

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10SB12G

Form for initial registration of a class of securities for small business issuers pursuant to Section 12(g)

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### FILER

#### ADVENTURE MINERALS INC

CIK: **1083722** | State of Incorporation: **NV** | Fiscal Year End: **0430**  
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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10SB

GENERAL FORM FOR REGISTRATION OF SECURITIES  
PURSUANT TO SECTION 12(b) OR (g) OF THE  
SECURITIES EXCHANGE ACT OF 1934

ADVENTURE MINERALS INC.  
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(Exact name of Company as specified in its charter)

NEVADA 98-0208988  
-----  
(State or other jurisdiction of (I.R.S. Employer  
incorporation or organization) Identification No.)

Suite 414, 1859 Spyglass Place V6Z 4K6  
Vancouver, British Columbia, Canada  
-----  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: 604-687-7962

Securities to be registered pursuant to Section 12(b) of the Act:

Title of each class to be so registered -----	Name of each exchange on which each class is to be registered -----
None	None

Securities to be registered pursuant to Section 12(g) of the Act:

Common Shares, par value \$0.001 per share  
(Title of class)

TABLE OF CONTENTS

	Page
COVER PAGE .....	1
TABLE OF CONTENTS .....	2
PART I .....	3
DESCRIPTION OF BUSINESS .....	3

DESCRIPTION OF PROPERTY .....	12
DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES...	12
REMUNERATION OF DIRECTORS AND OFFICERS .....	13
SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITYHOLDERS .....	14
INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS .....	14
DESCRIPTION OF SECURITIES .....	15
 PART II .....	 16
MARKET PRICE OF AND DIVIDENDS ON THE REGISTRANT'S COMMON EQUITY AND OTHER STOCKHOLDER MATTERS .....	16
LEGAL PROCEEDINGS .....	16
CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS .....	16
RECENT SALES OF UNREGISTERED SECURITIES .....	16
INDEMNIFICATION OF DIRECTORS AND OFFICERS .....	17
 PART F/S .....	 19
FINANCIAL STATEMENTS .....	19A
 PART III .....	 20
INDEX TO EXHIBITS .....	20
 SIGNATURES .....	 21

PART I

The issuer has elected to follow Form 10-SB, Disclosure Alternative 2.

Item 6. Description of Business

Organization

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Adventure Minerals Inc. (the "Company") was organized as a Nevada corporation on February 16, 1999. The name of the Company was changed from "Magic Bag Corporation" to "Adventure Minerals Inc." by the filing a Certificate of Amendment of the Articles of Incorporation with the Nevada Secretary of State effective July 28, 1999.

Business

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The Company is a natural resource company engaged in the acquisition, exploration and development of mineral properties. The Company has an option to acquire an interest in the property described below under the heading "Kukagami Lake Property Option Agreement". The Company intends to carry out exploration work on the Kukagami Lake Property in order to

ascertain whether the Kukagami Lake Property possesses commercially exploitable quantities of platinum and palladium. There can be no assurance that a commercially exploitable mineral deposit, or reserve, exists in the Kukagami Lake Property until appropriate exploratory work is done and an economic evaluation based on such work concludes economic feasibility.

#### Kukagami Lake Property Option Agreement

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The Company has acquired an option (the "Option") to acquire a 70% interest in a certain mineral claim situated in the Sudbury Mining District in the Province of Ontario, Canada (the "Kukagami Lake Property"). The Company acquired the Option pursuant to an agreement dated April 1, 1999 between the Company and Excellerated Resources Inc. ("Excellerated"). The consideration paid by the Company to Excellerated for the grant of the Option was \$1,500 CDN.

The Option is exercisable by the Company incurring the following minimum cumulative exploration expenditures on the Kukagami Lake Property:

1. \$13,500 CDN of exploration expenditures by April 30, 1999;
2. \$136,500 CDN of exploration expenditures by April 1, 2000; and
3. \$150,000 CDN of exploration expenditures by April 1, 2001.

The Company has advanced funds to Excellerated to be utilized as exploration expenditures in the required amount of \$13,500 CDN by April 30, 1999 in order to maintain the Option.

In the event that the Company incurs, in any of the above periods, less than the required exploration expenditures, the Company may, at its option, pay to Excellerated the difference between the amount actually spent and the required exploration expenditure in full satisfaction of the exploration expenditures to be incurred. In the event that the Company spends, in any

period, more than the required sum, then the excess will be carried forward and applied to the required exploration expenditures to be incurred in subsequent periods. If the Company fails to make any required payment or incur any required exploration expenditure, the Option will terminate and the Company will have no further rights to the Kukagami Lake Property.

Property exploration expenditures are defined in the Kukagami Lake Option Agreement to include all costs associated with the conduct of exploration on the Kukagami Lake Property. These costs include all cash, expenses, obligations and liabilities of whatever kind or nature spent or incurred directly or indirectly associated therewith in connection with the exploration and development of the Kukagami Lake Property.

A copy of the Kukagami Lake Option Agreement is attached to this Registration Statement as an Exhibit. The information provided in this

Registration Statement with respect to the Kukagami Lake Option Agreement is qualified in its entirety by reference to the complete text of that agreement.

#### Kukagami Lake Property

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The Kukagami Lake Property is comprised of one (1) mineral claim located in the Sudbury Mining Division in the Township of Kelly in the Province of Ontario, Canada (the "Mineral Claim"). The Mineral Claim is owned by Excellerated subject to a 2% net smelter royalty in favor of Mr. J. D. Jevning. The Mineral claim is un-patented and un-surveyed and consists of 16 units.

The Mineral Claim is one of six mineral claims owned by Excellerated in the vicinity of the Mineral Claim (these claims are referred to as the "Excellerated Properties"). The claims comprising the Excellerated Properties, including the Mineral Claim, were recorded on February 26, 1999.

#### Geological Report

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The Company has obtained a geological report from Excellerated on the Excellerated Properties prepared by Mr. James G. Burns, P. Eng, of 190 Graye Crescent, Timmins, Ontario (the "Geological Report"). The Geological Report summarizes the exploration history of the Excellerated Properties, the regional geology of the Excellerated Properties and provides conclusions and recommendations for a work program on the Excellerated Properties. These results of the Geological Report are summarized below.

A copy of the Geological Report is attached to this Registration Statement as an Exhibit. The information provided in this Registration Statement with respect to the Geological Report is qualified in its entirety by reference to the complete text of this report.

#### Location of the Kukagami Lake Property

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The Kukagami Lake Property is located approximately 50 kilometers east of Sudbury in the Township of Kelly, Province of Ontario, Canada. Access to the Excellerated Properties is by secondary highway and then via logging roads. Access is limited to snow-free months, unless

4

logging operations are in progress in the area. There is no infrastructure on the Excellerated Properties, other than logging roads in the vicinity.

#### History of the Kukagami Lake Property

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Prospecting has been conducted in the vicinity of the Excellerated Properties since the 1890's. The recent exploration of properties in the vicinity of the Excellerated Properties is summarized in detail in

the Geological Report.

### Geology of the Excellerated Properties

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The Excellerated Properties are underlain by a geological feature known as the "gowganda" formation, which is a sedimentary sequence of rock. The sedimentary rock is intruded throughout the Excellerated Properties by a geological feature known as the "Nipissing Gabbro". The geology of the Excellerated Properties is discussed in detail in the Geological Report. The Geological Report confirms a recognized close spatial relationship between the Nipissing Gabbro formation and mineralization.

Minerals associated with the Nipissing Gabbro formation include copper-nickel-platinum group elements in the area of the Kukagami Lake Property. Platinum group elements include platinum and palladium.

### Mineralization on the Excellerated Properties

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The Geological Report confirms that there are no known minerals deposits nor occurrences on the Excellerated Properties, but occurrences of copper-nickel-platinum group elements do occur in the general area of the Excellerated Properties. The Geological Report concludes that copper and gold mineralization is associated with coarse veins within carbonite-albite alteration zones hosted in either sedimentary rock units or Nipissing Gabbro. The Geological Report also concluded that copper-nickel-platinum group elements sulphide mineralization occurs as disseminations within the Nipissing Gabbro or as massive pods at the base of the intrusion. The Geological Report summarized occurrences of copper-nickel-platinum group element occurrences within the Kelly Township area in the vicinity of the Excellerated Properties.

### Recommendations

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The Geological Report identified the exploration objective for the Excellerated Properties as being copper-nickel-platinum group element deposits hosted by the Kelly Township Nipissing Gabbro. A prudent work program is recommended by the Geological Report on the Excellerated Properties. The geological program recommended by the Geological Report consists of a staged, multi-discipline exploration program comprising geological mapping, outcrop sampling and whole rock analysis, petrographic studies, magnetometer and induced polarization surveys, humus and soil geo-chemical surveys, and prospecting.

The recommended exploration program is summarized in detail in the Geological Report. The Geological Report recommended completing the geological exploration program in two phases. Phase One would consist of line cutting, geological mapping, whole rock analysis, petrographic studies, prospecting and geophysical and geo-chemical surveys. Phase Two would include

target definition, fill-in, geo-chemical and geophysical surveys, plus approximately 2,000 meters of diamond drilling to test anomalies identified.

The Geological Report identified the budget for Phase One and Phase Two of the Exploration Program on the Excellerated Properties as follows:

PROPOSED EXPLORATION BUDGET (CANADIAN FUNDS)

Phase I -----	CDN Funds -----
Geological mapping, sampling: estimate 30 days @ \$350/d	10,500
Petrographic studies : allow	5,000
Whole rock analysis : estimate 50 samples @ \$50/sample	2,500
Humus sampling (grid) : estimate 20 days @ \$200/d	4,000
Humus analyses : estimate 250 samples @ \$30/sample	3,500
Soil sampling & prospecting (non grid) : estimate 10 days @ \$550/d	5,500
Soil samples : estimate 200 samples @ \$30/sample	6,000
Magnetometer survey : 100 km @ \$75/km	7,500
IP survey : estimate 30 days @ 1,500/d plus report	50,000
Report preparation : allow 10 days @ \$350/d	3,500
Travel, accommodation, etc.: allow	10,000
Sub Total	\$ 139,000
Contingency : 7.9%	11,000
Total	\$ 150,000

Phase II

Fill-in surveys : allow	\$ 25,000
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Diamond drilling : 2000 m @ \$50/m	100,000
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Assays/analysis : allow	10,000
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Supervision, core logging, report writing : estimate 25 days @ \$350/d	8,750
Core splitter : estimate 10 days @ \$200/d	2,000
Travel & accommodation, etc. : allow	3,000
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Sub Total	\$ 148,750
Contingency : 7.6%	11,250
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Total	\$ 160,000
Grand Total	310,000.CDN
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Conclusions of the Geological Report

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The Geological Report concluded that the Nipissing Gabbro intrusion underlying the Excellerated Properties is considered highly prospective for copper-nickel-platinum group element mineralization. Accordingly, the Excellerated Properties warrant a more detailed examination of its mineral potential. The Geological Report recommends the two-phase multi-discipline exploration program described above to investigate the economic potential of these Properties.

Company's Plan of Operation

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The Company and Excellerated have agreed that the Company is responsible for 10% of the Phase One program being \$15,000 CDN. Excellerated has also agreed to accept the \$15,000 CDN property payment as being a payment for the Company's share of the Phase One program.

The Company has therefore funded its share of the Phase One of the exploration program on the Excellerated Properties as recommended by the Geological Report. The Company has raised sufficient funds from prior offerings of its securities, as set forth in Item 4 of Part II of this Registration Statement, to fund its share of Phase One of the exploration program. The Company will assess whether to proceed with further exploration programs upon completion of Phase One of the exploration program and an evaluation of the results of this exploration program.

The Company had cash on hand in the amount of \$40,500 US as of August 15, 1999. The Company has funded its share of Phase One of the exploration program. The Company believes that its cash reserves are also sufficient to meet its obligations for the next twelve-month period, including the legal and accounting expense of complying with its obligations as a



reporting issuer under the Securities Exchange Act of 1934, in addition to the cost of completing Phase One of the exploration program.

The Company will require additional funding in the event that the Company determines to proceed with its share of Phase Two of the exploration program. The anticipated cost of the Company's share of Phase Two of the exploration program is approximately \$16,000 CDN which is in excess of the projected cash reserves of the Company upon completion of Phase One of the exploration program. The Company anticipates that additional funding will be in the form of equity financing from the sale of the Company's common stock. There is no assurance that the Company will be able to achieve additional sales of its common stock sufficient to fund Phase Two of the exploration program. The Company believes that debt financing will not be an alternative for funding Phase Two of the exploration program. The Company does not have any arrangements in place for future equity financing.

If the Company does not secure additional financing, the Company will not be able to complete its share of Phase Two of the exploration program or meet its obligation to Excellerated under the Option to incur \$300,000 of exploration expenditures, in aggregate, on the Kukagami Lake Property by April 1, 2001. The Company will be required to abandon the Option in the event that the Company is unable to achieve sufficient financing as required to incur \$300,000 of exploration expenditures on the Kukagami Lake Property by April 1, 2001. The Company will consider bringing in a joint venture partner for the Kukagami Lake Property if the Company is unable to achieve sufficient funding by itself to proceed with the required exploration expenditures and the Company does not want to abandon the Kukagami Lake Property. The Company will pursue acquiring interests in alternate mineral properties in the event of termination of the Option due to a failure to incur the required exploration expenditures.

#### Management Agreement

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The Company has entered into a management agreement dated April 1, 1999 with WFC Management Corporation, a company controlled by Mr. Grayson Hand, whereby WFC Management Corporation has agreed to provide management and administration services to the Company for a fee of \$750 US per month for a one-year term commencing April 1, 1999 and expiring March 31, 1999 (the "Management Agreement"). The services include the management services of Mr. Hand, reception, secretarial services, accounting services, investor relations and general office services.

A copy of the Management Agreement is attached to this Registration Statement as an Exhibit. The information provided in this Registration Statement with respect to the Management Agreement is qualified in its entirety by reference to the complete text of that agreement.

#### Competition and Marketing

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The mining industry, in general, is intensely competitive. There can be no assurance that even if commercial quantities of ore are discovered,

a ready market will exist for its sale. Numerous factors beyond the control of the Company may affect the marketability of any substances discovered. These factors include market fluctuations, the proximity and capacity of natural

resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in the Company not receiving an adequate return on invested capital.

#### Compliance with Government Regulation

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The Company will be required to comply with all regulations, rules and directives of governmental authorities and agencies applicable to the exploration of minerals in the Province of Ontario. In addition, production of minerals in the Province of Ontario will require prior approval of applicable governmental regulatory agencies. There can be no assurance that such approvals will be obtained. The cost and delay involved in attempting to obtain such approvals cannot be known in advance.

During the exploration phase of the Excellerated Properties, the Company will be subject to regulation by the Ministry of Natural Resources, a ministry of the Province of Ontario. The Company has budgeted for regulatory compliance costs in the proposed work program recommended by the Geological Report. The Company will have to sustain the cost of reclamation and environmental mediation for all exploration (and development) work undertaken. The amount of these costs is not known at this time as the Company does not know the extent of the exploration program it will undertake, beyond completion of the recommended work program, or if it will enter into production on the Excellerated Properties. Because there is presently no information on the size, tenor, or quality of any resource or reserve, it is impossible to assess the impact of any capital expenditures on the Company, its earnings or competitive position in the event a potentially-economic deposit is discovered.

If the Company enters the production phase, the cost of complying with permit and regulatory environment laws will be greater because the impact on the project area is greater. Permits and regulations will control all aspects of the production program if the project continues to that stage. Examples of regulatory requirements include:

- \* Water discharge will have to meet drinking water standards;
- \* Dust generation will have to be minimal or otherwise re-mediated;
- \* Dumping of material on the surface will have to be re-contoured and re-vegetated with natural vegetation;

- \* An assessment of all material to be left on the surface will need to be environmentally benign;
- \* Ground water will have to be monitored for any potential;
- \* The socio-economic impact of the project will have to be evaluated and if deemed negative, will have to be re-mediated; and

- \* There will have to be an impact report of the work on the local fauna and flora including a study of potentially endangered species.

#### Exploration Risk

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Exploration for minerals is a speculative venture necessarily involving substantial risk. There is no certainty that the expenditures to be made by the Company in the acquisition of the interests described herein will result in discoveries of commercial quantities of ore. Hazards such as unusual or unexpected formations and other conditions are involved in mineral exploration and development. The Company may become subject to liability for pollution, cave-ins or hazards against which it cannot insure or against which it may elect not to insure. The payment of such liabilities may have a material adverse effect on the Company's financial position.

The Company cannot give any assurance as to what would be considered a "commercial quantity" of ore for the Excellerated Properties. A "commercial quantity" of ore is a quantity of ore which is sufficient to economically justify commercial exploitation. In determining whether a body of ore economically justifies exploitation, the Company will assess those factors which impact on the economics of production of the Excellerated Properties, including prevailing mineral prices, the concentration of minerals within the ore, cost of mining and production, costs of money, costs of environmental compliance and general economic conditions.

#### No Known Bodies of Ore

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There are no known bodies of ore on the Company's optioned property. The business plan of the Company is to raise funds to carry out further exploration with the objective of establishing ore of commercial tonnage and grade. If the Company's exploration programs are successful, additional funds will be required for the development of economic reserves and to place them in commercial production. The only source of future funds presently available to the Company is through the sale of equity capital. The only alternative for the financing of further exploration would be the offering by the Company of an interest in its optioned property to be earned by another party or parties carrying out further exploration or development thereof, which is not presently contemplated.

#### Research and Development Expenditures

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During the past two fiscal years, the Company has not completed any research or development expenditures.

#### Subsidiaries

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The Company has no subsidiaries.

#### Employees

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As of August 15, 1999, the Company had no employees, other than its officers.

10

The Company's one officer is Mr. Grayson Hand who is President, Secretary and Treasurer of the Company. Mr. Hand provides his services on a part-time basis as required for the business of the Company. Mr. Hand presently commits approximately 15% of his business time to the business of the Company. The Company presently pays to WFC Management Corporation, a company controlled by Mr. Hand, a management fee of \$750 per month pursuant to the Management Agreement.

The Company does not pay to its directors any compensation for each director serving as a director on the Company's board of directors.

The Company conducts its business through agreements with consultants and arms-length third parties.

#### Patents and Trademarks

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The Company does not own, either legally or beneficially, any patent or trademark.

#### YEAR 2000 RISK

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#### Background

Computer systems, software packages, and microprocessor dependent equipment may cease to function or generate erroneous data when the Year 2000 arrives. The problem affects those systems or products that are programmed to accept a two-digit code in date code fields. To correctly identify the Year 2000, a four-digit date code field will be required to be what is commonly termed "Year 2000 compliant."

#### Readiness

The Company has completed an assessment of all internal systems and operations to determine Year 2000 compliance. The Company does not own any computer hardware or license any computer software in its operations as a geological exploration company. As such, the Company

does not anticipate any material adverse operational issues to arise from the Year 2000 problem affecting internal systems and operations.

The Company has investigated the Year 2000 compliance of all computer hardware and computer software used by the Company's consultants in the Company's business operations. The Company has relied upon the verbal representations of each of its consultants that third party software used by the consultant is Year 2000 compliant. The Company has relied upon verbal representations by consultants that all computer hardware purchased is Year 2000 compliant. The Company cannot give any assurance that all computer hardware and software used by its consultants will be Year 2000 compliant. Accordingly, there is no assurance that the Company will not be affected by Year 2000 problems arising from problems with the Year 2000 problems experienced by its consultants.

11

## Risks

The Company may realize exposure and risk if the systems for which it is dependent upon to conduct day-to-day operations are not year 2000 compliant. The Company's worst case scenario would be the loss of data regarding its property and business operations and the inability of its consultants to provide consultant services to the Company until such time as computer hardware and software was upgraded.

## Estimated Year 2000 Costs

The Company estimates that its total internal cost for ensuring Year 2000 compliance for all internal systems to date to be less than \$5,000. The Company anticipates incurring internal costs of less than \$10,000 in completing its Year 2000 compliance plan. The Company has not incurred any external cost in ensuring Year 2000 compliance in view of the fact that the Company has only recently commenced operations and has relied upon representations of its consultants as to Year 2000 compliance.

## Contingency Planning

The Company's contingency plan consists of a back-up of all computer databases and documentation.

## Item 7. Description of Property

The Company has an option to acquire a 70% interest in the Mineral Claim, as described in detail in Item 6 of Part I of this Registration Statement under "Excellerated Properties Option Agreement". The Company does not own or lease any property other than its option to acquire an interest in the Kukagami Lake Property.

## Item 8. Directors, Executive Officers and Significant Employees

The following information sets forth the names of the directors, executive officers and significant employees of the Company, their present positions with the Company, and their biographical information.

1. Directors and Officers

Name	Age	Office	Term of Office
Grayson W. Hand	62	President/Secretary/ Treasurer/Director	One year
Gordon A. Keevil	47	Director	One year

Mr. Grayson Hand is a director and is President of the Company. Mr. Hand is a Vancouver businessman who has over 25 years of senior management and executive level business experience. He has acted as a director of Global Technologies Inc., Medical Polymers Technologies Inc., Tanisys Technology Inc. and Leigh Resources Ltd., each of which is a publicly

12

traded company. Mr. Hand was president of Leigh Resources from July 7, 1995 to January 21, 1997. Mr. Hand was appointed a director of Leigh Resources in July, 1995 and remains a director of Leigh Resources. Mr. Hand's business experience includes senior management positions and ownership of companies in the communication field as well as public companies.

Mr. Gordon A. Keevil is a director of the Company. Mr. Keevil graduated with a degree in geology from Queen's University in 1975 and has since early 1976 worked in natural resource exploration and development. He has concentrated on exploration working predominately with listed junior resource companies. He has served as a director or officer of a number of Canadian Companies. Between 1976 and 1988, Mr. Keevil served as a director and officer of Quinterra Resources Inc., Seaforth Mines Ltd., Highland Crow Resources Inc., Emerald Lake Resources Inc., all listed on the Vancouver Stock Exchange, and Noramco Mining Corp., listed on the Toronto Stock Exchange. From 1992 to 1993, Mr. Keevil was a director and president of Dorado Resources, a private oil and gas company in Calgary. From 1995 to 1996, he was a consultant to Spokane Resources Ltd. and Ivory Oils and Minerals Inc. of Vancouver. Since 1997, Mr. Keevil has been a director and officer of Leigh Resource Corporation of Vancouver, Canada. Since 1997, he has also been a director of Stealth Ventures Ltd. of Vancouver, Canada. Mr. Keevil also serves as a consultant to exploration companies active in the mineral resource industry.

2. Significant Employees

The Company does not have any significant employees.

3. Term of Office

Officers and directors of the Company serve for a term of one year

until the next annual general meeting of the Company or until removed in accordance with the by-laws of the Company.

Item 9. Remuneration of Directors and Officers

The following table sets forth certain information as to the Company's three highest paid executive officers and directors for period from commencement of the Company's business on April 1, 1999 to June 30, 1999. As indicated below, the Company does not presently pay any compensation to any of its officers and directors. The Company may during the course of the current year decide to compensate its officers and directors for their services. No other compensation is anticipated to be paid to any such officers other than the cash compensation set forth below.

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 Summary Compensation Table  
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Name	Position	Year	Management Fee
Grayson Hand	President	1999	\$2,250

The services of Mr. Hand are provided pursuant to the Management Agreement with WFC Management Corporation. See Item 6 - "Description of Business - Management Agreement".

Item 10. Security Ownership of Management and Certain Security Holders

The following table sets forth information as of the date hereof, based on information obtained from the persons named below, with respect to the beneficial ownership of the Common Stock by (i) each person known by the Company to own beneficially 5% or more of the Common Stock, (ii) each director and officer and (iii) all directors and officers as a group:

Title of Class	Name and Address of Beneficial Owner	Amount of Beneficial Ownership	Percent of Class
Common Stock	Grayson Hand Suite 414 1859 Spyglass Place Vancouver, BC Canada V5Z 4K6	1,200,000	59.0%
Common Stock	Gordon A. Keevil 3790 Southridge Avenue West Vancouver, BC Canada V7V 3J1	0	0%
Common Stock	Directors and Officers As a Group	1,200,000	59.0%

## Item 11. Interest of Management and Others in Certain Transactions

Except as set forth below, one of the directors or officers of the Company, nor any proposed nominee for election as a director of the Company, nor any person who beneficially owns, directly or indirectly, shares carrying more than 10% of the voting rights attached to all outstanding shares of the Company, nor any promoter of the Company, nor any relative or spouse of any of the foregoing persons has any material interest, direct or indirect, in any transaction since the date of the Company's incorporation or in any presently proposed transaction which, in either case, has or will materially affect the Company.

The Company has entered into the Management Agreement with WFC Management Corporation, a company controlled by Mr. Grayson Hand, President of the Company. Under the Management Agreement, the Company has agreed to pay to WFC Management Corporation a management fee of \$750 per month for a one year term in consideration for management and administration services to be provided by WFC Management Corporation to the Company. See Item 6 of Part I of this Registration Statement under "Management Agreement".

14

## Item 12. Description of Securities

### Common Stock

The Company has authorized 25,000,000 common shares par value \$0.001 of Common Stock, of which 2,033,000 are currently outstanding.

Holders of Common Stock have the right to cast one vote for each share held of record on all matters submitted to a vote of holders of Common Stock, including the election of directors. There is no right to cumulate votes for the election of directors. Stockholders holding a majority of the voting power of the capital stock issued and outstanding and entitled to vote, represented in person or by proxy, are necessary to constitute a quorum at any meeting of the Company's stockholders, and the vote by the holders of a majority of such outstanding shares is required to effect certain fundamental corporate changes such as liquidation, merger or amendment of the Company's Certificate of Incorporation.

Holders of Common Stock are entitled to receive dividends pro rata based on the number of shares held, when, as and if declared by the Board of Directors, from funds legally available therefor, subject to the rights of holders of any outstanding preferred stock. In the event of the liquidation, dissolution or winding up of the affairs of the Company, all assets and funds of the Company remaining after the payment of all debts and other liabilities, subject to the rights of the holders of any outstanding preferred stock, shall be distributed, pro rata, among the holders of the Common Stock. Holders of Common Stock are not entitled to pre-emptive or subscription or conversion rights, and there are no redemption or sinking fund provisions applicable to the Common Stock. All outstanding shares of Common Stock are fully paid and non-assessable.



## Warrants

The Company does not have any warrants to purchase securities of the Company outstanding.

## Options

The Company does not have any options to purchase securities of the Company outstanding. The Company may in the future establish an incentive stock option plan for its directors, officers, employees and consultants.

## Transfer Agent

Pacific Stock Transfer Company of Las Vegas, Nevada is the transfer agent for the Shares.

15

## PART II

### Item 1. Market Price of and Dividends on the Registrant's Common Equity and Other Stockholder Matters

The Company anticipates applying for a listing on the OTC Bulletin Board upon effectiveness of this Registration Statement. Currently, there is no public market for the Company's stock and there is no assurance that a public market will materialize.

As of the date of this Registration Statement, there were forty-seven (47) registered shareholders in the Company. There are no dividend restrictions in the Company.

None of the holders of the Company's common shares have any right to require the Company to register its common shares pursuant to the Securities Act of 1933.

The issuance of dividends to shareholders is at the discretion of the board of directors of the Company. The Company has not issued any dividends since its inception and does not have plans to do so in the foreseeable future.

### Item 2. Legal Proceedings

There are no legal proceedings pending or threatened against the Corporation.

### Item 3. Changes in and Disagreements with Accountants

The Company has had no changes in or disagreements with its accountants since its inception in February 19, 1999

### Item 4. Recent Sales of Unregistered Securities

The Company completed an offering of 1,200,000 common shares at a price

of \$0.005 per share on April 01, 1999 pursuant to Section 4(2) of the Securities Act of 1933. All of these shares were sold to Grayson Hand, the President, Secretary, Treasurer and Director of the Company, and are "restricted shares" within the meaning of the Securities Act of 1933.

The Company completed an offering of 800,000 common shares at a price of \$0.05 per share on April 2, 1999 to a total of thirteen (13) investors, each of which investors was known to an officer and director of the Company. The offering was completed pursuant to Rule 504 of Regulation D of the Act which provides an exemption for issues of stock up to \$1,000,000, in the aggregate, by companies with a specific business plan and that are not subject to the reporting requirements of the Securities and Exchange Act of 1934. The offering was also completed pursuant to exemptions provided by Section 46(j) of the Securities Act of British Columbia.

The Company completed an offering of 33,000 common shares at a price of \$0.25 per share on April 5, 1999 to a total of thirty three (33) investors, each of which investors was known to an

16

officer and director of the Company. The offering was completed pursuant to Rule 504 of Regulation D of the Act which provides an exemption for issues of stock up to \$1,000,000, in the aggregate, by companies with a specific business plan and that are not subject to the reporting requirements of the Securities and Exchange Act of 1934. The offering was also completed pursuant to exemptions provided by Section 46(j) of the Securities Act of British Columbia.

The aggregate of these offerings, if integrated under Rule 502 of Regulation D of the Act is less than the \$1,000,000 limit the exemption allows.

#### Item 5. Indemnification of Directors and Officers

The officers and directors of the Company are indemnified as provided under the Nevada Revised Statutes (the "NRS") and the Bylaws of the Company.

Under the NRS, director immunity from liability to a corporation or its shareholders for monetary liabilities applies automatically unless it is specifically limited by a corporation's articles of incorporation (which is not the case with the Company's Articles of Incorporation). Excepted from that immunity are: (i) a wilful failure to deal fairly with the corporation or its shareholders in connection with a matter in which the director has a material conflict of interest; (ii) a violation of criminal law (unless the director had reasonable cause to believe that his or her conduct was lawful or no reasonable cause to believe that his or her conduct was unlawful); (iii) a transaction from which the director derived an improper personal profit; and (iv) wilful misconduct.

The By-laws of the Company provide that the Company will indemnify its

directors and officers to the fullest extent not prohibited by the Nevada General Corporation Law; provided, however, that the Company may modify the extent of such indemnification by individual contracts with its directors and officers; and, provided, further, that the Company shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the Company, in its sole discretion, pursuant to the powers vested in the corporation under the Nevada General Corporation Law or (iv) such indemnification is required to be made pursuant to the By-laws.

The By-laws of the Company provide that the Company will advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of an undertaking by or on behalf of such person to repay said amounts if it should be determined ultimately that such person is not entitled to be indemnified under the By-laws of the Company or otherwise.

17

The By-laws of the Company provide that no advance shall be made by the Company to an officer of the Company (except by reason of the fact that such officer is or was a director of the Company in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the Company.

18

PART F/S  
FINANCIAL STATEMENTS

The Company's audited Financial Statements, as described below, are attached hereto.

1. Audited financial statements for the period ending April 30,

1999, including:

- (a) Balance Sheet;
- (b) Statement of Loss and Deficit;
- (c) Statement of Cash Flows;
- (d) Statement of Stockholders' Equity;
- (e) Notes to Financial Statements.

2. Consent of Auditor

19

MAGIC BAG CORPORATION  
(An Exploration Stage Company)

FINANCIAL STATEMENTS

APRIL 30, 1999  
(Stated in U.S. Dollars)

-----  
Morgan & Company

-----  
Chartered Accountants

-----  
P.O. Box 10007, Pacific Centre  
Suite 1730 - 700 West  
Georgia Street  
Vancouver, B.C. V7Y 1A1  
Telephone (604) 687-5841  
Fax (604) 687-0075  
-----

AUDITORS' REPORT

To the Directors  
Magic Bag Corporation

We have audited the balance sheet of Magic Bag Corporation (an exploration stage company) as at April 30, 1999 and the statements of loss and deficit accumulated during the exploration stage, cash flows and stockholders' equity for the period then ended. 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 audit.

We conducted our audit in accordance with United States and Canadian generally accepted auditing standards. 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at April 30, 1999 and the results of its operations and the cash flows for the period then ended in accordance with United States generally accepted accounting principles.

Vancouver, B.C.  
July 22, 1999

\s\ Morgan & Company  
Chartered Accountants

MAGIC BAG CORPORATION  
(An Exploration Stage Company)

BALANCE SHEET

APRIL 30, 1999  
(Stated in U.S. Dollars)

-----  
ASSETS

Current		
Cash	\$	42,954
Mineral Property (Note 3)		1,000
Exploration Advance (Note 4)		8,299
		-----
	\$	52,253

=====

LIABILITIES

Current		
Accounts payable	\$	2,081

-----

SHAREHOLDERS' EQUITY

Share Capital

Authorized:  
 100,000,000 Common shares, par value  
 \$0.001 per share

Issued and outstanding:  
 2,033,000 Common shares 2,033

Additional paid in capital 52,217  
 Deficit Accumulated During The Exploration Stage (4,078)  
 -----  
 50,172  
 -----  
 \$ 52,253  
 =====

Approved by the Directors:

MAGIC BAG CORPORATION  
 (An Exploration Stage Company)

STATEMENT OF LOSS AND DEFICIT  
 (Stated in U.S. Dollars)

	Period From Date Of Organization Inception	
	February 17 1999 To April 30 1999	February 17 1999 To April 30 1999
-----		
Expenses		
Office administration and sundry	\$ 784	\$ 784
Mineral property exploration		
Expenditures	963	963
Professional fees	2,331	2,331
	-----	-----
Net Loss For The Period	4,078	\$ 4,078
		=====
Deficit Accumulated During The Exploration Stage, Beginning Of Period	-	
	-----	
Deficit Accumulated During The Exploration Stage, End Of Period	\$ 4,078	
	=====	
Net Loss Per Share	\$0.01	
	=====	

Weighted Average Number of Shares  
Outstanding

805,905  
=====

MAGIC BAG CORPORATION  
(An Exploration Stage Company)

STATEMENT OF CASH FLOWS  
(Stated in U.S. Dollars)

	Period From Date Of Organization February 17 1999 To April 30 1999	Inception February 17 1999 To April 30 1999
-----		
Cash Flow From Operating Activities		
Net loss for the period	\$ (4,078)	\$ (3,328)
Adjustments To Reconcile Net Loss To Net Cash Used By Operating Activities		
Change in accounts payable	2,081	1,331
	-----	-----
	(1,997)	(1,997)
	-----	-----
Cash Flow From Investing Activities		
Mineral property	(1,000)	(1,000)
Exploration advance	(8,299)	(8,299)
	-----	-----
	(9,299)	(9,299)
	-----	-----
Cash Flow From Financing Activities		
Share capital issued	54,250	54,250
	-----	-----
Increase In Cash	42,954	42,954
Cash, Beginning Of Period	-	-
	-----	-----
Cash, End Of Period	\$ 42,954	\$ 42,954
	=====	=====

MAGIC BAG CORPORATION  
(An Exploration Stage Company)

STATEMENT OF STOCKHOLDERS' EQUITY

APRIL 30, 1999  
(Stated in U.S. Dollars)

Common Stock					
	Shares	Amount	Additional Paid-in Capital	Deficit	Total
Shares issued for cash @ \$0.005	1,200,000	\$ 1,200	\$ 4,800	\$ -	\$ 6,000
Shares issued for cash @ \$0.05	800,000	800	39,200	-	40,000
Shares issued for cash @ \$0.25	33,000	33	8,217	-	8,250
Net loss for the Period	-	-	-	(4,078)	(4,078)
Balance, April 30, 1999	2,033,000	\$ 2,033	\$ 52,217	\$(4,078)	\$ 50,172

MAGIC BAG CORPORATION  
(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1999  
(Stated in U.S. Dollars)

1. NATURE OF OPERATIONS

a) Organization

The Company was incorporated in the State of Nevada, U.S.A. on February 17, 1999.

b) Exploration Stage Activities

The Company is in the process of exploring its mineral property and has not yet determined whether the property contains ore reserves that are economically recoverable.

The recoverability of amounts shown as mineral property and related deferred exploration expenditures is dependent upon the discovery of economically recoverable reserves,



confirmation of the Company's interest in the underlying mineral claims and the ability of the Company to obtain profitable production or proceeds from the disposition thereof.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgement.

The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

### a) Mineral Property and Related Deferred Exploration Expenditures

The Company defers all direct exploration expenditures on mineral properties in which it has a continuing interest to be amortized over the recoverable reserves when a property reaches commercial production. On abandonment of any property, applicable accumulated deferred exploration expenditures will be written off. To date none of the Company's properties have reached commercial production.

At least annually, the net deferred cost of each mineral property is compared to management's estimation of the net realizable value, and a write-down is recorded if the net realizable value is less than the cumulative net deferred costs.

MAGIC BAG CORPORATION  
(An Exploration Stage Company)

## NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1999  
(Stated in U.S. Dollars)

## 2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

### b) Income Taxes

The Company has adopted Statement of Financial Accounting Standards No. 109 - "Accounting for Income Taxes" (SFAS 109). This standard requires the use of an asset and liability approach for financial accounting and reporting on income taxes. If it is more likely than not that some

portion or all of a deferred tax asset will not be realized, a valuation allowance is recognized.

c) Financial Instruments

The Company's financial instruments consist of cash and accounts payable.

Unless otherwise noted, it is management's opinion that this Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted.

d) Net Loss Per Share

Net loss per share is based on the weighted average number of common shares outstanding during the period plus common share equivalents, such as options, warrants and certain convertible securities. This method requires primary earnings per share to be computed as if the common share equivalents were exercised at the beginning of the period or at the date of issue and as if the funds obtained thereby were used to purchase common shares of the Company at its average market value during the period.

3. MINERAL PROPERTY

The Company has entered into an option agreement dated April 1, 1999 to acquire a 70% interest in a mineral claim block located in the Sudbury Mining District, Ontario, Canada.

In order to earn its interest, the Company must make cash payments and incur exploration expenditures as follows:

Cash payment of CDN \$1,500 (paid)

Exploration expenditures totalling CDN \$150,000 by April 1, 2000 with an additional CDN \$150,000 in exploration expenditures to be incurred by April 1, 2001

Consideration paid to date (CDN \$1,500)	\$ 1,000
	=====

MAGIC BAG CORPORATION  
(An Exploration Stage Company)

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 1999  
(Stated in U.S. Dollars)

4. EXPLORATION ADVANCE

The Company has advanced \$8,299 in connection with an exploration program which is to commence subsequent to April 30, 1999.

5. UNCERTAINTY DUE TO THE YEAR 2000 ISSUE

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the entity, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

-----  
Morgan & Company

-----  
Chartered Accountants

-----  
P.O. Box 10007, Pacific Centre  
Suite 1730 - 700 West  
Georgia Street  
Vancouver, B.C. V7Y 1A1  
Telephone (604) 687-5841  
Fax (604) 687-0075  
-----

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion of our audit report, dated July 22, 1999, on the financial statements of Adventure Minerals Inc. (formerly Magic Bag Corporation) for the period ended April 30, 1999 in the Company's Registration Statement on Form 10-SB. We also consent to the application of such report to the financial information in the Registration Statement on Form 10-SB, when such financial information is read in conjunction with the financial statements referred to in our report.

Vancouver, Canada  
August 24, 1999

\s\ Morgan & Company  
Chartered Accountants

PART III  
INDEX TO EXHIBITS

Exhibit 1: Articles of Incorporation  
Exhibit 2: Certificate of Amendment of the Articles of Incorporation  
Exhibit 3: Bylaws of the Company  
Exhibit 4: Kukagami Lake Property Option Agreement  
Exhibit 5: Management Contract between the Company and WFC  
Management Corporation  
Exhibit 6: Geological Report on the Kukagami Lake Property  
Exhibit 7: Consent of Geological Consultant to use of Report

20

SIGNATURES

In accordance with Section 12 of the Securities Exchange Act of 1934,  
the registrant caused this Form 10-SB registration statement to be  
signed on its behalf by the undersigned, thereunto duly authorized.

ADVENTURE MINERALS INC.

Date: August 20, 1999

\s\ Grayson Hand  
By: \_\_\_\_\_

GRAYSON HAND, Director, President  
Chief Executive Officer

Articles of Incorporation  
(PURSUANT TO NRS 78)  
STATE OF NEVADA  
Secretary of State

Filing fee:  
Receipt #:

(For filing office use)

(For filing office use)

IMPORTANT: Read instructions on reverse side before completing this form.

TYPE OR PRINT (BLACK INK ONLY)

1. NAME OF CORPORATION: Magic Bag Corporation

2. RESIDENT AGENT: (designated resident agent and his STREET ADDRESS in Nevada where process may be served)

Name of Resident Agent: Michael A. Cane

Street Address: 101 Convention Center Dr., Suite 1200

Street No. Street Name

Las Vegas, NV 89109

City Zip

3. SHARES: (number of shares the corporation is authorized to issue)

Number of shares with par value: 25 Million

Par value: \$ .001 No. without par value: \_\_\_\_\_

4. GOVERNING BOARD: shall be styled as (check one):

X Directors \_\_\_\_\_ Trustees

The FIRST BOARD OF DIRECTORS shall consist of 1 member(s) and the names and addresses are as follows: -----

J. Stephen Barley 2060 Gisby Street, West Vancouver, V7V 4M3

Name Address City/State/Zip

Name Address City/State/Zip

5. PURPOSE: (optional) : The purpose of the corporation shall be:

6. OTHER MATTERS: This form includes the minimal statutory requirements to incorporate under NRS 78. You may attach additional information pursuant to NRS 78.037 or any other information you deem appropriate. If any of the additional information is contradictory to this form it cannot be filed and will be returned to you for correction.

Number of pages attached 0 .  
-----

7. SIGNATURES OF INCORPORATORS: The names and addresses of each of the incorporators signing the articles.

Michael A. Cane

-----

Name (print)

-----

Name (print)

101 Convention Ctr Dr. #1200,

-----

-----

Address

Address

Las Vegas, NV 89109

-----

-----

City/State/Zip

City/State/Zip

\s\ Michael A. Cane

-----

-----

Signature

Signature

State of Nevada County of Clark

-----

State of Nevada County of Clark

-----

This instrument was acknowledged before me on

This instrument was acknowledged before me on

February 16, , 1999, by

-----

, 1999, by

-----

Michael A. Cane

-----

-----

Name of Person

Name of Person

as incorporator of \_\_\_\_\_  
Magic Bag Corporation \_\_\_\_\_

as incorporator of \_\_\_\_\_  
\_\_\_\_\_

\s\ Ann Marie Gibson

-----

-----

Notary Public Signature  
(affix notary stamp or seal)

Notary Public Signature  
(affix notary stamp or seal)

ANN MARIE GIBSON  
Notary Public - Nevada  
No. 99-49969-1  
My appt. exp. Nov. 17, 2002

8. CERTIFICATE OF ACCEPTANCE OF APPOINTMENT OF RESIDENT AGENT:

I, Michael A. Cane hereby accept appointment as Resident Agent  
----- for the above named corporation.

\s\ Michael A. Cane  
-----  
Signature of Resident Agent

02-16-99  
-----  
Date

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION  
(After Issuance of Stock)

Filed by:

MAGIC BAG CORPORATION

The undersigned, President and Secretary of Magic Bag Corporation (the "Corporation") does certify:

THAT the sole shareholder of said Corporation, on the 1st day of April, 1999, adopted a resolution to amend the original articles as follows:

Article I is hereby amended to read as follows:

The name of this corporation is ADVENTURE MINERALS INC.

The number of shares of the Corporation outstanding and entitled to vote on an amendment to the Articles of Incorporation is 1,200,000 common shares. Said change and amendment has been consented to and approved by a unanimous vote of the shareholders of each class of stock outstanding and entitled to vote thereon.

\s\ Grayson W. Hand

-----  
Grayson W. Hand  
President and Secretary

Province of British Columbia    )  
  )  ss.  
Country of Canada                    )

On July 22nd, 1999, personally appeared before me, a Notary Public, Grayson W. Hand, who acknowledged that they executed the above instrument.

\s\ J. Stephen Barley  
-----  
Signature of Notary



J. Stephen Barley  
Barrister & Solicitor  
Suite 1880, Royal Centre  
1055 West Georgia Street, Box 11122  
Vancouver, B.C.  
V6E 3P3 657-7962  
(Notary Stamp or seal)

BY-LAWS  
OF  
ADVENTURE MINERALS INC.  
(A NEVADA CORPORATION)

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Nevada shall be in the City of Las Vegas, State of Nevada.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the Board of Directors, and may also have offices at such other places, both within and without the State of Nevada as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Nevada." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation shall be held at such place, either within or without the State of Nevada, as may be designated from time to time by the Board of Directors, or, if not so designated, then at the office of the corporation required to be maintained pursuant to Section 2 hereof.

Section 5. Annual Meeting.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may lawfully come before it, shall be held on

such date and at such time as may be designated from time to time by the Board of Directors.

(b) At an annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be: (A) specified in the notice of meeting (or any supplement thereto) given

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by or at the direction of the Board of Directors, (B) otherwise properly brought before the meeting by or at the direction of the Board of Directors, or (C) otherwise properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation not later than the close of business on the sixtieth (60th) day nor earlier than the close of business on the ninetieth (90th) day prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that no annual meeting was held in the previous year or the date of the annual meeting has been changed by more than thirty (30) days from the date contemplated at the time of the previous year's proxy statement, notice by the stockholder to be timely must be so received not earlier than the close of business on the ninetieth (90th) day prior to such annual meeting and not later than the close of business on the later of the sixtieth (60th) day prior to such annual meeting or, in the event public announcement of the date of such annual meeting is first made by the corporation fewer than seventy (70) days prior to the date of such annual meeting, the close of business on the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the corporation. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting: (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and address, as they appear on the corporation's books, of the stockholder proposing such business, (iii) the class and number of shares of the corporation which are beneficially owned by the stockholder, (iv) any material interest of the stockholder in such business and (v) any other information that is required to be provided by the stockholder pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended (the "1934 Act"), in his capacity as a proponent to a stockholder proposal. Notwithstanding the foregoing, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a

stockholder's meeting, stockholders must provide notice as required by the regulations promulgated under the 1934 Act. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any annual meeting except in accordance with the procedures set forth in this paragraph (b). The chairman of the annual meeting shall, if the facts warrant, determine and declare at the meeting that business was not properly brought before the meeting and in accordance with the provisions of this paragraph (b), and, if he should so determine, he shall so declare at the meeting that any such business not properly brought before the meeting shall not be transacted.

(c) Only persons who are confirmed in accordance with the procedures set forth in this paragraph (c) shall be eligible for election as directors. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors or by any stockholder of the corporation entitled to vote in the election of directors at the meeting who complies with the notice procedures set forth in this paragraph (c). Such nominations, other than those made by or at the direction of the Board of Directors, shall be made pursuant to timely notice in writing to the Secretary of the corporation in accordance with the provisions of paragraph (b) of this Section 5. Such stockholder's notice shall set forth (i) as to each person, if any, whom the stockholder proposes to nominate for election or re-election as a director: (A) the name, age, business address and residence address of such person, (B) the principal occupation or employment of such person, (c) the class and number of shares of the

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corporation which are beneficially owned by such person, (D) a description of all arrangements or understandings between the stockholder and each nominee and any other person or persons (naming such person or persons) pursuant to which the nominations are to be made by the stockholder, and (E) any other information relating to such person that is required to be disclosed in solicitations of proxies for election of directors, or is otherwise required, in each case pursuant to Regulation 14A under the 1934 Act (including without limitation such person's written consent to being named in the proxy statement, if any, as a nominee and to serving as a director if elected); and (ii) as to such stockholder giving notice, the information required to be provided pursuant to paragraph (b) of this Section 5. At the request of the Board of Directors, any person nominated by a stockholder for election as a director shall furnish to the Secretary of the corporation that information required to be set forth in the stockholder's notice of nomination which pertains to

the nominee. No person shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth in this paragraph (c). The chairman of the meeting shall, if the facts warrant, determine and declare at the meeting that a nomination was not made in accordance with the procedures prescribed by these Bylaws, and if he should so determine, he shall so declare at the meeting, and the defective nomination shall be disregarded.

(d) For purposes of this Section 5, "public announcement" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

#### Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose or purposes, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption), and shall be held at such place, on such date, and at such time as the Board of Directors, shall determine.

(b) If a special meeting is called by any person or persons other than the Board of Directors, the request shall be in writing, specifying the general nature of the business proposed to be transacted, and shall be delivered personally or sent by registered mail or by telegraphic or other facsimile transmission to the Chairman of the Board of Directors, the Chief Executive Officer, or the Secretary of the corporation. No business may be transacted at such special meeting otherwise than specified in such notice. The Board of Directors shall determine the time and place of such special meeting, which shall be held not less than thirty-five (35) nor more than one hundred twenty (120) days after the date of the receipt of the request. Upon determination of the time and place of the meeting, the officer receiving the request shall cause notice to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. If the notice is not given within sixty (60) days after the receipt of the request, the person or persons requesting the meeting may set the time and place of the meeting and give the notice. Nothing contained in this paragraph (b) shall be construed as limiting, fixing, or affecting the time when a meeting of stockholders called by action of the Board of Directors may be held.

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Section 7. Notice of Meetings. Except as otherwise provided by law or the Articles of Incorporation, written notice of each meeting of stockholders shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, date and hour and purpose or purposes of the meeting. Notice of the time, place and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the Articles of Incorporation, or by these Bylaws, the presence, in person or by proxy duly authorized, of the holder or holders of not less than one percent (1%) of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting.

The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by law, the Articles of Incorporation or these Bylaws, all action taken by the holders of a majority of the votes cast, excluding abstentions, at any meeting at which a quorum is present shall be valid and binding upon the corporation; provided, however, that directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by the statute or by the Articles of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and, except where otherwise provided by the statute or by the Articles of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of the votes cast, including abstentions, by

the holders of shares of such class or classes or series shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares casting votes, excluding abstentions. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

4

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Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote shall have the right to do so either in person or by an agent or agents authorized by a proxy granted in accordance with Nevada law. An agent so appointed need not be a stockholder. No proxy shall be voted after three (3) years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two (2) or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two (2) or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one (1) votes, his act binds all; (b) if more than one (1) votes, the act of the majority so voting binds all; (c) if more than one (1) votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Nevada Court of Chancery for relief as provided in the General Corporation Law of Nevada, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of subsection

(c) shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not specified, at the place where the meeting is to be held. The list shall be produced and kept at the time and place of meeting during the whole time thereof and may be inspected by any stockholder who is present.

Section 13. Action Without Meeting. No action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with these Bylaws, or by the written consent of all stockholders.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

5

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(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted



proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

#### ARTICLE IV

#### DIRECTORS

Section 15.               Number and Qualification. The authorized number of directors of the corporation shall be not less than one (1) nor more than twelve (12) as fixed from time to time by resolution of the Board of Directors; provided that no decrease in the number of directors shall shorten the term of any incumbent directors. Directors need not be stockholders unless so required by the Articles of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 16.               Powers. The powers of the corporation shall be exercised, its business conducted and its property controlled by the Board of Directors, except as may be otherwise provided by statute or by the Articles of Incorporation.

Section 17.               Election and Term of Office of Directors. Members of the Board of Directors shall hold office for the terms specified in the Articles of Incorporation, as it may be amended from time to time, and until their successors have been elected as provided in the Articles of Incorporation.

Section 18.               Vacancies. Unless otherwise provided in the Articles of Incorporation, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholder vote, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors

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shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

Section 19. Resignation. Any director may resign at any time by delivering his written resignation to the Secretary, such resignation to specify whether it will be effective at a particular time, upon receipt by the Secretary or at the pleasure of the Board of Directors. If no such specification is made, it shall be deemed effective at the pleasure of the Board of Directors. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified.

Section 20. Removal. Subject to the Articles of Incorporation, any director may be removed by:

(a) the affirmative vote of the holders of a majority of the outstanding shares of the Corporation then entitled to vote, with or without cause; or

(b) the affirmative and unanimous vote of a majority of the directors of the Corporation, with the exception of the vote of the directors to be removed, with or without cause.

Section 21. Meetings.

(a) Annual Meetings. The annual meeting of the Board of Directors shall be held immediately after the annual meeting of stockholders and at the place where such meeting is held. No notice of an annual meeting of the Board of Directors shall be necessary and such meeting shall be held for the purpose of electing officers and transacting such other business as may lawfully come before it.

(b) Regular Meetings. Except as hereinafter otherwise provided, regular meetings of the Board of Directors shall be held in the office of the corporation required to be maintained pursuant to Section 2 hereof. Unless otherwise restricted by the Articles of Incorporation, regular meetings of the Board of Directors may also be held at any place within or without the state of Nevada which has been designated by resolution of the Board of Directors

or the written consent of all directors.

(c) Special Meetings. Unless otherwise restricted by the Articles of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Nevada whenever called by the Chairman of the Board, the President or any two of the directors.

(d) Telephone Meetings. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or similar communications

7

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equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(e) Notice of Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, facsimile, telegraph or telex, during normal business hours, at least twenty-four (24) hours before the date and time of the meeting, or sent in writing to each director by first class mail, charges prepaid, at least three (3) days before the date of the meeting. Notice of any meeting may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(f) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present shall sign a written waiver of notice. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 22. Quorum and Voting.

(a) Unless the Articles of Incorporation requires a greater number and except with respect to indemnification questions arising under Section 43 hereof, for which a quorum shall be one-third of the exact number of directors fixed from time to time in accordance with the Articles of Incorporation, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in

accordance with the Articles of Incorporation provided, however, at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Articles of Incorporation or these Bylaws.

Section 23. Action Without Meeting. Unless otherwise restricted by the Articles of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and such writing or writings are filed with the minutes of proceedings of the Board of Directors or committee.

Section 24. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of

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the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may by resolution passed by a majority of the whole Board of Directors appoint an Executive Committee to consist of one (1) or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, including without limitation the power or authority to declare a dividend, to authorize the issuance of stock and to adopt a certificate of ownership and merger, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such

committee shall have the power or authority in reference to amending the Articles of Incorporation (except that a committee may, to the extent authorized in the resolution or resolutions providing for the issuance of shares of stock adopted by the Board of Directors fix the designations and any of the preferences or rights of such shares relating to dividends, redemption, dissolution, any distribution of assets of the corporation or the conversion into, or the exchange of such shares for, shares of any other class or classes or any other series of the same or any other class or classes of stock of the corporation or fix the number of shares of any series of stock or authorize the increase or decrease of the shares of any series), adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the corporation's property and assets, recommending to the stockholders a dissolution of the corporation or a revocation of a dissolution, or amending the bylaws of the corporation.

(b) Other Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, from time to time appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one (1) or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. Each member of a committee of the Board of Directors shall serve a term on the committee coexistent with such member's term on the Board of Directors. The Board of Directors, subject to the provisions of subsections (a) or (b) of this Bylaw may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not

he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon written notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of written notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. A majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or if the President is absent, the most senior Vice President, or, in the absence of any such officer, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

## ARTICLE V

### OFFICERS

Section 27. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer, the Treasurer, the Controller, all of whom shall be elected at the annual organizational meeting of the Board of Direction. The Board of Directors may also appoint one or more Assistant Secretaries, Assistant Treasurers, Assistant Controllers and such other officers

and agents with such powers and duties as it shall deem necessary.

The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

10

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Section 28. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time. If there is no President, then the Chairman of the Board of Directors shall also serve as the Chief Executive Officer of the corporation and shall have the powers and duties prescribed in paragraph (c) of this Section 28.

(c) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors has been appointed and is present. Unless some other officer has been elected Chief Executive Officer of the corporation, the President shall be the chief executive officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

(d) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties

and have such other powers as the Board of Directors or the President shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties given him in these Bylaws and other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors shall designate from time to time.

The President may direct any Assistant Secretary to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

11

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(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. The President may direct the Treasurer or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to his office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

Section 29. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 30. Resignations. Any officer may resign at any



time by giving written notice to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 31. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or superior officers upon whom such power of removal may have been conferred by the Board of Directors.

## ARTICLE VI

### EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 32. Execution of Corporate Instrument. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

Unless otherwise specifically determined by the Board of Directors or otherwise required by law, promissory notes, deeds of trust, mortgages and other evidences of indebtedness of the

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corporation, and other corporate instruments or documents requiring the corporate seal, and certificates of shares of stock owned by the corporation, shall be executed, signed or endorsed by the Chairman of the Board of Directors, or the President or any Vice President, and by the Secretary or Treasurer or any Assistant Secretary or Assistant Treasurer. All other instruments and documents requiring the corporate signature, but not requiring the corporate seal, may be executed as aforesaid or in such other manner as may be directed by the Board of Directors.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person .or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 33.                    Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

## ARTICLE VII

### SHARES OF STOCK

Section 34.                    Form and Execution of Certificates. Certificates for the shares of stock of the corporation shall be in such form as is consistent with the Articles of Incorporation and applicable law. Every holder of stock in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, or the President or any Vice President and by the Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue. Each certificate shall state upon the face or back thereof, in full or in summary, all of the powers, designations, preferences, and rights, and the limitations or restrictions of the shares authorized to be issued or shall, except as otherwise required by law, set forth on the face or back a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional, or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Within a reasonable time after the issuance or transfer of uncertificated stock, the corporation shall send to the registered owner thereof a

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set forth or stated on certificates pursuant to this section or otherwise required by law or with respect to this section a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights. Except as otherwise expressly provided by law, the rights and obligations of the holders of certificates representing stock of the same class and series shall be identical.

Section 35.                   Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 36.                   Transfers.

(a)                   Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b)                   The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the General Corporation Law of Nevada.

Section 37.                   Fixing Record Dates.

(a)                   In order that the corporation may determine the

stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose

14

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of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is filed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 38. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Nevada.

#### ARTICLE VIII

##### OTHER SECURITIES OF THE CORPORATION

Section 39. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other

than stock certificates (covered in Section 34), may be signed by the Chairman of the Board of Directors, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

15

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## ARTICLE IX

### DIVIDENDS

Section 40. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Articles of Incorporation, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Articles of Incorporation.

Section 41. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for

equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

#### ARTICLE X

##### FISCAL YEAR

Section 42. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

#### ARTICLE XI

##### INDEMNIFICATION

Section 43. Indemnification of Directors, Executive Officers, Other Officers, Employees and Other Agents.

(a) Directors Officers. The corporation shall indemnify its directors and officers to the fullest extent not prohibited by the Nevada General Corporation Law; provided, however, that the corporation may modify the extent of such indemnification by individual contracts with its directors and officers; and, provided, further, that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the Nevada General Corporation Law or (iv) such indemnification is required to be made under subsection (d).

(b) Employees and Other Agents. The corporation shall have power to indemnify its employees and other agents as set forth in the Nevada General Corporation Law.

16

<Page >

(c) Expense. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer, of the corporation, or is or was serving at the request of the corporation as a director or executive officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the

final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding upon receipt of an undertaking by or on behalf of such person to repay said mounts if it should be determined ultimately that such person is not entitled to be indemnified under this Bylaw or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Bylaw, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer is or was a director of the corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by the Board of Directors by a majority vote of a quorum consisting of directors who were not parties to the proceeding, or (ii) if such quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and officers under this Bylaw shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer. Any right to indemnification or advances granted by this Bylaw to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within ninety (90) days of request therefor. The claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting his claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standard of conduct that make it permissible under the Nevada General Corporation Law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed in the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted

without reasonable cause to believe that his conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he has met the applicable standard of conduct set forth in the Nevada General Corporation Law, nor an actual determination by the corporation (including its

17

Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Article XI or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any statute, provision of the Articles of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the Nevada General Corporation Law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director, officer, employee or other agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the Nevada General Corporation Law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Bylaw.

(h) Amendments. Any repeal or modification of this Bylaw shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding



against any agent of the corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and officer to the full extent not prohibited by any applicable portion of this Bylaw that shall not have been invalidated, or by any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term "proceeding" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term "expenses" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

18

(iii) The term the "corporation" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent or another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Bylaw with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "director," "executive officer," "officer," "employee," or "agent" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, executive officer, officer, employee, trustee or agent of another corporation, partnership, joint venture,

trust or other enterprise.

(v) References to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the corporation" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner he reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the corporation" as referred to in this Bylaw.

## ARTICLE XII

### NOTICES

#### Section 44. Notices.

(a) Notice to Stockholders. Whenever, under any provisions of these Bylaws, notice is required to be given to any stockholder, it shall be given in writing, timely and duly deposited in the United States mail, postage prepaid, and addressed to his last known post office address as shown by the stock record of the corporation or its transfer agent.

(b) Notice to directors. Any notice required to be given to any director may be given by the method stated in subsection (a), or by facsimile, telex or telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

19

<Page >

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Time Notices Deemed Given. All notices given by mail, as above provided, shall be deemed to have been given as at the time of mailing, and all notices given by facsimile, telex or telegram shall be deemed to have been given as of the sending time recorded at time of transmission.

(e) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all directors, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(f) Failure to Receive Notice. The period or limitation of time within which any stockholder may exercise any option or right, or enjoy any privilege or benefit, or be required to act, or within which any director may exercise any power or right, or enjoy any privilege, pursuant to any notice sent him in the manner above provided, shall not be affected or extended in any manner by the failure of such stockholder or such director to receive such notice.

(g) Notice to Person with Whom Communication Is Unlawful. Whenever notice is required to be given, under any provision of law or of the Articles of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the Nevada General Corporation Law, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(h) Notice to Person with Undeliverable Address. Whenever notice is required to be given, under any provision of law or the Articles of Incorporation or Bylaws of the corporation, to any stockholder to whom (i) notice of two consecutive annual meetings, and all notices of meetings or of the taking of action by written consent without a meeting to such person during the period between such two consecutive annual meetings, or (ii) all, and at least two, payments (if sent by first class mail) of dividends or interest on securities during a twelve-month period, have been mailed addressed to such person at his address as shown on the records of the corporation and have been returned undeliverable, the giving of such notice to such person shall not be required. Any action or meeting which shall be taken or held without notice

to such person shall have the same force and effect as if such notice had been duly given. If any such person shall deliver to the corporation a written notice setting forth his then current address, the requirement that notice be given to such

person shall be reinstated. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the Nevada General Corporation Law, the certificate need not state that notice was not given to persons to whom notice was not required to be given pursuant to this paragraph.

ARTICLE XII

AMENDMENTS

Section 45. Amendments.

The Board of Directors shall have the power to adopt, amend, or repeal Bylaws as set forth in the Articles of Incorporation.

ARTICLE XIV

LOANS TO OFFICERS

Section 46. Loans to Officers. The corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a Director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.

Declared as the Amended By-Laws of Adventure Minerals Inc. as of the \_\_\_\_ day of July, 1999.

Signature of Officer:

/s/ Grayson W. Hand

-----

Name of Officer:

GRAYSON HAND

Position of Officer:

President, Secretary, Treasurer  
and Director

MINING CLAIMS OPTION AGREEMENT

THIS AGREEMENT is dated for reference the 1st day of April 1999.

BETWEEN:

EXCELLERATED RESOURCES INC., a company duly  
Incorporated pursuant to the laws of the Province  
of British Columbia and having an office at  
600-700 West Pender Street, Vancouver,  
British Columbia V6C 1G8

(hereinafter called the "Optionor")

OF THE FIRST PART

AND:

MAGIC BAG CORPORATION, a company duly incorporated  
pursuant to the laws of the state of Nevada, and  
having an office at

(hereinafter called the "Optionee")

OF THE SECOND PART

WHEREAS:

A. The Optionor is the beneficial owner of a 100% interest in mineral claim block 1236087 located in Kelly Township, in the Sudbury Mining District, Ontario (the "Property").

B. The Optionor has agreed to option to the Optionee the right to acquire a 70% undivided interest in the Optionor's interest in the Property, in consideration for the payment of monies and the performance of work on the Property as herein set forth.

NOW THEREFORE WITNESSETH that in consideration of the premises and mutual covenants and agreements hereafter contained, the parties agree as follows:

1. DEFINITIONS

-----

1.01 In this Agreement:

(a) "Agreement" means this Agreement, as the same may

be amended, supplemented or modified from time to time.

2

(b) "Expenditures" means all costs associated with the conduct of Exploration on the Property and will include all cash, expenses, obligations and liabilities of whatever kind or nature spent or incurred directly or indirectly associated therewith in connection with the exploration and development of the Property, including without limiting the generality of the foregoing, monies expended in maintaining the Property in good standing by the doing and filing of assessment work, in doing geophysical, geochemical and geological surveys, drilling, assaying and metallurgical testing in acquiring facilities, in paying the fees, wages, salaries, travelling expenses and fringe benefits (whether or not required by law) of all persons engaged in work with respect to and for the benefit of the Property, in paying for food, lodging and other reasonable needs of such persons, and in supervision of management of all work done with respect to and for the benefit of the Property, including overhead expenses that shall not exceed 10% of such expenditures.

(c) "Exploration" means all work done by either party hereto in connection with the assessment and exploration of the Property including without limitation, geological, geophysical, geochemical, drilling, sampling, assaying and assessment work on the Property;

(d) "Option" means the option granted to the Optionee to acquire a 70% interest in and to the Property as provided for in this Agreement free and clear of all encumbrances;

(e) "Programs" means plans, including budgets, for every kind of work done on or in respect of the property by or under the direction of or on behalf of or for the benefit of a party, and, without limiting the generality of the foregoing, includes assessment work, geophysical, geochemical and geological surveying, studies and mapping, investigating, drilling, designing, examining, equipping, improving, surveying, shaft sinking, raising, cross-cutting and drifting, searching for, digging, trucking, sampling, working and

procuring minerals, ores, metals and concentrates, surveying and bringing any mineral claims to lease or patent, reporting, and all other work usually considered to be prospecting, exploration, development and mining work.

(f) "Property" shall mean and include:

(i) mineral claim block 1230087, Kelly Township, Sudbury Mining District;

(ii) all rights and appurtenances pertaining to the mineral claim, leases, rights or other interests from time to time comprising the Property

3

including all water and water rights, rights of way, and easements both recorded and unrecorded to which the holder of the Property is entitled in respect thereof.

## 2. GRANT AND MAINTENANCE OF OPTION

-----

2.01 The Optionor hereby gives and grants to the Optionee the sole and exclusive right and option to purchase an undivided 70% right, title and interest in the Optionor's interest in the Property in accordance with the terms of this Agreement.

2.02 In order to keep the right and Option granted to the Optionee in good standing and in force and effect, the Optionee shall be obligated to:

(a) Pay to the Optionor \$15,000;

(b) Incur total minimum cumulative Expenditures for exploration and development work on the Property as follows:

(i) \$150,000 within 12 months of the date of this Agreement;

(ii) a further \$150,000 within 24 months of this Agreement.

2.03 In the event the Optionee does not incur the minimum



expenditures within the required time period, the Optionee is still required to complete the assessment work or pay cash in lieu of in order to maintain the claim in good standing.

3. EXERCISE OF OPTION

-----

3.01 At such time as the Optionee has made the required payments and made the Expenditures on the Property set out in paragraph 2 herein, this Option shall be deemed to have been exercised by the Optionee and the Optionee shall have thereby, without any further act, acquired an undivided 70% interest in and to the Property free and clear of all liens, claims, and encumbrances created by, through or under the Option.

4. REPRESENTATIONS AND WARRANTIES OF THE OPTIONOR

-----

4.01 In order to induce the Optionee to enter into and to complete the transactions contemplated by this Agreement, the Optionor represents and warrants to the Optionee that:

4

(a) the Optionor is the beneficial owner of 100% of the Property and has the sole right to enter into this Agreement and to sell and assign the Property free and clear of any liens or encumbrances created by, through or under the Option;

(b) to the best of its knowledge, the Property has been properly staked and recorded in compliance with the applicable mining regulations and there are no disputes over the title, the staking or recording of such mineral claims, or outstanding agreements or options to acquire or purchase the Property or any portion thereof save and except as disclosed to the Optionee, and no person has any royalty or other interest whatsoever in production from the Property with the exception of Douglas Jevning who holds a 2% Net Smelter Royalty on the Property;

(c) to the best of its knowledge, the Property is in good standing and is free and clear of any liens, charges or encumbrances or claims by any other party of any nature or kind whatsoever;

(d) neither the Optionor nor any predecessor in interest or title has done anything whereby the Property may become encumbered;

4.02 The Optionor shall indemnify and save the Optionee harmless from all loss, damage, costs, actions, and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by it and contained in this Agreement.

4.03 The representations and warranties contained in this paragraph are provided for the exclusive benefit of the Optionee, and a breach of any one or more thereof may be waived by the Optionee in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty.

4.04 The representations and warranties contained in this Paragraph 5 shall survive the execution hereof for a two-year period.

5. REPRESENTATIONS AND WARRANTIES OF THE OPTIONEE

-----

5.01 In order to induce the Optionor to enter into and to complete the transactions contemplated by this Agreement, the Optionee represents and warrants to the Optionor that, on the date hereof and on the date of the issuance of any shares of the Optionee pursuant hereto:

(a) it has been and will continue to be duly incorporated and validly exists as a corporation in good standing under the laws of the state of Nevada and has and will have full capacity to enter into this Agreement and carry out the transactions contemplated hereby;

5

(b) the Optionee has full corporate power and authority to enter into this Agreement and the entering into of this Agreement does not conflict with any applicable laws or with the charter documents of the Optionee or any contract or other commitment to which the Optionee is a party;

(c) the execution of this Agreement and the performance of its terms have been duly authorised by all necessary corporate actions including resolutions of the board of directors of the Optionee, and

5.02 The Optionee shall indemnify and save the Optionor harmless from all loss, damage, costs, actions and suits arising out of or in connection with any breach of any representation, warranty, covenant, agreement or condition made by it and

contained in this Agreement.

5.03 The representations and warranties contained in this paragraph are provided for the exclusive benefit of the Optionor, and a breach of any one or more thereof may be waived by the Optionor in whole or in part at any time without prejudice to its rights in respect of any other breach of the same or any other representation or warranty.

5.04 The representations and warranties contained in this paragraph shall survive the execution hereof.

6. COVENANTS OF THE OPTIONEE  
-----

6.01 During the term of this Agreement, the Optionee covenants and agrees with the Optionor to:

(a) carry out and record or cause to be carried out and recorded all such assessment work upon the Property as may be required in order to maintain the Property in good standing at all times;

(b) keep the Property clear of liens and other charges arising from its operations, and to keep the Optionor indemnified in respect thereof;

(c) carry on all operations on the Property in a good and miner-like manner and in compliance with all applicable governmental regulations and restrictions; and

7. TERMINATION  
-----

7.01 This Agreement shall terminate upon any of the following events:

6

(a) in the event that the Optionee shall fail to comply with any of its other obligations as contained herein, and, within fifteen (15) days of receipt by the Optionee of written notice from the Optionor of such default, the Optionee has not:

(i) cured such default, substantially corrected such default or commenced proceedings to cure such default and prosecuted same to completion without undue delay, or

(ii) given the Optionor notice that it denies that such default has occurred and that it is submitting the

question to arbitration as herein provided.

If arbitration is sought, a party shall not be in default until the matter shall have been determined finally by appropriate arbitration as provided for under paragraph 9;

(d) by the Optionee giving the Optionor thirty (30) days written notice.

7.02 In the event the Optionee decides to abandon the Property, or any of the mining claims on the Property, or in the event of termination of this Agreement for any other reason, the Optionee shall turn over to the Optionor copies of all maps, reports, assay results, contracts and other data and documentation in the possession of the Optionee in connection with its operations on the Property.

7.03 Upon the termination of this Agreement, the Optionee shall cease to be liable to the Optionor in debt, damages or otherwise save for the performance of those of its obligations which should have been performed before the date of termination of this Agreement.

7.04 Upon termination of this Agreement, the Optionee shall vacate the property within a reasonable time after such termination, but shall have the right of access to the Property for a period of six months after termination for the purpose of removing its chattels, machinery, equipment and fixtures therefrom. Notwithstanding any applicable law, upon termination of this Agreement, the Optionee shall be entitled to remove from the Property, within the time prescribed above, any and all chattels, machinery, equipment, fixtures and other items of every nature or kind whatsoever that it has caused to be placed or fixed thereon.

8. FORCE MAJEURE  
-----

8.01 The time for performance of any act or making any payment of any expenditure required under this Agreement shall be extended by the period of any delay or inability to perform due to fire, strikes, labour disturbances, riots, civil commotion, wars, act of God, any present or future law or governmental regulation, any shortages of labour, equipment or materials, or any other cause not reasonably within the control of the party in default.

9. ARBITRATION  
-----

9.01 Any controversy or claim arising out of or in relation to this Agreement or any breach hereof shall be settled by a single arbitrator mutually agreed upon by Optionee and Optionor. The arbitration shall be settled in accordance with the rules of the British Columbia Commercial Arbitration Centre and a decision of the arbitrator shall be binding upon the parties hereto.

10. NOTICES  
-----

10.01 Each notice, demand or other communication required or permitted to be given under this Agreement shall be in writing and shall be delivered to such party, at the address for such party specified above, in each case directed to the attention of the Secretary. The date of receipt of such notice, demand or other communication shall be the date of delivery.

10.02 Either party may at any time and from time to time notify the other party in writing of a change of address and the new address to which notice shall be given thereafter until further change.

11. GENERAL TERMS  
-----

11.01 The parties hereto hereby covenant and agree that they will execute such further agreements, conveyances and assurances as may be requisite, or which counsel for the parties may deem necessary to effectively carry out the intent of this Agreement.

11.02 This Agreement shall represent the entire understanding between the parties with respect to the Property and supersedes any previous agreements. No representations or inducements have been made save as herein set forth. No changes, alterations, or modifications of this Agreement shall be binding upon either party until and unless a memorandum in writing to such effect shall have been signed by all parties hereto.

11.03 Time shall be of the essence of this Agreement.

11.04 The titles to the articles to this Agreement shall not be deemed to form part of this Agreement but shall be regarded as having been used for convenience of reference only.

11.05 This Agreement shall be governed by and interpreted in accordance with the laws of the Province of British Columbia, Canada.

11.06 The parties hereto hereby submit to the exclusive jurisdiction of the Courts of British Columbia in respect of any dispute arising out of this Agreement.

11.07 This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and assigns.

11.08 The Optionee shall not assign its interest in this Agreement without the prior written consent of Optionor, not to be unreasonably withheld.

11.09 All references to dollar amounts contained in this Agreement are references to Canadian funds.

11.10 This Agreement may be executed in several counterparts, each of which will be deemed to be an original and all of which will together, constitute one and the same instrument.

IN WITNESS WHEREOF this Agreement has been executed by the parties hereto as of the day and year first above written.

EXCELLERATED RESOURCES INC.

-----  
Per: Authorized Signatory

MAGIC BAG CORPORATION

\s\ Grayson Hand  
-----  
Per: Authorised Signatory

MANAGEMENT AGREEMENT

AGREEMENT dated for reference the 1st day of April, 1999.

BETWEEN:           WFC MANAGEMENT CORPORATION, a company incorporated  
                  under the laws of British Columbia  
  
                  (hereinafter called "WFC")

OF THE FIRST PART

AND:                ADVENTURE MINERALS INC., a company incorporated  
                  under the laws of the State of Nevada  
  
                  (hereinafter called "Adventure")

OF THE SECOND PART

WHEREAS WFC has business and management expertise and maintains an office with reception services, secretarial services and office administration services, including telephone and computer services;

AND WHEREAS Adventure requires management services, reception services, secretarial services, office administration services, including telephone and computer services, and wishes WFC to provide same to Adventure;

NOW THEREFORE THE PARTIES HAVE AGREED and do hereby agree as follows:

1.           WFC hereby agrees to provide the management services of Grayson Hand as President of the Adventure to carry out management and direction of the business of the Company, including managing and supervising any mineral exploration activities carried out by Adventure.
2.           WFC hereby agrees to provide reception services, secretarial services and office administration services, including telephone and computer services, to Adventure.
3.           In consideration of WFC providing all the above mentioned services to Adventure, Adventure agrees to pay to WFC, \$750.00 U.S. per month payable on the 1st day of each month.
4.           In addition to the above expense stated above, Adventure

agrees to reimburse WFC for any expenses directly attributable to performing its obligations to Adventure pursuant to this Agreement.

5. Adventure shall pay any directly attributable expenses on receipt of an invoice from WFC.

6. This Agreement shall be for a term of one year commencing April 1, 1999 and ending March 31, 2000.

7. No amendment or termination of this Agreement shall be valid unless it is in writing and executed by both parties.

8. Time shall be of the essence of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

WFC MANAGEMENT CORPORATION  
by its authorized signatory

\s\ Grayson Hand

-----  
Signature of Authorized Signatory

President

-----  
Name of Authorized Signatory

ADVENTURE MINERALS INC.  
by its authorized signatory

\s\ Grayson Hand

-----  
Signature of Authorized Signatory

President

-----  
Name of Authorized Signatory



## TABLE OF CONTENTS

	Page
INTRODUCTION .....	1
PROPERTY DESCRIPTION & LOCATION .....	1
ACCESS, INFRASTRUCTURE, CLIMATE, LOCAL RESOURCES & PHYSIOGRAPHY .....	2
HISTORY.....	3
GEOLOGY.....	6
MINERALIZATION.....	7
RECOMMENDATIONS & COSTS .....	9
CONCLUSION.....	12
REFERENCES.....	13
CERTIFICATE.....	14

## LIST OF TABLES

TABLE 1	Kukagami Lake Claims Data .....	2
TABLE 2	Cu-Ni-PGE Occurrences in the Kelly Twp. Area ...	8
TABLE 3	Proposed Exploration Budget .....	11

## LIST OF FIGURES

		After Page
FIGURE 1	Location Map : scale 1:100,000 .....	1
FIGURE 2	Claim Map .....	1
FIGURE 3	Geology Map; scale 1:31,680.....	3
FIGURE 4	Regional Geology : scale 1:253,440 .....	6

FIGURE 5	Schematic Diagram for a Nipissing Gabbro Sill ..	6
FIGURE 6	Local Topography : scale 1:20,000 .....	6
FIGURE 7	Summary Lithological Sequence in a Nipissing Sill .....	7

SUMMARY REPORT  
FOR THE  
KUKAGAMI LAKE PROPERTY  
OF  
EXCELLERATED RESOURCES INC.

INTRODUCTION

On April 12, 1999 Mr. W. Iny president of Excellerated Resources Inc. (Excellerated) requested the preparation of a summary report for Excellerated s 6 claim (93 unit) Kukagami Lake property located in Kelly township, Ontario.

The region about Kelly township has, within the last six months, become the focus of increasing exploration activity following the discovery of significant occurrences of platinum and palladium mineralization (PGE) in both Kelly and Janes townships. Since the property has only recently been acquired by Excellerated no exploration program has as of yet been conducted by the company. This report, then, summarizes past exploration conducted on the property and its immediate surroundings, the regional and property geology, and the styles of Pt & Pd mineralization in the area. Recommendations are made for a staged, multi discipline work program to investigate the potential for Pt & Pd deposits on the property. Metric units and Canadian dollars are used in this report.

No property visit was conducted. Pertinent assessment files were reviewed at the Sudbury Resident Geologist's office on April 13, 1999.

PROPERTY DESCRIPTION & LOCATION

Excellerated s Kukagami Lake property lies 50 km northeast of downtown Sudbury. Geographical co-ordinates for the approximate centre of the property are 46 o 45' north latitude by 80 o 29' west longitude, and the NTS quadrants are 41 I/9, 10, 15 & 16 (Figure 1).

The six unpatented and unsurveyed claims (93 units) are situated in central Kelly township, Sudbury Mining Division (Figure 2), and are owned 100% by Excellerated subject to a 2% NSR

interest payable to Mr. J.D. Jevning. Pertinent data regarding the claims are presented in Table 1. Minimum exploration expenditures of \$37,200 must be incurred on or before February 26, 2001.

Two small areas along the shore of Maskinonge Lake, one each on claims 1236087 & 1230075 (Figure 2), were temporarily withdrawn from staking in 1987 (Order No. W-101/87-NER) pending the implementation of a cottage lot program. That order was rescinded (Order No. 0-S-3/96) in 1996, and no cottage lots were sold during that period. The program may be re-initiated in the future, and if so claim holders would be notified.

TABLE I  
Kukagami Lake Claims' Data

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Claim No	Units	Date Recorded	Date Work Req'd by	Min. Req'd Expenditure
1230070	13	Feb. 26/1999	Feb. 26/2001	\$ 5,200
1230071	16	Feb. 26/1999	Feb. 26/2001	6,400
1230072	16	Feb. 26/1999	Feb. 26/2001	6,400
1230074	16	Feb. 26/1999	Feb. 26/2001	6,400
1230075	16	Feb. 26/1999	Feb. 26/2001	6,400
1236087	16	Feb. 26/1999	Feb. 26/2001	6,400
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	93			\$ 37,200

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#### ACCESS, INFRASTRUCTURE, CLIMATE, LOCAL RESOURCES & PHYSIOGRAPHY

The property may be reached by vehicle following secondary highway 535 and extensions northward for 35 km from Hagar (located 50 km east of Sudbury on Highway 17) to Washagami on the Canadian National Railway line, and thence via logging roads to Ford's Camp at the dam at the south end of Maskinonge Lake (Figure 1). From there a recently constructed logging road

crosses the central part of the claims and branch roads service other parts of the property, but since a bridge has been removed approximately 1 km from the dam travel is restricted to ATVs only. The east shore of the lake is, of course, easily accessible by boat. Unless logging operations are in progress north of Washagami, vehicle access is limited to the snow free months.

If required the western section of the property may be reached by boat from Kukagami Lake. A road which joins Highway 17 just east of Callum is open year round to the Sportsman's Lodge located on the southwest shore of the lake. Road distance from Highway 17 to the lodge is about 25 km.

Other than the logging road mentioned above there is no infrastructure on the property. The Sportsman's Lodge and the cottages along the west shore of Kukagami Lake are supplied with electrical power.

Sudbury and area experience a temperate climate with moderate to long cold winters and short warm to hot summers. Total precipitation is about 1000 mm including 3+ m of snow. The mean minimum and mean maximum temperatures for the warmest and coldest months are 12o C & 25o C and -21o C & -10o C respectively.

Topography is moderately rugged, with numerous small but steep hills. Elevation ranges from 255 m at Maskinonge Lake to 364 m in central claim 1230071. Approximately 35% of the claims are water covered.

In the past few years some 20% of the property has been selectively logged for white pine, jack pine and poplar. Other species present include birch, black spruce & cedar.

## HISTORY

Prospecting has been conducted in the Kelly township since at least the 1890s. In 1896 Gold Cliff Mines Limited stripped an area on a large peninsula in northern Kukagami Lake and exposed several small veins mineralized with rusty quartz and chalcopyrite hosted in greywacke (Coleman, 1998). Gold Cliff later drove an 55 m adit westward from the shore of the lake beneath the stripped area and intersected two quartz veins, one 12 cm thick at 30 m and another 60 cm thick at 43 m, both of which were reportedly gold bearing (Scott & Woolham, 1987).

5

Summaries of company exploration data from the Sudbury Resident's Geologist assessment files follow. The approximate location of drill holes and any other pertinent information are shown on Figure 3.

At the time Newmont conducted a regional program exploring for uranium hosted in the Proterozoic age Huronian sediments. Hole # 13 was drilled near the north end of Gawasi Lake to a depth of 1309 m. Sedimentary rock units were cored to 1300 m, and Archean volcanic rocks thereafter. No sills nor dykes of Nipissing gabbro were encountered.

1969-1970

Kennco Explorations, (Canada) Limited : (Kennco)

In February 1969 Kennco flew a combined electromagnetic (Mark V Input) and magnetometer survey over all or parts of 10 townships, including the southwestern of Kelly, as part of their examination of the potential for the Nipissing gabbro to host copper deposits. Roughly 60% of the Excellerated claims were covered. Flight lines were oriented NE/SW and spaced 305-365 m apart. No electromagnetic anomalies were detected within Excellerated s property boundaries.

As part of their follow-up program Kennco trenched two locations in Kelly township, the East area located 150 m SE of the # 3 post of 1230070 and the West near the narrows on Kukagami Lake 2 km west of 1230070. Eight Winkie holes (251 m) were drilled in the East area. The best intersection encountered was in hole PSOT 6 which assayed 0.48% Cu & 0.24% Ni over 7.47 m. An additional eight holes (1635 m) were drilled elsewhere on the property including a fence, numbers KU - 4, 5, 6 & 7 southwestward from the East area. No rationale for any of the holes is mentioned in the files. The best intersection reported (and referred to later in this report as the Central area) was 1.7 m interval of 0.44% Cu & 0.31% Ni in hole KU -3.

1986-1987

Nickeldale Resources Inc. : (Nickeldale)

Initially, Nickeldale's property consisted of 37 claims units including 1 on current claim 1230070 & 3 on 1230071. Nickeldale's exploration program of geochemical (humus), magnetometer and VLF-em surveys was managed by Derry, Michener Booth & Wahl (DMBW). Humus samples were analysed for Cu, Ni, Au, Pt & Pd. Eleven multi element anomalies were outlined. One of which, some 300 m by 150 m in size with values of 266 to 579 ppm Cu, 290 to

465 ppm Ni, 7 to 21 ppb Au, 34 to 42 ppb Pt & 31-35 ppb Pd, is located in south central claim # 1230071. There is no record of any follow-up work to evaluate the anomaly. The magnetometer survey successfully defined the gabbro/sediment contacts and delineated a NNW striking olivine diabase dyke. VLF-em responses were inconclusive and appeared related to topographical features such as shorelines & drainages.

The property was expanded to 79 claims units and covered roughly the southern of Excellerated's current land position. A combined helicopter magnetometer and VLF-em survey was flown in the spring of 1987 on 100 m spaced lines, oriented NW/SE, and utilizing VLF stations at Cutler Main and Annapolis Maryland. VLF results were of little value as the anomalies detected were coincident with lake bottoms and other drainages.

1995 Brian Wright : (Wright)

Wright held two claims equivalent to claim 1230126 & 1230127 which tie onto Excellerated's property. Max-Min II horizontal loop electromagnetic (4 km), magnetometer (20 km) and Maxi Probe (six short lines) surveys were traversed over the east arm of Kukagami Lake. Two east-west striking Max-Min conductors were delineated.

1996 Flag Resources Ltd. : (Flag)

Flag drilled a 236 m hole to the north of claim 1230071 (exact location unreported). Huronian sedimentary rocks (greywacke, siltstone and pebblewacke) were cored.

1998-1999 Pacific Northwest Capital Corp. : (PFN)

PFN have taken an option on a block of claims to the south of Excellerated that covers the Kennco East, Central and West areas. Assays of three grab samples from the east area, reported in a news release dated December 17, 1998, ranged to 4.5 g/t Pd, 5.1 g/t Pt and 3.5 g/t Au.

Several studies and reports that pertain to the geology and/or mineral potential of Kelly township have been published by the provincial government. In 1898 Coleman visited the

Gold Cliff gold showing on Kukagami Lake and reported his observations in Bureau of Mines Report, Volume 7.

Thomson and Card mapped Kelly and Davis townships in 1959 at a scale of 1:15,840. Their work was published in 1963 as Ontario Department of Mines Geological Report No. 15 accompanied by map 2037 at a scale of 1:31,680.

7

During the 1977 & 1978 field seasons Dressler mapped the Lake Wanapitei area which encompassed all or part of 13 townships including the western 1/6 of Kelly. Ontario Geological Survey (OGS) Report 213 was issued in 1982 with maps 2450 & 2451 at 1:31,680.

Finn et al. conducted a study on the petrology, geochemistry and economic potential of the Wanapitei intrusive west of Kelly Township. Results were published in 1982 as OGS Miscellaneous Paper 103.

In OGS Open File 5771 published in 1991 Gates describes the various mineral occurrences for several townships located east of Sudbury including Kelly.

Lightfoot and Naldrett studied the petrology and geochemistry of the Nipissing gabbro to develop strategies for Ni, Cu & PGE exploration. Various sites between Sault Saint Marie & Cobalt were sampled. Results were published in 1996 as OGS Study 58.

## GEOLOGY

Kelly township and surrounding area are predominantly underlain by the Gowganda Formation, a sedimentary sequence of conglomerate, greywacke, argillite and quartzite, that is part of the extensive Middle Precambrian aged Cobalt Group of the Huronian Super group. In the vicinity of the property units typically strike northerly and dip eastward at 0 - 30°, but locally display gentle open folds or flexures (Figure 3). At Gawasi Lake the sequence is 1300 m thick and unconformably overlies Archean volcanic rocks. Whether the entire sequence cored is of the Gowganda Formation or also includes underlying formations is uncertain.

The Huronian sedimentary rocks have been intruded throughout their areal extent by the 2.2 Ga Nipissing gabbro (Figure 4). These intrusions have been emplaced as undulatory, sill-like sheets consisting of basins and arches connected by limbs (Figure 5). Normally the intrusions are relatively undifferentiated, and consist simply of a basal quartz diabase

unit overlain by gabbro. An extremely differentiated intrusion would have a quartz diabase base, successively overlain by hypersthene gabbro, varied textured gabbro, granophyre and an upper quartz diabase units (Lightfoot and Naldrett, 1996). There is a recognized close spatial relationship between mineralization and the Nipissing intrusions. Metal associations with the intrusions vary and include Ag, Co & Ni near Cobalt, Cu-Ni-PGE (platinum group elements) in the central sector (ie.

8

Kelly township and area) and Cu in the western region.

The gabbro body exposed in Kelly and Davis townships displays a general circular outline (Figure 4). On the north rim the dip to the gabbro/sediment contact, determined from Kennco holes KU- 4, 5, 6 & 7, is southerly, and thus suggestive of a basin shaped structure. The degree of differentiation of this body is unknown.

On the property & in the immediate area the gabbro forms caps on the higher hills whereas the lower areas are underlain by sedimentary rocks (Figure 6). Based on this observation and the fact that no gabbro units were cored in Newmont hole #13, it is unlikely that gabbro exists beneath the areas mapped as sediments.

Occasional, highly magnetic, WNW striking, steeply dipping olivine diabase dykes cross cut the previous two rock units.

There are two general fault directions in the area. A set of sinistral NW/SE faults of unknown displacement traverse the area. An interpreted N/S fault follows beneath Maskinonge Lake (Figure 3).

## MINERALIZATION

There are no known mineral deposits nor occurrences on the Excellerated Resources property, but in the general area deposits and/or occurrences of Cu-Au and Cu-Ni-PGE do occur. The Cu-Au mineralization (pyrite, chalcopyrite, arsenopyrite, native gold and occasionally pyrrhotite, native copper or galena) are associated with quartz veins within carbonate-albite alterations zones hosted in either sedimentary rock units or Nipissing gabbro. Examples include the Northstar located in southwest Davis township which in 1987 produced 57,270 tonnes grading 0.90% Cu & 7.2 g/t Au, the Comstock in northeast Rathburn township which produced intermittently a total of 664 tonnes @ 6.7 g/t Au and the Gold Cliff in northwest Kelly township.

Cu-Ni-PGE sulphide mineralization occurs as disseminations within the Nipissing gabbro or as massive pods at the base of the intrusions. Those intrusions that are mineralized are differentiated (but not strongly) to the point



that they possess a gabbronorite but not a granophyre zone. Typically, mineralized portions within the Nipissing gabbro are hypersthene rich (10-30

9

modal % hypersthene), magnesium rich (>9 weight % MgO) with low abundance of TiO<sub>2</sub> (< 0.42 weight % TiO<sub>2</sub>) and Zr (< 52 ppm Zr) (Lightfoot & Naldrett, 1996). The relationship between mineralization and the various differentiated zones is shown schematically in (Figure 7). Some examples of Cu-Ni-PGE occurrences in the immediate area are listed in following Table 2.

10

TABLE 2  
Cu-Ni-PGE Occurrences in the Kelly Twp. Area

Name	Township		References
Rathburn Lake	Rathburn	Massive sulphide pod occurs at the base of the Wanapitei intrusion. Mean values for 11 samples are 0.25% Ni, 10.13% Cu, 10.2 g/t Pt, 32.0 g/t Pd, 43.3 g/t Ag and 2.91 g/t Au.	Gates, 1991
JR	Janes	Disseminated sulphides are located within an 8-10 m thick zone located 20-30 m above the lower contact of the Nipissing gabbro. A 13.3 m interval in trench # 1 assayed 0.42% Ni, 1.04% Cu, 0.44 g/t Pt, 3.52 g/t Pd, 0.40 g/t Au. Mineralization is known to extend for in excess of 500 m along the contact.	McDougall, 1998
Kennco West	Kelly	3-5% pyrrhotite & minor chalcopyrite occur disseminated in a fine grained, massive gabbro. Assays for an OGS sample are 410 ppm Cu, 176 ppm Ni, nil Pt & nil Pd.	Gates, 1991

Kennco

Central Kelly Kennco drill hole KU - 3 Gates, 1991  
intersected 1.7 m of 0.44% Cu,  
0.31% Ni approximately 20 m  
above the lower gabbro contact.

Kennco

East Kelly This showing, located approximately Gates, 1991  
150 m southeast of Excelerated # 3 Barr, 1999  
post for claim 1230070, contains  
3-5% fine to medium grained  
pyrrhotite & chalcopyrite over an  
exposed cliff face 3 m high  
by 10-15 m long. An OGS sample  
containing 2-3% disseminated  
sulphides assayed 0.50% Cu,  
0.20% Ni, 100 ppb Au, 340 ppb Pt  
and 1500 ppb Pd. The best assays  
for grab samples by PFN are  
4.5 g/t Pd, 5.1 g/t Pt and 3.5  
g/t Au.

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11

Sulphide minerals in mafic intrusions crystallize from immiscible sulphide liquids and accumulate at the base of the intrusions under gravitational forces to form deposits such as at Rathburn Lake. Since other Cu-Ni-PGE sulphide occurrences lie well above the base of the intrusion in the more central hypersthene rich sections, Lightfoot & Naldrett (1996) surmised that sulfur saturation of the magma was achieved only after the differentiation of the lower portions of those sills. They further suggest that the late crystallisation of the sulphides would make gravitational accumulation of sulphides into massive bodies less likely in flat sills, but perhaps more likely in stagnant dyke systems, inclined sheets, or ring complex.

Background values for four (4) non sulphide bearing samples of Kelly township gabbro as determined by DMBW ranged from 23-61 ppm Ni, 32-146 ppm Cu, 5-15 ppb Pd, <15 ppb Pt and 2-19 ppb Au (Scott & Woolham, 1987). Corresponding values for ten (10) samples from the Wanapitei intrusion are <10-70 ppb Pd, <20-35 pp Pt and <2 to 20 ppb Au (Finn et al., 1982). Reasons for the higher PGE values in the Wanapitei intrusion are unclear, but may be related to the reverse differentiation trend identified in that body. Eight (8) DMBW samples from the Kelly township intrusion mineralized with 1-3% disseminated sulphide (pyrite, chalcopyrite & pyrrhotite) ranged from background levels to 3.5

times the highest background values for Ni, 6.8 times for Cu, 15 times for Pd, 5.6 times for Pt and 4.1 times for Au. The highest Pt values was from a sample of blebby sulphides as opposed to the more evenly disseminated sulphides.

## RECOMMENDATIONS & COSTS

The principal exploration objectives for Excellerated's six claims Kukagami Lake property are Cu-Ni-PGE deposits hosted by the Kelly township Nipissing gabbro. Disseminated sulphide occurrences of these metals are known to the south, southwest & west of claim 1230070 and thus deposits of this style are the obvious targets on which to focus. In addition, since the gabbro body may be basin shaped (ie. inclined contacts rather than flat) then the possibility for massive sulphide deposits occurring at the intrusion base should not be ignored. Consequently, a prudent work program is required to explore for both mineral deposit styles.

12

A staged multi discipline exploration program comprising geological mapping, outcrop sampling & whole rock analysis, petrographic studies, magnetometer & induced polarization (IP) surveys, humus & soil geochemical surveys, and prospecting is recommended herein and discussed in detail below. Most of the work can be accomplished during the summer months, but due to the numerous lakes some lines of the geophysical surveys will need to be extended onto the ice.

\* A reference grid on which to conduct the various surveys is necessary. Only those portions of the claim underlain by gabbro need be gridded.

\* Geological mapping and sampling may be conducted concurrently. Outcrops should be examined for the presence of sulphide mineralization and evidence of zonation/differentiation within the gabbro. Every exposure of the contact with the sediments should be described & measured in detail. Rock samples for whole rock analysis should be collected on a semi regular pattern in order to locate areas of elevated MgO and reduced TiO<sub>2</sub> & Zn levels potentially indicative of differentiation within the intrusion. Assay for Cu, Ni, Pd, Pt & Au will help to identify areas of above background values and potential concentrations of those metals..

\* Petrographic studies of rock samples to measure hypersthene content will also aid the determination the degree of differentiation.

\* The gabbro/sedimentary contact as shown on the government Map 2037 (Figure 3) appears to have been interpreted from a combination of outcrop pattern and topography. A magnetometer survey will allow for a much more accurate resolution.

\* The intrusion is flattish dipping, and known to exceed 300 m in thickness. Thus only a very limited portion of the contact may be examined easily. The IP electrical method responds to both disseminated and massive sulphide concentrations and will thereby provide drill targets. Moreover, the parameters of the survey are easily varied to ensure that the base of the intrusion is tested.

\* DMBW have shown that humus geochemical sampling & analysis is an effective approach for locating potential mineralized areas in non outcrop regions. Initially a

13

sample spacing of 40 m is recommended which may be filled in as required for anomalous areas.

\* As mentioned earlier there is very little probability that gabbro exists in those areas of the claims mapped as sediments. There is, however, a possibility that deposits of Cu-Au mineralization may occur in the sedimentary areas &/or in the gabbro. A soil geochemical survey is therefore recommended for the non gridded portion of the property. These sections should be sampled & prospected along chain & compass lines extended from the ends of the grid lines with samples collected at 40 m intervals.

Line cutting, geological mapping, whole rock analysis, petrographic studies, prospecting plus the geophysical and geochemical surveys are included in Phase 1 of the proposed program. Phase II comprises an estimate for target definition fill-in geochemical & geophysical surveys plus an allowance for 2000 m of diamond drilling to test anomalies identified. The budget for the program is detailed in Table 3.

14

TABLE 3  
PROPOSED EXPLORATION BUDGET

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Phase I

Line cutting : estimate 100 km @ \$275/km	\$	27,500	
Geological mapping, sampling: estimate 30 days @ \$350/d		10,500	
Petrographic studies : allow		5,000	
Whole rock analysis : estimate 50 samples @ \$50/sample		2,500	
Humus sampling (grid) : estimate 20 days @ \$200/d		4,000	
Humus analyses : estimate 250 samples @ \$30/sample		3,500	
Soil sampling & prospecting (non grid) : estimate 10 days @ \$550/d		5,500	
Soil samples : estimate 200 samples @ \$30/sample		6,000	
Magnetometer survey : 100 km @ \$75/km		7,500	
IP survey : estimate 30 days @ 1,500/d plus report		50,000	
Report preparation : allow 10 days @ \$350/d		3,500	
Travel, accommodation, etc.: allow		10,000	
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Sub Total	\$	139,000	
Contingency : 7.9%		11,000	
		-----	
Total	\$	150,000	\$150,000.

Phase II			
Fill-in surveys : allow	\$	25,000	
Diamond drilling : 2000 m @ \$50/m		100,000	
Assays/analysis : allow		10,000	
Supervision, core logging, report writing : estimate 25 days @ \$350/d		8,750	
Core splitter : estimate 10 days @ \$200/d		2,000	
Travel & accommodation, etc. : allow		3,000	
		-----	
Sub Total	\$	148,750	
Contingency : 7.6%		11,250	
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Total	\$	160,000	160,000.
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Grand Total			\$310,000.
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## CONCLUSIONS

Excellerated Resources Inc.'s Kukagami Lake property overlies a portion of the northern rim of the basin shaped Kelly township Nipissing gabbro intrusion. Three (3) known sulphide mineral occurrences with elevated Cu-Ni assays are hosted in the intrusion, one of which located within 150 m of Excellerated's south boundary also boasts significant PGE values. A multi-element humus geochemical anomaly situated near a mapped gabbro/sedimentary contact was delineated by a previous claim owner but never tested. For these reasons the gabbro intrusion

15

underlying the property is considered highly prospective for Cu-Ni-PGE mineralization, and thus the property warrants a more detailed examination for its mineral potential than has been conducted in the past. In addition, those portions of the property underlain by sedimentary rocks have a very low potential for Cu-Ni-PGE occurrences, but are none the less prospective for Cu-Au mineralization associated with quartz veins within carbonate-albite alteration zones. Therefore, to effectively investigate the economic potential of the property a two phased multi disciplined exploration program with a total cost of \$310,000 is recommended.

Respectfully submitted,

\s\ James G. Burns  
James G. Burns P. Eng.

April 19, 1999

16

## REFERENCES

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- Coleman, A.P. 1898. Fourth report on the West Ontario gold region; Bureau of Mines, Annual Report, Vol. 7, Pt 2, p. 139-140.

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17

CERTIFICATE  
FOR  
JAMES G. BURNS

- 1) I am the author of this report.
- 2) I reside at 190 Graye Crescent, Timmins, Ontario, Canada.
- 3) I graduated from Queen's University at Kingston, Ontario in 1969 with a B.Sc. (Honours) in Geological Science. I have been practising my profession continuously since that date.
- 4) I am a member of the Association of Professional Engineers of Ontario, the Canadian Institute of Mining and Metallurgy, and the Prospectors and Developers Association of Canada.
- 5) This report is based upon my personal review of pertinent

data, and discussions with persons familiar with the general region.

6) I have not received nor do I expect to receive any interest in the Kelly township property. I do not own nor do I expect to receive, directly or indirectly, any securities of Excellerated Resources Inc.

7) I consent to the use of this report by Excellerated Resources Inc. for all purposes normal to the business of the company.

Timmins, Ontario

\s\ James G. Burns  
James G. Burns P.Eng

April 19, 1999



JAMES G. BURNS  
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CONSENT OF GEOLOGICAL CONSULTANT  
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I hereby consent to the inclusion of my report dated April 19, 1999  
entitled "Kukagami Lake Property of Excellerated Resources Inc."  
with the Form 10-SB Registration Statement to be filed by Adventure  
Minerals Inc. with the United States Securities and Exchange  
Commission.

Dated the 18th day of August, 1999

\s\ James G. Burns  
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James G. Burns,  
Consulting Geologist