

3.

2. Mineral claim interests cont'd

In addition the company terminated an agreement to carry out mining operations on a certain mineral claim situate in the Cariboo Mining Division, British Columbia. Engineering costs of \$2,710 related to this property has been written off to deficit.

3. Related party transactions

- a) A director and officer of the company has been paid the sum of \$8,000 for management services.
- b) A director and officer of the company has received 750,000 shares in the capital stock of the company at an ascribed amount of 1¢ per share for the sale of mineral claims to the company. These shares are subject to escrow restrictions as imposed by regulatory bodies.

4. Commitment

The company has entered into a contract for the carrying out of a research and development program for purposes of developing a method of commercially processing mica concentrate to produce a marketable product. The estimated cost of the project is \$50,000 of which \$20,000 is to be satisfied by the allotment to the contractor of 100,000 shares in the capital stock of the company at a price of 20¢ per share.

5. Capital stock

During the period from 12th March, 1980 (date of incorporation) to 29th February, 1984, the company has issued the following shares:

	<u>Shares</u>	<u>Amount</u>
For cash		
Year ended 31st August, 1981	66,500	\$ 13,300
Year ended 31st August, 1982	75,835	15,167
Year ended 31st August, 1983	<u>431,102</u>	<u>86,221</u>
	573,437	114,688
For mineral claim interests		
Year ended 31st August, 1983	<u>750,000</u>	<u>7,500</u>
	1,323,437	\$122,188
	=====	=====