

SCHEDULE A: FINANCIAL INFORMATION

See attached unaudited consolidated financial statements for the period ended September 30, 2003.

SCHEDULE B: SUPPLEMENTARY INFORMATION

1. For the current fiscal year to date:

a) General and administrative expenses:

See the schedule of S G & A expenses in the attached unaudited consolidated financial statements.

2. Related party transactions:

See Note 9 in the attached unaudited consolidated financial statements.

3. For the current fiscal year to date:

a) Summary of securities issued:

Date	Type of Security	Type of Issue	Number	Price	Total Proceeds	Type of Consideration	Commission Paid
NIL							

b) Summary of options granted:

Date	Number of Options	Optionee	Exercise Price	Expiry Date
NIL				

4. As at the end of the reporting period:

a) Authorized share capital: unlimited number of common shares without par value; unlimited number of preferred shares.

b) Shares issued and outstanding:

See Note 11 in the attached unaudited consolidated financial statements.

c) Options, warrants and convertible securities outstanding:

See Note 11 in the attached unaudited consolidated financial statements.

SCHEDULE B: SUPPLEMENTARY INFORMATION (cont'd...)

5. List of directors and officers:

James Borkowski, Chairman, Secretary, Director, CEO
Aubrey Ryals, Director & Sr. Vice President Technical & Manufacturing
Boyd Stevens, Director
Kenn Visser, Vice President Asian Operations

SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS

Management reports the following activity for the nine months ended September 30, 2003:

The following provides a review of current activities and a comparison of the financial position and results of operations of StonePoint Group Limited as at September 30, 2003.

Key Highlights (all figures in U.S. dollars)

	For the 9 month period ended September 30, 2003	For the 9 month period ended September 30, 2002
Sales	\$ 725,426	\$ 19,054,552
Cost of Goods Sold	\$ 498,125	\$ 16,450,908
Gross Profit	\$ 227,301	\$ 2,603,644
Selling, general and administrative expenses	\$ 502,062	\$ 2,940,338
Earnings (Loss) before Interest, Taxes, Depreciation and Amortization	\$ (274,761)	\$ (336,694)

Operating Results and General Outlook

Sales for the nine months ended September 30, 2003 ("Q3") were \$725,426 compared to \$19,054,552 for the same period in 2002. Cost of Goods totaled \$498,125 for Q3 (2002 - \$16,450,908) resulting in gross margins of \$227,301 (2002 - \$2,603,644), or 31.3% (2002 - 13.7%). Selling, General and Administration costs decreased from \$2,940,338 for Q3 2002 to \$502,062 for Q3 2003.

The above period comparisons must be viewed in conjunction with the significant reorganization and corporate restructuring efforts undertaken by the Company during Q3 and only recently completed. The Company divested both its custom label business (sale of SP California Inc.) and its private label business (sale of substantially all of the net operating assets of StonePoint Inc.), which accounted for over 90% of previous period sales volume.

However, the terms and conditions negotiated by Management with respect to these divestitures resulted in a one-time gain of \$6,074,949 which has been directly responsible for restoring the Company to a positive working capital position, or solvency. It should also be noted that the discontinued operations lost \$2,079,638 for the portion of the Q3 nine-month period prior to the closing of both transactions, a result which will not recur in future periods.

StonePoint continues to export enhanced beverages to Japan utilizing the Life O2 patent and technology acquired in April of 2003. More than 75,000 cases of oxygenated water have been shipped by StonePoint to date in 2003 and strong growth is anticipated in 2004. StonePoint is also exploring the following opportunities.

- The acquisition of exclusive distribution rights for several beverages that have performed well in North America.
- The company has entered into discussions regarding the possible purchase of a purification technology business developed and launched in Vancouver.
- StonePoint has acquired the rights to premium wine products from Australia with the goal of developing branded and private label programs for current and past StonePoint customers.

More information regarding each of the new opportunities will be made available as agreements are finalized.

Sales and Profitability Review

While the Company continued to grow revenues in Q3, losses continued as a result of several factors including increased competition and the Company's inability to purchase its own raw materials due to a lack of capital. Management decided to increase its focus on the exports of enhanced beverages and reduce corporate debt and losses through the sale of the Company's Private Label business. The sale of the Private Label business has substantially improved the Company's financial position and management is now exploring several new opportunities.

The Company's current Japanese partner, Nihon Shokken, is currently importing StonePoint's line of super oxygenated water, produced under a license the Company purchased in early 2002. Nihon Shokken possesses a strong distribution network and key retail relationships in Japan. StonePoint has invested significant time and money into this partnership and is confident that strong growth will continue. Additional sales efforts in Asia have resulted in new revenue streams and opportunities.

From continuing operations, the Company had a net loss for the quarter of \$147,025 representing (\$.01) per share. Due to the sale of the Private Label business, the company realized a gain of 5,923,930 for the quarter, representing \$.09 per share.

Cash Flows and Working Capital

Cash used by operations for the nine months ended September 30, 2003 was \$2,755,724 versus \$967,948 in 2002. The primary cause related to reductions in notes payable and accounts payable as a result of the sale of the Company's Custom Label and Private Label businesses. The Company has, however, returned to a positive working capital position at September 30, 2003 of \$341,176 compared to a 2002 working capital deficiency of \$2,826,297.

Capital Investment and Financing Requirements

Management has recognized the need for additional working capital to sustain and grow its current operations and is actively investigating various sources of financing that are available to fulfill these requirements but has not closed on any transaction as of this date. The Company entered into an asset purchase agreement (the "Asset Purchase Agreement"), dated July 24, 2003 and delivered on July 30, 2003, to sell substantially all of its assets comprised of its private label bottled water business (the "Private Label Business") held through its indirect wholly-owned subsidiary StonePoint, Inc. ("SPI") in consideration for the assumption of certain liabilities and U.S.\$4,375,000, subject to certain working capital adjustments (the "Disposition"). The parties to the Asset Purchase Agreement are: (i) SPI, as vendor; (ii) the Company, as the sole controlling shareholder of the vendor; and (iii) Premium Waters, Inc. ("PWI"), as purchaser. There is however no guarantee that these will be successful and the Company may need to issue additional treasury shares in order to fulfill working capital shortfalls.

Industry Outlook

The Company is primarily involved in the distribution of enhanced bottled water and beverages. These segments of the beverage industry have been growing at double-digit rates over the last 5 years. It is expected that this growth will continue for at least the next several years. While the private label segment of the industry has experienced severe price compression and increased competition over the past few years, fast growing segments, such as oxygenated and nutraceutical waters, have provided suppliers with higher margin opportunities.

Risks

StonePoint's exporting of beverages to Asia can be affected by currency value fluctuations, changes in consumer preferences and increases in costs (especially fuel related costs which affect freight and petroleum based bottles). StonePoint is dependant on third party manufacturing to provide supply of finished product to the standards required by StonePoint's customers. There are risks with being dependent on these bottlers. There is no guarantee that the existing customers will renew these supply agreements or be successful with their sales efforts.

Forward-looking Statements

The following Management Discussion and Analysis ("MD&A") of Financial Condition and Results of Operations should be read in conjunction with the accompanying financial statements and notes thereto. Statements made in the MD&A that are not historical or current facts are "forward-looking statements". These statements often can be identified by the use of terms such as "may," "will", "expect", "believes", "anticipate", "estimate", or "continue", or the negative thereof. StonePoint Group Limited (the "Company") wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. Any forward-looking statements represent management's best judgment as to risks, uncertainties and important factors beyond the control of the Company that could cause actual results and events to differ materially from historical results of operations and events from those presently anticipated or projected. These factors include adverse economic conditions, entry of new and stronger competitors, inadequate capital, unexpected costs, and failure to capitalize upon access to new markets. Additional risks and uncertainties that may affect forward-looking statements about the Company's business and prospects include the possibility that a competitor will develop a more comprehensive solution, delays in market awareness of its products, possible delays in execution of sales and marketing strategy, which could have an immediate and material adverse effect. The Company disclaims any obligation subsequently to revise any forward-looking statements to reflect events of circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

STONEPOINT GROUP LIMITED
FORM 51-901F – QUARTERLY AND YEAR END REPORT
SEPTEMBER 30, 2003
