starting reference point for the next calendar quarter's calculation will be based on the higher of either the Benchmark performance adjusted net asset value per unit or the adjusted actual net asset value per unit, both with respect to the previous quarter in which a performance fee was payable.

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Notes to Financial Statements

December 31, 2003 and 2002

6. Realized Gain on Sale of Investments

	2003	2002
Proceeds on sale of investments	\$ 19,046,845	\$ 21,283,946
Less cost of investments sold:		
Cost of investments owned at beginning of year	7,942,040	7,569,926
Investments purchased during the year	22,147,169	19,538,378
Cost of investments owned at end of year	(14,226,426)	(7,942,040)
Investments sold during the year	15,862,783	19,166,264
Realized gain on sale of investments for the year	\$ 3,184,062	\$ 2,117,682

7. Explanatory Notes to Five Year Financial Statements

- (a) Net investment loss per unit is calculated based on the average of the month-end number of units per series outstanding during the year
- (b) Realized and unrealized gain on investments per unit of the relevant series includes an amount to reconcile the change in net asset value per unit at the end of the period with the net asset value per unit at the beginning of the period.
- (c) Distributions from net realized gains per unit are calculated based on the number of units per series outstanding immediately prior to the distribution of income and realized gains for the year.
- (d) Management expense ratio is calculated based on the aggregate of all expenses paid or payable by the Fund during the year divided by the average of the month-end net asset value of the relevant series. The management expense ratio may vary from mutual fund to mutual fund.
- (e) Adjusted management expense ratio is calculated based on the aggregate of all expenses paid or payable by the Fund during the year excluding performance fees and related GST divided by the average of the month-end net asset value of the relevant series. The adjusted management expense ratio may vary from mutual fund to mutual fund.

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Notes to Financial Statements

December 31, 2003 and 2002

7. Explanatory Notes to Five Year Financial Statements (Cont'd)

(f) Portfolio turnover rate is calculated based on the lesser of investments purchased or sales proceeds divided by the average market value of the portfolio investments for the period, excluding cash and treasury bills.

(g) Annual rate of return for each series is calculated as follows:

$$\frac{\text{(Closing net asset value per unit multiplied by opening number of units plus units based on reinvestment of all distributions during the year) minus (opening net asset value per unit multiplied by opening number of units)}}{\text{Opening net asset value per unit multiplied by opening number of units}}$$

8. Commissions

The commissions paid in connection with portfolio transactions for the year totalled \$173,649 (2002 - \$231,000).

9. Related Party Transactions

(a) During the year the Fund Manager earned management fees totalling \$223,947 (2002 - \$171,360) (see note 5).

(b) During the year the Fund Manager earned performance fees totalling \$943,063 (2002 - \$653,510) (see note 5).

10. Income Taxes

The Fund has accumulated non-capital losses for income tax purposes of approximately \$1,187,897. The losses are available to reduce future taxable income and will expire as follows:

2008	\$ 768,087
2009	419,810
	<hr/>
	\$1,187,897

11. Financial Statement Presentation

Certain 2002 comparative figures have been reclassified to conform with the financial statement presentation adopted for 2003.

FRONT STREET SMALL CAP CANADIAN FUND

(Formerly Multiple Opportunities Fund)

Notes to Financial Statements

December 31, 2003 and 2002

12. Statement of Portfolio Transactions

A Statement of Portfolio Transactions (unaudited) for the year ended December 31, 2003 will be provided, without charge, by writing to:

Front Street Capital
87 Front Street East
Suite 400
Toronto, Ontario
M5E 1B8