

MFC BANCORP LTD

FORM 6-K (Report of Foreign Issuer)

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Industry	Misc. Financial Services
Sector	Financial
Fiscal Year	12/31

U.S. SECURITIES AND EXCHANGE COMMISSION
WASHINGTON D.C. 20549

FORM 6-K

**REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16 OF
THE SECURITIES EXCHANGE ACT OF 1934**

For the Month of NOVEMBER 2001

MFC BANCORP LTD.

(Exact Name of Registrant as specified in its charter)

17 DAME STREET, DUBLIN 2, IRELAND

(35 31) 679 1688

(Address and telephone number of Registrant's 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 whether the Registrant by furnishing the information contained in this Form is also thereby furnishing the information
to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934).

Yes No X

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

[LOGO]

MFC BANCORP LTD.

**2001 THIRD QUARTER REPORT
TO SHAREHOLDERS**

SEPTEMBER 30, 2001

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 include:

- * general economic and business conditions, including changes in interest rates;
- * prices and other economic conditions;
- * natural phenomena;
- * actions by government authorities, including changes in government regulation;
- * uncertainties associated with legal proceedings;
- * technological development;
- * future decisions by management in response to changing conditions;
- * our ability to execute prospective business plans; and
- * 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.

MFC BANCORP LTD.

2001 THIRD QUARTER REPORT

President's Letter to Shareholders:

We enclose our results for the third quarter of 2001. The following table is a summary of selected financial information for MFC for the periods indicated:

	Three Months Ended September 30,		Three Months Ended September 30,	
	----- 2001	2000 -----	----- 2001	2000 -----
	(U.S. Dollars in thousands except per share amounts) Information Only		(Canadian Dollars in thousands except per share amounts)	
Revenue	\$ 21,202	\$ 19,274	\$ 33,478	\$ 28,614
Net income	4,930	8,175	7,786	12,085
Net income per share:				
Basic	0.39	0.68	0.61	1.00
Diluted	0.37	0.63	0.58	0.93
	September	December	September	December
	30, 2001	31, 2000	30, 2001	31, 2000
	----- (U.S. Dollars in thousands) Information Only		----- (Canadian Dollars in thousands)	
Cash and cash equivalents	\$ 48,719	\$ 45,677	\$ 76,928	\$ 68,524
Securities	61,281	53,582	96,763	80,384
Total assets	189,207	221,346	298,760	332,063
Debt	22,182	23,611	35,026	35,421
Shareholders' equity	159,213	142,070	251,398	213,134

MFC is a financial services company that focuses on merchant banking. We provide specialized banking and corporate finance services internationally. Our wholly-owned subsidiary, MFC Merchant Bank S.A., which is a licensed full-service Swiss bank based in Geneva, Switzerland, advises clients on corporate strategy and structure, including mergers and acquisitions and capital raising. We also commit our own capital to promising enterprises and invest and 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 proprietary investing is generally not passive and we seek investments where our financial expertise and management can either add or unlock value. Our operations are primarily conducted in Europe and North America.

Our banking operations require substantially less regulatory capital than traditional North American banks as the majority of its customer deposits are placed in the European fiduciary market. Such placements are off-balance sheet items which allow us to generate fee income without tying up significant amounts of capital. This is in contrast to most North American banks, which generate revenue from the spread between the cost of funds and the credit received.

Our results for the third quarter of 2001 were adversely affected, in part, by the current global economic slowdown.

In October 2001, we entered into an agreement to acquire securities of the Hovis group of companies ("Hovis"). Hovis is an international trading and industrial company with its head office in Vienna, Austria. The transaction is subject to various conditions customary for transactions of this nature, and we currently expect the transaction to close in the fourth quarter of 2001.

We have restated our earnings per share data for the three months ended September 30, 2000 as a result of a change in the computation of diluted earnings per share under Canadian generally accepted accounting principles. See Note 3 to our consolidated financial statements for additional information with respect to the computation of earnings per share.

We have established a foundation for our financial services business and look forward to continued growth during the remainder of 2001.

Respectfully submitted,

/s/ M.J. Smith

November 2001

*M.J. Smith
President*

MFC BANCORP LTD.

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001

(UNAUDITED)

MFC BANCORP LTD.

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(DOLLARS IN THOUSANDS)

	SEPTEMBER 30, 2001 ----- (U.S. DOLLARS) INFORMATION ONLY	September 30, 2001 ----- (CANADIAN DOLLARS)	December 31 2000 -----
ASSETS			
Cash and cash equivalents	\$ 48,719	\$ 76,928	\$ 68,524
Securities	61,281	96,763	80,384
Loans	42,811	67,599	119,113
Receivables	17,166	27,106	20,321
Due from investment dealers	548	865	13,510
Property held for development and sale	6,048	9,550	9,243
Excess cost of net assets acquired	10,353	16,348	17,032
Prepaid and other	2,281	3,601	3,936
	-----	-----	-----
	\$189,207	\$298,760	\$332,063
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
Liabilities			
Deposits	\$ 576	\$ 910	\$ 63,572
Accounts payable and accrued expenses	5,055	7,982	16,155
Debt	22,182	35,026	35,421
	-----	-----	-----
	27,813	43,918	115,148
Minority interests	2,181	3,444	3,781
Shareholders' equity			
Common stock	45,316	71,554	65,138
Cumulative translation adjustment	3,587	5,665	(771)
Retained earnings	110,310	174,179	148,767
	-----	-----	-----
	159,213	251,398	213,134
	-----	-----	-----
	\$189,207	\$298,760	\$332,063
	=====	=====	=====

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

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(UNAUDITED)

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	September 30, 2001 ----- (U.S. DOLLARS) INFORMATION ONLY	September 30, ----- 2001 2000 ----- (CANADIAN DOLLARS)	
Financial services revenue	\$ 78,764	\$124,368	\$ 98,484
Expenses			
Financial services	53,884	85,083	54,458
General and administrative	7,497	11,838	13,537
Interest	1,403	2,216	3,298
	----- 62,784 -----	----- 99,137 -----	----- 71,293 -----
Income before income taxes	15,980	25,231	27,191
Income taxes	(80)	(127)	(132)
	----- 15,900 -----	----- 25,104 -----	----- 27,059 -----
Minority interests	195	308	(662)
	-----	-----	-----
Net income	\$ 16,095 =====	25,412	26,397
Retained earnings, beginning of period		148,767 -----	109,604 -----
Retained earnings, end of period		\$174,179 =====	\$136,001 =====
Earnings per share			
Basic	\$ 1.29 =====	\$ 2.04 =====	\$ 2.19 =====
Diluted	\$ 1.22 =====	\$ 1.92 =====	\$ 2.05 =====
Weighted average number of shares outstanding (in thousands)			
Basic	12,454 =====	12,454 =====	12,048 =====
Diluted	13,838 =====	13,838 =====	13,439 =====

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

MFC BANCORP LTD.

**CONSOLIDATED STATEMENTS OF OPERATIONS AND RETAINED EARNINGS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(UNAUDITED)**

(DOLLARS IN THOUSANDS EXCEPT PER SHARE AMOUNTS)

	September 30, 2001 ----- (U.S. DOLLARS) INFORMATION ONLY	September 30, ----- 2001 2000 ----- (CANADIAN DOLLARS)	
Financial services revenue	\$ 21,202	\$ 33,478	\$ 28,614
Expenses			
Financial services	13,344	21,070	11,843
General and administrative	2,609	4,119	3,826
Interest	487	769	840
	-----	-----	-----
	16,440	25,958	16,509
	-----	-----	-----
Income before income taxes	4,762	7,520	12,105
(Provision for) income tax recovery	149	236	(61)
	-----	-----	-----
	4,911	7,756	12,044
Minority interests	19	30	41
	-----	-----	-----
Net income	\$ 4,930 =====	7,786	12,085
Retained earnings, beginning of period		166,393	123,916
		-----	-----
Retained earnings, end of period		\$174,179	\$136,001
		=====	=====
Earnings per share			
Basic	\$ 0.39 =====	\$ 0.61	\$ 1.00
Diluted	\$ 0.37 =====	\$ 0.58	\$ 0.93
		=====	=====
Weighted average number of shares outstanding (in thousands)			
Basic	12,706	12,706	12,056
	-----	-----	-----
Diluted	14,068	14,068	13,367
	-----	-----	-----

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

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(UNAUDITED)

(DOLLARS IN THOUSANDS)

	SEPTEMBER 30,	
	2001	2000
	-----	-----
Inflow (outflow) of cash and cash equivalents related to the following activities:		
Operating		
Net income	\$25,412	\$26,397
Adjustments to reconcile net income to net cash provided by operating activities:		
Items not affecting cash		
Depreciation and amortization	1,335	1,222
Changes in current assets and liabilities		
Securities	(7,041)	6,275
Receivables	(3,444)	(8,384)
Due from investment dealers	12,401	3,676
Properties held for development and sale	(231)	2,362
Accounts payable and accrued expenses	(418)	(6,090)
Other	(1,418)	(3,341)
	-----	-----
	26,596	22,117
Financing		
Net (decrease) increase in deposits	(60,636)	14,489
Borrowings, less debt repayments	(1,878)	3,272
Issuance of shares, net of repurchases	6,418	(545)
Other	-	(36)
	-----	-----
	(56,096)	17,180
Investing		
Net decrease (increase) in loans	36,139	(21,578)
Sale and purchases of subsidiaries, net of cash acquired/disposed	-	1,179
Other	(481)	(685)
	-----	-----
	35,658	(21,084)
Exchange rate effect on cash and cash equivalents	2,246	(745)
	-----	-----
Increase in cash and cash equivalents	8,404	17,468
Cash and cash equivalents:		
Beginning of period	68,524	49,567
	-----	-----
End of period	\$76,928	\$67,035
	=====	=====

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

MFC BANCORP LTD.

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2001 AND 2000
(UNAUDITED)

(DOLLARS IN THOUSANDS)

	SEPTEMBER 30,	
	2001	2000
	-----	-----
Inflow (outflow) of cash and cash equivalents related to the following activities:		
Operating		
Net income	\$ 7,786	\$12,085
Adjustments to reconcile net income to net cash provided by operating activities:		
Items not affecting cash		
Depreciation and amortization	485	382
Changes in current assets and liabilities		
Securities	(3,203)	4,725
Receivables	(3,021)	(1,743)
Due from investment dealers	(627)	1,928
Properties held for development and sale	(51)	(1)
Accounts payable and accrued expenses	(9,840)	10
Other	(1,984)	(20)
	-----	-----
	(10,455)	17,366
Financing		
Net (decrease) increase in deposits	(477)	12,639
Borrowings, less debt repayments	4,770	(971)
Issuance of shares, net of repurchases	111	(644)
Other	19	-
	-----	-----
	4,423	11,024
Investing		
Net decrease (increase) in loans	4,131	(10,508)
Sale and purchases of subsidiaries, net of cash acquired/disposed	-	(37)
Other	(230)	(525)
	-----	-----
	3,901	(11,070)
Exchange rate effect on cash and cash equivalents	6,097	(1,282)
	-----	-----
Increase in cash and cash equivalents	3,966	16,038
Cash and cash equivalents:		
Beginning of period	72,962	50,997
	-----	-----
End of period	\$76,928	\$67,035
	=====	=====

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

MFC BANCORP LTD.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2001
(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, except for the computation of earnings per share (see Note 3 below). 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.

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 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", which is applied for fiscal years beginning on or after January 1, 2001. All prior earnings per share information presented is restated to conform with Accounting Handbook Section 3500.

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 earnings 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.

Accordingly, as a result of the adoption of Accounting Handbook Section 3500, effective January 1, 2001 the computation of earnings per share under Canadian generally accepted accounting principles conforms in all material respects with the computation under U.S. generally accepted accounting principles.

Prior to the adoption of Accounting Handbook Section 3500, the computation of fully diluted earnings per share considered the dilutive effect of outstanding call options and warrants and convertible securities as if they were either exercised or converted at the time of issuance.

NOTE 4. REPORTING CURRENCY

The Company reports its results in Canadian dollars. Certain amounts herein have also been reported in U.S. dollars for reference purposes. Amounts reported in U.S. dollars have been translated from Canadian dollars at a rate of U.S. \$1.00 = Canadian \$1.5790 as at September 30, 2001, being the period-end exchange rate as required by Regulation S-X (the accounting regulation of the U.S. Securities and Exchange Commission).

NOTE 5. SUBSEQUENT EVENTS

In October 2001, the Company entered into an agreement to acquire securities of the Hovis group of companies ("Hovis"). Hovis is an international trading and industrial company with its head office in Vienna, Austria. The transaction is subject to various conditions customary for transactions of this nature, and the Company currently expects the transaction to close in the fourth quarter of 2001.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

IN THIS DOCUMENT, PLEASE NOTE THE FOLLOWING:

- * REFERENCES TO "WE", "OUR", "US" OR "MFC" MEAN MFC BANCORP LTD. AND ITS SUBSIDIARIES UNLESS THE CONTEXT OF THE SENTENCE CLEARLY SUGGESTS OTHERWISE;
- * ALL REFERENCES TO MONETARY AMOUNTS ARE IN CANADIAN DOLLARS UNLESS OTHERWISE INDICATED; AND
- * SELECTED FINANCIAL INFORMATION HAS BEEN PROVIDED IN U.S. DOLLARS FOR INFORMATIONAL PURPOSES USING AN EXCHANGE RATE OF ONE CANADIAN DOLLAR BEING EQUAL TO U.S.\$0.6333, BEING THE FEDERAL RESERVE BANK OF NEW YORK RATE OF CONVERSION FOR CANADIAN DOLLARS TO U.S. DOLLARS AS AT SEPTEMBER 30, 2001.

The following discussion and analysis of the financial condition and results of our operations for the nine months ended September 30, 2001 should be read in conjunction with the consolidated financial statements and related notes included elsewhere herein. Certain reclassifications have been made to our prior period financial statements to conform to the current period presentation.

RESULTS OF OPERATIONS - NINE MONTHS ENDED SEPTEMBER 30, 2001

In the nine months ended September 30, 2001, revenues increased to \$124.4 million from \$98.5 million in the comparable period of 2000, primarily due to increased merchant banking activities. Expenses increased to \$99.1 million in the nine months ended September 30, 2001 from \$71.3 million in the comparable period of 2000, primarily as a result of higher revenues. General and administrative expenses decreased to \$11.8 million in the nine months ended September 30, 2001 from \$13.5 million in the comparable period of 2000. Interest expense decreased to \$2.2 million in the nine months ended September 30, 2001 from \$3.3 million in the comparable period of 2000, primarily as a result of lower indebtedness during the current period.

In the nine months ended September 30, 2001, our net earnings were \$25.4 million or \$1.92 per share on a diluted basis. In the nine months ended September 30, 2000, net earnings were \$26.4 million or \$2.05 per share on a diluted basis.

RESULTS OF OPERATIONS - THREE MONTHS ENDED SEPTEMBER 30, 2001

In the three months ended September 30, 2001, revenues increased to \$33.5 million from \$28.6 million in the comparable period of 2000, primarily due to increased merchant banking activities. Expenses increased to \$26.0 million in the three months ended September 30, 2001 from \$16.5 million in the comparable period of 2000, primarily as a result of higher revenues. General and administrative expenses increased to \$4.1 million in the three months ended September 30, 2001 from \$3.8 million in the comparable period of 2000. Interest expense was \$0.8 million in the three months ended September 30, 2001 and 2000, respectively.

In the three months ended September 30, 2001, our net earnings were \$7.8 million or \$0.58 per share on a diluted basis. In the three months ended September 30, 2000, net earnings were \$12.1 million or \$0.93 per share on a diluted basis.

LIQUIDITY AND CAPITAL RESOURCES

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

	U.S. DOLLARS		CANADIAN DOLLARS	
	SEPTEMBER 30, 2001	DECEMBER 31, 2000	SEPTEMBER 30, 2001	DECEMBER 31, 2000
	(IN THOUSANDS)		(IN THOUSANDS)	
	INFORMATION ONLY			
Cash and cash equivalents	\$ 48,719	\$ 45,677	\$ 76,928	\$ 68,524
Securities	61,281	53,582	96,763	80,384
Total assets	189,207	221,346	298,760	332,063
Debt	22,182	23,611	35,026	35,421
Shareholders' equity	159,213	142,070	251,398	213,134

We maintain a high level of liquidity, with a substantial amount of assets held in cash and cash equivalents, liquid marketable securities and customer loans collateralized by marketable securities. The highly liquid nature of these assets provides us with flexibility in managing our business and financing. This liquidity is used by us in client related services where we act as a financial intermediary for third parties and in our own proprietary investing activities.

At September 30, 2001, our cash and cash equivalents were \$76.9 million, compared to \$68.5 million at December 31, 2000. At September 30, 2001, we had securities of \$96.8 million, compared to \$80.4 million at December 31, 2000.

OPERATING ACTIVITIES

Operating activities provided cash of \$26.6 million in the nine months ended September 30, 2001, compared to \$22.1 million in the comparable period of 2000. A decrease in amounts due from investment dealers as a result of the outsourcing of our private banking facilities provided cash of \$12.4 million in the nine months ended September 30, 2001, compared to \$3.7 million in the comparable period of 2000. In the nine months ended September 30, 2001, an increase in receivables used cash of \$3.4 million, compared to \$8.4 million in the comparable period of 2000. A decrease in accounts payable and accrued expenses used cash of \$0.4 million in the nine months ended September 30, 2001, compared to \$6.1 million in the comparable period of 2000. A net increase in securities used cash of \$7.0 million in the current period, compared to a net decrease in securities providing cash of \$6.3 million in the comparable period of 2000. We expect to generate sufficient cash flow from operations to meet our working capital requirements.

INVESTING ACTIVITIES

Investing activities in the nine months ended September 30, 2001 provided cash of \$35.7 million, compared to using cash of \$21.1 million in the comparable period of 2000, primarily as a result of a net decrease of approximately \$36.1 million in loans during the current period.

FINANCING ACTIVITIES

Financing activities used cash of \$56.1 million in the nine months ended September 30, 2001, compared to providing cash of \$17.2 million in the comparable period of 2000, primarily as a result of a net decrease of approximately \$60.6 million in deposits for our customers' accounts during the current period primarily resulting from the outsourcing of our private banking operations. During the current period, net debt repayments used cash of approximately \$1.9 million.

The appreciation of the Swiss franc relative to the Canadian dollar by approximately 5.4% and the appreciation of the U.S. dollar relative to the Canadian dollar by approximately 5.3% over the current nine-month period resulted in an unrealized foreign exchange translation gain of \$2.2 million on cash and cash equivalents, which is included as shareholders' equity in our balance sheet and does not affect our net earnings.

We continue to explore potential acquisition opportunities as a means of expanding our business. Such opportunities may involve acquisitions which are material in size and may require the raising of additional capital.

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, in particular, those in Switzerland and the United States.

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 U.S. dollars, our financial position for any given period, when reported in Canadian dollars, can be significantly affected by the exchange rate for Swiss francs and U.S. dollars prevailing during that period. In the nine months ended September 30, 2001, we reported approximately a net \$6.4 million foreign exchange translation gain and, as a result, our cumulative foreign exchange translation gain at September 30, 2001 was \$5.7 million, compared to a loss of \$0.8 million at December 31, 2000.

Since both significant sources of revenues and expenses of our banking subsidiary are in Swiss francs, we use derivatives to manage our foreign exchange exposure with respect to Swiss francs only.

Based upon the period average exchange rate in the third quarter of 2001, the Canadian dollar decreased by approximately 5.3% in value against the Swiss franc and by approximately 4.1% in value against the U.S. dollar, compared to the third quarter of 2000.

The Company reports its results in Canadian dollars. Certain amounts herein have also been reported in U.S. dollars for reference purposes. Amounts reported in U.S. dollars have been translated from Canadian dollars at a rate of U.S.\$1.00 = Canadian \$1.5790 as at September 30, 2001, being the period-end exchange rate as required by Regulation S-X (the accounting regulation of the U.S. Securities and Exchange Commission).

The depreciation of the Canadian dollar by approximately 5.0% in value against the U.S. dollar from U.S.\$1.00 = Canadian \$1.5002 as at December 31, 2000 to U.S.\$1.00 = Canadian \$1.5790 as at September 30, 2001 had an adverse impact on our financial statements presented in U.S. dollars for informational purposes. As at November 27, 2001, the exchange rate was U.S.\$1.00 = Canadian \$1.5948.

CERTAIN FACTORS

Our results of operations may be materially affected by market fluctuations and economic factors. In addition, 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 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 financial services such as banks, broker-dealers and investment dealers, along with other sources such as insurance companies, mutual fund groups, on-line service providers and other companies offering financial services in Europe and globally.

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 exchange exposure for our own account.

INFLATION

We do not believe that inflation has had a material impact on revenues or income during the third quarter of 2001. 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.

SIGNATURES

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.

<i>Registrant</i>	<i>MFC BANCORP LTD.</i> -----
<i>By</i>	<i>/s/ Michael J. Smith</i> ----- <i>MICHAEL J. SMITH, PRESIDENT</i>
<i>Date</i>	<i>November 28, 2001</i> -----

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