



## News Release

For Immediate Release

### **AZURE DYNAMICS APPOINTS CHIEF FINANCIAL OFFICER AND REPORTS RESULTS FOR YEAR END JUNE 30, 2001**

**Vancouver, British Columbia—November 6 , 2001**

[Azure Dynamics Corporation \(CDNX - AZD\)](#) a leading developer of hybrid electric smart energy management systems for commercial vehicles has announced its year end results and appointed Gregory P. Francis as its Chief Financial Officer.

Mr. Francis has 20 years of experience in international financial management and business operations. Before joining Azure, he held the position Vice-President, Operations West at Kinacor – a division of Wajax Limited, a Canadian company listed on the Toronto Stock Exchange. From 1995 to 1998 he served as Corporate Controller for Wajax Limited. Prior to coming to Canada in 1995, Mr. Francis was European Controller of Pepe Group Plc, an international branded clothing company based in London, England. Mr. Francis is a Chartered Accountant and served 7 years in public accounting practice with KPMG in Durban, South Africa and London, England. He is a member of Financial Executives International and the South African Society of Chartered Accountants.

D. Campbell Deacon, Chairman, commented, "Greg has the right blend of domestic and international experience to make a major contribution to Azure. He has all the capabilities to properly support our strong management and technical team as Azure moves to commercialization of its patented energy management technology."

Azure also announced its year end results. Since the company is engaged in the development of its core technologies, it mainly expends monies on research and development activities, and on the management and infrastructure required to develop and commercialize its products. For the year ended June 30, 2001, the Company incurred a net loss of \$2,072,074 or \$0.10 per share. This compares to a net loss for the year ended June 30, 2000, of \$511,315 or \$0.09 per share. The increase in the deficit in 2001 is attributable to the higher level of research and development activities, as well as the expansion and strengthening of the technical and managerial teams. The Company has incurred a total deficit of \$2,583,389 since its inception.

During the year, the Company put in place a core executive and management group along with a strong Board of Directors. Management's mandate is to successfully commercialize Azure's intellectual properties and "significant progress has been made during the past fiscal year," said D. Campbell Deacon.

*Note:* The foregoing information may contain forward-looking statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results to be materially different from any future results, performance or achievements expressed or implied by such statements. Such factors include, but are not limited to: the ability to raise the capital required for product development and operations, product development delays, changing environmental regulations, the ability to attract and retain business partners, competition from other developers of hybrid electric vehicle control systems, competition from other advanced or existing power technologies, evolving markets for power for transportation vehicles. These factors should be considered carefully and readers should not place undue reliance on Azure's forward-looking statements. Investors are encouraged to review the risks detailed from time to time in the company's filings with regulatory authorities.

## Consolidated Balance Sheets

As at June 30	2001	2000
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 2,859,452	\$ 97,692
Investment tax credits receivable	147,341	75,000
Accounts receivable	242,618	13,898
Prepaid expenses	73,000	-
	3,322,411	186,590
<b>Employee loans</b>	273,501	-
<b>Related party receivable</b>	14,156	3,790
<b>Capital assets</b>	291,516	56,496
<b>Other assets</b>	48,995	50,002
	\$ 3,950,579	\$ 296,878
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<b>Liabilities and Shareholders' Equity</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 537,050	\$ 81,395
<b>Long term debt</b>	-	50,000
	537,050	131,395
<b>Shareholders' equity</b>		
Share capital	2,496,918	676,798
Special warrants	3,500,000	-
Deficit	(2,583,389)	(511,315)
	3,413,529	165,483
	\$ 3,950,579	\$ 296,878

## Consolidated Statements of Operations and Deficit

	For the year ended June 30		Cumulative Since Inception
	2001	2000	
<b>Revenue</b>			
Contract sales	\$ 95,450	\$ 162,616	\$ 258,066
Other	40,905	962	41,867
	<u>136,355</u>	<u>163,578</u>	<u>299,933</u>
<b>Cost of contract sales</b>	<u>37,993</u>	<u>63,080</u>	<u>101,073</u>
	<u>98,362</u>	<u>100,498</u>	<u>198,860</u>
<b>Expenses</b>			
Research and development, net	1,069,800	332,899	1,402,699
General and administrative	908,424	181,254	1,102,178
Rent	108,986	89,005	197,991
Amortization	83,226	8,655	79,381
	<u>2,170,436</u>	<u>611,813</u>	<u>2,782,249</u>
<b>Net loss for the period</b>	<b>(2,072,074)</b>	(511,315)	(2,583,389)
Deficit, beginning of period	<u>(511,315)</u>	-	-
<b>Deficit, end of period</b>	<b>\$ (2,583,389)</b>	\$ (511,315)	\$ (2,583,389)
<b>Earnings per share</b>	<b>\$ (0.10)</b>	\$ (0.09)	
<b>Weighted average number of shares</b>	<b>20,374,321</b>	5,587,994	

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### FOR MORE INFORMATION, CONTACT:

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