SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-KSB

Annual Report Pursuant to Section 13 or 15(d) of

the Securities Exchange Act of 1934

(Mark One)

[X] Annual report pursuant to section 13 or 15(d) of the Securities Exchange Act of 1934

For the fiscal year ended December 31, 2001

[ ] Transition report under section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from ___________________ to ______________

Commission File Number 000-25809

SICLONE INDUSTRIES, INC.

(Name of small business issuer in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**87-042699** (IRS Employer Identification No.)

6269 Jamestown Court, Salt Lake City, Utah 84121

(Address of principal executive offices)

Issuer's telephone number, including area code **801-566-6627**

Securities registered pursuant to Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act:

Common Stock, par value $0.001

(Title of class)

Check whether the Issuer (1) filed all reports required to be filed by section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such report(s), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this form 10-KSB or any amendment to this Form 10-KSB. [ ]

The issuer's revenue for its most recent fiscal year was: $-0-.

The aggregate market value of the issuer's voting stock held as of March 21, 2002, by non-affiliates of the issuers was -0-. There was no active trading market and no quote for Siclone Industries, Inc. during fiscal year 2001, therefore the value is deemed to be $-0-.

As of March 21, 2002, the issuer had 23,810,000 shares of its $.001 par value common stock outstanding.

Transitional Small Business Format: Yes [ ] No [X]

Documents incorporated by reference: none

PART I

Item 1. Description of Business.

Siclone Industries, Inc., ("Siclone" or the "Company") was originally incorporated in Delaware on November 1, 1985 as McKinnely Investments, Inc. The company changed its name to Accoline Industries, Inc. on November 5, 1986 and again changed its name to Siclone Industries, Inc. on May 24, 1988.

The Company has not had active business operations since its inception and is considered a development stage company. In 1993, the Company entered into an agreement with Bradley S. Shepherd in which Mr. Shepherd agreed to become an officer and director of the Company and use his best efforts to organize and update the books and records of the Corporation and seek business opportunities for acquisition or participation by the Company.

The Company intends to seek, investigate, and if warranted, acquire an interest in a business opportunity. The Company does not propose to restrict its search for a business opportunity to any particular industry or geographical area and may, therefore, engage in essentially any business in any industry. The Company has unrestricted discretion in seeking and participating in a business opportunity, subject to the availability of such opportunities, economic conditions and other factors.

The selection of a business opportunity in which to participate is complex and extremely risky and will be made by management in the exercise of its business judgment. There is no assurance that the Company will be able to identify and acquire any business opportunity which will ultimately prove to be beneficial to the Company and its shareholders.

The activities of the Company are subject to several significant risks which arise primarily as a result of the fact that the Company has no specific business and may acquire or participate in a business opportunity based on the decision of management which will, in all probability, act without the consent, vote, or approval of the Company's shareholders.

Sources of Opportunities

It is anticipated that business opportunities may be available to the Company from various sources, including its officers and directors, professional advisers, securities broker-dealers, venture capitalists, members of the financial community, and others who may present unsolicited proposals.

The Company will seek a potential business opportunity from all known sources, but will rely principally on personal contacts of its officers and directors as well as indirect associations between them and other business and professional people. Although the Company does not anticipate engaging professional firms specializing in business acquisitions or reorganizations, if management deems it in the best interests of the Company, such firms may be retained. In some instances, the Company may publish notices or advertisements seeking a potential business opportunity in financial or trade publications.

Criteria

The Company will not restrict its search to any particular business, industry or geographical location. The Company may acquire a business opportunity or enter into a business in any industry and in any stage of development. The Company may enter into a business or opportunity involving a "start up" or new company. The Company may acquire a business opportunity in various stages of its operation.

In seeking a business venture, the decision of management of the Company will not be controlled by an attempt to take advantage of an anticipated or perceived appeal of a specific industry, management group, or product or industry, but will be based upon the business objective of seeking long-term capital appreciation in the real value of the Company.

In analyzing prospective business opportunities, management will consider such matters as the available technical, financial and managerial resources; working capital and other financial requirements; the history of operations, if any; prospects for the future; the nature of present and expected competition; the quality and experience of management services which may be available and the depth of the management; the potential for further research, development or exploration; the potential for growth and expansion; the potential for profit; the perceived public recognition or acceptance of products, services, trade or service marks, name identification; and other relevant factors.

Generally, the Company will analyze all available factors in the circumstances and make a determination based upon a composite of available facts, without reliance upon any single factor as controlling.

Methods of Participation of Acquisition

Specific business opportunities will be reviewed and, on the basis of that review, the legal structure or method of participation deemed by management to be suitable will be selected. Such structures and methods may include, but are not limited to, leases, purchase and sale agreements, licenses, joint ventures, other contractual arrangements, and may involve a reorganization, merger or consolidation transaction. The Company may act directly or indirectly through an interest in a partnership, corporation, or other form of organization.

Procedures

As part of the Company's investigation of business opportunities, officers and directors may meet personally with management and key personnel of the firm sponsoring the business opportunity, visit and inspect material facilities, obtain independent analysis or verification of certain information provided, check references of management and key personnel, and conduct other reasonable measures.

The Company will generally request that it be provided with written materials regarding the business opportunity containing such items as a description of product, service and company history; management resumes; financial information; available projections with related assumptions upon which they are based; an explanation of proprietary products and services; evidence of existing patents, trademarks or service marks or rights thereto; present and proposed forms of compensation to management; a description of transactions between the prospective entity and its affiliates; relevant analysis of risks and competitive conditions; a financial plan of operation and estimated capital requirements; and other information deemed relevant.

Competition

The Company expects to encounter substantial competition in its efforts to acquire a business opportunity. The primary competition is from other companies organized and funded for similar purposes, small venture capital partnerships and corporations, small business investment companies and wealthy individuals.

Employees

The Company does not currently have any employees but relies upon the efforts of its officers and directors to conduct the business of the Company.

Item 2. Description of Property.

The Company does not currently own any property. The Company utilizes office space in the residence of Bradley S. Shepherd at no cost. Until such time as the Company pursues a viable business opportunity and recognizes income, it will not seek independent office space.

Item 3. Legal Proceedings.

No legal proceedings are threatened or pending against the Company or any of its officers or directors. Further, none of the Company's officers or directors or affiliates of the Company are parties against the Company or have any material interests in actions that are adverse to the Company's interests.

Item 4. Submission of Matters to a Vote of Securities Holders.

No matters were submitted during the fourth quarter of the fiscal year covered by this report to a vote of security holders.

PART II

Item 5. Market for Common Equity and Related Stockholder Matters.

The Company's common stock is listed on the Over the Counter Bulletin Board under the symbol "SICI". As of March 21, 2002, the Company had 279 shareholders holding 23,810,000 shares of common stock. Of the issued and outstanding common stock, 1,110,000 are free trading, the balance are restricted stock as that term is used in Rule 144.

The Company has never declared a dividend on its Common Stock. The last bid for the Company's common stock was in June 1990 and the stock has not actively traded since that time. The Company has not paid, nor declared, any dividends since its inception and does not intend to declare any such dividends in the foreseeable future. The Company's ability to pay dividends is subject to limitations imposed by Delaware law. Under Delaware law, dividends may be paid to the extent that the corporation's assets exceed its liabilities and it is able to pay its debts as they become due in the usual course of business. The following table shows the highs and lows of the closing bid and ask on the Company's stock for fiscal year 2001.

YEAR	**CLOSING BID**		**CLOSING ASK**	
2001	**High**	**Low**	**High**	**Low**
First Quarter	.01	.001	None	None
Second Quarter	.01	.01	.10	.10
Third Quarter	.02	.01	.10	.10
Fourth Quarter	.02	.02	.10	.10

The above quotations, as provided by the National Quotation Bureau, LLC, represent prices between dealers and do not include retail markup, markdown or commission. In addition, these quotations do not represent actual transactions.

Item 6. Management's Discussion and Analysis or Plan of Operation.

The Company has little cash and has experienced losses from inception. As of December 31, 2001, the Company had $347 cash on hand. As of the date, the Company had $15,859 in accounts payable. As of December 31, 2000, the Company had $740 cash on hand and liabilities of $11,293 in accounts payable. The Company has no material commitments for capital expenditures for the next twelve months.

As of the date of this report, the Company has yet to generate positive cash flow. Since inception, the Company has primarily financed its operations through the sale of common stock. The Company believes that its current cash needs can be met with the cash on hand for at least the next twelve months. However, should the Company obtain a business opportunity, it may be necessary to raise additional capital. This may be accomplished by selling common stock of the Company.

Management of the Company intends to actively seek business opportunities for the Company during the next twelve months.

Item 7. Financial Statements.

The financial statements of the Company appear at the end of this report beginning with the Index to Financial Statements on page 8.

Item 8. Changes In and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

PART III

Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance With Section 16(a) of the Exchange Act.

The following table sets forth the name, age, position and office term of each executive officer and director of the Company.

Name	Age	Positions	Since
Bradley S. Shepherd	41	Director, President, Secretary/Treasurer	February 1993

All directors serve until the next annual stockholders meeting or until their successors are duly elected and qualified. All officers serve at the discretion of the Board of Directors.

Set forth below is certain biographical information regarding the Company's executive officer and director:

Bradley S. Shepherd, Director, President, Secretary/Treasurer. Mr. Shepherd is the owner and manager of Shepherd's Allstar Lanes, Inc., a bowling center, restaurant, and lounge located in West Jordan, Utah. After managing the business for three years, Mr. Shepherd purchased the business in June of 1993. Mr. Shepherd also manages and is trustee for the Roger L. Shepherd Family Trust, which owns and leases commercial office and warehouse buildings and residential properties in the Salt Lake City area.

Other Reporting Company Activities. Bradley S. Shepherd is currently an officer and director of Patriot Investment Corporation, a reporting company, which is seeking to acquire a business opportunity. The possibility exists that Mr. Shepherd could become an officer and/or director of other reporting companies in the future, although he has no intention of doing so at the present time. Certain conflicts of interest are inherent in the participation of the Company's officer and director as management in other reporting companies, which may be difficult, if not impossible, to resolve in all cases in the best interests of the Company. Failure by management to conduct the Company's business in its best interests may result in liability of management of the Company to the shareholders.

Item 10. Executive Compensation

The Company's officers and directors do not receive any compensation for services rendered to the Company, have not received such compensation in the past, and is not accruing any compensation pursuant to any agreement with the Company. The officers and directors of the Company will not receive any finder's fee from the Company as a result of their efforts to implement the Company's business plan outlined herein. However, the officers and directors of the Company anticipate receiving benefits as beneficial shareholders of the Company's common stock.

No retirement, pension, profit sharing, stock option or insurance programs or other similar programs have been adopted by the Company for the benefit of its employees.

Employment Contracts and Termination of Employment and Change in Control Arrangement.

There are no compensatory plans or arrangements, including payments to be received from the Company, with respect to any person named in Cash Compensation set out above which would in any way result in payments to any such person because of his resignation, retirement, or other termination of such person's employment with the Company or its subsidiaries, or any change in control of the Company, or a change in the person's responsibilities following a change of control of the Company.

Item 11. Security Ownership of Certain Beneficial Owners and Management.

The following table sets forth as of March 27, 2001, the number and percentage of the 23,810,000 shares of outstanding common stock which, according to the information supplied to the Company, were beneficially owned by (i) each person who is currently a director of the Company, (ii) each executive officer, (iii) all current directors and executive officers of the Company as a group and (iv) each person who, to the knowledge of the Company, is the beneficial owner of more than 5% of the outstanding common stock. Except as otherwise indicated, the persons named in the table have sole voting and dispositive power with respect to all shares beneficially owned, subject to community property laws where applicable.

Name and Address	Amount	Percentage
Bradley S. Shepherd (1) 6269 Jamestown Court Salt Lake City, UT 84121	12,000,000	50.39
Officers, Directors and Nominees as a Group: 1 person	12,000,000	50.39

(1) Officer and/or director.

Item 12. Certain Relationships and Related Transactions.

The Company utilizes office space at the residence of Mr. Shepherd to conduct its activities at no charge to the Company.

During 2000, the Company's president loaned $5,200 to cover operating expenses. The amount is non-interest bearing and due on demand. During 2001, the Company's president loaned an additional $5,512 to cover operating expenses. The amount is non-interest bearing and due on demand.

Item 13. Exhibits and Reports on Form 8-K.

Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended December 31, 2001.

Exhibits

None

SIGNATURES

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SICLONE INDUSTRIES, INC.

Date: March 21, 2001 By: /s/ Bradley S. Shepherd

Bradley S. Shepherd

President, Secretary &Treasurer

In accordance with the Exchange Act, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 21, 2001 By: /s/ Bradley S. Shepherd

Bradley S. Shepherd

Director

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Financial Statements

December 31, 2001

C O N T E N T S

INDEPENDENT AUDITORS' REPORT

Board of Directors

Siclone Industries, Inc.

(A Development Stage Company)

Salt Lake City, Utah

We have audited the accompanying balance sheet of Siclone Industries, Inc. (a development stage company) as of December 31, 2001 and the related statements of operations, stockholders' equity (deficit) and cash flows for the years ended December 31, 2001 and 2000 and from inception on November 1, 1985 through December 31, 2001. 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 auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Siclone Industries, Inc. (a development stage company) as of December 31, 2001 and the results of its operations and its cash flows for the years ended December 31,2001 and 2000 and from inception on November 1, 1985 through December 31, 2001, in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has suffered recurring losses from operations and has no operating capital that together raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

HJ & Associates, LLC

Salt Lake City, Utah

February 27, 2002

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Balance Sheet

ASSETS	**December 31,**
	2001
CURRENT ASSETS	
Cash	$ 347
	________
Total Current Assets	347
	________
TOTAL ASSETS	$ 347
	=======
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	
CURRENT LIABILITIES	
Accounts payable	$ 147
Accounts payable - related party (Note 2)	15,712
	________
Total Current Liabilities	15,859

STOCKHOLDERS' EQUITY (DEFICIT)	
Preferred stock: 5,000,000 shares authorized at $0.001 par value; -0- shares issued and outstanding	-
Common stock: 30,000,000 shares authorized at $0.001 par value; 23,810,000 shares issued and outstanding	23,810
Additional paid-in capital	583,693
Deficit accumulated during the development stage	(623,015)
	________
Total Stockholders' Equity (Deficit)	(15,512)
	________
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	$ 347
	=======

The accompanying notes are an integral part of this financial statement

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Statements of Operations

	For the Year Ended December 31,	**For the Year Ended December 31,**	**From Inception on November 1, 1985 through December 31,**
	2001	**2000**	**2001**
REVENUES	$ -	$ -	$ -
EXPENSES	(4,959)	(5,451)	(27,512)
LOSS FROM DISCONTINUED OPERATIONS	-	-	(595,503)
	________	________	_________
NET LOSS	$ (4,959)	$ (5,451)	$ (623,015)
	========	========	=========
BASIC LOSS PER SHARE	$ (0.00)	$ (0.00)	
	======	======	

The accompanying notes are an integral part of this financial statement

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Statements of Stockholders' Equity (Deficit)

	Common Stock		**Additional Paid-in Capital**	**Deficit Accumulated During the Development Stage**
	Shares	**Amount**		
Balance, November 1, 1985	-	$ -	$ -	$ -
Issuance of 500,000 shares of common stock to Officers and Directors for cash on November 1, 1985 at $0.02 per share	500,000	500	9,500	-
Cancellation of 140,000 shares on February 7, 1986	(140,000)	(140)	140	-
Cancellation of 300,000 shares on October 1, 1986	(300,000)	(300)	300	-

Issuance of 1,000,000 shares of common stock to the public offered March 26, 1986 at $0.10 per share	1,000,000	1,000	99,000	-
Deferred offering costs offset against additional paid-in capital	-	-	(18,678)	-
Issuance of 10,700,000 shares of common stock October 10, 1986 at $0.05 per share	10,700,000	10,700	483,251	-
Issuance of 50,000 shares for promotional services at $0.001 per share	50,000	50	-	-
Accumulated losses from formation on November 1, 1985 through December 31, 1987	-	-	-	(502,196)
	________	________	________	________
Balance, December 31, 1987	11,810,000	$ 11,810	$ 573,513	$ (502,196)

The accompanying notes are an integral part of this financial statement

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Statements of Stockholders' Equity (Deficit) (Continued)

	Common Stock		**Additional Paid-in Capital**	**Deficit Accumulated During the Development Stage**
	Shares	**Amount**		
Balance, December 31, 1987	11,810,000	$ 11,810	$ 573,513	$ (502,196)
Net loss for the year ended December 31, 1988	-	-	-	(92,783)
	________	________	________	________
Balance, December 31, 1988	11,810,000	11,810	573,513	(594,979)
Cash contributed to additional paid-in capital	-	-	10,180	-
Net loss for the year ended December 31, 1989	-	-	-	(524)
	________	________	________	________
Balance, December 31, 1989	11,810,000	11,810	583,693	(595,503)
Net loss for the year ended December 31, 1990	-	-	-	-
	________	________	________	________
Balance, December 31, 1990	11,810,000	11,810	583,693	(595,503)
Net loss for the year ended December 31, 1991	-	-	-	(758)
	________	________	________	________
Balance, December 31, 1991	11,810,000	$ 11,810	$ 583,693	$ (596,261)

The accompanying notes are an integral part of this financial statement

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Statements of Stockholders' Equity (Deficit) (Continued)

	Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage
	Shares	Amount		
Balance, December 31, 1991	11,810,000	$ 11,810	$ 583,693	$ (596,261)
Net loss for the year ended December 31, 1992	-	-	-	(651)
Balance, December 31, 1992	11,810,000	11,810	583,693	(596,912)
Issuance of 1,000,000 shares of common stock to officer for cash June 7, 1993 at $0.001 per share	1,000,000	1,000	-	-
Net loss for the year ended December 31, 1993	-	-	-	(2,513)
Balance, December 31, 1993	12,810,000	12,810	583,693	(599,425)
Net loss for the year ended December 31, 1994	-	-	-	-
Balance, December 31, 1994	12,810,000	12,810	583,693	(599,425)
Issuance of 11,000,000 shares of common stock to officer for cash at $0.001 per share	11,000,000	11,000	-	-
Net loss for the year ended December 31, 1995	-	-	-	(438)
Balance, December 31, 1995	23,810,000	$ 23,810	$ 583,693	$ (599,863)

The accompanying notes are an integral part of this financial statement

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Statements of Stockholders' Equity (Deficit) (Continued)

	Common Stock		Additional Paid-in Capital	Deficit Accumulated During the Development Stage
	Shares	Amount		
Balance, December 31, 1995	23,810,000	$ 23,810	$ 583,693	$ (599,863)
Net loss for the year ended December 31, 1996	-	-	-	(1,256)
Balance, December 31, 1996	23,810,000	23,810	583,693	(601,119)
Net loss for the year ended December 31, 1997	-	-	-	(1,373)
Balance, December 31, 1997	23,810,000	23,810	583,693	(602,492)
Net loss for the year ended December 31, 1998	-	-	-	(770)
Balance, December 31, 1998	23,810,000	23,810	583,693	(603,262)
Net loss for the year ended December 31, 1999	-	-	-	(9,343)
Balance, December 31, 1999	23,810,000	23,810	583,693	(612,605)
Net loss for the year ended December 31, 2000	-	-	-	(5,451)

	_________	_________	_________	_________
Balance, December 31, 2000	23,810,000	23,810	583,693	(618,056)
Net loss for the year ended December 31, 2001	-	-	-	(4,959)
	_________	_________	_________	_________
Balance, December 31, 2001	23,810,000	$ 23,810	$ 583,693	$ (623,015)
	=========	=========	=========	=========

The accompanying notes are an integral part of this financial statement

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Statements of Cash Flows

	For the Year Ended December 31,	**For the Year Ended December 31,**	**From Inception on November 1, 1985 through December 31,**
	2001	**2000**	**2001**
OPERATING ACTIVITIES:			
Net loss	$ (4,959)	$ (5,451)	$ (623,015)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:			
Shares issued for services	-	-	50
Changes in operating assets and liabilities:			
Increase in accounts payable and accounts payable -- related party	4,566	6,013	15,859
	_________	_________	_________
Net Cash Provided (Used) by Operating Activities	(393)	562	(607,106)
INVESTING ACTIVITIES:	-	-	-
FINANCING ACTIVITIES:			
Additional capital contributed	-	-	10,180
Stock offering costs	-	-	(18,678)
Issuance of common stock for cash	-	-	615,951
	_________	_________	_________
Net Cash Provided by Financing Activities	-	-	607,453
	_________	_________	_________
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(393)	562	347
CASH AT BEGINNING OF PERIOD	740	178	-
	_________	_________	_________
CASH AT END OF PERIOD	$ 347	$ 740	$ 347
	=========	=========	=========
CASH PAID FOR			
Interest	$ -	$ -	$ -
Income taxes	$ -	$ -	$ -
SUPPLEMENTAL SCHEDULE OF NON-CASH FINANCING ACTIVITIES:			
Common stock issued for services	$ -	$ -	$ 50

The accompanying notes are an integral part of this financial statement

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Notes to the Financial Statements

December 31, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Organization

The Company was incorporated in the State of Delaware on November 1, 1985 under the name McKinnely Investments, Inc. In November 1986, the Company changed its name to Acculine Industries, Incorporated and in May 1988 to Siclone Industries, Inc.

The Company was incorporated for the purpose of providing a vehicle, which could be used to raise capital and seek business opportunities.

b. Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a calendar year end.

c. Cash and Cash Equivalents

Cash equivalents include short-term, highly liquid investments with maturities of three months or less at the time of acquisition.

d. Basic Loss Per Share

The computations of basic loss per share of common stock are based on the weighted average number of shares outstanding during the period.

	For the Year Ended December 31, 2001	**For the Year Ended December 31, 2000**
Loss (Numerator)	$ (4,959)	$ (5,451)
Shares (Denominator)	23,810,000	23,810,000
Per Share Amount	$ (0.00)	$ (0.00)

SICLONE INDUSTRIES, INC.

(A Development Stage Company)

Notes to the Financial Statements

December 31, 2001 and 2000

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

e. Provision for Taxes

At December 31, 2001, the Company had net operating loss carryforwards of approximately $103,000 that may be offset against future taxable income through 2021. No tax benefit has been reported in the consolidated financial statements as the Company believes that the carryforwards will expire unused. Accordingly, the potential tax benefits of the net operating loss carryforwards are offset by a valuation allowance of the same amount.

The income tax benefit differs from the amount computed at federal statutory rates of approximately 38% as follows:

	For the Year Ended December 31,	**For the Year Ended December 31,**
	2001	**2000**
Income tax benefit at statutory rate	$ 1,884	$ 2,071
Change in valuation allowance	(1,884)	(2,071)
	_______	_______
	$ -	$ -

Deferred tax assets (liabilities) are comprised of the following:

	For the Year Ended December 31,	For the Year Ended December 31,
	2001	**2000**
Income tax benefit at statutory rate	$ 39,140	$ 371,256
Change in valuation allowance	(39,140)	(371,256)
	________	_________
	$ -	$ -

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carryforwards for Federal income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carryforwards may be limited as to use in future years.

f. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management 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 period. Actual results could differ from those estimates.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

g. Newly Issued Accounting Pronouncements

SFAS No.'s 141 and 142 -- In June 2001, the Financial Accounting Standards Board (FASB) adopted Statement of Financial Accounting Standards SFAS No. 141 is effective as to any business combination occurring after June 30, 2001 and certain transition provisions that affect accounting for business combinations prior to June 30, 2001 are effective as of the date that SFAS No.142 is applied in its entirety, which was September 30, 2001.

SFAS No. 141 provides standards for accounting for business combinations. Among other things, it requires that only the purchase method of accounting be used and that certain intangible assets acquired in a business combination (i.e. those that result from contractual or other legal rights or are separable) be recorded as an asset apart from goodwill. The transition provisions require that an assessment be made of previous business combinations and, if appropriate, reclassifications be made to or from goodwill to adjust the recording of intangible assets such that the criteria for recording intangible assets apart from goodwill is applied to the previous business combinations The adoption of this principle had no material effect on the company's financial statements.

SFAS No. 142 provides, among other things, that goodwill and intangible assets with indeterminate lives shall not be amortized. Goodwill shall be assigned to a reporting unit and annually assessed for impairment. Intangible assets with determinate lives shall be amortized over their estimated useful lives, with the useful lives reassessed continuously, and shall be assessed for impairment under the provisions of SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets to be Disposed of." Goodwill is also assessed for impairment on an interim basis when events and circumstances warrant. Upon adoption of SFAS No. 142, the Company will assess whether an impairment loss should be recognized and measured by comparing the fair value of the Areporting unit' to the carrying value, including goodwill. If the carrying value exceeds fair value, then the Company will compare the implied fair value of the goodwill (as defined in SFAS No. 142) to the carrying amount of the goodwill. If the carrying amount of the goodwill exceeds the implied fair value, then the goodwill be adjusted to the implied fair value.

SFAS No. 143 -- On August 16, 2001, the FASB issued SFAS No. 143, "Accounting for Asset Retirement Obligations," which is effective for fiscal years beginning after June 15, 2002. It requires that obligations associated with the retirement of a tangible long-lived asset be recorded as a liability when those obligations are incurred, with the amount of the liability initially measured at fair value. Upon initially recognizing for an accrued retirement obligation, an entity must capitalize the cost by recognizing an increase in the carrying amount of the related long-lived asset. Over time, the liability is accreted to its present value each period, and the capitalized cost is depreciated over the useful life of the related asset. Upon settlement of the liability, an entity either settles the obligation for its recorded amount or incurs a gain o loss upon settlement.

While the Company has not completed the process of determining the effect of this new accounting pronouncement on its consolidated financial statements, the Company currently expects that the effect of SFAS No. 143 on the Company's financial statements, when it becomes effective, will not be significant.

NOTE 2 - RELATED PARTY TRANSACTIONS

During 1993, the Company's president purchased 1,000,000 shares of common stock for $1,000. During 1995, the Company's president purchased an additional 11,000,000 shares of common stock for $11,000.

During 1999, the Company's president loaned $5,000 to cover operating expenses. During 2000, the Company's president loaned $5,200 to cover operating expenses. During 2001, the Company's president loaned an additional $5,512 to cover operating expenses. The amount is non-interest bearing and due on demand.

NOTE 3 - GOING CONCERN

The Company's financial statements are prepared using generally accepted accounting principles applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, the Company has little cash and has experienced losses from inception. Without realization of additional adequate financing, it would be unlikely for the Company to pursue and realize its objectives. The Company intends to seek a merger with an existing operating company. In the interim, an officer of the Company has committed to meeting its operating expenses.