

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13a-16 OR 15d-16 UNDER THE
SECURITIES EXCHANGE ACT OF 1934

For the month of August 2004

Commission File Number 001-04192



MFC Bancorp Ltd.

(Translation of registrant's name into English)

8th Floor, Dina House, Ruttonjee Centre, 11 Duddell Street, Central, Hong Kong SAR, China
(Address of principal executive office)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F. Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1)

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7)

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submitted to furnish a report or other document that the registrant foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's "home country"), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and, if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934. Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82 —

FORWARD-LOOKING STATEMENTS

The statements in this report that are not based on historical facts are called "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995. These statements appear in a number of different places in this report and can be identified by words such as "estimates", "projects", "expects", "intends", "believes", "plans", or their negatives or other comparable words. Also look for discussions of strategy that involve risks and uncertainties. Forward-looking statements include statements regarding the outlook for our future operations, forecasts of future costs and expenditures, evaluation of market conditions, the outcome of legal proceedings, the adequacy of reserves, or other business plans. You are cautioned that any such forward-looking statements are not guarantees and may involve risks and uncertainties. Our actual results may differ materially from those in the forward-looking statements due to risks facing us or due to

actual facts differing from the assumptions underlying our predictions. Some of these risks and assumptions are set out in reports and other documents that we file with or furnish to the Securities and Exchange Commission from time to time and include: (i) general economic and business conditions, including changes in interest rates; (ii) prices and other economic conditions; (iii) natural phenomena; (iv) actions by government authorities, including changes in government regulation; (v) uncertainties associated with legal proceedings; (vi) technological development; (vii) future decisions by management in response to changing conditions; (viii) our ability to execute prospective business plans; and (ix) misjudgments in the course of preparing forward-looking statements. We advise you that these cautionary remarks expressly qualify in their entirety all forward-looking statements attributable to us or persons acting on our behalf. Unless required by law, we do not assume any obligation to update forward-looking statements based on unanticipated events or changes in expectations. However, you should carefully review the reports and other documents that we file with or furnish to the Securities and Exchange Commission from time to time.

MFC BANCORP LTD.

2004 SECOND QUARTER REPORT

Dear Shareholders:

We are pleased to enclose the results of MFC Bancorp Ltd. (the "Company") for the six-month period and second quarter ended June 30, 2004. The presentation of our financial statement has changed as a result of the acquisition of KHD Humboldt Wedag AG ("KHD"). We now have two reportable business segments: (1) financial services; and (2) industrial and engineering services. Our balance sheet is now presented on a classified basis, which breaks out long- and short-term assets and liabilities. This should help your review of our working capital position.

For the six-month period ended June 30, 2004, total revenues increased to US\$220.5 million, compared to US\$133.1 million in the same six-month period of 2003. Net income for the first six-month period 2004 increased to US\$16.5 million, or US\$1.20 per share on a diluted basis, compared with US\$14.7 million, or US\$1.10 per share on a diluted basis in the same period last year. The increase in revenues and expenses were primarily due to acquisitions and increased trading.

For the second quarter ended June 30, 2004, total revenues increased to US\$135.2 million, compared to US\$71.9 million in the second quarter of 2003. Net income for the second quarter 2004 increased to US\$8.2 million, or US\$0.59 per share on a diluted basis, compared with US\$7.5 million, or US\$0.55 per share on a diluted basis in the same quarter last year. The increase in revenues and expenses were primarily due to the acquisition of industrial and engineering operations from April 2004.

The following table is a summary of selected financial information concerning MFC for the periods indicated:

	Six Months Ended June 30	
	2004 (US dollars in thousands, except per share amounts)	2003 (US dollars in thousands, except per share amounts)
(Unaudited)		
Revenues	\$220,494	\$133,081
Net income	16,460	14,715
Net income per share		
Basic	1.23	1.14
Diluted	1.20	1.10
	Three Months Ended June 30	
	2004 (US dollars in thousands, except per share amounts)	2003 (US dollars in thousands, except per share amounts)
(Unaudited)		
Revenues	\$ 135,199	\$ 71,938
Net income	8,177	7,472
Net income per share		
Basic	0.60	0.58
Diluted	0.59	0.55

(Unaudited)	June 30, 2004 (US dollars in thousands, except per share amount and ratio)	December 31, 2003 (US dollars in thousands, except per share amount and ratio)
Cash and cash equivalents	\$165,140	\$112,544
Short-term securities	22,117	4,508
Working capital(1)	188,499	116,398
Total assets	492,451	313,043
Long-term debt	15,248	21,182
Shareholders' equity	196,204	169,024
Book value per share	14.37	13.29
Current ratio(1)	2.10	2.83

(1) Excluding stock distribution payable.

We are pleased with the acquisition of KHD, which provides industrial and engineering services in the areas of coal, cement and mineral-processing technologies. KHD is very complimentary to our merchant banking operations as each company's clients can benefit from the services of the other. In addition, KHD operations in China, India and the Middle East have grown substantially and they are now providing opportunities for our other operations in China and India. KHD order intake increased substantially over the prior period and are valued at approximately US\$172 million for the six-month period ended June 30, 2004, compared to US\$55 million for the six-month period ended June 30, 2003.

At our annual and special meeting of shareholders, which was held on August 12, 2004, our shareholders overwhelmingly approved the all of the resolutions as set out in our management information circular, including the spin off of our cobalt assets held by our subsidiary, Blue Earth Refineries Inc. ("Blue Earth"). The final step in the spin off of Blue Earth is to receive regulatory approvals.

We believe that, with our continued strong liquidity position and under-leveraged balance sheet, the second half of 2004 should see our Company take advantage of increasing opportunities.

Respectfully submitted,

/s/ Michael J. Smith
Michael J. Smith
President

MFC BANCORP LTD.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis of our financial condition and results of operations for the six month period ended June 30, 2004 and the three years ended December 31, 2003 should be read in conjunction with our consolidated financial statements and related notes included in this quarterly report and those in our annual report. Our financial statements included in this quarterly report were prepared in accordance with Canadian GAAP. For a reconciliation of our financial statements included in our annual report to US GAAP, see Note 20 to the financial statements in our 2003 annual report. We have made certain reclassifications to the prior periods' financial statements to conform to the current period's presentation.

Except as otherwise noted, the amounts included in the following discussion are expressed in Canadian dollars ("C\$"). The presentation of selected information in US dollars in the following discussion is for information purposes only and is translated to US dollars for convenience using period end exchange rates, as required by Regulation S-X of the Securities Act of 1934. Certain information is also presented in Euro ("€"), the legal tender used by the majority of the European Union member states.

We are a Foreign Private Issuer with a class of securities registered under Section 12(g) of the United States Securities Exchange Act of 1934, as amended. As a result, the following discussion and analysis of our financial condition and results of operations for the three years ended December 31, 2003 has been extracted from our Annual Report on Form 20-F, as filed with the United States Securities and Exchange

Operating Results

We are a highly integrated international financial services company that focuses on merchant banking and industrial and engineering services. We provide specialized banking and corporate finance services internationally. These activities are primarily conducted through our wholly-owned subsidiary, MFC Merchant Bank SA. Our merchant banking activities include a trading group focused on trading commodities and natural resources which we acquired in October 2001. We also commit our own capital to promising enterprises and invest and otherwise trade to capture investment opportunities for our own account. We seek to invest in businesses or assets whose intrinsic value is not properly reflected in their share price or value. Our investing is generally not passive. We seek investments where our financial expertise and management can add or unlock value. Our industrial and engineering activities consist primarily of our international operations dominated by KHD Humboldt Wedag AG in the cement, coal and minerals industries.

Our results of operations have been and may continue to be affected by many factors of a global nature, including economic and market conditions, the availability of capital, the level and volatility of equity prices and interest rates, currency values, commodity prices and other market indices, technological changes, the availability of credit, inflation and legislative and regulatory developments. Our results of operations may also be materially affected by competitive factors. Competition includes firms traditionally engaged in industrial and engineering services and financial services such as banks, broker-dealers and investment dealers, along with other sources such as insurance companies, other companies offering financial services and other trade and finance companies.

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Our results of operations for any particular period may also be affected by our realization on proprietary investments. These investments are made to maximize total return through long-term appreciation and recognized gains on divestment. We can realize on our proprietary investments through a variety of methods including sales, capital restructuring or other forms of divestment.

In recent years, the financial services industry has experienced consolidation and convergence as financial institutions involved in a broad spectrum of services have merged or combined. The trend to consolidate is expected to continue and produce global financial institutions with much greater capital and other resources than we have. As a result of the economic and competitive factors discussed above, our results of operations may vary significantly from period to period. We intend to manage our business for the long-term and to mitigate the effects of such factors by focusing on our core operations.

Six-Month Period Ended June 30, 2004 Compared to the Six-Month Period Ended June 30, 2003

The following table provides selected financial information for the six-month period for June 30, 2004 and 2003:

(Unaudited)	Six Months Ended June 30	
	2004 (Canadian dollars in thousands, except per share amounts)	2003 (Canadian dollars in thousands, except per share amounts)
Revenues	\$295,550	\$180,364
Expenses	270,556	160,430
Net income	22,063	19,943
Diluted earnings per share	1.61	1.49

In the six-month period ended June 30, 2004, our revenues increased to \$295.6 million from \$180.4 million in the six-month period ended June 30, 2003, primarily as a result of the continued increase in the volume of our trading activities and the inclusion of our industrial and engineering operations effective from April 2004.

In the six-month period ended June 30, 2004, our expenses increased to \$270.6 million from \$160.4 million in the six-month period ended June 30, 2003, primarily as a result of the continued increase in the volume of our trading activities and the inclusion of our industrial and engineering operations effective from April 2004. For the six-month period ended June 30, 2004, financial services expenses increased to \$203.6 million, from \$150.6 million for the six-month period ended June 30, 2003. Industrial and engineering services expenses increased to \$36.3 million for the six-month period ended June 30, 2004, from nil for the six-month period ended June 30, 2003. General and administrative expenses increased to \$27.6 million for the six-month period ended June 30, 2004, from \$8.0 million for the six-month period ended June 30, 2003. The general and administrative expenses were net of foreign currency transaction gains of \$1.7 million and \$8.5 million in the six months ended June 30, 2004 and 2003, respectively. The increases in financial services, industrial and engineering services, and general and administrative expenses related primarily to the continued increase in the volume of our trading activities and the inclusion of our industrial and

engineering operations effective from April 2004.

In the six-month period ended June 30, 2004, our net income increased to \$22.1 million, or \$1.65 per share on a basic basis (\$1.61 per share on a diluted basis), from \$19.9 million, or \$1.55 per share on a basic basis (\$1.49 per share on a diluted basis), for the six-month period ended June 30, 2003.

Three-Month Period Ended June 30, 2004 Compared to the Three-Month Period Ended June 30, 2003

The following table provides selected quarterly financial information for June 30, 2004 and 2003:

(Unaudited)	Three Months Ended June 30	
	2004 (Canadian dollars in thousands, except per share amounts)	2003 (Canadian dollars in thousands, except per share amounts)
Revenues	\$181,221	\$97,496
Expenses	167,539	87,308
Net income	10,962	10,125
Diluted earnings per share	0.80	0.75

In the three-month period ended June 30, 2004, our revenues increased to \$181.2 million from \$97.5 million in the three-month period ended June 30, 2003, primarily as a result of the continued increase in the volume of our trading activities and the inclusion of our industrial and engineering operations effective from April 2004.

In the three-month period ended June 30, 2004, our expenses increased to \$167.5 million from \$87.3 million in the three-month period ended June 30, 2003, primarily as a result of the continued increase in the volume of our trading activities and the inclusion of our industrial and engineering operations effective from April 2004. For the three-month period ended June 30, 2004, financial services expenses increased to \$109.5 million, from \$82.6 million for the three-month period ended June 30, 2003. Industrial and engineering services expenses increased to \$36.3 million for the three-month period ended June 30, 2004, from nil for the three-month period ended June 30, 2003. General and administrative expenses increased to \$19.8 million for the three-month period ended June 30, 2004, from \$3.7 million for the three-month period ended June 30, 2003. The general and administrative expenses were net of foreign currency transaction gains of nil and \$4.6 million in the three months ended June 30, 2004 and 2003, respectively. The increases in financial services, industrial and engineering services, and general and administrative expenses related primarily to the continued increase in the volume of our trading activities and the inclusion of our industrial and engineering operations effective from April 2004.

In the three-month period ended June 30, 2004, our net income increased to \$11.0 million, or \$0.80 per share on a basic basis (\$0.80 per share on a diluted basis), from \$10.1 million, or \$0.78 per share on a basic basis (\$0.75 per share on a diluted basis), for the three month period ended June 30, 2003.

Liquidity and Capital Resources

The following table is a summary of selected financial information concerning the Company for the periods indicated:

(Unaudited)	June 30, 2004 (Canadian dollars in thousands)	December 31, 2003 (Canadian dollars in thousands)
Cash and cash equivalents	\$221,354	\$145,452
Short-term securities	29,645	5,826
Working capital(1)	252,665	150,433
Total assets	660,080	404,577
Long-term debt	20,438	27,376
Shareholders' equity	262,993	218,447

(1) Excluding stock distribution payable.

We maintain a high level of liquidity, with a substantial amount of our assets held in cash and cash equivalents, and securities. The highly liquid nature of these assets provides us with flexibility in managing our business and financing. We also use this liquidity in client related service where we act as a financial intermediary for third parties and in our own proprietary investing activities.

As at June 30, 2004, our total assets increased to \$660.1 million from \$404.6 million as at December 31, 2003, primarily as a result of the acquisition of Fahr Beteiligungen AG. As at June 30, 2004, our cash and cash equivalents had increased to \$221.4 million. At December 31, 2003, our cash and cash equivalents were \$145.5 million, compared to \$102.4 million at December 31, 2002. As at June 30, 2004, we had short-term securities of \$29.6 million, compared to \$5.8 million as at December 31, 2003. As at June 30, 2004, our long-term debt was \$20.4 million, compared to \$27.4 million as at December 31, 2003.

As part of our merchant banking activities, we establish, utilize and maintain various kinds of credit lines and facilities with other banks, insurers, and trade finance providers. Most of these facilities are short-term. These facilities are primarily used for structured trade financing, accounts receivable financing and letters of credit. Such facilities are drawn upon and used for specific trading transactions. These credit facilities are generally secured by the subject matter of a proposed transaction, being either a receivable or the underlying commodity or natural resource being traded. We often further enhance the credit of such facilities through credit and/or performance insurance provided by governmental and/or private insurers. Such trade finance insurance is often layered with varying limitations and exceptions. The amounts drawn under the credit facilities fluctuate with the kind and level of commodities and natural resources trading transactions being undertaken by us. As such transactions are settled, proceeds are generally applied to first settle amounts drawn under such credit facilities.

At December 31, 2003, we had 14 separate credit lines and facilities used for commodities and natural resources trading aggregating approximately €74.6 million (US\$94.0 million or \$121.4 million) none of which was drawn and outstanding. At June 30, 2004, we had 23 separate credit lines and facilities with an aggregate credit available of €130.5 million (US\$158.9 million or \$213.0 million) of which €22.9 million (US\$27.9 million or \$37.3 million) was drawn and outstanding. The kind, amount and number of credit facilities we utilize and amounts drawn thereunder fluctuate from time to time based upon the nature, level and location of, and counterparties with whom we conduct our commodities and natural resources trading activities.

At December 31, 2003, we had debt of \$5.9 million maturing in 2004 and \$4.4 million maturing in 2005, excluding the credit lines and facilities used for commodities and natural resources trading as described in the preceding paragraph. We expect such maturing debt to be satisfied primarily through the settlement of underlying commodities and natural resource trading transactions, cash on hand and cash flow from operations. Much of such maturing debt may either subsequently be made re-available to us by the applicable financial institution or we may replace such facilities with similar facilities depending upon our trading and capital requirements. For more information, see Note 10 to our consolidated financial statements included in our 2003 annual report.

Operating Activities

In 2003, changes in securities provided cash of \$7.0 million compared to \$12.2 million in 2002. A decrease in receivables provided cash of \$9.5 million in 2003, compared to \$1.6 million in 2002. Of which, a decrease in commodity receivables provided cash of \$14.1 million in 2003, compared to an increase in the same using cash of \$7.7 million in 2002. A decrease in commodity investments provided cash of \$1.1 million in 2003, compared to \$6.0 million used in 2002. A decrease in properties held for sale provided cash of \$1.1 million in 2003, compared to \$13.5 million in 2002. A decrease in accounts payable and accrued expenses used cash of \$2.6 million in 2003, compared to an increase in same providing cash of \$3.8 million in 2002. Operating activities provided cash of \$37.4 million in 2003, compared to \$20.8 million in 2002. We expect to generate sufficient cash flow from operations to meet our working capital and other requirements. During the six-month period ended June 30, 2004, the operating activities provided cash of \$0.6 million, compared to \$30.7 million used in the same period in 2003.

Investing Activities

In 2003, a net decrease in loans provided cash of \$52.4 million, compared to a net increase in loans used cash of \$4.8 million in 2002. The net sale of long-term securities provided cash of \$4.8 million in 2003, compared to net purchase of long-term securities using cash of \$5.4 million in 2002. In 2003, purchases of subsidiaries, net of cash acquired, used cash of \$0.8 million, compared to \$35.0 million in 2002. Investing activities provided cash of \$64.9 million in 2003, compared to cash of \$19.1 million used in 2002. During the six-month period ended June 30, 2004, \$36.9 million cash was provided, primarily as a result of cash acquired in connection with acquisitions of subsidiaries.

Financing Activities

Net debt repayments used cash of \$25.1 million in 2003, compared to \$13.3 million in 2002. In 2003, a net decrease in deposits used cash of \$13.5 million, compared to a net increase in deposits providing cash of \$33.9 million in 2002. The net repurchase of common shares in 2003

used cash of \$9.7 million, compared to cash of \$7.0 million in 2002. Net cash used in financing activities was \$48.3 million in 2003, compared to net cash provided by financing activities of \$13.5 million in 2002. During the six-month period ended June 30, 2004, \$33.3 million was provided, primarily from borrowings relating to the commodities and natural resources trading activities.

We had no material commitments to acquire assets or operating businesses at December 31, 2003 and June 30, 2004. We anticipate that there will be acquisitions of businesses or commitments to projects in the future. To achieve our long-term goals of expanding our assets and earnings, including through acquisitions, we will require substantial capital resources. The necessary resources will be generated from cash flow from operations, cash on hand, borrowing against our assets, sales of proprietary investments.

Foreign Currency

Substantially all of our operations are conducted in international markets and our consolidated financial results are subject to foreign currency exchange rate fluctuations.

We translate foreign assets and liabilities into Canadian dollars at the rate of exchange on the balance sheet date. Revenues and expenses are translated at the average rate of exchange prevailing during the period. Unrealized gains or losses from these translations are recorded as shareholders' equity on the balance sheet and do not affect our net earnings. As a substantial amount of our revenues are received in Swiss francs and Euro, our financial position for any given period, when reported in Canadian dollars, can be significantly affected by the exchange rates for Swiss francs and Euro prevailing during that period. In the year ended December 31, 2003, we reported approximately a net \$35.9 million foreign exchange translation loss and, as a result, our cumulative foreign exchange translation loss at December 31, 2003 was \$17.1 million, compared to a \$18.7 million gain at December 31, 2002. Our foreign exchange translation gain was \$5.9 million in the six months ended June 30, 2004, decreasing our cumulative foreign exchange translation loss to \$11.3 million as at June 30, 2004.

Based upon the period average exchange rates in 2003, the Canadian dollar decreased by approximately 2.9% in value against the Swiss franc, 6.2% in value against the Euro and by approximately 12.1% in value against the US dollar, compared to the period average exchange rates in 2002. As at December 31, 2003, the Canadian dollar increased by approximately 9.1% in value against the Swiss franc, 1.7% against the Euro and by approximately 22.2% against the US dollar since December 31, 2002.

We use derivative foreign exchange contracts to manage our exposure and our clients' exposure to foreign currency exchange rate risks. At December 31, 2003 and 2002, we did not hold any forward foreign exchange contracts for our own account. For more information, see our 2003 Annual Report on Form 20-F, Item 11, "Quantitative and Qualitative Disclosures About Market Risk — Derivative Instruments."

Derivative Instruments

Derivatives are financial instruments, the payments of which are linked to the prices, or relationships between prices, of securities or commodities, interest rates, currency exchange rates or other financial measures. Derivatives are designed to enable parties to manage their exposure to interest rates and currency exchange rates, and security and other price risks. We use derivatives to provide products and services to clients and to manage our foreign currency exchange exposure for our own account. We also use derivatives to manage our interest rate risk on debts. For more information, see our 2003 Annual Report on Form 20-F, Item 11, "Quantitative and Qualitative Disclosures About Market Risk — Derivative Instruments."

Inflation

We do not believe that inflation has had a material impact on our revenues or income over the past three fiscal years. Because our assets to a large extent are liquid in nature, they are not significantly affected by inflation. However, increases in inflation could result in increases in our expenses, which may not be readily recoverable in the price of services provided to our clients. To the extent inflation results in rising interest rates and has other adverse effects on capital markets, it could adversely affect our financial position and profitability.

Application of Critical Accounting Policies

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods.

Our management routinely makes judgments and estimates about the effects of matters that are inherently uncertain. As the number of variables and assumptions affecting the probable future resolution of the uncertainties increase, these judgments become even more subjective and complex. We have identified certain accounting policies, described below, that are the most important to the portrayal of our current financial condition and results of operations. Our significant accounting policies are disclosed in Note 1 to our consolidated financial statements in our annual report.

Revenue Recognition

Merchant banking revenues for banking and services are recognized as they are performed, and from commodities and natural resources trading and the sale of proprietary investments as they are completed and when the amounts of the revenues are fixed, agreed or determinable and collectibility is reasonably assured.

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The majority of the contracts and services in our industrial and engineering services are long-term and we use the percentage-of-completion method to measure and recognize the revenue and related costs. The major challenges in using the percentage-of-completion method accounting are to accurately measure the extent to which the contracts are being finished, and to assess collectibility of the revenue and/or the recoverability of the costs incurred. Generally, we rely on our in-house technical specialists to estimate the progress of the contract, our finance and engineering departments to work out the cost analysis and the budget, and our credit department to assess the credit of the customers. All these analyses involve estimates and value judgments and the accurate profit amount is not known until the contract is completed and the billing is collected.

If a loss is expected on a contract-in-progress from our team work analysis, such loss will be recognized in the income statement immediately.

Allowance for Credit Losses

Our allowance for credit losses is to be maintained at an amount considered adequate to absorb estimated credit-related losses. Such allowances reflect management's best estimate of the probable losses with our customers and our credit portfolio and judgments about both macro- and micro-economic conditions. The evaluation process involves estimates and judgments, which could change drastically in the near-term, and could result in a significant change to a recognized allowance. Credit losses arise primarily from loans, but may also relate to other credit instruments such as guarantees and letters of credit. An allowance for credit losses may be increased by provisions which are charged to income and reduced by write-offs net of any recoveries.

We review our customer obligations, loan portfolio and receivables on a regular basis. Specific provisions are established on a case by case basis. In determining whether a specific provision is required or not, we consider, but such consideration is not limited to, the following factors: (a) repayment history of the customer; (b) overall financial position and results of the customer; (c) the nature and quality of collateral and guarantee; (d) business plan and outlook of the customer; (e) secondary market value of the loan and the collateral; and (f) our business plan or strategy to divest or restructure the debt.

A general provision may be established to absorb potential credit losses attributable to the deterioration of credit quality on aggregate exposures for which specific provisions cannot yet be determined. A country risk provision may be made based on exposures in less developed countries and on management's overall assessment of the underlying economic conditions in those countries. A market risk provision may be made based on the macro-economic factors which are specific to a particular region or industry and the micro-economic factors which are specific to a particular borrower. Write-offs are generally recorded after all reasonable restructuring or collection activities have taken place and there is no realistic prospect of recovery.

Goodwill Impairment

A goodwill impairment loss should be recognized when the carrying amount of the goodwill exceeds the fair value of the goodwill. An impairment loss should not be reversed if the fair value subsequently increases. We consider, but such consideration is not limited to, the following factors to determine the goodwill impairment: (a) a significant adverse change in legal factors or in the business climate; (b) an adverse action or assessment by a regulator; (c) unanticipated competition; (d) loss of key personnel; (e) a more-likely-than-not expectation that a significant portion or all of a reporting unit will be sold or otherwise disposed of; (f) the testing for write-down or impairment of a significant asset group within a reporting unit; or (g) the recognition of a goodwill impairment loss in its separate financial statements by a subsidiary that is a component of the reporting unit.

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Valuation of Securities

Trading account securities held by MFC Merchant Bank SA are stated at quoted market value, with the unrealized gain or loss included in the results of operations. Other short-term securities are carried at the lower of aggregate cost or current market value, with the unrealized loss included in the results of operations.

When there has been a loss in value of a long-term security that is other than a temporary decline, the security will be written down to

recognize the loss. The write-down is included in the determination of income.

A decline in market value may be only temporary in nature or may reflect conditions that are more persistent. Declines may be attributable to general market conditions, either globally or regionally, that reflect prospects of the economy as a whole or prospects of a particular industry or a particular company. Such declines may or may not indicate the likelihood of ultimate recovery of the carrying amount of a security. We regularly review our portfolio position to determine whether an other than temporary decline exists.

In determining whether the decline in value is other than temporary, quoted market price is not the only deciding factor, particularly for thinly traded securities, large block holdings and restricted shares. We consider, but such consideration is not limited to, the following factors: (a) trend of the quoted market price and trading volume; (b) financial position and results for a period of years; (c) liquidity or going concern problems of the investee; (d) changes in or reorganization of the investee and/or its future business plan; (e) outlook of the investee's industry; (f) the current fair value of the investment (based upon an appraisal thereof) relative to its carrying value; and (g) our business plan and strategy to divest the security or to restructure the investee.

Warranty Costs

We provide a warranty to our customers for the contracts and services in our industrial and engineering service segment. The amount of the warranty liability reflects the estimate of the expected future costs of our obligations under the warranty, which is based on the historical material replacement costs and the labor costs, the past history of similar work, the opinion of our legal counsel and technical specialists and their interpretation of the contracts. If any of these factors change, revision to the estimated warranty liability may be required.

Pension Benefits

Our industrial and engineering service segment in Germany maintains a defined benefits plan for its employees who were hired prior to year 1996. Employees hired after 1996 are not entitled to such benefits. The employees are not required to make contribution to the plan. We rely on the actuarial report to record the pension costs and pension liabilities. The actuarial report is prepared every year as at December 31. The report is compiled and prepared, based on certain assumptions, namely, demographic assumptions and financial assumptions. The variables in the actuarial computation include, but not limited to, the following: demographic assumptions about the future characteristics of the employees (and their dependants) who are eligible for benefits, the discount rate and future salary. Certain variables are beyond our control and any change in one of these variable may have significant impact on the estimate of the pension liability.

Under the German laws, the pension liability is a unsecured claim and does not rank in priority to any other unsecured creditors. The pension liability is non-recourse to the Company.

Off-balance Sheet Arrangements

We do not have any off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to investors.

Contractual Obligations

Contractual Obligations as at December 31, 2003	Payments Due by Period (Canadian dollars in thousands)			
	Less than 1 Year	2 - 3 Years	4 - 5 Years	More than 5 Years
Long-term debt obligations	\$ 5,921	\$11,036	\$16,340	\$ --
Capital lease obligations	67	35	--	--
Operating lease obligations	1,570	2,609	2,207	3,865
Purchase obligations	32,499(1)	--	--	--
Other long-term liabilities reflected on the Company's	--	--	--	--

balance sheet under GAAP

Total	\$40,057	\$13,680	18,547	\$3,865
-------	----------	----------	--------	---------

(1) Consisting of \$26.3 million for commodities trading and \$6.2 million for alloys and pigments business.

There were no material changes in the contractual obligations (summarized in the above table of contractual obligations as at December 31, 2003) during the six-month period ended June 30, 2004 that are outside the ordinary course of the Company's business, except for the following:

1. the long-term debt obligation of \$16.3 million, which was originally due in 2008, was called for early redemption in the three-month period ended March 31, 2004, of which \$0.8 million was repaid in cash on such early redemption and the balance was converted into the Company's shares; and
2. in connection with the consolidation of Fahr Beteiligungen AG, our operating lease obligations increased \$0.8 million within one year and \$5.0 million in 2 to 3 years.

Outstanding Share Data

Our shares are quoted for trading on the NASD National Market System under the symbol "MXBIF" and on the Frankfurt Stock Exchange under the symbol "MFC.GR." As at August 12, 2004, the share capital of the Company is as follows:

Class of shares	Par Value	Number Authorized	Number Issued
Common	No Par Value	Unlimited	13,657,901(1)

(1) This number does not include 1,870,000 Common shares of the Company which are beneficially held for a subsidiary of the Company.

As at August 12, 2004, the Company has the following bonds, options and warrants outstanding:

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Type	Amount/Number	Exercise/Conversion Price	Expiry Date
4.4% Convertible Unsecured Subordinated Bonds (the "Bonds")	Principal amount of (euro)2,988,179(1)	See footnote (2)	December 31, 2009
Options	Nil	Nil	Nil
Warrants	Nil	Nil	Nil

(1) This number does not include €6,786,436 principal amount of Bonds held by a wholly-owned subsidiary of the Company.

(2) The Bonds are convertible into common shares of the Company as follows: (i) €17.36 (US\$21.14) if the Bonds are converted after June 30, 2004 but on or before June 30, 2005, (ii) €18.23 (US\$22.20) if the Bonds are converted after June 30, 2005 but on or before June 30, 2006, (iii) €19.14 (US\$23.31) if the Bonds are converted after June 30, 2006 but on or before June 30, 2007, (iv) €20.09 (US\$24.47) if the Bonds are converted after June 30, 2007 but on or before June 30, 2008, (v) €21.10 (US\$25.70) if the Bonds are converted after June 30, 2008 but on or before June 30, 2009 and (vi) €22.15 (US\$26.98) if the Bonds are converted after June 30, 2009.

Additional Information

The Company files annual and other reports, proxy statements and other information with certain Canadian securities regulatory authorities and with the Securities and Exchange Commission (the "SEC") in the United States. The documents filed with the SEC are available to the public from the SEC's website at <http://www.sec.gov>. The documents filed with the Canadian securities regulatory authorities are available at <http://www.sedar.com>.

MFC BANCORP LTD.**UNAUDITED INTERIM FINANCIAL STATEMENTS****JUNE 30, 2004****UNAUDITED INTERIM FINANCIAL STATEMENTS**

In accordance with National Instrument 51-102 released by the Canadian Securities Administrators, MFC Bancorp Ltd. discloses that its auditors have not reviewed the unaudited financial statements for the period ended June 30, 2004.

NOTICE TO READER OF**THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying interim consolidated balance sheet of MFC Bancorp Ltd. as at June 30, 2004 and the related consolidated statements of earnings, retained earnings and cash flows for the six- and three-month periods then ended are the responsibility of management. These consolidated financial statements have not been reviewed on behalf of the shareholders by the independent external auditors of MFC Bancorp Ltd.

The interim consolidated financial statements have been prepared by management and include the selection of appropriate accounting principles, judgments and estimates necessary to prepare these financial statements in accordance with Canadian generally accepted accounting principles.

MFC BANCORP LTD.**CONSOLIDATED BALANCE SHEETS****June 30, 2004 and December 31, 2003****(Unaudited)****(Canadian Dollars in Thousands)**

	2004	2003
ASSETS		
Current		
Cash and cash equivalents	\$ 221,354	\$145,452
Restricted cash	7,781	--
Securities	29,645	5,826
Loans	29,688	14,375
Receivables	123,934	50,367
Commodity investments	23,372	10,964
Inventories	6,246	--
Real estate inventories	32,687	3,342
Prepaid and other	6,027	2,305
Deferred tax assets	2,598	--
	<hr/>	<hr/>
Total current assets	483,332	232,631
Non-current		
Securities	4,554	39,137
Loans	173	2,497
Properties	92,746	62,235
Resource property	35,692	36,044
Goodwill	16,193	16,127

Equity method investments	22,155	15,906
Deferred tax assets	5,235	--
	<u>176,748</u>	<u>171,946</u>
Total non-current assets	<u>\$ 660,080</u>	<u>\$404,577</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued expenses	\$ 114,291	\$ 53,705
Debt	66,568	5,921
Deposits	24,899	22,185
Provision for warranty costs	21,206	--
Stock distribution payable	71,730	71,730
Deferred tax payable	3,703	387
	<u>302,397</u>	<u>153,928</u>
Total current liabilities		
Long-term liabilities		
Debt	20,438	27,376
Pension liabilities	36,724	--
Provision for warranty costs	7,832	--
Other long-term liabilities	1,209	--
	<u>66,203</u>	<u>27,376</u>
Total non-current liabilities		
Total liabilities	368,600	181,304
Minority interests	28,487	4,826
Shareholders' equity		
Common stock	78,003	61,891
Equity component of convertible debt	173	--
Cumulative translation adjustment	(11,250)	(17,118)
Retained earnings	196,067	173,674
	<u>262,993</u>	<u>218,447</u>
	<u>\$ 660,080</u>	<u>\$404,577</u>

The accompanying notes are an integral part of these consolidated financial statements.

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
For Six Months Ended June 30, 2004 and 2003
(Unaudited)
(Canadian Dollars in Thousands Except Per Share Amounts)

	2004	2003
REVENUE		
Financial services	\$ 244,997	\$180,364
Industrial and engineering services	50,553	--
	<u>295,550</u>	<u>180,364</u>
EXPENSES		
Financial services	203,608	150,598
Industrial and engineering services	36,295	--
General and administrative	27,582	8,006
Interest	3,071	1,826

	270,556	160,430
Income before income taxes	24,994	19,934
Recovery of (provision for) income taxes	(598)	75
	24,396	20,009
Minority interests	(2,333)	(66)
Net income	22,063	19,943
Retained earnings, beginning of period	173,674	196,288
Post acquisition income of purchased subsidiaries	330	--
Retained earnings, end of period	\$ 196,067	\$216,231
Earnings per share		
Basic	\$ 1.65	\$ 1.55
Diluted	\$ 1.61	\$ 1.49

The accompanying notes are an integral part of these consolidated financial statements.

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS

For the Three Months Ended June 30, 2004 and 2003

(Unaudited)

(Canadian Dollars in Thousands Except Per Share Amounts)

	2004	2003
REVENUE		
Financial services	\$ 130,668	\$ 97,496
Industrial and engineering services	50,553	--
	181,221	97,496
EXPENSES		
Financial services	109,507	82,593
Industrial and engineering services	36,295	--
General and administrative	19,759	3,726
Interest	1,978	989
	167,539	87,308
Recovery of (provision for) income taxes	13,682	10,188
	(399)	28
	13,283	10,216
Minority interests	(2,321)	(91)
Net income	10,962	10,125
Retained earnings, beginning of period	185,105	206,106
Retained earnings, end of period	\$ 196,067	\$216,231
Earnings per share		
Basic	\$ 0.80	\$ 0.78
Diluted	\$ 0.80	\$ 0.75

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Six Months Ended June 30, 2004 and 2003
(Unaudited)
(Canadian Dollars in Thousands)

	2004	2003
OPERATING		
Net income	\$ 22,063	\$ 19,943
Adjustments to reconcile net income to net cash provided from (used in) operating activities:		
Depreciation and amortization	3,712	583
Minority interests	2,333	66
Equity income on equity method investments	(1,099)	--
Exchange adjustments	(813)	(10,508)
Gain on sales of assets	--	(5,402)
Changes in current assets and liabilities:		
Securities	9,154	5,807
Receivables	3,754	(3,067)
Commodity receivables	(39,199)	(18,878)
Inventories	3,820	--
Commodity investments	(8,047)	(5,944)
Real estate inventories	1,271	46
Accounts payable and accrued expenses	5,605	(10,469)
Provision for warranty costs	(2,742)	--
Pension liabilities	307	--
Other	518	(2,829)
	<u>637</u>	<u>(30,652)</u>
FINANCING		
Net increase in deposits	3,125	228
Borrowings	37,835	22,668
Debt repayments	(4,032)	(2,857)
Change in restricted cash	(3,547)	--
Issuance of shares, net of repurchases	--	1,713
Other	(39)	--
	<u>33,342</u>	<u>21,752</u>
INVESTING		
Net (increase) decrease in loans	3,924	(11,110)
Purchases of long-term investments	(226)	(275)
Proceeds from sales of assets	609	5,406
Acquisitions of capital assets	(2,321)	(210)
Purchase of subsidiaries, net of cash acquired	34,935	--
Other	(7)	(5)
	<u>36,914</u>	<u>(6,194)</u>
Exchange rate effect on cash and cash equivalents	5,009	(9,421)
	<u>75,902</u>	<u>(24,515)</u>
Net change in cash	145,452	102,413
Cash, opening balance	<u>145,452</u>	<u>102,413</u>
Cash, ending balance	<u>\$ 221,354</u>	<u>\$ 77,898</u>

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Three Months Ended June 30, 2004 and 2003
(Unaudited)
(Canadian Dollars in Thousands)

	2004	2003
OPERATING		
Net income	\$ 10,962	\$ 10,125
Adjustments to reconcile net income to net cash provided from (used in) operating activities:		
Depreciation and amortization	2,537	280
Minority interests	2,321	83
Equity income on equity method investments	(1,118)	--
Exchange adjustments	171	(5,993)
Changes in current assets and liabilities:		
Securities	1,085	9,340
Receivables	11,300	(160)
Commodity receivables	(18,281)	(3,699)
Inventories	3,820	--
Commodity investments	1,416	(2,270)
Real estate inventories	1,271	57
Accounts payable and accrued expenses	(7,388)	(12,029)
Provision for warranty costs	(2,742)	--
Pension liabilities	307	--
Other	422	(2,575)
	<u>6,083</u>	<u>(6,841)</u>
FINANCING		
Net decrease in deposits	(19,004)	(2,227)
Borrowings	15,401	9,604
Debt repayments	(2,253)	(2,258)
Changes in restricted cash	(3,547)	--
Issuance of shares, net of repurchases	--	1,713
Other	(22)	--
	<u>(9,425)</u>	<u>6,832</u>
INVESTING		
Net (increase) decrease in loans	1,805	(13,159)
Purchases of long-term investments	(226)	(60)
Proceeds from sales of assets	--	5,406
Acquisitions of capital assets	(2,140)	(61)
Purchase of subsidiaries, net of cash acquired	16,294	--
Other	(7)	(2)
	<u>15,726</u>	<u>(7,876)</u>
Exchange rate effect on cash and cash equivalents	5,847	(5,084)
	<u>18,231</u>	<u>(12,969)</u>
Net change in cash	203,123	90,867
Cash, opening balance	<u>203,123</u>	<u>90,867</u>
Cash, ending balance	<u>\$ 221,354</u>	<u>\$ 77,898</u>

The accompanying notes are an integral part of these consolidated financial statements.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2004
(Unaudited)**

Note 1. Basis of Presentation

The consolidated financial statements contained herein include the accounts of MFC Bancorp Ltd. and its subsidiaries (the “Company”).

The interim period consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles. The preparation of financial data is based on accounting principles and practices consistent with those used in the preparation of the most recent annual financial statements. Certain information and footnote disclosure normally included in consolidated financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. These interim period statements should be read together with the audited consolidated financial statements and the accompanying notes included in the Company’s latest annual report on Form 20-F. In the opinion of the Company, its unaudited interim consolidated financial statements contain all adjustments necessary in order to present a fair statement of the results of the interim periods presented. The results for the periods presented herein may not be indicative of the results for the entire year.

Certain reclassifications have been made to the prior period financial statements to conform to the current period presentation.

Note 2. Nature of Business

The Company is in the financial services business, as well as supply of industrial and engineering services in the area of coal, cement and mineral processing technologies, and its principal activities focus on merchant banking.

Note 3. Earnings Per Share

The Company adopts the Canadian Institute of Chartered Accountants’ Accounting Handbook Section 3500, “Earnings Per Share”. Basic earnings per share is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding during the period. The computation of diluted earnings per share assumes the conversion, exercise or contingent issuance of securities only when such conversion, exercise or issuance would have a dilutive effect on earnings per share. The dilutive effect of convertible securities is reflected in diluted earning per share by application of the “if-converted” method. The dilutive effect of outstanding call options and warrants and their equivalents is reflected in diluted earnings per share by application of the treasury stock method. The computation of earnings per share under Canadian generally accepted accounting principles conforms in all material respects with the computation under US generally accepted accounting principles.

The weighted average number of shares (in thousands) outstanding for the purposes of calculating basic earnings per share was 13,409 for the six months ended June 30, 2004 and 12,880 for the six months ended June 30, 2003. The weighted average number of shares (in thousands) outstanding for the purposes of calculating diluted earnings per share was 13,848 for the six months ended June 30, 2004 and 14,003 for the six months ended June 30, 2003.

The weighted average number of shares (in thousands) outstanding for the purposes of calculating basic earnings per share was 13,658 for the three months ended June 30, 2004 and 12,928 for the three months ended June 30, 2003. The weighted average number of shares (in thousands) outstanding for the purposes of calculating diluted earnings per share was 13,839 for the three months ended June 30, 2004 and 14,060 for the three months ended June 30, 2003.

Note 4. Acquisitions

In March 2004, the Company acquired 7,015,985 common shares in Fahr Beteiligungen AG (“Fahr”) for consideration of \$25,296 including capitalized expenses, which resulted in an effective ownership of approximately 68% in Fahr. Fahr was consolidated since its acquisition date. Fahr is engaged in the business of real estate development, industrial and engineering services in the fields of cement, coal and minerals processing technologies. The acquisition of Fahr was accounted for on a step-by-step basis, and the fair value of the assets acquired and liabilities assumed at the dates of acquisitions was allocated as follows:

Cash and cash equivalents	\$	44,928
Restricted cash		4,188
Loans		26,635
Receivable		37,223
Inventories		4,664
Real estate inventories		30,243

Properties	28,440
Other assets	3,791
	180,112
Liabilities	48,604
Provision for warranty costs, current and long-term	31,347
Pension liabilities, long-term	36,153
Bank loans	13,572
Minority interest	15,715
Post-acquisition income of purchased subsidiaries	334
	\$ 34,387
Net assets acquired	\$ 34,387

In March 2004, the Company, through various purchases, acquired 1,494,408 common shares of Med Net International Ltd. (“Med Net”) , for a cash consideration of \$2,285, which resulted in an approximately 62% ownership interest in Med Net. This acquisition was not considered as material business combination. No goodwill nor intangible assets were acquired. Med Net was consolidated since its acquisition date. Med Net, through its unincorporated joint ventures, operates technically advanced eye care centers in China. The unincorporated joint ventures are accounted for by equity method. It also markets medical supplies. The acquisition of Med Net was accounted for on a step-by-step basis.

In April 2004, the Company, through its subsidiary, acquired 233,057 common shares of HIT International Trading AG (“HIT”) , for a total consideration of \$3,656, which resulted in an approximately 60% ownership interest in HIT. This acquisition was not considered as material business combination. No goodwill nor intangible assets were acquired. HIT, through its subsidiaries, trades primarily in the paper products, which forms as an integrated part of our financial services segment. HIT was consolidated since its acquisition date.

The Company relied on the subsidiaries’ unaudited financial statements as the basis to determine the fair value of assets acquired and liabilities assumed. Certain adjustments, which involved estimates and judgment, had been made to reflect such fair value.

Note 5. Revenue Recognition

Revenue from long-term contracts and services in our industrial and engineering segment is generally recognized as the service or contract activity is performed, using the percentage of completion method. For all major contracts, the measurement of revenue is measured on individual contract basis. Revenue is recognized to the extent of the contract costs incurred that are probable of being recoverable and any expected losses are recognized immediately.

Note 6. Warranty Costs

The contracts and services of our industrial and engineering segment are generally covered by product and service warranty that generally cover one year. A liability for the estimated warranty expenses is established when the contracts and services are performed and completed, and the warranty expenses are charged to the cost of sales.

Note 7. Pensions

Our industrial and engineering service segment in Germany maintains a defined benefits plan for its employees who were hired prior to year 1996. Employees hired after 1996 are not eligible to such benefits. The employees are not required to make contribution to the plan. We rely on the independently prepared actuarial report to record the pension costs and pension liabilities. The actuarial report is prepared every year as at December 31. The report is compiled and prepared, based on certain assumptions, namely, demographic assumptions and financial assumptions. The variables in the actuarial computation include, but not limited to, the following: demographic assumptions about the future characteristics of the employees (and their dependants) who are eligible for benefits, the discount rate and future salary.

Under the German laws, the pension liability is a unsecured claim and does not rank in priority to any other unsecured creditors. The pension liability is non-recourse to MFC Bancorp Ltd.

Note 8. Segment Information

Effective from April 2004, the Company operates in two reportable business segments: financial services, and industrial and engineering services. The segments are managed separately because each business requires different production and marketing strategies.

Summarized financial information concerning the segments is shown in the following table:

(Unaudited)	Six months ended June 30, 2004			Six months ended June 30, 2003		
	Financial services	Industrial and engineering services	Total	Financial services	Industrial and engineering services	Total
Revenues from external customers	\$ 244,997	\$ 50,553	\$ 295,550	\$ 180,364	\$--	\$ 180,364
Intersegment revenues	40	--	40	--	--	--
Income before taxes and minority interest	18,124	6,870	24,994	19,934	--	19,934
	Three months ended June 30, 2004			Three months ended June 30, 2003		
Revenues from external customers	\$ 130,668	\$ 50,553	\$ 181,221	\$ 97,496	\$--	\$ 97,496
Intersegment revenues	40	--	40	--	--	--
Income before taxes and minority interest	6,812	6,870	13,682	10,188	--	10,188
	As at June 30, 2004			As at December 31, 2003		
Segment assets	\$ 451,689	\$ 211,548	\$ 663,237	\$ 404,577	\$ --	\$ 404,577
Less: intercorporate investment			(3,157)			--
Consolidated total assets			\$ 660,080			\$ 404,577

Note 9. Reporting Currency

The Company reports its results in Canadian dollars. Certain amounts herein have also been reported in US dollars for reference purposes. Amounts reported in US dollars have been translated from Canadian dollars at a rate of US \$1.00 = Canadian \$1.3404 as at June 30, 2004, being the period-end exchange rate as prescribed by Regulation S-X (the accounting regulation of the US Securities and Exchange Commission).

FOR IMMEDIATE RELEASE AUGUST 16, 2004

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**MFC BANCORP LTD. REPORTS INCREASED
2004 SECOND QUARTER AND SIX MONTHS RESULTS
— Shareholders approve spin off —**

NEW YORK CITY, (August 16, 2004) — — — MFC Bancorp Ltd. (Nasdaq: MXBIF and Frankfurt Stock Exchange: MFC GR), reported today its financial results for the second quarter and six months ended June 30, 2004. All figures are in US dollars.

Revenues for the second quarter ended June 30, 2004, increased 88% to \$135.2 million from \$71.9 million in the second quarter of 2003. Net income for the 2004 second quarter increased to \$8.2 million, or \$0.59 per share on a diluted basis, from \$7.5 million, or \$0.55 per share on a diluted basis in the same quarter last year. Total expenses for the second quarter of 2004 were \$125.0 million, compared to \$64.4 million in the same quarter last year.

For the first six months of 2004, total revenues increased by 66% to \$220.5 million from \$133.1 million in the previous year six-month period. Net income for the first six months of 2004 increased to \$16.5 million, or \$1.20 per share on a diluted basis, from \$14.7 million, or \$1.10 per share on a diluted basis in the prior year. Total expenses for the first six months were \$201.8 million compared to \$118.4 million in the previous year.

The second quarter of 2004 and the first six months of the year increases in revenues and expenses were primarily a result of the continued increase in the volume of our trading activities and the inclusion of our industrial and engineering services.

Commenting, Michael Smith, President of MFC Bancorp Ltd., said “We are pleased to report the results for the six-month period and the second quarter ended June 30, 2004. The presentation of our financial statements has changed as a result of the recent acquisition of KHD Humboldt Wedag AG. We now have two reportable segments: (1) financial services; and (2) industrial and engineering services. Our balance sheet is now on a classified basis, which breaks out long- and short-term assets and liabilities. This should help in your review of our working capital position.”

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Mr. Smith continued, “We have been pleased with the acquisition of KHD Humboldt Wedag AG., which provides industrial and engineering services in the arrears of coal, cement and mineral-processing technologies. KHD is very complimentary to our merchant banking operations as each company’s clients can benefit from services of the other. In addition, KHD’s operations in China, India and the Middle East have grown substantially and are now providing opportunities for our other operations in China and India. KHD order intake has more than tripled in the first six months of 2004, compared with the same period last year. They are valued at, approximately \$172 million, and compared with \$55 million, respectively.”

At the MFC Bancorp’s annual and special meeting of shareholders, held on August 12th, its shareholders overwhelmingly approved all of the resolutions, including the spin off of our cobalt assets (Blue Earth Refineries Inc.). Mr. Smith said, “The final step in the spin off of Blue Earth is to receive regulatory approvals.”

In summary, Mr. Smith said, “We believe that, with our continued strong liquidity position and under-leveraged balance sheet, the second half of 2004 should see our Company take advantage of increasing opportunities.”

About MFC Bancorp

MFC Bancorp Ltd. owns companies that operate internationally in the financial and engineering services industry, and specializes in merchant banking and commodities trading, and industrial and engineering services. To obtain further information on the Company, please visit our website at <http://www.mfcbancorp.com>.

Certain statements included herein are "forward-looking statements" as defined by the Private Securities Litigation Reform Act of 1995. Factors that could cause actual results to differ materially from anticipated results in connection with the MFC Bancorp Ltd's predicted increase in its commodity trading finance business include risks and uncertainties such as: general market conditions that may adversely impact revenue generated by the MFC Bancorp Ltd's commodity trading business; the demand for products and services in China and other markets; the number of competitors with competitively priced products and services; the uncertainty of government regulation and politics in China and other markets; product development or other initiatives of the MFC Bancorp Ltd's competitors; and other risks and uncertainties detailed in the MFC Bancorp Ltd's 6-K and other reports filed with the Securities and Exchange Commission.

-FINANCIAL TABLES FOLLOW-

MFC BANCORP REPORTS INCREASED 2004 SECOND QUARTER AND SIX MONTHS RESULTS

Page 3

MFC BANCORP LTD .
CONSOLIDATED BALANCE SHEETS
as of June 30, 2004 and December 31, 2003
(unaudited)
(amounts in U.S. dollars; in thousands)

	<u>2004</u>	<u>2003</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 165,140	\$ 112,544
Restricted cash	5,805	0
Securities	22,117	4,508
Loans	22,149	11,123
Receivables	92,460	38,972
Commodity investments	17,437	8,484
Inventories	4,660	0
Real estate inventories	24,386	2,586
Prepaid and other	4,496	1,783
Deferred tax assets	1,938	0
	<u>360,588</u>	<u>180,000</u>
Non-current assets		
Securities	3,397	30,282
Loans	129	1,932
Properties	69,193	48,155
Resource property	26,628	27,889
Goodwill	12,081	12,478
Equity method investments	16,529	12,307
Deferred tax assets	3,906	0
	<u>131,863</u>	<u>133,043</u>
	<u>\$ 492,451</u>	<u>\$ 313,043</u>

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MFC BANCORP LTD.
CONSOLIDATED BALANCE SHEETS (con't)
as of June 30, 2004 and December 31, 2003
(unaudited)
(amounts in U.S. dollars; in thousands)

	<u>2004</u>	<u>2003</u>
LIABILITIES		
Current liabilities		
Accounts payable and accrued expenses	\$ 85,266	\$ 41,555
Debt	49,663	4,582
Deposits	18,576	17,166
Provision for warranty costs	15,821	0
Stock distribution payable	53,514	55,501
	2,763	299
	225,603	119,103
Long-term liabilities		
Debt	15,248	21,182
Pension liabilities	27,398	0
Provision for warranty costs	5,843	0
	902	0
	49,391	21,182
Total liabilities	274,994	140,285
Minority interest	21,253	3,734
SHAREHOLDERS' EQUITY		
Common stock	58,194	47,888
Equity component of convertible debt	129	0
Cumulative translation adjustment	(8,394)	(13,245)
	146,275	134,381
	196,204	169,024
	\$ 492,451	\$ 313,043

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MFC BANCORP LTD.
CONSOLIDATED STATEMENTS OF INCOME
For the Three Months Ended June 30, 2004 and 2003
(unaudited)
(amounts in U.S. dollars; in thousand, except per share data)

	<u>2004</u>	<u>2003</u>
Revenue		
Financial services	\$ 97,484	\$71,938
Industrial and engineering services	37,715	0
	<u>135,199</u>	<u>71,938</u>
Expenses		
Financial services	81,697	60,941
Industrial and engineering services	27,078	0
General and administrative	14,741	2,749
Interest	1,476	730
	<u>124,992</u>	<u>64,420</u>
Income before income taxes	10,207	7,518
Recovery of (provision for) income taxes	(298)	21
	<u>9,909</u>	<u>7,539</u>
Minority interests	(1,732)	(67)
Net income	<u>8,177</u>	<u>7,472</u>
Earnings per share		
Basic	\$ 0.60	\$ 0.58
Diluted	\$ 0.59	\$ 0.55
Weighted average shares outstanding (000's)		
Basic	13,658	12,928
Diluted	13,839	14,060

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MFC BANCORP REPORTS INCREASED 2004 SECOND QUARTER AND SIX MONTHS RESULTS

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MFC BANCORP LTD.
CONSOLIDATED STATEMENTS OF INCOME
For the Six Months Ended June 30, 2004 and 2003
(unaudited)

(amounts in U.S. dollars in thousand, except per share data)

	<u>2004</u>	<u>2003</u>
Revenue		
Financial services	\$ 182,779	\$133,081
Industrial and engineering services	37,715	0
	<u>220,494</u>	<u>133,081</u>
Expenses		
Financial services	151,901	111,118
Industrial and engineering services	27,078	0
General and administrative	20,577	5,907
Interest	2,291	1,347
	<u>201,847</u>	<u>118,372</u>
Income before income taxes	18,647	14,709
Recovery of (provision for) income taxes	(446)	55
	<u>18,201</u>	<u>14,764</u>
Minority interests	(1,741)	(49)

Net income	16,460	14,715
Earnings per share		
Basic	\$.23	\$ 1.14
Diluted	\$ 1.20	\$ 1.10
Weighted average shares outstanding (000's)		
Basic	13,409	12,880
Diluted	13,848	14,003

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MFC BANCORP REPORTS INCREASED 2004 SECOND QUARTER AND SIX MONTHS RESULTS
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MFC BANCORP LTD.
FINANCIAL SUMMARY
as of June 30, 2004 and December 31, 2003
(unaudited)

(amounts in U.S. dollars in thousand, except per share data and ratios)

	2004	2003
Cash and cash equivalents	\$ 165,140	\$ 112,544
Short-term securities	22,117	4,508
Working capital (1)	188,499	116,398
Total assets	492,451	313,043
Long-term debt	15,248	21,182
Shareholders' equity	196,204	169,024
Book value per share	14.37	13.29
Current ratio (1)	2.10	2.83

(1) Excluding stock distribution payable

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SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

MFC BANCORP LTD.

/s/ Michael J. Smith
Michael J. Smith,
President

Date: August 16, 2004