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INCORPORATED AS PART OF:

Schedule A  
 Schedules B and C

ISSUER DETAILS

NAME OF ISSUER	FOR QUARTER ENDED	DATE OF REPORT YY/MM/DD
Nevada Geothermal Power Inc.	June 30, 2003	2003/11/15

ISSUER'S ADDRESS

#900 – 409 Granville Street

CITY	PROVINCE	POSTAL CODE	ISSUER FAX NO.	ISSUER TELEPHONE NO.
Vancouver	BC	V6C 1T2	(604) 688-1553	(604) 688-5926
CONTACT PERSON		CONTACT'S POSITION		CONTACT TELEPHONE NO.
Brian D. Fairbank		Director and President		(604) 688-1553
CONTACT EMAIL ADDRESS			WEB SITE ADDRESS	
sfkirk@nevadageothermal.com			www.nevadageothermal.com	

CERTIFICATE

The three schedules required to complete this Report are attached and the disclosure contained therein has been approved by the Board of Directors. A copy of this Report will be provided to any shareholder who requests it.

DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
<i>"Brian Fairbank"</i>	Brian Fairbank	2003/11/17
DIRECTOR'S SIGNATURE	PRINT FULL NAME	DATE SIGNED YY/MM/DD
<i>"James Yates"</i>	James E. Yates	2003/11/17

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**



## AUDITORS' REPORT

To the Shareholders of  
Nevada Geothermal Power Inc.  
(Formerly Continental Ridge Resources Inc.)

We have audited the consolidated balance sheets of Nevada Geothermal Power Inc. (formerly Continental Ridge Resources Inc.) as at June 30, 2003 and 2002, and the consolidated statements of loss and deficit, and cash flows for the years ended June 30, 2003 and 2002. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at June 30, 2003 and 2002, and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles. As required by the British Columbia Company Act, we report that, in our opinion, these principles have been applied on a consistent basis.

Vancouver, Canada

September 11, 2003

"Morgan & Company"

Chartered Accountants

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**CONSOLIDATED BALANCE SHEETS**

	<b>JUNE 30</b>	
	<b>2003</b>	<b>2002</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 12,755	\$ 32,803
Goods and services tax recoverable	7,495	3,717
Prepaid expenses	6,581	6,581
Exploration advances	6,307	86,902
	<b>33,138</b>	<b>130,003</b>
<b>Resource Property Costs</b> (Note 3)	<b>477,325</b>	<b>256,000</b>
<b>Investment</b> (Note 4)	<b>25,000</b>	<b>25,000</b>
<b>Capital Assets</b> (Note 5)	<b>6,201</b>	<b>7,109</b>
	<b>\$ 541,664</b>	<b>\$ 418,112</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable	\$ 153,417	\$ 37,625
<b>SHAREHOLDERS' EQUITY</b>		
<b>Share Capital</b> (Note 6)	<b>3,612,383</b>	<b>3,214,733</b>
<b>Share Subscriptions</b>	<b>129,117</b>	<b>86,100</b>
<b>Contributed Surplus</b>	<b>80,695</b>	<b>23,000</b>
<b>Deficit</b>	<b>(3,433,948)</b>	<b>(2,943,346)</b>
	<b>388,247</b>	<b>380,487</b>
	<b>\$ 541,664</b>	<b>\$ 418,112</b>

Approved by the Directors:

"Brian D. Fairbank"

"Jack W. Milligan"

See accompanying notes to the consolidated financial statements

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**CONSOLIDATED STATEMENTS OF LOSS AND DEFICIT**

	<b>YEARS ENDED JUNE 30</b>	
	<b>2003</b>	<b>2002</b>
<b>Expenses</b>		
Accounting and audit	\$ 12,470	\$ 12,622
Administration fees	61,640	33,300
Amortization	1,629	1,523
Bank charges and interest	349	463
Consulting	117,005	36,360
Financing costs	15,000	-
Investor relations	134,755	113,793
Legal	65,570	21,692
Office and sundry	18,404	12,043
Rent and telephone	21,144	11,144
Site evaluation	3,960	806
Transfer agent and regulatory fees	30,154	13,200
Travel and business development	8,522	9,829
<b>Loss Before The Following</b>	<b>490,602</b>	<b>266,775</b>
<b>Loss On Sale Of Investments</b>	<b>-</b>	<b>10,287</b>
<b>Loss For The Year</b>	<b>490,602</b>	<b>277,062</b>
<b>Deficit, Beginning Of Year</b>	<b>2,943,346</b>	<b>2,666,284</b>
<b>Deficit, End Of Year</b>	<b>\$ 3,433,948</b>	<b>\$ 2,943,346</b>
<b>Loss Per Share, Basic and diluted</b>	<b>\$ 0.05</b>	<b>\$ 0.04</b>
<b>Weighted Average Number Of Shares Outstanding</b>	<b>9,722,816</b>	<b>7,588,458</b>

See accompanying notes to the consolidated financial statements

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

	<b>YEARS ENDED JUNE 30</b>	
	<b>2003</b>	<b>2002</b>
<b>Cash Flows From Operating Activities</b>		
Loss for the year	\$ (490,602)	\$ (277,062)
Items not involving cash flows:		
Loss on sale of investments	-	10,287
Stock based compensation	57,695	23,000
Amortization	1,629	1,523
	<u>(431,278)</u>	<u>(242,252)</u>
Change in non-cash working capital items:		
Decrease (Increase) in advances receivable	80,595	(86,902)
(Increase) Decrease in Goods and Services Tax recoverable	(3,778)	4,932
(Increase) in prepaid expense	-	(6,581)
Increase (Decrease) in accounts payable	115,792	(42,351)
	<u>(238,669)</u>	<u>(373,154)</u>
<b>Cash Flows From Investing Activities</b>		
Resource property costs	(221,325)	(124,887)
Proceeds on disposal of short term investment	-	12,212
Acquisition of capital assets	(721)	(5,000)
	<u>(222,046)</u>	<u>(117,675)</u>
<b>Cash Flows From Financing Activities</b>		
Shares issued for cash	311,550	349,917
Special warrants issued for cash	-	76,500
Share subscriptions received	129,117	86,100
	<u>440,667</u>	<u>512,517</u>
<b>Increase (Decrease) In Cash</b>	<b>(20,048)</b>	<b>21,688</b>
<b>Cash, Beginning Of Year</b>	<b>32,803</b>	<b>11,115</b>
<b>Cash, End Of Year</b>	<b>\$ 12,755</b>	<b>\$ 32,803</b>
<b>Supplementary Cash Flow Information</b>		
Shares issued for resource properties	\$ -	\$ 34,167

See accompanying notes to the consolidated financial statements

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**1. NATURE OF OPERATIONS AND GOING CONCERN**

The Company is in the process of exploring its resource properties and has not yet determined whether these properties contain economically recoverable ore reserves. The recoverability of the amounts shown for resource properties and related deferred costs is dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain necessary financing to complete the development of the properties, and upon future profitable production.

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern which assume the realization of assets and discharge of liabilities in the normal course of business. As at June 30, 2003, the Company has a working capital deficiency of \$120,279, and has incurred losses totalling \$3,433,948.

The Company's ability to continue as a going concern is dependent upon successful completion of additional financing, continuing support of creditors and upon its ability to attain profitable operations. These consolidated financial statements do not give effect to any adjustments that would be necessary should the Company not be able to continue as a going concern.

**2. SIGNIFICANT ACCOUNTING POLICIES**

a) Consolidation

These financial statements include the accounts of the Company and its wholly-owned subsidiary, Blue Desert Mining (U.S.) Inc., incorporated in the State of Nevada, U.S.A. All significant inter-company balances and transactions have been eliminated.

b) Resource Property Costs

Costs of acquisition and exploration of resource properties are capitalized on an area-of-interest basis. Amortization of these costs will be on a unit-of-production basis, based on estimated proven reserves of minerals and geothermal resources of the areas should such reserves be found. If an area of interest is abandoned the costs thereof are charged to income in the year of abandonment.

The Company does not accrue the estimated future costs of maintaining its resource interests in good standing. The amounts shown for resource properties and deferred exploration costs represent costs to date and do not necessarily reflect present or future values.

**NEVADA GEOTHERMAL POWER INC.**  
**(Formerly Continental Ridge Resources Inc.)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

c) Option Payments Received

Option payments received are treated as a reduction of the carrying value of the related resource properties and deferred exploration costs and the balance, if any, is taken into income.

d) Investments

Investments in which the Company owns up to 20% of the issued common shares are accounted for at cost, unless a permanent impairment in value has been determined, at which time they are written down to market value.

e) Capital Assets

Capital assets are recorded at cost and are depreciated over their useful lives by the declining balance method at the following rates:

Computer equipment	30%
Office equipment	20%

f) Stock Based Compensation

Effective July 1, 2002, the Company adopted CICA Handbook Section 3870 – “Stock Based Compensation and Other Stock Based Payments”, which establishes standards for the recognition, measurement and disclosure of stock based compensation and other stock based payments made in exchange for goods and services. Section 3870 sets out a fair value based method of accounting that is required for certain, but not all, stock based transactions. The Company records, as compensation expense, the excess of the exercise price over the share price at the time of grant.

Handbook Section 3870, however, does require additional disclosures for options granted to employees, including disclosure of pro-forma earnings and pro-forma earnings per share as if the fair value based accounting method had been used to account for employee stock options.

Under the new standard, direct awards of stock granted to employees are recorded at fair value on the date of grant and the associated expense is amortized over the vesting period.

**NEVADA GEOTHERMAL POWER INC.**  
**(Formerly Continental Ridge Resources Inc.)**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

g) Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

h) Loss Per Share

Loss per share is calculated on the weighted average number of shares outstanding. Diluted loss per share is not presented as the effect of potentially issuable common shares is anti-dilutive.

i) Income Taxes

Income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. Future tax assets are recognized to the extent that they are considered more likely than not to be realized. Future income tax liabilities or assets are calculated using the tax rates anticipated to apply in the periods that the temporary differences are expected to reverse.

j) Foreign Currency Translation

The financial statements of the 100% owned U.S. subsidiary have been translated using the temporal method whereby the assets and liabilities are translated at the year end exchange rate, capital accounts at the historical exchange rate, and revenues and expenses at the average exchange rate for the period. Foreign exchange gains and losses resulting from these transactions are reflected in the consolidated statement of loss and deficit.

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**3. MINERAL PROPERTY COSTS**

The acquisition and exploration costs of the Company's mineral properties are as follows:

	<u>2003</u>	<u>2002</u>
Pogo Area Project – Alaska	\$ 93,758	\$ 90,006
Blue Mountain Geothermal Project – Nevada	<u>383,567</u>	<u>165,994</u>
	<u>\$ 477,325</u>	<u>\$ 256,000</u>

**Pogo Area Project**

The Company acquired an interest in a number of claims in the Pogo area of interest, south-east of Fairbanks, Alaska. These claim areas are as follows:

i) Portal/Gobi Claims

The Company has an option to acquire 100% interest in a number of claims by the issue of 66,667 shares, 16,667 on regulatory approval and 16,667 in annual intervals (66,667 issued), by cash payments of \$17,500 (paid) and by the payment of an annual advance royalty of \$10,000. The optionor retains a 2% Net Smelter Royalty of which 1% may be purchased by the Company for \$1,000,000.

In addition, the Company has staked a number of claims adjacent to the Portal/Gobi Claims.

The Company has entered into an agreement on the Portal/Gobi Claims with an unrelated company whereby that company will earn a 60% interest in the Portal/Gobi property. Total expenditures of US\$750,000 (including \$50,000 cash payments due by the Company) are required over a five year earn-in period ending January 1, 2005.

After the earn-in period, the Company will have a 40% participating interest in the joint venture.

ii) Mohave

The Company has acquired, by staking, a 100% interest in the Mohave claims, located in the Pogo area.

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**3. MINERAL PROPERTY COSTS (Continued)**

**Pogo Area Project (Continued)**

iii) The following costs have been incurred by the Company on the Pogo Area project:

	<b>2003</b>	<b>2002</b>
Acquisition		
Issue of shares	\$ -	\$ 4,167
Deferred exploration		
Property leases, permits and regulatory	<b>3,070</b>	3,976
Geological and geophysical	<b>682</b>	-
	<b>3,752</b>	8,143
Costs incurred during the year	<b>90,006</b>	81,863
Balance, beginning of year		
	<b>\$ 93,758</b>	\$ 90,006
Balance, end of year		

**Blue Mountain Geothermal Project, Nevada, U.S.A.**

The Company entered into an option agreement, as amended August 7, 2002 and November 12, 2002, with Blue Mountain Power Company Inc., a company with two common directors, to earn a 60% joint venture interest in the Blue Mountain Geothermal Project. The Company is required to pay US\$10,000 (US\$10,000 paid) annually commencing June 19, 2001 until June 19, 2003 and US\$20,000 on June 19, 2004, and to incur exploration expenditures totalling US\$150,000 by December 31, 2002, an additional US\$300,000 by June 19, 2003, and US\$1,200,000 by June 19, 2004. The Company is required to issue the 600,000 shares over a three year period (200,000 issued).

Under the option agreement, the Company will have a 20% joint venture interest after payments of US\$30,000, work expenditures of US\$450,000, and the issue of 400,000 shares.

By an acquisition agreement dated December 13, 2002, the Company will acquire 100% of the issued capital of Blue Mountain Power Company Inc. ("Blue Mountain") by the issue of 5,500,000 common shares of the Company. As at June 30, 2003, the Company had not met the required expenditure commitments under the option agreement, however, as a result of the pending acquisition of 100% of the issued and outstanding shares of Blue Mountain Power Company, Inc. (Note 10), the Company will indirectly acquire a 100% interest in the Blue Mountain Geothermal Project. Accordingly, all recorded costs of acquisition and deferred expenditures will be included as part of the cost of acquiring Blue Mountain Power Company, Inc.

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**3. MINERAL PROPERTY COSTS** (Continued)

**Blue Mountain Geothermal Project, Nevada, U.S.A.** (Continued)

The following costs have been incurred on the project:

	<b>2003</b>	2002
Acquisition		
Issue of shares	\$ -	\$ 30,000
Option payments	<b>15,500</b>	15,558
	<b>15,500</b>	45,558
Deferred exploration		
Property leases, permits and regulatory	<b>14,747</b>	14,293
Geological and geophysical	<b>71,086</b>	2,337
Project management	-	25,350
Drilling	<b>110,155</b>	18,768
Road maintenance	<b>3,124</b>	3,687
Camp supplies	-	189
Travel and accommodation	<b>2,961</b>	4,974
Well testing	-	1,588
	<b>217,573</b>	116,744
Expenditures for the year	<b>217,573</b>	116,744
Balance, beginning of year	<b>165,994</b>	49,250
	<b>\$ 383,567</b>	\$ 165,994

**4. INVESTMENT**

	<b>2003</b>	2002
100,000 shares in Blue Mountain Power Company Inc., a company with two common directors, at cost	<b>\$ 25,000</b>	\$ 25,000

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**5. CAPITAL ASSETS**

	2003	2002
Computer equipment	\$ 14,732	\$ 14,011
Office equipment	6,995	6,995
	21,727	21,006
Accumulated depreciation	15,526	13,897
	\$ 6,201	\$ 7,109

**6. SHARE CAPITAL**

a) Authorized

100,000,000 common shares - no par value  
25,000,000 first preferred shares - no par value  
25,000,000 second preferred shares - no par value

b) Common Shares Issued

	SHARES	AMOUNT
Balance, June 30, 2001	6,857,002	\$ 2,788,316
For cash		
Private placement	1,195,000	298,750
Options exercised	170,000	17,000
Special warrants converted	425,000	76,500
For mineral property	216,667	34,167
	8,863,669	3,214,733
Balance, June 30, 2002	8,863,669	3,214,733
For cash		
Private placement	554,555	209,400
Options exercised	361,000	64,750
Warrants exercised	494,000	123,500
	10,273,224	\$ 3,612,383

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**6. SHARE CAPITAL** (Continued)

c) Stock Options

As at June 30, 2003, the following share purchase options were outstanding:

EXERCISE PRICE	NUMBER OUTSTANDING AT JUNE 30 2003	REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE AT JUNE 30 2003
\$ 0.10	345,000	2.98 years	\$ 0.10	345,000
0.25	65,000	4.20 years	0.25	65,000
0.28	495,000	4.96 years	0.28	432,500
	<u>905,000</u>	4.05 years	\$ 0.21	<u>842,500</u>

A summary of the changes in stock options for the years ended June 30, 2002 and 2003 is presented below:

	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2001	685,000	\$ 0.12
Granted	316,000	0.25
Exercised	(170,000)	0.10
Balance, June 30, 2002	831,000	0.16
Granted	435,000	0.28
Exercised	(361,000)	0.18
Balance, June 30, 2003	<u>905,000</u>	<u>\$ 0.21</u>

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**6. SHARE CAPITAL** (Continued)

c) Stock Options (Continued)

Supplemental Information for Stock Based Compensation

Effective July 1, 2002, in accordance with CICA Handbook Section 3870 – “Stock Based Compensation and Other Stock Based Payments”, pro-forma information regarding net loss and net loss per share is to be determined as if the Company had accounted for its employee’s stock options under the fair value method. The fair value for these options was estimated at the date of grant date using a Black-Scholes option pricing model with the following weighted average assumptions: risk-free interest rate of 5%, dividend yield of nil, volatility factor of 144%, and a weighted average expected life of the options of 2 years. The weighted average fair value per share of options granted during 2003 was \$0.28.

The following table presents the net loss and net loss per share for the year ended June 30, 2003 had the Company recorded stock options as compensation expense on the date of grant, which corresponds to the date on which the options automatically vest:

Net loss	\$ (874,169)	
Compensation expense under Section 3870	(78,182)	<u>          </u>
Pro-forma net loss	\$ (952,351)	<u>          </u>
Pro-forma basic loss per share	\$ (0.10)	<u>          </u>

d) Share Purchase Warrants

A summary of changes in share purchase warrants for the years ended June 30, 2002 and 2003 is presented below:

	NUMBER OF WARRANTS	WEIGTED AVERAGE EXERCISE PRICE
Balance, June 30, 2001	-	\$ -
Issued	810,000	0.25
Balance, June 30, 2002	810,000	0.25

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**6. SHARE CAPITAL** (Continued)

d) Share Purchase Warrants (Continued)

	NUMBER OF WARRANTS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, June 30, 2002	810,000	\$ 0.25
Issued	277,277	0.46
Exercised	(494,000)	0.25
Expired	(316,000)	0.25
	277,277	\$ 0.46

Share purchase warrants outstanding at June 30, 2003:

NUMBER OF SHARES	EXERCISE PRICE	EXPIRY DATE
152,000	\$ 0.35	August 12, 2003
27,777	0.45	September 17, 2003
97,500	0.60	January 17, 2004
277,277		

**7. FINANCIAL INSTRUMENTS**

The Company's financial instruments consist of goods and services tax receivable and accounts payable. It is management's opinion that the company is not exposed to significant interest, currency, or credit risk arising from these financial instruments. The fair value of the financial instruments approximates their carrying value.

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**8. RELATED PARTY TRANSACTIONS**

Transactions in the normal course of business with companies controlled by directors or companies with directors in common were as follows:

	<u>2003</u>	<u>2002</u>
Fees for administrative and professional services	\$ 127,577	\$ 82,382
Fees for geological services	\$ 30,143	\$ 7,789
Acquisition of capital asset	\$ 721	\$ 5,000
Payments for office rent	\$ 3,246	\$ 5,762
Amounts included in accounts payable	\$ 92,446	\$ 15,439
Exploration advances	\$ 6,307	\$ 86,902

**9. INCOME TAXES**

The recovery of income taxes shown in the statements of operations and deficit differs from the amounts obtained by applying statutory rates due to the following:

	<u>2003</u>	<u>2002</u>
Statutory tax rate	<u>39.62%</u>	<u>39.62%</u>
Loss for the year	<u>\$ (490,602)</u>	<u>\$ (277,062)</u>
Provision for income taxes based on statutory Canadian combined federal and provincial tax rates	(194,376)	(109,771)
Non-deductible differences	23,504	4,679
Unrecognised tax losses	<u>170,872</u>	<u>105,092</u>
Income tax expense	<u>\$ -</u>	<u>\$ -</u>

The significant components of the Company's future tax assets (liability) are as follows:

	<u>2003</u>	<u>2002</u>
Operating losses	\$ 794,076	\$ 659,481
Resource properties	<u>93,938</u>	<u>99,980</u>
	888,014	759,461
Valuation allowance for future tax assets	<u>(888,014)</u>	<u>(759,461)</u>
	<u>\$ -</u>	<u>\$ -</u>

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**9. INCOME TAXES** (Continued)

The Company has non-capital losses carried forward of approximately CAD \$1,947,000 and US \$760,000, that may be available for tax purposes.

Losses for Canadian tax purposes expire as follows:

2004	\$	278,000
2005	\$	308,000
2006	\$	215,000
2007	\$	238,000
2008	\$	184,000
2009	\$	293,000
2010	\$	431,000

Losses for US tax purposes commence to expire in 2017.

**10. ACQUISITION**

By an agreement dated December 13, 2002, the Company will acquire 100% of the issued capital of Blue Mountain Power Company Inc. ("Blue Mountain"), a company with two common directors, by the issue of 5,500,000 common shares of the Company. The acquisition will close five business days from the receipt of regulatory approval (received July 23, 2003).

Blue Mountain (incorporated in British Columbia) owns 100% of the issued capital of Noramex Inc. (incorporated in Nevada, USA). Noramex holds a 100% leasehold interest on certain lands located in Humboldt County, Nevada. The leasehold interest entitles the Company to explore, develop and produce any geothermal resources located on the properties. The Company also has the option to purchase the freehold interest, consisting of four square miles out of a total of the eleven square miles of the leasehold interest. The property interests are subject to production royalties ranging from 1.5% to 3.5% on sales of electrical power, and 5% to 10% from sale proceeds of direct energy.

The components of the purchase price and allocation are as follows:

Purchase price	
5,500,000 shares issued	\$ 1,705,000
100,000 shares transferred (Note 11(ix))	31,000
Acquisition costs and deferred expenditures incurred by the Company on the Blue Mountain Geothermal Project (Note 3)	<u>383,567</u>
	<u>\$ 2,119,567</u>

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**10. ACQUISITION** (Continued)

Allocation of purchase price	
Current assets	\$ 840
Resource properties	2,175,489
Capital assets	437
Current liabilities	<u>(57,199)</u>
	<u>\$ 2,119,567</u>

**11. SUBSEQUENT EVENTS**

Subsequent to June 30, 2003, the Company:

- i) issued 228,858 units comprised on one common share and one half of one non-transferable share purchase warrant at a price of \$0.35 per unit. As at June 30, 2003, the Company had received subscriptions totalling \$80,100 related to this issue. One whole warrant entitles the holder to purchase one additional common share at a price of \$0.30 per share for a period of six months, and at a price of \$0.40 per share thereafter up to July 15, 2004.
- ii) issued 5,000 common shares at a price of \$0.10 per share on the exercise of stock options.
- iii) issued 1,000,000 units comprised of one common share and one half of one non-transferable share purchase warrant at a price of \$0.30 per unit. One whole warrant entitles the holder to acquire one additional common share at a price of \$0.35 for a period of six months, or at a price of \$0.40 for a further six months. As at June 30, 2003, the Company had received subscriptions totalling \$49,017 related to this issue.
- iv) issued 5,500,000 common shares in consideration of 100% of the issued and outstanding common shares of Blue Mountain Power Company Inc. relating to a share exchange agreement (Note 10).
- v) issued 40,000 common shares at a price of \$0.10 per share on the exercise of stock options.
- vi) extended the due date of 152,000 outstanding share purchase warrants until August 12, 2004 and increased the exercise price to \$0.40 per common share for the period of February 13, 2004 until August 12, 2004.
- vii) extended the due date of 27,777 outstanding share purchase warrants until September 17, 2004.

**NEVADA GEOTHERMAL POWER INC.**  
(Formerly Continental Ridge Resources Inc.)

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**JUNE 30, 2003 AND 2002**

**11. SUBSEQUENT EVENTS** (Continued)

- viii) granted 752,000 incentive stock options exercisable at \$0.28 per share for a period of five years.
- ix) transferred its investment of 100,000 common shares of Blue Mountain Power Company Inc. to a company controlled by a director of the Company as an incentive to a debt settlement between that company and Blue Mountain Power Company Inc. The value of the shares transferred was treated as a component of the acquisition price of Blue Mountain (Note 10).