AUGUSTA METALS INCORPORATED

NOTICE OF ANNUAL AND EXTRAORDINARY GENERAL MEETING

TO BE HELD ON JULY 14, 2000

AND

MANAGEMENT INFORMATION CIRCULAR

Unless otherwise stated, the information herein is given as of June 9, 2000.

June 9, 2000

Dear Shareholder:

The accompanying management information circular and proxy statement (the "Circular") contains information for holders of common shares of Augusta Metals Incorporated ("Augusta") relating to the acquisition of a software development company called CyberCom Systems Inc. ("CyberCom") by Augusta (the "Acquisition"). Pursuant to the Acquisition, Augusta will acquire 100% of CyberCom in exchange for issuing 10,000,000 common shares of Augusta and Augusta will change its business focus from mineral exploration and development to the development of software tools.

The Acquisition is contingent upon shareholder and regulatory approvals satisfactory in form and substance to Augusta's Board of Directors.

THE BOARD OF DIRECTORS OF AUGUSTA HAS APPROVED THE ACQUISITION AND RECOMMENDS THAT MEMBERS VOTE IN FAVOUR OF THE ACQUISITION. Without the prescribed approval of the Members, the proposed Acquisition cannot take place.

Approval by Augusta's Members will be sought at the annual and extraordinary general meeting (the "Meeting") of Members to be held on July 14, 2000, a notice for which accompanies this letter. Details of the Acquisition are set out in the accompanying Circular.

The statutory plan of arrangement previously announced by Augusta on January 28, 2000 will be delayed until the Fall of 2000 in order to provide Augusta and other third parties sufficient time to complete all required documentation and filings.

For details of all matters to be considered at the Meeting, please refer to the accompanying Notice of Annual and Extraordinary Meeting of Augusta contained within the accompanying Circular. **If you are in doubt as to how to deal with the enclosed documents or the matters referred to therein, please immediately consult your legal advisor.**

AUGUSTA METALS INCORPORATED

(signed) Richard W. Warke
Richard W. Warke,
President and Director

AUGUSTA METALS INCORPORATED
Suite 1700 - 701 West Georgia Street
Vancouver, British Columbia
V7Y 1C6

NOTICE OF ANNUAL AND EXTRAORDINARY MEETING OF MEMBERS

NOTICE IS HEREBY GIVEN that an annual and extraordinary meeting (the "Meeting") of the shareholders ("Members") of Augusta Metals Incorporated ("Augusta") will be held in the boardroom of the offices of Gowling, Strathy & Henderson, Suite 2300, 1055 Dunsmuir Street, Vancouver, British Columbia on Friday, the 14th day of July, 2000, at the hour of 10:00 o'clock in the morning (Vancouver time), for the following purposes:

1. To receive the report of the Directors;

2. To receive the audited financial statements of Augusta for the fiscal year ended January 31, 2000 (with comparative statements relating to the preceding fiscal period) together with the report of the Auditors thereon;

3. To appoint Auditors and to authorize the Directors to fix their remuneration;

4. To determine the number of directors at five (5);

5. To elect Directors;

6. To consider and, if thought fit, to pass an ordinary resolution, authorizing Augusta to issue up to 10,000,000 common shares in the capital of Augusta to shareholders of CyberCom Systems Inc. ("CyberCom"), in consideration of the acquisition of 100% of the outstanding shares of CyberCom (the "Acquisition") as contemplated by and on the terms set forth in the share purchase agreement dated January 26, 2000 between Augusta and the shareholders of CyberCom, with such restrictions or conditions as may be imposed by the Canadian Venture Exchange and with discretion granted to the Board of Directors of Augusta to modify the terms of the transaction provided that such modifications are not materially adverse to Augusta, and approving the resulting change of business and reverse take-over and any change of control of Augusta resulting from the issuance of up to 10,000,000 common shares to shareholders of CyberCom, all as more particularly described in the accompanying Management Information Circular;

7. To consider and, if thought fit, to pass a special resolution approving the issuance of 7,000,000 of the 10,000,000 common shares in the capital of Augusta to be issued to shareholders of CyberCom in connection with the Acquisition as performance shares, all as more particularly described in the accompanying Management Information Circular;

8. To consider and, if thought fit, to pass a special resolution amending, subject to the implementation of the Acquisition, Augusta's Memorandum to change Augusta's name to "CyberCom Systems Inc.", all as more particularly described in the accompanying Management Information Circular; and

9. To transact such other business as may properly come before the Augusta Meeting, or any adjournment or adjournments thereof;

Accompanying this Notice is the Management Information Circular, Augusta's audited financial statements for the fiscal year ended January 31, 2000, a form of proxy for the Members, and an annual return card form. The accompanying Management Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

Members are entitled to vote at the Meeting either in person or by proxy. Those who are unable to attend the Meeting are requested to read, complete, sign, date and return the enclosed form of proxy in accordance with the instructions set out in the proxy and in the Management Information Circular accompanying this Notice. Please advise Augusta of any change in your mailing address.

DATED at Vancouver, British Columbia on June 9, 2000.

By Order of the Board of Directors

Richard W. Warke
(signed) Richard W. Warke,
President and Director

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SCHEDULES

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular including the schedules hereto. Capitalized words used in this Summary are defined in the Glossary of Terms. This Summary is provided for convenience of reference only. This Summary should be read in conjunction with, and is qualified in its entirety by, the detailed information and financial statements appearing or referred to elsewhere in this Circular and the schedules hereto. Members are urged to review this Circular in its entirety.

The Meeting

Time, Date and Place of Meeting

The Meeting will be held on Friday, July 14, 2000 commencing at 10:00 o'clock (Vancouver time) in the morning, at Suite 2300 - 1055 Dunsmuir Street, Vancouver, British Columbia. See "Notice of Annual and Extraordinary Meeting".

Purpose of Meeting

At the Meeting, Members will receive the audited financial statements of Augusta for the fiscal year ended January 31, 2000 and will be asked to consider, and if thought fit, to pass ordinary resolutions approving or confirming the following matters:

- Determination of the Number of Directors
- Election of Directors
- Appointment of Auditors
- Acquisition of CyberCom Systems Inc.

See "Augusta Metals Incorporated - Annual Meeting Matters" and "The Acquisition of CyberCom Systems Inc."

At the Meeting, the Members will also be asked to consider, and if thought fit, to pass special resolutions approving the issuance of 7,000,000 Performance Shares and authorizing and approving the Name Change to "CyberCom Systems Inc." See "Performance/Escrow Shares" and "Name Change".

Meeting Record Date

Augusta has fixed June 6, 2000 as the record date for determining the Members entitled to receive notice of and vote at the Meeting.

The Acquisition

General

Augusta will acquire 100% of CyberCom Systems Inc., a high technology company, in consideration of the issuance of 10,000,000 Augusta Common Shares and Augusta will change its business focus. See "The Acquisition of CyberCom Systems Inc."

Reasons for the Acquisition

The primary purpose of the Acquisition is to enhance shareholder value by providing Augusta with a new technology business. See "The Acquisition of CyberCom Systems Inc."

Recommendations of Directors

The Board of Directors of Augusta has reviewed the terms and conditions of the Acquisition and, with Messrs. Warke, Clark and Bencic disclosing their interests in the Acquisition and abstaining from voting in respect of the Acquisition, has concluded that the terms thereof are fair and reasonable to and are in the best interests of Augusta and its Members. The Board of Directors has approved the Acquisition and authorized the Acquisition Resolution to be submitted to the Members for approval.

Financial Information

See Schedule "E" - Augusta Metals Incorporated - Audited and Unaudited Financial Statements", Schedule "F" - CyberCom Systems Inc. - Audited and Unaudited Financial Statements, and Schedule "G" - Pro Forma Unaudited Consolidated Financial Statements".

GLOSSARY OF TERMS

The following is a glossary of certain defined terms used frequently throughout this Circular:

"$"	-	Canadian dollars and **"US$"** means United States dollars.
"Acquisition"	-	the acquisition of 100% of CyberCom Systems Inc., a British Columbia technology company which develops software.
"Acquisition Agreement"	-	the share purchase agreement dated January 26, 2000 between Augusta and the shareholders of CyberCom, being Augusta Capital Corporation, Augusta Corporation and Donald B. Clark.
"Acquisition Resolution"	-	the ordinary resolution approving the Acquisition, the full text of which is attached as Schedule "A" to this Circular, to be considered, and if thought fit, passed substantially in such form by the Members at the Meeting.
"Augusta"	-	Augusta Metals Incorporated, a company incorporated under the laws of British Columbia.
"Augusta Common Shares"	-	the common shares without par value in the capital of Augusta.
"Auditors"	-	Deloitte & Touche, LLP, the auditors of Augusta.
"Board of Directors"	-	the board of directors of Augusta.
"Business Day"	-	a day which is not a Saturday, Sunday or statutory holiday in British Columbia.
"CDNX"	-	Canadian Venture Exchange.
"Circular"	-	this management information circular and proxy statement, together with the schedules attached hereto.
"CyberCom"	-	CyberCom Systems Inc., a company incorporated under the laws of British Columbia.
"Insider"	-	an insider as defined in the *Securities Act* (British Columbia) which includes the directors and senior officers of Augusta, or of any subsidiaries of Augusta, and any person that has direct or indirect ownership of, or control or direction over, securities of Augusta carrying more than 10% of the voting rights attaching to the respective outstanding voting securities of Augusta.
"Meeting"	-	the annual and extraordinary general meeting of the Members of Augusta, including any adjournment or postponement thereof.
"Meeting Record Date"	-	the date fixed by the Board of Directors for determining the Members entitled to receive notice of and vote at the Meeting, being June 6, 2000 .
"Members"	-	the holders of record of Augusta Common Shares.
"Ordinary Resolution"	-	a resolution passed by a simple majority (50% + 1) of the votes cast by Members who voted in respect of such resolution at the Meeting with respect to a particular matter either in person or by proxy.
"Special Resolution"	-	a resolution passed by a majority of not less than three-quarters (75%) of the votes cast by Members who voted in respect of such resolution at the Meeting with respect to a particular matter either in person or by proxy.

"Transfer Agent" - means Montreal Trust Company of Canada

CURRENCY AND EXCHANGE RATES

All dollar amounts in this information circular are in Canadian dollars unless otherwise indicated. References to "US$" are references to United States dollars.

As at June 9, 2000, the noon rate as reported by the Bank of Canada was US$1.00 = $1.4763 or $1.00 = US$0.6774.

CERTAIN LEGAL, ACCOUNTING AND OTHER MATTERS

The financial statements and summaries of financial information contained in this Circular are reported in Canadian dollars. All such financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

This Circular has been prepared based on requirements of Canadian securities laws. Accordingly, unless otherwise specified, words and terms which have been given different meanings by Canadian securities laws and United States securities laws are used in this Circular with the meaning given to them by Canadian securities laws.

Certain statements contained herein constitute "forward-looking statements" within the meaning of the *Private Securities Litigation Reform Act of 1995* of the United States. Such forward-looking statements, including but not limited to those with respect to the development of certain technologies and related products involve known or unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of Augusta to be materially different from those projected by such forward-looking statements. Such risks, uncertainties and other factors include, but are not limited to, Augusta's history of limited revenues, losses and negative cash flow; Augusta's need for additional financing; government regulation and requirements for permits and licenses; conflicts of interest; and competition, as well as those factors discussed under the headings "Risk Factors" in this Circular.

GENERAL PROXY INFORMATION

Solicitation Of Proxies

This Circular is furnished to the Members in connection with the solicitation of proxies by the management of Augusta for use at the Annual and Extraordinary General Meeting (the "Meeting") of Members of Augusta to be held on Friday, July 14, 2000 at the time and place set forth in the accompanying Notice of Meeting. Unless otherwise stated, this Circular contains information current as at June 9, 2000. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by regular employees of Augusta at nominal costs. All costs of solicitation by management will be borne by Augusta.

The contents and the sending of this Circular have been approved by the Board of Directors.

No person is authorized to give any information or to make any representations other than these contained in this Circular and if given or made, such information or representations must not be relied upon as having been authorized to be given or made.

Appointment of Proxyholder

The individuals named in the accompanying forms of Proxy for the Meeting are directors of Augusta. A form of proxy will be sent with this Circular to the Members of Augusta. **A MEMBER HAS THE RIGHT TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT THE MEMBER AT THE MEETING BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND BY INSERTING SUCH OTHER PERSON'S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY**. A Proxy will not be valid unless the completed form of Proxy is received by Montreal Trust Company of Canada, 4th Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9, Attention: Manager, Client Services not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of the Meeting, or any adjournment thereof, or delivered to the Chairman of the Meeting prior to the commencement of the Meeting.

Revocation of Proxies

A Member who has given a Proxy may revoke it by delivering an instrument in writing executed by the Member or by the Member's attorney authorized in writing or, where the Member is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the Augusta's registrar and transfer agent, (Montreal Trust Company of Canada, 4th Floor, 510 Burrard Street, Vancouver, British Columbia, Canada, V6C 3B9 Attention: Manager, Client Services), at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or in any other manner provided by law. A revocation of a Proxy does not affect any matter on which a vote has been taken prior to the revocation.

Voting of Proxies

Shares represented by properly executed proxies in the accompanying form will be voted or withheld from voting in accordance with the instructions of the Member on any ballot that may be called for and, if the Member specifies a choice with respect to any matter to be acted upon at the Meeting, the Augusta Common Shares represented by such proxies will be voted accordingly. **IF NO CHOICE IS SPECIFIED, OR IF BOTH CHOICES ARE SPECIFIED, THE PERSONS DESIGNATED IN THE ACCOMPANYING FORM OF PROXY WILL VOTE IN FAVOUR OF ALL MATTERS PROPOSED BY MANAGEMENT AT THE MEETING.**

The enclosed form of Proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the person designated in the enclosed form of Proxy to vote in accordance with their best judgement on such matters of business. At the date of this Circular, management of Augusta knows of no such amendment, variation or other matter which may be presented to the Meeting.

AUGUSTA COMMON SHARES REPRESENTED BY PROPERLY EXECUTED PROXIES IN FAVOUR OF PERSONS DESIGNATED IN THE ENCLOSED PROXY FORM WILL BE VOTED **FOR** THE ELECTION OF DIRECTORS AND THE APPOINTMENT OF AUDITORS AS STATED UNDER THOSE HEADINGS IN THIS CIRCULAR OR WITHHELD FROM VOTING IF SO INDICATED ON THE PROXY FORM.

SUCH AUGUSTA COMMON SHARES WILL ON A POLL BE VOTED **IN FAVOUR** OF EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED OR WHERE BOTH CHOICES HAVE BEEN SPECIFIED BY THE MEMBER.

Record Date

Only shareholders of record on June 6, 2000, the Meeting Record Date, who either personally attend the Meeting or who have completed and delivered a form of Proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Augusta Common Shares voted at the Meeting.

Voting Securities and Principal Holders Thereof

Authorized Capital:	100,000,000 common shares without par value
Issued and Outstanding as at the Meeting Record Date:	3,037,244 Augusta Common Shares

In accordance with the Articles of Augusta, on a show of hands, every Member who is personally present and every representative of one or more corporate Members who is personally present will have one vote. Proxy holders are not entitled to vote on a show of hands and proxies are only voted when a poll is required or demanded. A poll is a vote by written ballot which gives one vote for each Augusta Common Share registered in the name of a Member. Accordingly, on a poll every Member present in person or represented by a proxy and every person who is a representative of one or more corporate Members, will have one vote for each of the Augusta Common Shares registered in such Member's name on the list of Members, which is available for inspection during normal business hours at **Montreal Trust Company of Canada** and will be available at the Augusta Meeting.

To the knowledge of the directors and officers of Augusta, there is no person beneficially owning, directly or indirectly, or exercising control or direction over, securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of Augusta.

Election of Directors of Augusta

The Board of Directors presently consists of four (4) directors and it is intended to determine the number of directors at five (5) and to elect five (5) directors for the ensuing year.

The term of office of each of the present directors expires at the Meeting. The persons named below will be presented for election at the meeting as management's nominees and the persons named in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of Augusta or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of Augusta, or with the provisions of the British Columbia *Company Act* ("BCCA").

Pursuant to Section 111 of the BCCA, Advance Notice of the Meeting was published in The Province newspaper on May 18, 2000 and was filed with the B.C. and Alberta Securities Commissions and the CDNX.

The following table sets out the names of management's nominees for election as directors, the country in which each is ordinarily resident, all offices of Augusta now held by each of them, their principal occupations, the period of time for which each has been a director of Augusta and the number of shares of Augusta beneficially owned by each, directly or indirectly, as at June 6, 2000.

Name, Position and Country of Residence[(1)]	Principal Occupation or Employment During the Last Five Years[(1)]	Period as a Director of Augusta	Augusta Common Shares Beneficially Owned Directly or Indirectly[(1)]
Richard W. Warke Canada Chief Executive Officer, President and Director	Chairman of the Board and President of Augusta Corporation, a mineral exploration and development company; President of Augusta Resource Corporation, a mineral exploration and development company	December 1989	75,628[(2)]
Donald B. Clark[(3)] Canada Director	Director of Augusta Resource Corporation and Augusta Corporation	February 1991	37,867
R. Stuart Angus[(3)] Canada Director	Barrister and Solicitor; Partner with law firm Stikeman, Elliott	May 1995	Nil
Tom Bencic[(3)] Canada Director	Engineer, Glenrose Hospital in Edmonton, Alberta	May 1998	Nil
Patrick Golec Canada Director	Chief Executive Officer, Director and Lead Programmer of CyberCom since 1995, self employed as a computer consultant prior to 1995	N/A	Nil

(1) The information as to country of residence and principal occupation and number of shares beneficially held, not being within the knowledge of Augusta, has been furnished by the respective directors individually.

(2) Of these Augusta Common Shares, 49,173 are held indirectly through Augusta Capital Corporation, a private company owned and controlled by Mr. Warke.

(3) Denotes member of Audit Committee.

Statement of Executive Compensation of Augusta

The following table discloses information with respect to all compensation paid by Augusta to the Named Executive Officers indicated for the fiscal years ended January 31, 2000, 1999 and 1998 and the period ended May 31, 2000. "Named Executive Officers" mean the Chief Executive Officer (the "CEO"), regardless of amount of compensation of that individual, and each of Augusta's four most highly compensated executive officers, other than the CEO. In addition, disclosure is required for any directors or officers whose total salary and bonus during the most recent fiscal year was $100,000 or more, whether or not they were executive officers at the end of the most recently completed fiscal year.

Augusta has one Named Executive Officer, Mr. Richard W. Warke, Chief Executive Officer and President.

Summary Compensation Table

Name and Principal Position	Year[(1)]	Annual Compensation			Long Term Compensation Awards		Payouts	
		Salary ($)	***Bonus $***	***Other Annual Compensation $***	***Securities Under Options/ SARs granted[(2)] (#)***	***Restricted Shares or Restricted Share Units ($)***	***LTIP Payouts***	***All Other Compensation ($)***
Richard W. Warke	2000	Nil	Nil	Nil	35,000	N/A	N/A	Nil
Chief Executive	2000	Nil	Nil	Nil	Nil	N/A	N/A	Nil
Officer and President	1999	Nil	Nil	Nil	Nil	N/A	N/A	12,333[(3)]
	1998	Nil	Nil	Nil	Nil	N/A	N/A	9,517[(3)]

(1) Fiscal years ended January 31, 2000, 1999 and 1998 and the period ended May 31, 2000.
(2) Figures represent options granted during a particular year; see "Aggregate Option" table for the aggregate number of options outstanding at year end.
(3) Auto benefit.

In addition, see "Management Contracts" regarding indirect compensation received by Mr. Warke.

Long-Term Incentive Plan Awards

Long term incentive plan awards ("LTIP") means any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one financial year whether performance is measured by reference to financial performance of Augusta or an affiliate, or the price of Augusta's shares but does not include option or stock appreciation rights plans or plans for compensation through restricted shares or units. Augusta did not grant any LTIP's during the most recently completed fiscal year and the period ended May 31, 2000 .

Stock Appreciation Rights

Stock appreciation rights ("SAR's") means a right, granted by an issuer or any of its subsidiaries as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of Augusta's shares. There were no SAR's granted during the most recently completed financial year and the period ended May 31, 2000 to the Named Executive Officer of Augusta.

Stock Options

Options Granted

During the fiscal year ended January 31, 2000, no incentive stock options were granted by Augusta to the Named Executive Officer.

The following table sets forth information concerning grants of stock options granted to the Named Executive Officer pursuant to the rules and policies of the CDNX during the period ended May 31, 2000 .

Name	**Number of Securities Under Options (#)**	**% of Total Options Granted to Employees in Financial Year[(1)]**	**Exercise or Base Price ($/Security)[(2)]**	**Market Value of Securities Underlying Options on the Date of Grant ($/Security)[(3)]**	**Expiry Date**
Richard Warke	35,000	11.7%	$0.63	$0.63	March 5, 2005

(1) Percentage of total options granted during stub period and outstanding.

(2) The exercise price of the stock options was set by the board of directors of Augusta.
(3) Based on the closing price on the CDNX of $0.63 on March 3, 2000, the last closing price before the date of grant.

Options Exercised

No stock options were exercised by the Named Executive Officer during the fiscal year ended January 31, 2000 and the period ended May 31, 2000. The following table sets forth details of the value of unexercised options as at May 31, 2000 on an aggregated basis:

Name	*Securities Acquired on Exercise (#)*[(1)]	*Aggregate Value Realized ($)*[(2)]	*Unexercised Options at May 31,2000 Exercisable/Unexercisable (#)*[(3)]	*Value of Unexercised In-the-Money Options at May 31, 2000 Exercisable/Unexercisable ($)*[(4)]
Richard Warke	Nil	Nil	35,000 [(5)]/Nil	Nil/Nil

(1) Number of Augusta Common Shares acquired on the exercise of stock options.
(2) Calculated using the average of the high and low prices for a board lot of Augusta Common Shares on the CDNX.
(3) As freestanding SARs have not been granted, the number of shares relate solely to stock options.
(4) Value using the closing price of Augusta Common Shares on the CDNX on May 31, 2000 of $0.30 per share, less the exercise price per share being $0.63.
(5) For the fiscal period ended January 31, 2000, Richard Warke had 50,000 unexercised options, with no unexercised value, which where cancelled in March 2000.

Defined Benefit or Actuarial Plan

Augusta does not provide retirement benefits for directors or officers.

Termination of Employment, Change of Responsibilities and Employment Contracts

Augusta has no plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officer in the Augusta's most recently completed financial year or current financial year in respect of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, where the value of such compensation exceeds $100,000 per executive officer.

Compensation of Directors

Augusta does not compensate its directors in their capacities as such, although directors of Augusta are reimbursed for their expenses incurred in connection with their services as directors.

No incentive stock options were granted to directors who are not the Named Executive Officer during the fiscal year ended January 31, 2000.

No incentive stock options were exercised by directors who are not the Named Executive Officer during the fiscal year ended January 31, 2000 and the period ended May 31, 2000.

The following table sets forth details of the value of unexercised options/SARs on an aggregated basis held by directors who are not the Named Executive Officer at the period ended May 31, 2000.

Name (#)	***Securities Acquired on Exercise (#)[1]***	***Aggregate Value Realized ($)[2]***	***Unexercised Options/SARs at May 31, 2000 (#)[3] Exercisable/ Unexercisable***	***Value of Unexercised In-the-Money Options/ SARs at May 31, 2000 ($)[3][4] Exercisable/ Unexercisable***
Directors who are not Named Executive Officer (3)	Nil	Nil	120,000[5]/Nil	Nil/Nil

(1) Number of Augusta Common Shares acquired on the exercise of stock options, or, in the case of an exercise of tandem SARs, the number of Augusta Common Shares in respect of which stock options were cancelled as a result of the exercise of tandem SARs.

(2) Calculated using the average of the high and low prices for a board lot of Augusta Common Shares on the CDNX.

(3) As freestanding SARs have not been granted, the numbers relate solely to stock options.

(4) Value of unexercised Augusta Options calculated using $0.30, the closing price of Augusta Common Shares on the CDNX on May 31, 2000, less the exercise price of the Augusta Options, being $0.63.

(5) 70,000 options that were previously outstanding as at the fiscal year end of January 31, 2000 were cancelled in March 2000. The 120,000 options listed were granted on March 6, 2000, with an exercise price of $0.63 per share and an expiry date of March 5, 2005. In addition, Mr. Patrick Golec, a nominee as a director of Augusta, has been granted options to purchase 40,000 shares at $0.63, subject to completion of the Acquisition.

Indebtedness of Directors, Executive Officers and Officers

No director or officer of Augusta, or proposed management nominee for election, nor any associate of any such person, is or has been indebted to Augusta or to any of its subsidiaries, at any time since the beginning of Augusta's most recently completed fiscal year.

Interest of Insiders in Material Transactions

Other than as set forth in this Information Circular and other than transactions carried out in the normal course of business of Augusta or any of its affiliates, none of the directors or senior officers of Augusta, any member owning beneficially more than 10% of the voting rights attached to the common shares of Augusta nor an associate or affiliate of any of the foregoing persons has since January 31, 1999, any material interest, direct or indirect, in any transactions which materially affect Augusta or any of its subsidiaries or in any proposed transaction which has or would materially affect Augusta.

Appointment of Auditors of Augusta

Unless such authority is withheld, the persons named in the accompanying proxy intend to vote for the reappointment of Deloitte & Touche LLP, Chartered Accountants, as auditors of Augusta and to authorize the directors to fix their remuneration. Deloitte & Touche LLP were first appointed auditors of Augusta in 1995.

Management Contracts

Under the terms of an administrative services contract dated November 1, 1993, as extended and amended, between Augusta and a private British Columbia company (the “Manager”), Augusta pays the Manager a fee of $2,500 per month for administrative services provided to Augusta. During the fiscal year ended January 31, 2000, Augusta paid a total of $30,000 to the Manager. Richard W. Warke, President of Augusta, has a 25% beneficial interest in the Manager.

Particulars of Matters to be Acted Upon

The Acquisition of CyberCom Systems Inc.

General

Augusta has entered into the Acquisition Agreement dated January 26, 2000 with the shareholders (the “Vendors”) of CyberCom whereby Augusta will, subject to regulatory approvals and certain other conditions, purchase 100% of the issued and outstanding shares of CyberCom by issuing 10,000,000 Augusta Common Shares to CyberCom’s shareholders on closing (the “Consideration Shares”).

Richard W. Warke, the President and a director of Augusta, is the sole shareholder of Augusta Capital Corporation (“Capital”) which owns 82.5% of CyberCom. Mr. Warke is also the President and a director of Augusta Corporation (“Corporation”), which owns 5% of CyberCom, and has been a director of CyberCom since 1995. Donald Clark, a director of Augusta and Corporation, holds a 12.5% interest in CyberCom. Tom Bencic, a director of Augusta, and of Corporation, was a director and 25% shareholder of CyberCom from inception until June 1999 when his ownership interest in CyberCom was purchased by Capital. Patrick Golec, who will become a director of Augusta after the Acquisition, is one of CyberCom’s founders and was also a 25% shareholder of CyberCom until June 1999 when his ownership interest was purchased by Capital.

Pursuant to various underlying purchase agreements in 1999 between CyberCom’s founders and Capital, Capital has agreed to initially deliver to CyberCom’s founders $125,000 worth of Augusta Common Shares as follows: Tom Bencic will receive $32,500 worth (65,000 Augusta Common Shares); Patrick Golec will receive $32,500 worth (65,000 Augusta Common Shares); Keith Gibbons will receive $25,000 worth (50,000 Augusta Common Shares); and Grant Chemilnisky will receive $35,000 worth (70,000 Augusta Common Shares). The foregoing numbers of Augusta Common Shares to be delivered to CyberCom’s founders are based on a $0.50 per share price for Augusta Common Shares, but the final number of Augusta Common Shares to be delivered may be subject to adjustment depending on the trading price of Augusta Common Shares at the time of delivery. If these shares are not delivered to CyberCom’s founders by August 1, 2000, in accordance with the terms of the underlying purchase agreements, all of CyberCom’s shares will be returned to CyberCom’s founders.

In addition, pursuant to separate letter agreements dated May 1, 2000, between Capital and Mr. Golec and Capital and Mr. Bencic, Capital has agreed to assign, equally to Messrs. Bencic and Golec, its right to receive an aggregate of 55% of the Augusta Common Shares after deducting the initial $125,000 worth (250,000 Augusta Common Shares) to be delivered to CyberCom’s founders as noted above. Accordingly, assuming a $0.50 price per share for Augusta Common Shares upon closing of the Acquisition, Messrs. Golec and Bencic shall each receive 2,681,250 Augusta Common Shares, in consideration of which assignment Messrs. Golec and Bencic have agreed to continue to perform their present duties with CyberCom for a minimum of two years after the closing of the Acquisition. A portion of these shares will be Performance Shares and subject to escrow (see “Performance/Escrow Securities”).

The qualified management and technical personnel of CyberCom have extensive experience in the development of software. See “Management and Key Personnel”.

Reasons for and Background to the Acquisition of CyberCom

The primary purpose of the Acquisition is to enhance shareholder value by changing the business focus of Augusta from mineral exploration and development to provide the Members with exposure to the high technology industry. At present, Augusta has sold or written off all of its minerals interests. Completion of the Acquisition will provide Augusta with the opportunity to engage in the business of developing, manufacturing and marketing educational software.

For the past two years the environment for junior resource companies has been very depressed and Augusta has found it difficult to obtain financing for exploration and development purposes. Until there is a positive change in that environment, Augusta could not foresee the opportunity to enhance shareholder value by endeavouring to continue in the business of mineral exploration and development.

On the other hand, CyberCom has been able to achieve revenues and earnings and has been virtually self sustaining since the inception of the business in 1995. It is management's belief that CyberCom is engaged in an industry that still has potential for significant longevity and growth. Provided CyberCom is successful in it's endeavours, Augusta believes the business of CyberCom represents significant potential for growth.

Intercorporate Relationships

The following diagram sets out the intercorporate relations between Augusta and CyberCom after the Acquisition:

CyberCom Systems Inc.
(formerly Augusta Metals Incorporated)

CyberCom
(name to be determined)
(formerly CyberCom Systems Inc.)
100%

In addition, Augusta currently has a wholly-owned subsidiary, 3744779 Canada Inc. ("Subco"), which will settle a previously outstanding debt of Augusta (see "Indebtedness"). However, Subco will be part of a proposed statutory plan of arrangement scheduled for the Fall of 2000, pursuant to which Subco will cease to be a subsidiary of Augusta and Augusta shareholders will own approximately 15% of Subco common shares.

Valuation Report and Fairness Opinion

Augusta retained Evans & Evans Ltd. ("Evans & Evans"), independent consultants, to provide Augusta with a valuation and fairness opinion (the "Valuation and Fairness Report") with respect to the fairness of the terms of the Acquisition of CyberCom from a financial point of view to the shareholders of Augusta. The Valuation and Fairness Report includes an opinion as to the fair market value of the common shares of CyberCom as at December 31, 1999 and an appropriate range of share exchange ratios based on the valuation conclusions.

Valuation

Given the relatively early (i.e., prior to product introduction) stage of development of the CyberCom Authoring Tools, the fact that: (i) revenues from the CyberCom Author 2000 are not anticipated for at least three to six months; (ii) there are no formal revenue generating agreements in place; (iii) the lack of a well-defined tactical marketing plan; and, (iv) the commercialization strategy for the CyberCom Authoring Tools has not been finalized, Evans & Evans determined that an income-based approach for valuation was not appropriate. Given the nature and status of the CyberCom's overall business operations at December 31, 1999 (the "Valuation Date"), Evans & Evans concluded that the most appropriate method in determining the range of the fair market value of CyberCom at the Valuation Date involved an asset-based approach based on a going concern assumption for CyberCom (i.e., determining the adjusted book value of CyberCom).

A Replacement Cost Approach was used to determine the value related directly to the intangible value associated with the CyberCom Authoring Tools so that the balance sheet could be adjusted accordingly. In deriving the fair market value of CyberCom at the Valuation Date, Evans & Evans incorporated a restricted Discounted Cash Flow Approach, to determine the fair market value of one of the intangible assets of CyberCom, i.e., the income stream CyberCom will receive from sales of the Plant Technology CD. Evans & Evans deemed this approach appropriate given that CyberCom does have an established sales history for this product. Evans & Evans used the findings of the Replacement Cost

Approach and the restricted Discounted Cash Flow Approach to make adjustments to the balance sheet of CyberCom. Such an assessment would result in an adjusted book value of CyberCom.

The Replacement Cost Approach does not necessarily reflect the level of cash flow or income CyberCom may generate in the future (often a principal valuation technique); however it does provide a reasonable and logical estimate (based on the lack of current revenues associated with the CyberCom Authoring Tools) of what a notional purchaser would likely pay for the intangible asset in order to be in the same position as CyberCom at the Valuation Date.

The assessment of the CyberCom's technology development and intangible value was determined to be best estimated utilizing the Replacement Cost Approach related to the actual development of the actual technologies of CyberCom since incorporation as well as the infrastructure to support this product. Such a primary approach was based upon interviews and discussions with the managements of Augusta and CyberCom and with the interviewees noted in section 4.0 of the Valuation and Fairness Report.

In the above valuation techniques Evans & Evans relied on information provided by CyberCom's management as well as data from industry participants and competitors as indicative in calculating the determination of the fair market value of the intangible assets of CyberCom that is an integral component of CyberCom at the Valuation Date.

Adjusted Book Value Approach

In order to adjust the balance sheet of CyberCom, Evans & Evans undertook a Replacement Cost Approach of the CyberCom Authoring Tools and a Discounted Cash Flow Approach regarding the revenues associated with the PT CD in order to assess the value of the intangible assets related to CyberCom. After this, Evans & Evans adjusted the book value of CyberCom.

Replacement Cost

The Replacement Cost Approach is based on using the intellectual thoughts, experience and work which are already embedded in the existing CyberCom Authoring Tools as the starting point for a replacement cost analysis. The Replacement Cost Approach, therefore, considers the cost for undertaking the technical and intellectual work required to replace the existing technology that presently makes up the core business operation of CyberCom.

While the Replacement Cost Approach cost does not necessarily reflect the level of cash flow or income that the CyberCom Authoring Tools may generate in the future, it does provide a basis on which, in the view of Evans & Evans, a notional purchaser would likely consider; as the highest price he/she would pay at the Valuation Date given the stage of commercial deployment of the CyberCom Authoring Tools. In doing this assessment, Evans & Evans determined that the present value of the Replacement Cost of the CyberCom Authoring Tools is a range of between $285,000 to $300,000.

Restricted Discounted Cash Flow Approach

Based upon revenues projected by CyberCom from sales of the PT CD over the next three years, Evans & Evans determined that the present value of the PT CD is a range of between $250,000 to $270,000.

Adjusting the Balance Sheet

After restating CyberCom's balance sheet to its net realizable value, Evans & Evans then re-stated the balance sheet to include its estimation of the value of the CyberCom Authoring Tools as determined above. This produces a range of adjusted book value of CyberCom of between approximately $660,000 to $700,000.

Comparable Companies Approach

Evans & Evans identified, and examined data on, ten companies active in the multimedia and authoring tools industries whose common shares trade on North American stock exchanges. Out of these, six were examined more closely and considered as companies comparable to CyberCom. Of these six, click2learn.com, Inc. was deemed the most appropriate comparable to CyberCom.

Evans & Evans have used - as a confirmation approach – a modified multiple of click2learn.com, Inc.'s 12-month trailing sales results to the 12-month trailing results of CyberCom to assist in confirming a range of value first estimated using the Primary Valuation Approach. This supports a valuation conclusion in the range of $700,000. This is supportive of the value conclusions noted in the primary valuation approach above.

The six companies examined were:

Macromedia, Inc. ("Macromedia") of San Francisco, California

Macromedia offers a host of Web design software, plus multimedia playback and graphics development tools (online publishing tools account for 83% of sales). AOL, Apple Computer, and Microsoft have all integrated Macromedia graphics and animation software into their products. Macromedia also makes interactive learning products, and is intensifying a run into the consumer entertainment Web site market. Macromedia's shockwave.com unit offers games, music, and animated comics. Shockwave.com's growing popularity has Macromedia making plans to spin the operation off as a separate company.

click2learn.com ("click2learn.com") of Bellevue, Washington

click2learn.com (formerly Asymetrix Learning Systems) offers software and services that help businesses build online educational programs. click2learn.com's professional services (about 55% of sales) include consulting, training, and custom application development. Its ToolBook software family helps programmers write online learning applications, and its Librarian learning management software enables users to deploy those applications. click2learn.com offers its products on a subscription basis through its Web site, and it sells third-party CD-ROM, video, audio, and print educational materials. Customers include Arthur Andersen, Boeing, and Microsoft. Microsoft co-founder Paul Allen owns 42% of the click2learn.com.

Adobe Systems Incorporated ("Adobe") of San Francisco, California

A leader in desktop publishing software, Adobe generates nearly 75% of sales through Web and print publishing products such as Photoshop, Illustrator, and PageMaker. Its Acrobat Reader -- which uses portable document format (PDF) -- is popping up all over the Internet as businesses shift from print to digital communications. Adobe also markets print technology to manufacturers and has stakes in a string of complementary technology firms.

Learn2.com Inc. ("Learn2.com") of Whyte Plains, New York

Formerly known for entertainment CD-ROMs such as *Monty Python's Complete Waste of Time,* Learn2.com now focuses on creating corporate training systems (Learn2University), custom content, delivery systems, and multimedia interactive training. Its namesake Web site features free instruction in the form of some 8,000 tutorials.

MetaCreations Corp. ("MetaCreations") of Carpentiara, California

Historically a maker of professional graphics software for creating, animating, and adding special effects to Web graphics and 2-D and 3-D models, MetaCreations is cutting its workforce and refocusing on its MetaStream e-commerce visualization technology. Developed through a joint venture with Computer Associates, MetaStream.com provides interactive presentation of products for sale on the Internet. As part of its refocusing plan, MetaCreations has sold its Painter, KPT Vector Effects, and Bryce software applications to Corel.

SmartForce Corp. ("SmartForce") of Redwood City, California

SmartForce (formerly CBT Group) publishes interactive training software focussing on information technology products and topics. Its library of more than 900 titles covers vendor-specific subjects, such as Microsoft Windows NT and Oracle Developer/2000, as well as general topics like Web publishing and COBOL programming. Each course takes between four and eight hours to complete. The software can be delivered to a user's computer over a variety of networks. SmartForce markets its software to corporations, universities, and government agencies.

Valuation Conclusion

Based on 100,000 shares of CyberCom issued and outstanding as at December 31, 1999 and a fair market value of 100% of the shares of CyberCom as at that date in the range of $660,000 to $700,000, the fair market value of each share of CyberCom is in the range of $6.60 to $7.00.

Conclusion as to Fairness

Based upon Evans & Evans valuation work and subject to all of the foregoing, Evans & Evans concluded, as at May 1, 2000, that the terms of the Acquisition are fair, from a financial point of view, to the shareholders of Augusta. It should be noted that Evans & Evans did not include the issuance of 7 million Augusta Common Shares to CyberCom's shareholders in its quantitative calculation of fairness since these shares will be held in escrow (i.e., not in the hands of CyberCom shareholders) until such time that certain performance (i.e., measured cash flow or earnings) is achieved by CyberCom.

In assessing the fairness of the Acquisition to the common shareholders of Augusta, Evans & Evans considered, *inter alia*, the following:

1. Comparison of the fair market value, as at December 31, 1999, of all the outstanding common shares of Augusta, to the fair market value, on a pro forma basis, of the Augusta common shareholders' prospective interests in the Post-Acquisition Augusta. The midpoints of the fair market value of Augusta common shares prior to and after the Acquisition are the same. Evans & Evans examined trading volumes of Augusta over the last six years and determined that volumes are very low, which indicates that large numbers of shareholders actual ability to realize their shares current trading price is unlikely. This provides supporting evidence that the fair market value of Augusta prior to the Acquisition is likely below its market implied capitalization. In addition, large blocks of shares are generally traded at a "blockage discount" to the market value. In the context of a public market, blockage discount is defined as the decrease in stock market trading price created by the forces of supply and demand when a block of shares larger than normal trading lots is exposed for sale at one time.

2. Other potential benefits that may be realized subsequent to the capital reorganization including possible synergies between Augusta and CyberCom. Evans & Evans have not attempted to quantify these potential benefits, as for purposes of the fairness opinion, any enhancement in the value not otherwise reflected in its valuation conclusion favours the common shareholders of Augusta. Some of these potential benefits are as follows:

! The ability of CyberCom and its existing business and relationships bring a significant amount of business development capability to Augusta, the same level of which may not be available independently.

! CyberCom has ongoing sales and revenues and cash flows. Thus CyberCom will provide actual operating cash flows to Augusta.

Credentials of Evans & Evans

Evans & Evans was founded in 1989. For the past ten years the firm has been extensively involved in the financial services and management consulting fields with offices in Vancouver, British Columbia, Calgary, Alberta and Portland, Oregon. Over this period, the Principals of the firm, Michael A. Evans and Richard W Evans, have been involved in the preparation of over 500 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various North American stock exchanges and securities commissions as well as for private purposes.

Evans & Evans is an independent valuator. None of the partners, employees or associates of Evans & Evans, has, or anticipates the acquisition of, any interest in the assets, shares or business undertakings of Augusta or CyberCom.

The fee payable to Evans for its engagement was $9,000, plus out of pocket expenses and GST. A copy of the Fairness and Valuation Opinion is available without charge to any Member upon request to the Secretary of Augusta and will be available at the Meeting.

Recommendation of Board of Directors

Certain of the directors of Augusta are also Vendors, or directors, or officers of CyberCom or certain of the Vendors. In addition, Augusta and CyberCom have shareholders in common. Accordingly, Messrs. Warke, Clark and Bencic disclosed their interests and abstained from voting in respect of the Acquisition. The sole independent director of Augusta, Mr. Stuart Angus, concluded that the Acquisition is fair and reasonable, based on internal reviews and on the Valuation and Fairness Report, and accordingly voted to approve the Acquisition and authorize the submission of the resolution regarding the Acquisition to the Members for their consideration and approval.

In arriving at their recommendation in favour of the Acquisition, the Board considered a number of factors, including the following:

1. CyberCom has achieved, in its short history, sufficient revenues and earnings to be virtually financially self sustaining.

2. CyberCom has developed products and performed services for which there appears to be a ready market and at a price level that is financially rewarding.

3. CyberCom is engaged in an industry that is relatively immature, which should possess potential for significant longevity and growth.

4. CyberCom possesses significant growth potential which would provide the Members the opportunity for enhanced value of Augusta Common Shares.

5. CyberCom has the potential to access various worldwide markets with its products and services. The USA market in particular represents significant potential which could be financially rewarding due to the exchange rate variance between Canadian currency and United States currency.

6. CyberCom has or has access to sufficient skilled personnel to develop its products and services for the foreseeable future.

The Board of Directors of Augusta has determined that the Acquisition is in the best interests of Augusta and is fair to the Members of Augusta and recommends that the Members vote in favour of the resolution authorizing the Acquisition. The affirmative vote of a simple majority (50% + 1) of the votes cast by the Members at the Meeting in respect of the resolution, whether in person or by proxy, is required for approval of the resolution. In the absence of specification to the contrary, the persons named in the accompanying proxy will vote the shares represented thereby for approval of the resolution. In accordance with the policies of the Vancouver Stock Exchange applicable to the Acquisition, interested shareholders may vote on the resolution to approve the Acquisition. To the knowledge of Augusta, all of its directors and officers who hold or exercise control or discretion over shares of Augusta intend to exercise the votes attaching to such shares in favour of the resolution regarding the Acquisition.

Acquisition Agreement

Closing of the Acquisition pursuant to the Acquisition Agreement is subject to the satisfaction of certain conditions, including the following:

- Completion of satisfactory due diligence by the Vendors and Augusta (which has been completed);
- Receipt of all necessary regulatory and shareholder approvals on terms satisfactory to the Vendors and Augusta, acting reasonably; and
- No change, event or condition shall have occurred or exists, whether or not involving the financial condition or prospects of CyberCom, which in the reasonable opinion of Augusta makes it likely that there will be a material adverse change with respect to CyberCom.

Following the Meeting, and subject to receipt of CDNX acceptance of the Acquisition and the satisfaction of the closing conditions set forth in the Acquisition Agreement as discussed above, the Acquisition will be closed. It is currently anticipated that closing of the Acquisition will take place on or about July 31, 2000.

Private Placement

Augusta intends to raise approximately $269,200 by way of a non-brokered private placement of 673,000 special warrants prior to or simultaneously with completion of the Acquisition at a price of not less than $0.40 per special warrant (the "Private Placement"). The funds will be used to further the business of CyberCom and for working capital. Each special warrant will be exercisable at no additional consideration into one unit consisting of one Augusta Common Share and one Augusta share purchase warrant, with each warrant exercisable for a period of two years to purchase one Augusta Common Share at an exercise price of $0.50 per share.

Accounting Treatment

It is anticipated that the Acquisition will be accounted for as a reverse take-over of Augusta by CyberCom. Reference is made to the accompanying financial statements of Augusta and CyberCom which are attached to this Circular as Schedules "E" and "F", respectively, and to Schedule "G", which contains the Pro-Forma Unaudited Consolidated Financial Statements giving effect to the Acquisition.

Performance/Escrow Shares

In connection with the Acquisition, 7,000,000 of the Consideration Shares will be subject to escrow (the "Performance Shares"), as referenced in this Circular, and subject to release based on Augusta's cumulative cash-flow on a consolidated basis after the Acquisition. Members are being asked to approve the Special Resolution attached hereto as Schedule "B" approving the issuance of the Performance Shares. In the absence of instructions to the contrary, the persons named in the enclosed form of proxy intend to vote to approve the Special Resolution.

Name Change

To reflect the changes in focus of Augusta's operations following the Acquisition and because there is good will attached to CyberCom's name, Members are being asked to approve the Special Resolution attached hereto as Schedule "C" authorizing the amendment of Augusta's Memorandum to change Augusta's name to "CyberCom Systems Inc.". In the absence of instructions to the contrary, the persons named in the enclosed form of proxy intend to vote to approve the Special Resolution.

The implementation of the Special Resolution approving the change of name of Augusta is conditional upon the Acquisition being completed and is conditional upon Augusta obtaining the consent of the Registrar of Companies for British Columbia (the "Registrar") and the CDNX to such name change. The Special Resolution authorizing the name change empowers the directors of Augusta to revoke the Special Resolution, without further approval of the Members, at any time prior to the issue of a certificate of name change giving effect thereto if the required consent of the Registrar and the CDNX is not obtained or if such revocation is otherwise considered desirable by the directors.

Available Funds

As at May 31, 2000, Augusta had a working capital deficiency of approximately $222,000 and CyberCom had working capital of approximately $38,000. The proceeds of the Private Placement are $269,200. Upon completion of the Acquisition and the closing of the Private Placement, the working capital will result in a deficiency of approximately $56,000 of available funds. In effect the available funds will be approximately $249,000. The working capital deficiency of Augusta includes the $305,000 due to Scintrex Limited which will be settled by the issuance of shares by Augusta's subsidiary, 3744779 Canada Inc. (see "Indebtedness").

Principal Purposes

The Funds Available are intended to be spent, in order of priority as follows:

—	Cost to obtain all regulatory and shareholder approvals, including legal, accounting, filing fees, shareholder meeting, etc.	$100,000
—	Market study	$22,500
—	Revise business plan	$7,500
—	Hire sales executive	$37,500
—	Complete CyberCom Author 2000	$50,000
—	Implementation of business plan	$30,000
	Total	$247,500

CyberCom will spend the funds available to it on the completion of the Acquisition to further its stated business objectives set out in "Business of CyberCom". There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for CyberCom to achieve its stated business objectives.

The issuer's working capital available to fund ongoing operations will be sufficient to meet its administration costs for six months. CyberCom has generated revenues aggregating $238,000 for the five month period ended May 31, 2000, which have basically provided CyberCom the ability to be financially self sustaining. With contracts on hand at present CyberCom anticipates generating , on average, revenues at the minimum rate of $50,000 per month for the balance of calendar 2000, which will cover all operating costs. CyberCom anticipates raising new financing by September 2000 to accelerate the implementation of its business plan.

INFORMATION CONCERNING CYBERCOM SYSTEMS INC.

Incorporation

CyberCom was incorporated pursuant to the laws of the Province of British Columbia under the name "CyberCom Systems Inc." on June 29, 1995 by filing a memorandum and articles with the British Columbia Registrar of Companies. CyberCom became extra-provincially registered in Alberta on September 1, 1995. CyberCom is a private issuer.

The head office and principal office of CyberCom is located at 8657 - 51 Avenue, Suite 308, Edmonton, Alberta, T6E 6A8. The registered office of CyberCom is located at Suite 1700, 701 West Georgia Street, Vancouver, British Columbia, V7Y 1C6.

Description and General Business of CyberCom

CyberCom is a high-technology company engaged in the business of development, manufacturing and marketing of educational software. CyberCom was originally formed in 1995 to develop a multimedia training CD ROM, entitled Power Plant Technology (now named Plant Technology) under contract with the Northern Alberta Institute of Technology

("NAIT"). CyberCom has developed its own proprietary set of software tools to manipulate text, video, audio and three dimensional graphics in order to efficiently develop the content and to allow junior programmers and non-technical individuals to develop multimedia software.

To date the CyberCom has focussed on using its authoring tools ("CyberCom Authoring Tools") to develop computer based training ("CBT") applications for a number of clients in the Alberta region. Such development work, which the CyberCom terms "Contract Services", have provided the majority of revenues to date. The CyberCom Authoring Tools have allowed CyberCom to develop such CBT modules more efficiently than they had in the past using third party multimedia development applications. In 1998, CyberCom made a strategic decision to commercialize the CyberCom Authoring Tools by developing user interfaces to create a commercial version that would allow the average lay person to develop sophisticated multimedia documents. As a result, CyberCom is now in the final stages of development of what it refers to as CyberCom Author 2000, its first commercial software application. Management of CyberCom estimates that CyberCom Author will be at the beta test stage by the end of June 2000 and will be market ready by July 31, 2000.

In January of 1999, CyberCom entered into an agreement with IX Productions ("IX") of Edmonton, Alberta to develop three books published by Reidmore Books ("Reidmore") of Edmonton, Alberta into multimedia CD ROMS. To date CyberCom has completed development of one book and has started work on two new books.

CyberCom is now in the process of developing an agreement with IX to take the remaining titles in Reidmore's library and develop multimedia CD ROMS. CyberCom plans to do this for no up front fee and negotiate a royalty of up to 50% of CD ROM and browser based sales. Management of CyberCom is in negotiations with IX to produce seven new multimedia titles for Reidmore.

Historically, a significant portion of the CyberCom's revenues have been derived through the sales of the Plant Technology CD ROM ("PT CD"). The retail price of the PT CD is US$499. Historical sales of the PT CD are as follows: 212 units sold in 1996, 272 units sold in 1997, 350 units sold in 1998, and 100 units sold in 1999.

It should be noted that the revenues for all sales of the PT CD prior to 1999 were shared 50 / 50 with NAIT.

Summary and Analysis of Financial Operations

The following discussion and analysis of CyberCom's financial condition, results of operations and cash flows for the three months ended March 31, 2000 and 1999 and for the fiscal years ended December 31, 1999 and 1998, should be read in conjunction with the financial statements and the related notes therein for those respective periods, forming part of this Circular. CyberCom's financial statements were prepared in accordance with generally-accepted accounting principles in Canada.

Acquisition of CyberCom

On January 26, 2000, a share purchase agreement was signed between Augusta and shareholders of CyberCom, whereby Augusta will acquire a 100% interest in CyberCom in consideration of 10,000,000 Augusta Common Shares, subject to regulatory and shareholder approvals, of which 7,000,000 Augusta Common Shares will be subject to escrow arrangements. The resultant business combination between Augusta and CyberCom will be accounted as a reverse-takeover whereby CyberCom will be identified as the acquirer and Augusta as the accounting subsidiary.

Augusta's primary purpose for the Acquisition is to enhance shareholder value by providing it with a new technology business. CyberCom can realize certain benefits from the Acquisition such as access to additional sources of equity financing for further software development and commercialization and greater market penetration and expansion in target segments.

The following table provides selected financial data of CyberCom for the three months ended March 31, 2000 and for the fiscal years ended December 31, 1999 and 1998.

	Three Months Ending March 31, 2000	Year Ended December 31, 1999	Year Ended December 31, 1998
Sales	$164,603	$340,496	$232,991
Gross profit	n/a	n/a	n/a
Research and development expenses	-	$38,522	$7,010
Sales and marketing expenses	$3,928	$21,625	$4,503
General and administrative expenses	$189,515	$303,901	$166,237
Net income (loss)	$(24,836)	$32,407	$51,590
Working capital	$61,664	$73,824	$24,929
Property, plant and equipment, net	$68,647	$55,180	$52,967
Deferred research and development	$24,224	$28,018	$4,673
Other intangibles	-	-	-
Long-term liabilities	$113,000	$85,651	-
Shareholders' equity			
Dollar amount	$42,335	$67,171	$74,765
Number of securities	100,000	100,000	100,000

n/a - Not applicable

Results of Operations:

CyberCom capitalizes and defers costs attributable to software development. These research and development costs include wages and other direct costs, and are reduced by government grants and investment tax credits. They are stated at cost less amortization, and are amortized over a three year period on a straight-line basis. Two-fold and three-fold increases in sales revenues in recent years have contributed to substantial increases in net profits relative to prior years. CyberCom has been subject to corporate income taxes since 1998.

Although it incurred cumulative losses of $4,794 in the first two years of operations in 1996 and 1995, CyberCom was able to operate profitably by the third year in 1997 with nominal profits of $2,972. Significant improvements in profitability were realized in 1999 and 1998 relative to prior years.

Three Months Ended March 31, 2000:

During the three month period ended March 31, 2000, CyberCom realized revenues of $164,603, of which $160,920 is attributed to the Consultant Agreement dated January 1, 2000 with EPCOR Generation Inc. ("Epcor") which has a term ended June 30, 2000. Nominal revenues were generated from software sales. Although revenues were higher than for the same quarter in 1999, CyberCom incurred a net loss of $24,836 whereas it realized a net income of $66,514 for the 1999 quarter. The major factor contributing to the lower profitability is the hiring of additional employees and subcontractors which increased salaries and fees therein by over $100,000 from the same quarter in 1999. Additional skilled staff and subcontractors were needed for ongoing services provided to Epcor and for further software development projects.

Although the term of the Consultant Agreement dated the January 1, 2000 is expected to end by mid-2000, CyberCom has signed another Consultant Agreement with Epcor dated February 14, 2000 which has a term ending December 31, 2001. This Agreement will provide a major source of revenues for CyberCom, although such compensation presently cannot exceed $250,000.

Year Ended December 31, 1999 Compared to Year Ended December 31, 1998:

CyberCom realized net profits of $32,407 and $51,590 for the years ended December 31, 1999 and 1998, respectively. Revenues of $340,496 earned in 1999 were 46% higher than 1998 revenues of $232,991, but operating expenses increased in 1999 by more than 83%, thereby contributing to the 37% reduction in net profits in 1999. With greater profits in 1998 than in 1999, CyberCom also incurred a commensurately higher income tax burden in 1998. Operating expenses were higher in 1999 primarily due to the hiring of additional subcontractors and employees, which resulted in an increase of 50% for the expenses therein. Other expense items increased in 1999 to reflect the increase in operating activities of CyberCom due to the additional revenues being realized during the year.

During 1999, CyberCom recognized revenues of $197,500 from NAIT, comprised of $100,000 from the joint effort in the development of its multimedia product, *Plant Technology Engineering Certificate Program*, and the $97,500 for developing course software for NAIT. An amount of $63,900 was earned from Epcor pursuant to a Consulting Agreement which term will end on June 30, 2000. Remaining supplemental revenues were provided from software sales, software consulting services, and graphic design.

During the 1998, CyberCom earned revenues of $131,448 from NAIT for course software development and revenues of $64,663 from Alberta EnviroFuels for conversion of text based training modules to multi-media software based systems.

For 1999 and 1998, CyberCom has relied upon contracts with three organizations which have provided a substantial percentage of its revenues. This has allowed CyberCom to build and improve its business in the high technology sector and to develop certain software products and tools used in the process, while at the same time realizing profitability in those respective years.

Liquidity and Capital Resources:

CyberCom's working capital increased by 196% from $24,929 in 1998 to $73,824 in 1999 and then decreased by 16% to $61,664 in the three month period ended March 31, 2000. CyberCom does not expect to have any immediate significant working capital requirements aside from those related to ongoing operations.

In 1999, Augusta advanced $85,000 to CyberCom and a further $28,000 was advanced in the first quarter of 2000, for total advances of $113,000 as at March 31, 2000. Such advances from Augusta provide for no specific repayment terms and are non-interest bearing. CyberCom also has a line of credit of $10,000 and has never been in default of debt covenants therein. As at March 31, 2000, CyberCom used $9,000 of its line of credit facilities. In early 1999, CyberCom declared and paid dividends of $40,000.

During 1999 and 1998, cash resources were invested in the acquisition of capital assets and research and development attributable to software development. During the periods under review, no financing has been provided from equity capital.

With the exception of debt financing from Augusta, most cash resources have been provided from CyberCom's operations, and CyberCom has sufficient capital to meet existing operating expenses. CyberCom has historically relied upon a few contracts with third parties to provide revenues to finance its operations. However, for further expansion of its business, CyberCom may have to seek other sources of financing to meet capital requirements for such expansion.

Outlook on Financial Impact of Acquisition to Augusta and CyberCom

The share purchase agreement dated January 26, 2000 between Augusta and the shareholders of CyberCom will result in the acquisition of a 100% interest in CyberCom in consideration of 10,000,000 Augusta Common Shares, subject to regulatory and shareholder approvals, of which 7,000,000 Augusta Common Shares will be subject to escrow arrangements. The resultant business combination between Augusta and CyberCom will be accounted as a reverse-takeover whereby CyberCom will be identified as the acquirer and Augusta as the accounting subsidiary, and the financial statements will be prepared on a consolidated basis.

Based upon Canadian generally accepted accounting principles, the estimated fair value of the 10,000,000 Augusta Common Shares will be $1,336,387 based upon the market value of $0.44 per Augusta Common Share as of April 30, 2000.

It is also expected that the resultant business combination will have a capital deficiency due to a deficit adjustment of $1,450,912 attributable to the deemed value of $1,336,387 and the capital deficiency of Augusta.

Augusta's mineral exploration and development activities have provided Augusta with no sources of income and a history of losses, working capital deficiencies and capital deficiencies. However, given the nature of its previous business, the results of operations as reflected in the annual net losses and losses per share do not provide meaningful interpretation of Augusta's performance and valuation.

The Acquisition will allow Augusta to change its business focus from mineral exploration and development to the high technology industry with the opportunity to engage in the business of development, manufacturing and marketing of educational software, and in turn to enhance shareholder value.

CyberCom has had profitable years from 1997 to 1999. The Acquisition will allow CyberCom greater access to equity markets to finance expansion of its business in the high technology industry, development and commercialization of its software products, and greater expansion and penetration in its market segments and targets. CyberCom can diversify itself from its reliance upon a few contracts to sustain its operations and its profitability, and can secure additional contracts and further develop other profitable projects.

As a consolidated entity, the business combination of Augusta and CyberCom can be expected to result in a working capital deficiency and a capital deficiency. The working capital deficiency is attributable to Augusta's financial position. Augusta is actively pursuing the resolution in the settlement of a debt amounting to $305,000 owed to a certain creditor by implementing a proposed plan of arrangement. Upon settlement, the working capital is expected to significantly improve for the consolidated entity. While the proposed arrangement has been delayed, Augusta has assigned, with the consent of the creditor, such debt to a wholly owned subsidiary on a non-recourse basis to Augusta. The capital deficiency is attributable to the estimated excess of $1,450,912 in acquiring the net identifiable assets of Augusta and the fair market value of its assets and liabilities, which is allocated to the consolidated deficit amount. Expenses incurred as a publicly-traded entity and expenditures of about $60,000 for due diligence related to the Acquisition will adversely affect the profitability and operating results of the consolidated entity. During the three months ended April 30, 2000, Augusta has raised $140,900 in subscriptions for special warrants, in which the proceeds from private placements will be used to further the business of CyberCom and for working capital purposes. Proceeds of up to $128,300 from private placements for special warrants can be expected in the short-term. These proceeds will improve working capital and provide cash flows for operations. Currently, there are no known significant requirements for working capital items and no known legal restrictions upon the transferability of funds subsequent to the Acquisition.

The Acquisition will be expected to provide synergistic benefits from the business combination of Augusta and CyberCom.

Business Goals and Objectives

CyberCom has two major goals. The first goal is to design, develop, and market an advanced multimedia authoring system **intended specifically for the development of educational multimedia titles.** This product will consist of two components: a platform independent, HTML authoring environment and a web-based viewer. The second goal is to **streamline the authoring system to address the needs of the publishing industry**. The resulting authoring system will also consist of an editor and a viewer. The core engine for both of those products is going to be the same. The dual approach to design will allow addressing the very specific needs of both the educational and publishing market niche, meaning CyberCom Author 2000 suite will not compete directly with the existing batch of general-purpose authoring tools but rather concentrate on those two markets. The core functionality and feature set of multimedia will be accessible with only a few mouse-clicks. The CyberCom Author 2000 will address the shortcomings of the existing authoring solutions, and yet remain capable of leveraging their strengths by being able to incorporate existing *Director*, *Authorware*, and *ToolBook* presentations directly into the CyberCom Author 2000 framework.

CyberCom's strategic opportunities to be pursued over the next 12 months are as follows:

Objective	Status
Beta testing of first book	Complete the development of multimedia versions of three Reidmore books
Finalize negotiations with IX and Reidmore books to undertake conversions of the remaining titles in Reidmore's library	Verbal agreement in place with IX for seven new titles
Ongoing sales of PT CD	This is being done on a continuous basis. Several companies have expressed interest in purchasing the rights to the CD ROM. Currently negotiating with a college in Quebec to develop a French version of the PT CD which will be licensed and not sold directly by CyberCom.
Pursue other publishing companies to convert books to CD ROM	CyberCom plans to enter into a minimum of one new agreement within the next six to twelve months with a publisher for 20 to 30 book conversions.
Completion of EBook authoring system	Estimated completion is the end of July 2000
Completion of CyberCom Author 2000	Estimated completion is the end of July 2000

Milestones

1. Regulatory and Shareholder Approvals

Obtain all regulatory and shareholder approvals to enable the closing of the Acquisition by August 1, 2000. Costs are projected at approximately $100,000 to cover legal, accounting, filing fees, shareholder meeting, etc.

2. Market Study

Obtain a market study by the end of June, 2000 at a cost of $22,500. This study has been commissioned to determine:

- The competition and differentiate the CyberCom Author 2000 product from the competitors' products.
- Which market segment would be most easily and quickly penetrated.
- The best business model with recommendation for distribution.
- The recommended product(s) to address the market segment(s).
- Recommended pricing.
- Sales projections for 5 years.

3. Revise Business Plan

Upon receipt of the Market Study, review and revise CyberCom's Business Plan to reflect the information and recommendations provided by the Market Study, to be completed by July 15, 2000 at a cost of $7,500.

4. Hire Sales Executive

Engage the services of a senior sales and marketing person by July 15, 2000, to perform/oversee all sales and marketing efforts in launching CyberCom Author 2000 and all other sales and marketing efforts for existing products. Annual cost is projected at $150,000, payable monthly, however this cost will be offset by revenues generated by the person. It is anticipated the compensation will be a combination of base salary and commission. CyberCom management is budgeting that 3 months of full compensation ($37,500) will be required to be paid before revenues are generated and/or additional financing is obtained.

5. Complete CyberCom Author 2000

Complete development of CyberCom Author 2000 by August 1,2000 at a cost of $50,000. Development of this specific authoring tool has been in process for the past 6 months. However, the development actually commenced several years ago when CyberCom was performing consulting contracts for its customers. While completing these contracts, the principals determined that the authoring tools available to the market were difficult and time consuming to utilize and commenced building their own tools. As a result, the tool has also been market tested.

6. Business Plan Implementation

Implement the revised Business Plan, in particular the sales and marketing strategies, under the direction of the senior sales and marketing person, commencing July 2000. CyberCom proposes to spend $30,000 on advertising, promotion and travel expenses during the months of July, August and September, 2000. The sales and marketing program will include engaging the services of several sales personnel on a commission basis which would not result in any additional cost to CyberCom. By September a certain level of sales are expected as a result of the new efforts, which along with the additional financing to be obtained, will fund operations ongoing.

7. New Board Members

Obtain two independent members for CyberCom's Board of Directors within 1 - 2 months after the closing of the acquisition. These individuals are to have experience and skills in areas complimentary to CyberCom's business operations. Other than out of pocket costs, the Directors compensation would initially be primarily by means of incentive stock options.

8. New Financing

Obtain new financing of $1,500,000 by September 30, 2000 to provide for the continuing sales and marketing program and other operating funds necessary to maintain CyberCom until it generates regular and ongoing positive cash flow. Any commissions, costs, etc. would be covered by the funds raised.

Acquisitions and Dispositions

Except for the Acquisition, there have been no material acquisitions or dispositions relating to CyberCom's current business since CyberCom's incorporation.

Management and Development Personnel

The management and key employee group of CyberCom is comprised of the following:

Patrick Golec – Chief Executive Officer, Director and Lead Programmer

Mr. Golec, age 33, graduated with honours from the Jagiellonian University in Krakow, Poland, in 1989 with a Bachelor Degree with honours in Computer Science. In 1990 and 1991, following his arrival in Canada, Mr. Golec completed a number of upgrading courses in Computing Science at the University of Alberta. In his career as a programmer he has worked on a variety of projects, ranging from a large commercial undertaking involving a team of 20 or more programmers, to the development of multimedia playback engine of his own design. He has also been a successful shareware author. Prior to co-founding CyberCom he was self-employed since 1990. Mr. Golec's expertise is in multimedia and GUI programming for 32-bit Windows and Macintosh platforms as well as client/server and Internet application design. He has extensive experience with C/C++ and Microsoft ActiveX/COM technology (including its implementation on platforms other than Win32). He has recently added Java development to his skills. Mr. Golec also possesses experience in setting up desktop systems and networks and in the design of custom database solutions. He is always seeking to upgrade his skills and knowledge. Mr. Golec's innovative ideas combined with his strong leadership skills outline the direction of CyberCom growth.

During his career Mr. Golec has successfully developed and implemented the following accomplishments:

- Produced a number of desktop and file systems utilities for DOS and MS Windows 3.1
- Implementation of the asynchronous pluggable protocol for a transparent local/remote course file access
- Wrote numerous file (mostly graphic) format conversion utilities
- Produced an Internet enabled multimedia playback engine for NAIT
- Developed a QuickTime ActiveX Control
- COM implementation of the ZLIB compression library
- Designed and implemented a compressed graphic format supporting multilingual labelling
- Designed and implemented CyberCom HyperGraphic streaming file format
- Designed and implemented a prototype of an on-line examination system (streaming format designed for the high-latency networks such as Internet)
- Designed and prototyped an examination server
- Developed a number of ActiveX components as well as Netscape plugins as a part of implementation of CyberCom technologies

Tom Bencic – President, Director and Project Manager

Mr. Bencic, age 39, first graduated from the Northern Alberta Institute of Technology in 1983 in Power Engineering Technology and currently holds a 2nd Class Engineering Certificate. He maintains a high level of technical and academic knowledge and is an innovative individual who adds a technical outlook to CyberCom. Mr. Bencic has been employed since 1982 by Glenrose Hospital as an engineer.

As a co-founder of CyberCom, Mr. Bencic provides leadership in his role as Project Manager. His main goal is to ensure that all projects are efficiently coordinated to allow completion within the projected budget and time schedule. Mr. Bencic was project manager for the NAIT Plant Technology Engineering project and the NAIT Sight Testing course.

Mr. Bencic also has expertise as a contract negotiator. Mr. Bencic is currently serving on the board of directors for three publicly traded Vancouver companies.

Richard W. Warke - Director

Mr. Warke, age 40, has been involved in all aspects of the operation of public companies for the past fifteen years. He has been responsible for obtaining financing for a group of public companies, principally engaged in mineral exploration. He has engaged in investor relations with the investment community and has been control person for a number of public companies, engaged in all aspects of management, administration, public relations, finance, acquisitions, supervision of exploration and drilling programs. While mostly involved in mineral exploration ventures, Mr. Warke has also had exposure in the forest industry through a plywood manufacturing facility and logging operation.

Philip Yee - Chief Financial Officer

Mr. Yee, age 37, received a bachelor of commerce degree in 1986 from the University of British Columbia and has over 10 years of accounting and consulting experience. He is a certified public accountant with the Washington State Board of Public Accountants (1997).

In addition to the foregoing management, the following persons will continue as part of the management of Augusta/CyberCom after the Acquisition:

Donald B. Clark - Director of Augusta

Mr. Clark, age 58, has spent 28 years in the Canadian banking industry, engaged in all aspects of retail and commercial banking. His last position was as Manager of a commercial branch where he had full responsibility for development, marketing, growth, portfolio management of commercial loans and deposits, dealing with a wide range of industrial, commercial, natural resource and individual clientele. He was also ultimately responsible for administration of the branch. Following this, Mr. Clark spent three years as Chief Executive Officer of a publicly traded manufacturing company. Prior to joining Augusta, he spent five years as President and Chief Operating Officer of a niche merchant banking operation engaged in investment in companies which they assisted to become publicly traded. Mr. Clark was engaged in the analysis, acquisition/investment and monitoring of these companies, as well as the day-to-day supervision of the merchant bank operation. Mr. Clark has been a director of a number of public companies.

Key employee group:

Bruno Enderlin - Designer

Bruno Enderlin is the President and Founder of PlaceDesArts. His ability to create unique graphic and interface designs has won him many awards. As a Creative Director and Head Artist he developed his skills of both traditional art and computer design tools to a high level. Mr. Enderlin has studied in a wide variety of fields including mechanical engineering, industrial design, fine arts, and graphic design. This broad base of experience has given him an understanding of the functionality and visual appeal of various new media products. Mr. Enderlin was a founding member of a successful multimedia company in Edmonton.

Keith Gibbons – 3D Graphic Artist

Mr. Gibbons brings to CyberCom a strong knowledge of the computer industry and an advanced skill-set in computer-aided illustration and graphic design. With over 6 years of related experience in the graphic design and illustration market, Mr. Gibbons is among the top 3D multimedia artists in the industry. Graduated in 1996 with honours and distinction from the University of Alberta, Mr. Gibbons received a Bachelor of Commerce degree specializing in computer application development and technology marketing.

Organizational Structure

Current Personnel

Patrick Golec	Chief Executive Officer and Lead Programmer
Tom Bencic	President and Project Manager
Philip Yee	Chief Financial Officer and Secretary
Bruno Enderlin	Designer
Keith Gibbons	3D Graphic Artist
Jason Tremoyne	Programmer
Matthew Hilliard	Programmer
Wei Ye	Programmer
David Lumir	Graphic designer
Javed Ally	Programmer
Beata Golec	Office Administrator

The above personnel are employed by CyberCom on a full-time basis, except for Messrs. Enderlin and Gibbons who are contracted on a part-time basis.

Department	Employees/Contractors Current	Employees/Contractors Projected
Development	5 / 1	7 / 1
Service	2 / 7	5 / 5
Administration	1 / 0	2 / 0
Information Technology	1 / 0 (part time)	1 / 0
Sales/Marketing	0 / 0	2 / 0
Total	9 / 8	17 / 6

Planned Hires

CyberCom plans to hire the services of a senior sales and marketing person by July 15, 2000, to perform/oversee all sales and marketing efforts in launching CyberCom Author 2000 and all other sales and marketing efforts for existing products.

Products and Services

Computer Based Training Products

The PT CD was developed under contract for NAIT over a period of nine months. The PT CD consists of one CD with nine subsections aggregating 93 training modules that is sold for US$499.

The nine subsections are as follows: Boiler Technology; Heating Boilers; Refrigeration and Air Conditioning; Electricity; Steam and Gas Turbines; Chemistry and Waste Treatment; Safety and Administration; Applied Sciences; and Digital Steam Tables.

The CD itself includes: text; 3D illustrations; 3D demonstrations; video clips with and without audio; technical diagrams; photographs; 360 degree virtual reality objects; interactive study modules; study and exam questions; interactive learning puzzles; online games; drag and drop labelling games; and completely printable course material (both text and graphics through Adobe Acrobat pdf files). Textual content of this course is approximately equivalent to 2,100 letter sized pages of printed material.

Additional products developed by CyberCom are as follows:

Sight Testing Course for Opticians on CD-ROM - Consists of 10 modules comprised of text, animation, video, and virtual reality clips, which represents the equivalent of approximately 1,000 letter size pages of printed material. Fully Internet ready.

Food Processing Equipment Technician Course - A 50/50 joint venture with Northern Alberta Institute of Technology. The course is basically completed. The operators of the equipment found in food processing plants will utilize this course.

Multimedia Textbook Conversion

CyberCom, through its agreement with IX and Reidmore, is in the process of converting three of Reidmore's approximately 30 textbooks to a multimedia format. CyberCom is capable of converting the text and still photographs included in a textbook to a CD ROM and Web based format within approximately two weeks. Development and integration of 3D graphics, virtual reality and video takes an additional two to three weeks. Management of CyberCom believes that its ability to convert textbooks to multimedia within two weeks is a direct result of its development and use of the CyberCom Authoring Tools.

As with the CBT products above, and dependant on the clients request, each textbook conversion includes the addition of interactive games, learning tools, online examinations, etc.

Stand Alone Software Applications

As an outgrowth of CyberCom's work in the CBT and textbook conversion areas, CyberCom developed the CyberCom Authoring Tools. In 1998, CyberCom made a decision to begin developing a user interface such that the CyberCom Authoring Tools could be sold as a stand alone software package. CyberCom currently refers to this set of multimedia development tools as CyberCom Author 2000.

The CyberCom Author software application has been designed to allow non-technical users to use a menu-driven approach to allow them to combine audio, video, text and graphics into whatever customized training program they want to construct or to create multimedia versions of existing books. The premise of CyberCom's approach is that if constructing multimedia projects is made easy enough, the actual trainers and non-technical users can compose very tailored and specific training courses on a variety of subjects or easily transfer books to multimedia CD ROMs. At the same time, CyberCom can use the CyberCom Author software as a tool to construct customized CBT-based training programs for companies as it has done with some of its clients and efficiently convert textbooks to multimedia.

CyberCom Author 2000 is designed for use by educational institutions, instructors, corporate trainers and large corporate clients to allow for the development of web and CD ROM based multimedia documents. It allows users to drag and drop video, graphics, text and voice files into a multimedia format and to easily integrate all aspects. CyberCom is currently in the final stages of designing the user interface and plans to complete development of CyberCom Author 2000 in July of 2000.

CyberCom has also developed an Active X QuickTime Control product that is a multimedia control that plays back Apple QuickTime movies and over 200 digital media formats (including Flash animations). This product is used mainly by software developers to easily add multimedia capabilities to their applications.

CyberCom's planned second software release is CyberCom EBook. CyberCom EBook is an application with similar features to CyberCom Author 2000. CyberCom EBook is being designed to allow for the simple conversion of hard copy books into multimedia format suitable for both online and CD ROM delivery.

Principal Product

CyberCom Author 2000

Objectives and Scope

In connection with CyberCom's main goal of developing CyberCom Author 2000 software, CyberCom will seek to conceptualize and develop a set of multimedia "courseware" authoring tools that will:

- Significantly simplify and speed up the development of multimedia titles, in particular when dealing with a high volume of course material or content.
- Significantly lower the overall production cost of such titles.
- Enable content experts with only a basic knowledge of computers to develop multimedia-training materials.
- Provide the core functionality of multimedia titles including interface graphics, search engines, navigation tools, printing capabilities, and help files, effectively eliminating the requirement for programming or scripting.
- Enable a smooth, natural, and cost-effective transition from the existing paper-based formats used by most institutions to a digital multimedia format (CD-ROM, Internet, etc.)
- Ensure the greatest possible compatibility with existing systems and technologies, and possibly even providing a set of migration tools to convert existing systems to the CyberCom Author 2000 system.
- Provide a simple and consistent asset management tool, i.e. all valuable and often reusable multimedia components will be easily managed in a database-like manner; moreover, well organized libraries of multimedia components can be used and created by the CyberCom Author 2000 authoring environment.
- Improve the quality and educational value of the titles produced.

- Enable operation over high-latency (slow!) networks, such as the Internet, while providing an alternate, "hybrid" mode of operation, whereby large multimedia elements such as video, animations, and sound are delivered on CD-ROM.

Technical Background and Strategy

The most widely used multimedia authoring systems available on the market today include the applications Macromedia *Director*, Macromedia *Authorware*, and Asymetrix *ToolBook*. Each of these software tools provides a set of extremely powerful features designed to aid in the development of multimedia presentations, ranging in nature from entertainment titles to educational applications. These tools enable the author to customize the "look and feel" of the multimedia presentation to almost any extent, and provide the author with the proprietary scripting languages necessary to implement most of their functionality. It should be noted, however, that the above-mentioned software packages require trained programmers to fully utilize these features. The degrees of training required depend on the program, but each requires at least a modest knowledge of computer scripting (programming). This is where the management of CyberCom believes that the CyberCom Author 2000 will find its niche. The main advantage of the CyberCom Author 2000 will be the elimination of the requirement for using trained programmers to create multimedia. CyberCom's management believes that CyberCom Author 2000 will sharply reduce the cost and development time of multimedia.

There are several key factors supporting the development of a new multimedia authoring system, namely targeting the publishing and educational industries and addressing the technological limitations of the existing authoring solutions.

Development Time

At present, the development of even a simple multimedia course or conversion of a book requires the expenditure of a great deal of time and money. One of the key expense factors involved is media production – multimedia titles are usually comprised of a richer variety of media than are their paper-based cousins. Examples of such media include hypertext, sound effects, music, animation, video, graphics and interactive diagrams. Unfortunately, there is little that can be done to reduce the time and money spent on preparing these media elements, other than using stock libraries, cliparts, hiring more staff and/or increasing the efficiency of the existing personnel.

The other major factor contributing to the excessively long development cycle is the computer programming time required to piece together a finished product. A completed project will include, among other things, **interface graphics** whereby text and graphics are displayed for maximum impact, **navigational icons** by which users can quickly and efficiently navigate the course material, and **search engines**, by which users can locate key information. Current authoring programs lack the tools that will allow the quick assembly of these multimedia elements into a well-organized and easily navigable unit.

CyberCom's management believes that CyberCom Author 2000 will greatly reduce the time and money required to realize the completion of the computer programming and develop standard multimedia functionality (interface graphics, help files, etc.) .

Software Operation Learning Curve

Another key factor contributing to difficult and expensive development cycles is the lack of complete tool-set that will allow content experts with only basic computer knowledge to assemble the content themselves. There are many tools on the market that claim they have means of creating educational multimedia with "no programming"; however, most of these claims cannot be substantiated. In fact, the leading tools, Macromedia *Director* and Asymetrix *ToolBook*, require a considerable knowledge of programming as most of their functionality is achieved by means of user programmed scripts. The learning curve associated with this level of scripting puts multimedia development well beyond the reach of most educators and content developers. By simplifying the development process, and by providing "already made" core functionality and features, CyberCom's management believes that CyberCom Author 2000 will empower the content experts to assemble their own multimedia courses. Armed with all the building blocks (the various media elements including graphics, text, etc.) the content experts will be capable of developing multimedia mostly by means of sophisticated *Wizards* (automated procedures that can perform complex tasks) and/or simple drag-and-drop operations. Users of CyberCom Author 2000 will not be required to type a single line of script or programming code.

Asset Management

An overwhelming amount of work is typically invested in producing even a medium sized multimedia title. Many of the media elements produced during the development process are highly reusable. However, CyberCom's management believes that many of the existing systems do not provide sufficient asset (media element) management capabilities. The media assets incorporated into a system lacking proper asset management utilities are often entirely consumed by the authoring environment – severely limiting the reusability of the media elements. Cybercom Author 2000 is being developed with excellent media element management capabilities inherent to its sophisticated storage system that allows a smooth retrieval and manipulation of multimedia components. It means that any media components such as graphics, movies used for the development of one title can be easily removed and reused for another project or replaced by different one that is more suitable. The ease of changes is a major advantage of CyberCom Author 2000, as up to now it is the only application on the market that automates the assembly of multimedia components. Each of the existing authoring tools have a "page by page" approach to the development of the product, thus once the page is produced it cannot be changed without substantial expenditure of time. CyberCom Author 2000 has more holistic approach to design; the media components are assembled by authoring environment, stored within a storage system and viewed by runtime environment. With this design philosophy, a page of the multimedia application is just one of the possible outcomes that can be manipulated, not a center of design as is the case with any other authoring tools currently on the market.

Internet Readiness

With its unprecedented growth in popularity, the Internet has become, for many people, the solitary reason for purchasing computer hardware and to a lesser extent computer software. The Internet is a power medium for the delivery of many types of information. New uses for the Internet are being developed and exploited each and every day. The Internet, however, has certain limitations, the most prominent of which is bandwidth limitation. Essentially, the Internet is a massive infrastructure of individual computer systems joined together by various wire and optical cables. Unfortunately many of these computer systems, wires and cables are limited in their ability to transport data. These limitations, related to the speed at which each computer, wire, and cable can transport information, are referred to as *bandwidth limitations.* In terms of multimedia delivery these limitations present serious problems. The graphics, videos, sound files, and animations contained within multimedia products require enormous amounts of time to travel over the Internet. CyberCom's management believes that CyberCom Author 2000 addresses this problem by supporting a hybrid delivery. Large multimedia components such as movies, graphics, and sound files are stored within the storage system that resides on the local computer or LAN while small components such as text can be delivered over Internet. CyberCom Author 2000 is designed from the ground up with the Internet in mind. The authoring and runtime CGI components were designed specifically for access over the Internet, thus many users can work from the HTTP servers that host CyberCom Author 2000. The product of their work will be immediately accessible to the other members of the group that work on the same project or to the other viewers. This solution permits an immediate update of the information and ensures every student/member of the group has immediate access to uniform information.

Future Developments

The CyberCom will continue to develop new products once the development of the CyberCom Author 2000 product has been generally completed. Initially the new products will support CyberCom Author 2000, with development to occur in the twelve month period commencing September 2000. Costs will be covered from the proposed September 2000 financing and internal cash flow generated. The projects include:

CyberCom Exam

CyberCom Exam will provide a robust, uniform examination/evaluation system that can either be used as a stand alone evaluation tool or easily integrated with the existing training materials. As a stand alone component it can be easily integrated into any application, including all leading authoring environments. The "exams" can be easily accessed over the Internet. Upon completion, results can be submitted to the server and evaluated, and then optionally be returned to the student and/or stored in the database residing on the server side.

User Management

User Management similarly to CyberCom Exam can either be used as a stand alone tool or can be integrated into the existing training material. It will address three areas of user management. The first area is progress tracking, providing the information on: (a) the number of sections the training student has completed; (b) exams/tests that have been taken after completion of the learning modules; (c) what were the scores at the subsequent attempts; and (d) how many attempts a student has made before achieving a satisfactory level. The second area is activity tracking, providing the administrators with the information on the current status of the student, which section of the training the student is working on, and how much time was spent on particular sections and pages during the subsequent logins. The third area deals with different levels of access for particular users. For example, the author, administrator, and student will be assigned the electronic identity that will allow them to use or modify the training material to the respective extent permitted.

Video Conferencing - Synchronous Learning

Aimed at colleges and universities, this product will provide for content creation and display, combined with synchronous learning features. For example, the instructor would be live in the virtual classroom with ability to communicate with the students via the Internet in real time. The ability to access the instructor and the fellow students to exchange ideas, and clarify the difficult concepts is very important for the success of e-learning. It brings the human touch to cyberspace. It can be achieved by introduction of e-mail, chat rooms and video conferencing systems into the e-learning packages.

Proprietary Protection

CyberCom anticipates that it will obtain the proprietary protection that is generally standard procedure in the software development industry. This entails providing a serial number and product key for each product developed. It is CyberCom management's opinion that there is no sure way to protect software and if a developer proceeds with every precautionary method of protection, it frequently results in customer dissatisfaction.

Operations

CyberCom develops the software and upon completion subcontracts the production of CD ROMs to a third party, of which there are many available. Cost per CD ROM is less than $1.00. Any raw materials required by the subcontractors are readily available.

The main requirements for the production of software are skilled programmers, graphic artists, designers and computer equipment. CyberCom has or has access to sufficient skilled personnel to develop its products and services for the foreseeable future. CyberCom also has sufficient computer equipment for its existing personnel. Additional equipment for new personnel would not exceed $25,000.

Since inception CyberCom has been dependent on a limited number of clients at any given time. However, this is largely due to the type of business conducted to date. As the CyberCom develops and sells software to the wider market their customers will become widely diversified.

Market

Overall Objective

To devise a successful marketing campaign that will advertise and promote the software in specific target markets including educational institutions, content providers, multimedia companies, training organizations, publishing firms, and companies offering internal training programs.

Market Survey

While a detailed market survey has not been completed at this point, Augusta has commissioned a market study to determine:

1. The competition and how to differentiate Cybercom Author 2000 from competitors products.
2. Which market segment would be most easily and quickly penetrated.
3. The best business model with recommendation for distribution.
4. The recommended product(s) to address the market segments.
5. Recommended product pricing.
6. Revenue projections for a 5 year period.

Cost of this market survey is approximately $22,500.

To date CyberCom's survey has been restricted to direct communication with existing and potential customers. This involved dealings with a number of schools, colleges, universities, publishers and corporate clients. CyberCom has found that all of the Canadian post secondary institutions are experiencing major government funding cut-backs and budgets have been reduced in all areas of education. They have been encouraged to generate supplemental forms of income. Many Canadian post secondary institutions such as NAIT, have been very aggressive in this area, where they intend to update a number of courses, converting them to multimedia format enabling the expansion of their present distance learning programs to larger markets, generating additional revenue.

CyberCom has also seen the corporate sector, including publishing companies, wanting to increase their current market share by expanding into the multimedia markets. CyberCom is currently undertaking one such project where three text books are being converted into multimedia format for a publishing company on a revenue sharing basis.

CyberCom's management believes that a product such as the CyberCom Author 2000 software would be a unique and simple solution for each of the aforementioned scenarios. The CyberCom Author 2000 authoring suite would grant each of the corporations and educational institutions the ability to convert millions of pages of paper-based material into multimedia form. Corporations and educational institutions would all greatly benefit from this new technology.

Educational Facilities in Canada

The following is based on information from Statistics Canada.

Elementary and Secondary Schools:	**16,249** with the enrollment of **5,363,245** students.
Community Colleges:	**203** with the enrollment of **365,065** students.
Universities:	**69** with the enrollment of **585,200** students.

CyberCom's management estimates that there are **106,000** educational facilities located in the United States.

Marketing Plans and Strategies

Local

Strategic alliances with primary, secondary and post secondary educational institutes will be a major success factor in pursuing the successful development and testing of the software. By opening channels of communication with the end-users, input and guidance can be leveraged early in the process to help develop a product that is best suited for the target market. This will also encourage a strong commitment from each educational institute to provide continuing input into the refinement and growth of the finished product, and will presumably provide a solid foundation for initial sales. An alliance relationship with educational and training institutions will also provide us with strong testing groups, which will result in a successful marketing demonstration of the software.

Several schools, including NAIT and CyberSchool (a distance learning junior and senior high school based in St. Albert, Alberta) have already volunteered their services as product test beds. These institutions will be used as beta testing facilities and should add credibility to CyberCom's program in the developmental stages, allowing continual site testing to showcase CyberCom's software. CyberSchool has also indicated that it will use the software upon the successful completion of the CyberCom Author 2000 system. The software can then be transferred and provided to other junior and senior high schools in different districts within Canada.

CyberCom's market feedback continuously shows there is a void in this area as CyberCom's management had many discussions with post secondary educational institutions including: Northern Alberta Institute of Technology (NAIT), Southern Alberta Institute of Technology (SAIT) and Athabaska University within the Alberta regions. CyberCom has been in extensive negotiations with NAIT and SAIT and both have indicated the would be willing to sign an agreement of intent to use the beta version product until it is fully developed and operational. They have also indicated a very strong need for this type of software product and are encouraging CyberCom to complete the software as soon as possible. They have also expressed interest in buying the site license agreement at the present time for the use of the prototype version as well as the completed software site license when fully developed.

National and International

CyberCom's sales strategy will continuously evaluate each program based on effectiveness and cost efficiency. They are as follows:

Promotion to specific markets will be done through direct contact. This will be achieved through the purchasing of specific databases and contacted by direct mail, by contracting with marketing and distributions firm or a salesperson(s) to offer CyberCom's products.

Attendance at trade shows.

Advertisement in trade publications.

The CyberCom Internet Web site will provide current information for CyberCom's products and services. Demonstration module(s) can be downloaded for evaluation purposes and customers will be able to place orders on line. CyberCom will also be using the Internet to link CyberCom's Web site to other sites related to educational multimedia.

Main Target Market

The intent is to broadcast throughout the education field worldwide that CyberCom Author 2000 is a unique and new authoring software package designed to allow inexperienced computer users to build powerful, educational multimedia titles. In this light, the marketing strategy focuses on contacting those individuals directly involved with education summarized as follows.

Board of Education Presidents
Board of Education Superintendents of Schools
College and University Presidents, Department Chairman, Deans and Professors
Grammar and High School Administrators (K-12)
Grammar and High School Teachers (K-12)
Executives of College and University Administration
Athletic Coaches
Alternative Education Schools (Montessori, etc.)

Marketing Methods

Step 1 - Direct Mailing

The first step in the marketing plan would be to send promotional literature through direct mail lists for Canada and the USA. Depending on the size of the mailing piece, typical direct mailing costs would range from $0.50 to $1.00 each. There are many mailing lists to choose from, a brief selection, representing approximately 1.7 million names, follows:

<u>Direct Mailing Lists</u>

Market Data Retrieval - Education Database (900,000 names)
Active School Database (800,000 names)
College and University Administrators (66,077)
Alternative Education Resource Organization (7,500 names)
American Educators, Administrators and Officials (150,965 names)
American Schools Administrators College University (62,400 names)
American School Administration Secondary Education (31,900 names)

Step 2 - Media Advertising

Media advertising in professional and trade journals would be the second step in the marketing plan. Advertising costs would range from $1,000 to $3,000 per journal issue. At an average cost of $2,000 and two ads per month, the annual cost for media advertising would be $48,000. A selected list of education related journals follows:

<u>Journals for Media Advertising</u>

American School Board Journal, circulation 51,112
American School and University, circulation 54,705
Education Week (USA), circulation 44,435
Harvard Educational Review, circulation 5,286
Harvard Educational Letter, circulation 9,472
Media and Methods (American Society of Educators), circulation 8,000
Multimedia Schools, circulation 9,328
ASEE Prism (American Society for Engineering Education), circulation 12,000

Step 3 - Education Societies Seminars, Conferences and Exhibitions

The third step of the marketing plan involves communication through education societies. This would be accomplished through newsletters aimed at the society members, as well as attendance at annual society seminars, conferences and exhibitions, the latter involving a trade booth display. Annual newsletter expenses would be capped at $50,000, with trade show exhibition costing approximately $20,000 per exhibition. The *Bureau of Education and Research* tracks over 275,000 attendees at educational related seminars and trade shows each year. A list of a few education societies follows:

<u>Education Societies</u>

American Society of Educators (8,000 members)
National Business Education Association (20,003 members)
American Society for Engineering Education (10,000 members)
National Association for College Admission Counselling (6,400 members)

<u>Channels of Distribution</u>

Distribution would be handled worldwide selling directly to retail markets in Canada, USA, and a number of countries.

Country	Number of Distributors
Canada	3
USA	6
European Community	1
Middle East	1
Australia	1
Singapore	1
Korea	1
South America	1
Mexico	1

Source of Market Data

Market data has been gathered from many sources, however, CyberCom does employ a single source international mailing list broker. A brief list of some of the market data sources follows.

Bureau of Education and Research (278,500 seminar attendees)
Cambridge Research Group, Ltd. (32,062 educational mail order clients)
Alpha Omega/Bridgestone Multimedia Group (home school market, 308,400 product buyers)
McGraw-Hill Home School Education (267,885 product buyers)
International Correspondence Schools, Division of National Education Corp. (312,000 US buyers)
Multimedia Tutorial Services (368,136 product buyers)
Market Data Retrieval (900,000 college faculty and administrators)

Industry Analysis

In the young, highly technical field of computing, where advances in technology are extremely rapid, the life expectancy of an average software product is approximately six months to one year. The life of software products can be extended indefinitely through the addition of product upgrades and enhancements, marketed separately to the public on an annual or semi-annual basis. Other computer companies can develop this product but it is very time consuming and costly, as it takes up to 2 years to develop a product such as CyberCom Author 2000 with significant developmental costs.

Market trends in the U.S. and Canada both have indicated a need to develop a tool that teachers and instructors can easily operate to put the computer technology to effective use. Until now no one has addressed this need effectively. There is a definite potential opportunity for a programming tool that would be subject to periodic upgrades and enhancements.

Distribution Patterns

Most educational products are distributed and purchased locally through their governing bodies. Each school may purchase any product that meets the curriculum and the criteria that are recommended by each local school board. Colleges, Technical Institutions and Universities have the authority within every department to purchase software as long as it meets the government criteria and is approved by the computer department. Corporations, mainly publishing and training firms that normally distribute text, will distribute the data through CyberCom's software on a national and international basis.

Competitive Forces

While CyberCom Author 2000 will likely face fierce competition from large companies such as Macromedia and Asymetrix, CyberCom's management believes that CyberCom Author 2000 will find its market niche. CyberCom does not intend to compete with these companies for the wider multimedia authoring tools market. CyberCom's target market is entirely vertical and covers mainly educational institutions, corporate trainers, and publishing companies in need of creating content-centric rather than multimedia-centric titles. CyberCom's management does not expect a great deal of success in the lower grades of the primary school. Typically, a great deal of customization of relatively very low-volume content is required in the early grades of the primary school to make the content effective and attractive to the young students – the game-like approach renders far superior results in these circumstances. While, technically, CyberCom Author 2000 would be able to handle this degree of customization by interfacing with the presentation designed, for example, in *Director*, it would complicate the development cycle rather than simplify it. CyberCom's management fully expects a wide acceptance of CyberCom's technology among schools, colleges, in the corporate CBT settings, as well as among selected paper-based materials publishers. Based on the feedback from CyberCom's market information to date, CyberCom expects to steadily gain an increasingly large portion of that market. Thanks to its Internet capabilities, the CyberCom Author 2000 software is a natural choice for creating multimedia intended for distance delivery. CyberCom's management believes that CyberCom will capture a considerable percentage of this market as well. Northern Alberta Institute of Technology (NAIT), Athabasca University, Cyber School, and International Correspondence School (ICS) are among the institutions with an immediate application for CyberCom's software and have indicated their willingness to participate in the alpha and beta test cycles of the product.

Administration

The combined estimated administration costs of Augusta and CyberCom for the twelve month period following the completion of the Acquisition are an aggregate of $390,000 with an average monthly cost of $32,500. An estimate breakdown of these costs is as follows:

	Monthly	12 months
Personnel - Administration	$6,000	$72,000
Office Space and Supplies	$7,000	$84,000
Corporate Travel	$8,000	$96,000
Professional fees	$5,500	$66,000
Equipment	$2,000	$24,000
Communications	$2,000	$24,000
Regulatory filings	$2,000	$24,000
Total:	$32,500	$390,000

Risk Factors

Investment Risk

Investments in small businesses involve a high degree of risk and investors should not invest any funds in CyberCom unless they can afford to lose their entire investment.

No Regulatory Review of Information Circular

No securities commission or similar regulatory authority has reviewed this Information Circular.

No Operating History

The acquisition by Augusta of CyberCom Systems Inc. will bring Augusta into a new and developing business in which it has no operating history upon which an evaluation of its operations can be made. CyberCom and its business prospects must be considered in light of the risks, expenses and difficulties frequently encountered in the establishment by a company of a new business in an emerging and continually evolving market. There can be no assurance that CyberCom will be able to implement successfully its marketing or operational strategy, generate revenues or achieve profitable operations.

Competition

Many of the companies with which CyberCom will compete are better capitalized and have more operating experience than CyberCom. Continued and increased competition could result in reductions in product and service revenue projections, reduced margins or loss of market share, any of which would have a material adverse effect on CyberCom's business, results of operations and financial condition. It is expected that this competition will increase because there are no substantial barriers to entry in its market. Competition may also increase as a result of industry consolidation. As a result of these or other factors, CyberCom may not be able to compete successfully. CyberCom's ability to compete depends on many factors which are outside of its control. These factors include the quality of products and services provided by CyberCom and by its competitors, the ease of use of products developed either by CyberCom or by its competitors, the timing and market acceptance of new and enhanced products developed either by CyberCom or its competitors, and sales and marketing efforts by CyberCom and its competitors. Many of CyberCom's competitors will have longer operating histories, greater name recognition, large customer bases and significantly greater financial, technical and marketing resources than CyberCom does. This may allow them to devote greater resources than CyberCom can to the development and promotion of their products. These competitors may also engage in more extensive research and development, adopt more aggressive pricing policies and make more attractive offers to existing and potential employees, distribution partners, and advertisers. CyberCom's competitors may develop products and services that are equal or superior to those offered by CyberCom or that achieve greater market acceptance than those offered by CyberCom. In addition, current and potential competitors have established or may establish cooperative relationships among themselves or with third parties to increase the ability of their products to address the needs of the customers. As a result, it is possible that new competitors may emerge and rapidly acquire significant market share. To be successful, CyberCom must continue to enhance its products and services or develop new ones.

Product Recognition

To attract customers CyberCom must develop a product identity and increase awareness of the products and services it offers. To increase product awareness and revenue, CyberCom intends to substantially increase its offline and online advertising and promotional efforts. CyberCom's marketing activities may, however, not result in increased revenue and, even if they do, any increased revenue may not offset the expenses incurred in building product recognition. The promotional efforts required to successfully implement CyberCom's business plan may require expenditures beyond the financial resources available to CyberCom. Moreover, despite these efforts CyberCom may be unable to increase awareness of its products which would have an adverse effect on the results of operations of CyberCom.

Dependence on Outside Agents

CyberCom's success will also depend, to a significant extent, upon the ability to develop strategic alliances with educational institutions, content providers, multimedia companies, publishing companies, training organizations, and companies offering internal training programs. Furthermore, the market penetration for CyberCom's products and services will heavily depend on the quality of their relationships with their current and future customers. There can be no assurance that such alliances will develop or that they will prove successful over the course of CyberCom's future operations.

The Internet is Subject to Rapid Changes, Which Could Result in Significant Additional Costs

The market for Internet products and services is characterized by rapid change, evolving industry standards and frequent introductions of new technological developments. These new standards and developments could make the existing or future products obsolete. Keeping pace with the introduction of new standards and technological developments could result in significant additional costs or prove difficult or impossible for CyberCom. The failure to keep pace with these changes and to continue to enhance and improve the responsiveness, functionality and features of CyberCom's products could harm CyberCom's ability to attract and retain customers. Among other things, CyberCom will need to license or develop leading technologies, enhance its existing products and develop new products and technologies that address the varied needs of users.

Uncertain Markets; Unproved Acceptance of CyberCom's Products

The proposed business of CyberCom is focussed on a market niche that has never been fully addressed, and hence its operations are subject to a high level of uncertainty and risk. As the market for CyberCom is evolving, it is difficult to predict the size of the market, the future growth rate, if any, or the level of prices the market will pay for CyberCom's products (i.e. the market's price elasticity). There can be no assurance that the market for CyberCom's products will emerge to a profitable level or be sustainable. There can be no assurance that any increase in marketing and sales efforts will result in a larger market or increase in market acceptance for CyberCom's products. If the market fails to develop, develops more slowly than expected or becomes saturated with competitors, or if CyberCom's products do not achieve or sustain market acceptance, CyberCom's proposed business, results of operations and financial condition will be materially and adversely affected.

Intellectual Property Protection

CyberCom has not and does not intend to make any patent applications for any of its products. Furthermore, the possibility exists that CyberCom could be found to be infringing on patents, trademarks, service marks or copyrights held by others. CyberCom's use of trademarks, service marks, trade names, slogans, phrases and other expressions in the course of its business may be the subject of dispute and possible litigation. Any changes could result in confusion to potential customers and may negatively affect CyberCom's business and goodwill.

Product Liability

Although CyberCom has not experienced any product liability claims to date, the sale and support of products by CyberCom may entail the risk of such claims, and there can be no assurance that CyberCom will not be subject to such claims in the future. A successful product liability claim brought against CyberCom could have a material adverse effect upon CyberCom's business, operating results and financial condition. Insurance in respect of such claims is difficult and costly to obtain and CyberCom does not presently carry insurance against such risks.

Technological Change

The technical features of CyberCom's products will in large part determine the marketability of the products. There can be no assurance that current competitors or new market entrants will not succeed in developing and introducing new or enhanced products having technologies and features superior to, or more effective than, any technologies which have been or are being developed by CyberCom, rendering CyberCom's proposed products obsolete or less marketable. Accordingly, the ability for CyberCom to compete will be dependent on the timely enhancement of its existing products as well as the development of future products. There can be no assurance that CyberCom will be able to keep pace with technological developments, or that its products will not become obsolete. Technological obsolescence of CyberCom's products would have a material adverse affect of CyberCom's operations.

Government Regulation

CyberCom is not currently subject to direct regulation by any government agency, other than applicable securities laws and regulations applicable to business generally. There can be no assurance that new legislation or regulation will not be enacted or that the application of laws or regulations from jurisdictions whose laws do not currently apply to CyberCom's business will not subsequently become applicable.

Directors' and Officers' Involvement in Other Projects

Certain of the directors and officers of CyberCom will not be devoting all their time to the affairs of CyberCom, but will be devoting such time as required to effectively manage CyberCom. Some of the directors and officers of CyberCom are engaged and will continue to be engaged in the search for assets or business prospects on their own behalf or on behalf of others. No members of management have entered into non-competition agreements with CyberCom. See "Directors, Officers, Promoters and Principal Holders of Securities".

Conflicts of Interest

Certain of CyberCom's directors and officers serve as directors or officers of other reporting companies or have significant shareholdings in other reporting companies and, to the extent that such other companies may participate in ventures in which CyberCom may participate, the directors of CyberCom may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of CyberCom's directors, a director who has such a conflict will abstain from voting for or against the approval of such a participation or such terms. Under the laws of the Province of British Columbia, the directors of CyberCom are required to act honestly, in good faith and in the best interests of CyberCom.

Dependence Upon Key Personnel

The loss of the services of one or more of CyberCom's executive officers could have a material adverse effect on CyberCom's business, operating results and financial condition. There can be no assurance that CyberCom will be able to retain its key personnel. Additions of new, and departures of existing, personnel, particularly in key positions, could have a material adverse effect upon CyberCom's business, operating results, and financial condition. CyberCom's future performance depends significantly upon the continued service and performance of CyberCom's executive officers. CyberCom's future success also depends on its continuing ability to attract and retain highly qualified technical, sales, financial and managerial personnel. Competition for such personnel is intense, and there can be no assurance that CyberCom will be able to retain its key technical, sales, financial and managerial employees or that it will be able to attract, assimilate or retain other highly qualified technical, sales, financial and managerial personnel in the future.

Management of Growth

While management believes that it will experience growth in the number of its employees and the scope of its operating and financial systems, resulting in increased responsibilities for CyberCom's existing personnel, the hiring of additional personnel and, in general, higher levels of operating expenses. In order to manage its current operations and any future growth effectively, CyberCom will also need to continue to implement and improve its operational, financial and management information systems and to hire, train, motivate, manage and retain its employees. There can be no assurance that CyberCom will be able to manage such growth effectively, that its management, personnel or systems will be adequate to support CyberCom's operations or that CyberCom will be able to achieve the increased levels of revenue commensurate with the increased levels of operating expenses associated with this growth.

Sales and Marketing Experience

The management of CyberCom is relatively inexperienced in the sales and marketing expertise of a company in the computer software industry. CyberCom will need to strengthen its sales and marketing team and there is no assurance CyberCom will be able to attract and retain the necessary expertise required to carry out the business plan and achieve profitable operations.

Marketing

CyberCom believes that establishing its products is an important aspect of CyberCom's efforts to attract and expand its customer base. Promotion and enhancement of the products will depend largely on CyberCom's success in providing high-quality products and services. In order to promote and maintain CyberCom's products, CyberCom may find it necessary to increase expenditures devoted to creating and maintaining product loyalty. There can be no assurance of the success or effectiveness of CyberCom's marketing efforts.

Confidentiality, Non-disclosure and Non-competition Arrangements

CyberCom relies on confidentiality, non-disclosure and non-competition arrangements with its employees, representatives and other entities engaged in joint product or business development with CyberCom, and expects to continue to enter into such agreements with such persons. There can be no assurance that these agreements will provide meaningful protection to CyberCom. There can be no assurance that other companies will not acquire and use information which CyberCom considers to be proprietary.

Additional Capital Requirements

CyberCom has and will continue to have capital requirements in excess of its currently available resources. CyberCom is dependent upon the proceeds of the proposed September, 2000 financing to further its development and expansion. In the event CyberCom's plans change, its assumptions change or prove inaccurate, or the proceeds of this financing and other capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, CyberCom could be required to seek additional financing sooner than currently anticipated. To the extent that any such financing involves the sale of CyberCom's equity securities, the interest of CyberCom's then existing shareholders could be substantially diluted. Failure to raise such additional capital could put the continued viability of CyberCom at risk and the market price of CyberCom's common stock would likely be materially adversely affected.

No Dividends

The payment of dividends on the common Shares of CyberCom is within the discretion of the Board of Directors and will depend upon CyberCom's future earnings, its capital requirements, its financial condition, and other relevant factors. CyberCom does not currently intend to declare any dividends on its Shares for the foreseeable future.

Exchange Rate Risk

CyberCom expects a portion of its operations to be based on sales and services rendered to customers in the United States. As a result, the financial performance of CyberCom will be affected by fluctuations in the value of the U.S. dollar to the Canadian dollar. At the present time, CyberCom has no plan or policy to utilize forward contracts or currency options to minimize this exposure, and even if these measures are implemented there can be no assurance that such arrangements will be available, be cost effective or be able to fully offset such future currency risks.

Existing Share Capital and Prior Sales

CyberCom

The authorized capital of CyberCom consists of 400,000,000 shares, divided as follows:

(a) 100,000,000 Class "A" common voting shares without par value;
(b) 100,000,000 Class "B" common non-voting shares without par value;
(c) 100,000,000 Class "C" common non-voting shares without par value; and
(d) 100,000,000 Class "D" preferred shares without par value,

of which 100,000 Class "A" common voting shares without par value are issued and outstanding as at June 6, 2000. There are no other classes of shares issued.

Designation of Security	Amount Authorized	Amount Outstanding as of December 31, 1999	Amount Outstanding as of June 6, 2000
Class “A” Common	100,000,000	100,000	100,000
Class “B” Common	100,000,000	Nil	Nil
Class “C” Common	100,000,000	Nil	Nil
Class “D” Preferred	100,000,000	Nil	Nil

During the 12 months preceding the date of this Circular, CyberCom has not issued any securities.

Augusta

The authorized capital of Augusta consists of 100,000,000 Common Shares without par value. All of the Augusta Common Shares are fully paid and not subject to any future call or assessment. All of the Augusta Common Shares rank equally as to voting rights, participation in a distribution of the assets of Augusta on liquidation, dissolution or winding-up of Augusta and the entitlement to dividends. The Members are entitled to receive notice of all shareholder meetings and to attend and vote at such meetings. Each Augusta Common Share carries with it the right to one vote.

The following sets out Augusta's existing share capital:

Designation of Security	Amount Authorized	Amount Outstanding as of January 31, 2000	Amount Outstanding as of June 6, 2000
Common Shares	100,000,000	3,037,244	3,037,244[(1)]

(1) A total of 1,465,000 Augusta Common Shares are also reserved for issuance pursuant to the exercise of Augusta incentive stock options, Augusta special warrants and other rights to acquire Augusta Common Shares. See " Fully Diluted Share Capital".

During the 12 months preceding the date of this Circular, Augusta issued the following Augusta Common Shares:

Date of Issue	Description of Issue	No. of Augusta Common Shares Issued	Issue Price per Share	Gross Proceeds
Dec. 3, 1999	Shares for Debt	1,134,315	$0.16 (deemed)	**N/A**

Price Range and Trading Volumes

The Augusta Common Shares are listed and posted for trading on the CDNX. The following table sets out, for the periods indicated, the high and low sales price and the volume of trading for the Augusta Common Shares during the periods indicated:

Period		High	Low	Volume
1998	First Quarter	$0.06	$0.02	1,355,001
	Second Quarter	$0.04	$0.02	813,832
	Third Quarter	$0.11	$0.02	51,007
	Fourth Quarter	$0.16	$0.10	81,582
1999	First Quarter	$0.14	$0.08	113,204
	Second Quarter	$0.14	$0.10	36,850
	Third Quarter	$0.30	$0.11	457,731
	Fourth Quarter	$0.30	$0.20	127,863
2000	First Quarter	$0.80	$0.37	1,980,396
	May	$0.44	$0.30	78,350
	June 1-2	$0.30	$0.30	1,288
	June 5-6	$0.31	$0.31	5,000

The closing price of the Augusta Common Shares on the CDNX on June 6, 2000 was $0.31.

Fully Diluted Share Capital

	Number of Securities	Percentage of Total
Issued Capital of Augusta at May 31, 2000	3,037,244	20.9%
Securities reserved by Augusta for issuance as of May 31, 2000	1,465,000	10.1%
Securities to be issued in connection with the Acquisition	10,000,000	69%
Total:	14,502,244	100%

The foregoing table does not include securities subject to issuance in connection with the Private Placement, which has yet to close and may be subject to adjustment.

Augusta has issued 1,165,000 special warrants to acquire Augusta Common Shares pursuant to which up to an additional 1,165,000 Augusta Common Shares may be issued, without payment of additional consideration. The special warrants were sold at a subscription price of $0.15 per special warrant and are subject to a 12 month period which expires on September 2, 2000. In addition, 300,000 Common Shares of Augusta are reserved for issuance in respect of outstanding incentive stock options.

CyberCom does not have any outstanding special warrants, warrants, options, debentures or other convertible securities.

Indebtedness

Augusta was indebted to Scintrex Limited ("Scintrex") in the amount of $305,000 pursuant to an agreement for services (the "Debt"). Pursuant to the terms of a letter agreement dated June 6, 2000, the Debt has been assigned to 3744779 Canada Inc. ("Subco"), Augusta's wholly owned subsidiary. Subco proposes to issue common shares in the capital stock of Subco to Scintrex in settlement of the Debt. In addition, Augusta has agreed to use its best efforts to proceed with its statutory plan of arrangement, previously announced on January 28, 2000, in the Fall of 2000. This transaction is scheduled to proceed by the end of 2000.

Directors, Officers, Promoters and Persons Holding More than 10% of the Issued Equity Shares

Upon completion of the Acquisition the following persons will be the directors and officers of Augusta:

Name, Position and Country of Residence[1]	**Principal Occupation or Employment During the Last Five Years**[1]	**Augusta Common Shares Beneficially Owned Directly or Indirectly**[1]
Richard W. Warke Canada President, Chief Executive Officer and Director	Chairman of the Board and President of Augusta Corporation, mineral exploration and development company; President of Augusta Resource Corporation, mineral exploration and development company	2,756,878[2]
Tom Bencic Canada Director	Engineer, Glenrose Hospital in Edmonton, Alberta, President of CyberCom since 1997	2,746,250

Name, Position and Country of Residence[(1)]	Principal Occupation or Employment During the Last Five Years[(1)]	Augusta Common Shares Beneficially Owned Directly or Indirectly [(1)]
Patrick Golec Canada Proposed Director	Chief Executive Officer, Director and Lead Programmer of CyberCom since 1995, self employed as a computer consultant prior to 1995	2,746,250
Donald B. Clark Canada Director	Director of Augusta Resource Corporation and Augusta Corporation	1,256,617
R. Stuart Angus Canada Director	Barrister and Solicitor; Partner with law firm Stikeman, Elliott	Nil
Philip Yee Canada Chief Financial Officer	Chief Financial Officer of Augusta and CyberCom	Nil

(1) The information as to country of residence and principal occupation and number of shares beneficially held, not being within the knowledge of Augusta, has been furnished by the respective directors individually.

(2) Of these Augusta Common Shares, 2,730,423 are held indirectly through Augusta Capital Corporation, a private company owned and controlled by Mr. Warke.

Aggregate Ownership of Securities

Upon completion of the Acquisition, the parties noted above will own, as a group, 9,505,995 Common Shares of Augusta representing approximately 72.9% of the issued and outstanding share capital of Augusta and will hold options to purchase 210,000 Common Shares of Augusta.

Other Reporting Issuers

Within the past five years of the date of this Information Circular, the following current and proposed directors and officers of Augusta have been directors, officers and/or promoters of other reporting issuers, as follows:

Tom Bencic	Augusta Corp.	Director	May, 1985 to present
	Augusta Resource Corp.	Director	June, 1996 to present
	Augusta Gold Corp.	Director	January, 1994 to October, 1999
	West Coast Forest Products Ltd.	Director	March, 1991 to June,1995
	SWICA Resource Corp.	Director	July, 1998 to present
Donald Clark	Augusta Corp.	Director	May, 1998 to present
	Augusta Resource Corp	Director	February, 1996 to present
		President	February, 1996 to June, 1996
	Augusta Gold Corp.	Director	January, 1994 to October, 1999
	West Coast Forest Products Ltd.	Director	May, 1993 to June, 1995
		V-P Finance	August, 1994 to July, 1995
	SWICA Resource Corp.	Director	July, 1998 to present
		President	July, 1998 to present
Richard Warke	Augusta Resource Corp.	Director	February, 1996 to present
		President	June, 1996 to June, 1998 April, 1999 to present
	Augusta Gold Corp.	Director	January, 1993 to June, 2000
		President	January, 1994 to March, 1996

			December, 1997 to October, 1999
		Chairman	March, 1996 to October, 1999
	Augusta Corp.	Director & President	May, 1998 to present
	West Coast Forest Products Ltd.	Director & President	1989 to June, 1995
		CEO	1989 to August, 1995
	SWICA Resource Corp.	Director	July, 1998 to present
Stuart Angus	Plutonic Capital Corp.	Director	June 29, 1999 to present
	First Quantum Minerals Ltd.	Director	December 12, 1997 to present
	Rainmaker Entertainment Group Ltd.	Director	October 15, 1997 to present
		Chairman	June 18, 1999 to present
	Blackstone Resources inc.	Director	September 9, 1997 to present
	Altoro Gold Corp.	Director	December 17, 1996 to present
	Yamana Resources Inc.	Director	February, 1995 to present
	Augusta Metals Incorporated	Director	May 2, 1995 to present
	Adrian Resources Ltd.	Director	July 13, 1993 to present
	Lucero Resource Corp.	Director	October 25, 1999 to present
		Secretary	April, 1993 to present
	Bema Gold Corporation	Director	June, 1992 to present
	Kazakhstan Minerals Corporation	Secretary	September 27, 1995 to November 15, 1999
		Director	September 27, 1995 to November 2, 1995
	Augusta Gold Corporation	Director	April 29, 1996 to October 20, 1999
		Assistant Secretary	June 21, 1995 to April 29, 1996
		Secretary	January 4, 1994 to June 21, 1995
	Chivor Emerald Corporation	Director	June 13, 1996 to June, 1998
	IMA Resource Corp.	Director	March 11, 1996 to June 23, 1998
	Aquiline Resources Inc.	Director	January 5, 1995 to June 25, 1998
	Coromandel Resources Ltd.	Director	March 5, 1997 to June 22, 1998
	Gran Columbia Resources Inc.	Director	July 7, 1995 to June 18, 1998
		Secretary	January 31, 1996 to June 18, 1998
	Exploro Minerals Corporation	Director	April 4, 1996 to May 21, 1998
	Beringer Gold Corp.	Director	June 24, 1997 to November 13, 1997
		Secretary	May 24, 1994 to June 24, 1997
	Consil Corp.	Director	November 14, 1995 to October 14, 1997
	Bolivar Goldfield Ltd.	Secretary	June, 1995 to October 7, 1997
	BC Sugar Refinery Limited	Director	February, 1988 to August 25, 1997
		Chairman	December 12, 1996 to August 25, 1997
	Welcome Opportunities Inc.	Director	May, 1992 to June 26, 1997
	Da Capo Resources Ltd.	Director	February 22, 1996 to November 1, 1996
	Oro Belle Resources Corporation	Director	April 11, 1995 to March 21, 1996
	West Coast Forest Products Ltd.	Director & Secretary	August, 1993 to June 19, 1995

Corporate Cease Trade Orders or Bankruptcies

During the five years preceding the date of this Circular, no director, officer, promoter or other member of management of Augusta or CyberCom is, or within the past five years, has been, a director, officer or promoter of any issuer in British Columbia that, while that person was acting in that capacity was the subject of a cease trade or similar order or an order that denied the issuer access to any statutory exemptions for a period exceeding 30 consecutive days or was declared bankrupt or made a voluntary assignment in bankruptcy, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person, except that West Coast Forest Products Ltd.'s 58% owned subsidiary, West Coast Plywood Company Ltd. ("Plywood"), made a voluntary assignment in bankruptcy July 27, 1995 due to recurring losses. Richard W. Warke was an officer and director of Plywood from June 4, 1993 until July 27, 1995. Donald B. Clark was Chief Executive Officer and a director of Plywood from August 15, 1994 to July 27, 1995. Richard W Warke was President and a director of West Coast Forest Products Ltd. from 1989 to June 19, 1995 and Chief Executive Officer until August 3, 1995. Donald B. Clark was Vice-President, Finance of West Coast Forest Products Ltd. from August 15, 1994 to July 31, 1995 and a director from August 15, 1994 to June 19, 1995. R. Stuart Angus was a director and Secretary of West Coast Forest Products Ltd. from August of 1993 to June 19, 1995. Since July 27, 1995, all matters with respect to the bankruptcy of Plywood have been the responsibility of the trustee, Coopers & Lybrand Limited.

Penalties and Sanctions

No director, officer, promoter or other member of management of Augusta or CyberCom has, within the ten years prior to the date of this Circular, been the subject of any penalties or sanctions by a court or securities regulatory authority relating to trading in securities, the promotion, formation or management of a publicly traded company or involving theft or fraud.

Individual Bankruptcies

No director, officer or promoter of the Corporation has, within the five years preceding the date of this Circular, been declared bankrupt or made a voluntary assignment in bankruptcy or insolvency or has been subject to or instituted any proceedings, arrangements or compromises with creditors or has had a receiver, receiver manager or trustee appointed to hold his assets.

Conflicts of Interest

Conflicts of Interest may arise as a result of the directors, officers, promoters and other members of management of the Augusta and/or CyberCom also holding positions as directors and/or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to a potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with Augusta or CyberCom. Conflicts, if any, will be subject to procedures and remedies under the *Company Act* (British Columbia). See “Risk Factors”

Executive Compensation for CyberCom

The following table discloses information with respect to all compensation paid by CyberCom to the Named Executive Officers indicated for the fiscal years ended December 31, 1999, 1998 and 1997 and the period ended May 31, 2000. “Named Executive Officers” mean the Chief Executive Officer (the "CEO"), regardless of amount of compensation of that individual, and each of CyberCom's four most highly compensated executive officers. In addition, disclosure is required for any directors or officers whose total salary and bonus during the most recent fiscal year was $100,000 or more, whether or not they were executive officers at the end of the most recently completed fiscal year.

CyberCom has two Named Executive Officers; Mr. Patrick Golec and Mr. Tom Bencic.

Summary Compensation Table

		Annual Compensation			***Long Term Compensation*** *Awards*	*Payouts*		
Name and Principal Position	***Year(1)***	***Salary ($)***	***Bonus $***	***Other Annual Compensation $***	***Securities Under Options/ SARs granted (#)***	***Restricted Shares or Restricted Share Units ($)***	***LTIP Payouts***	***All Other Compensation ($)***
Patrick Golec Chief Executive Office	2000 1999 1998 1997	36,055 48,787 35,000 24,000	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	N/A N/A N/A N/A	N/A N/A N/A N/A	Nil Nil Nil Nil
Tom Bencic President	2000 1999 1998 1997	28,600 12,000 22,000 7,000	Nil Nil Nil Nil	Nil Nil Nil Nil	Nil Nil Nil Nil	N/A N/A N/A N/A	N/A N/A N/A N/A	Nil Nil Nil Nil

(1) Fiscal years ended December 31, 1999, 1998 and 1997 and the period ended May 31, 2000.

Long-Term Incentive Plan Awards

Long term incentive plan awards ("LTIP") means any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one financial year whether performance is measured by reference to financial performance of CyberCom or an affiliate, or the price of CyberCom's shares but does not include option or stock appreciation rights plans or plans for compensation through restricted shares or units. CyberCom did not grant any LTIP's during the most recently completed fiscal year and the period ended May 31, 2000.

Stock Appreciation Rights

Stock appreciation rights ("SAR's") means a right, granted by an issuer or any of its subsidiaries as compensation for services rendered or in connection with office or employment, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of CyberCom's shares. There were no SAR's granted during the most recently completed financial year and the period ended May 31, 2000 to the Named Executive Officers of CyberCom.

Stock Options

Options Granted

During the fiscal year ended December 31, 2000 and the period ended May 31, 2000, no incentive stock options were granted by CyberCom to the Named Executive Officers.

Defined Benefit or Actuarial Plan

CyberCom does not provide retirement benefits for directors or officers.

Termination of Employment, Change of Responsibilities and Employment Contracts

CyberCom has no plans or arrangements in respect of remuneration received or that may be received by the Named Executive Officers in the CyberCom's most recently completed financial year or current financial year in respect of compensating such officers in the event of termination of employment (as a result of resignation, retirement, change of control, etc.) or a change in responsibilities following a change of control, where the value of such compensation exceeds $100,000 per executive officer.

Compensation of Directors

CyberCom does not compensate its directors in their capacities as such, although directors of CyberCom are reimbursed for their expenses incurred in connection with their services as directors.

As at the fiscal year ended December 31, 1999 and the period ended May 31, 2000, no incentive stock options have been granted to CyberCom directors.

Related Party Transactions

Except as disclosed herein, CyberCom has not acquired assets or services from an insider, promoter or member of management of CyberCom, or their associates or affiliates, since incorporation to May 31, 2000.

Proposed Compensation

After completion of the Acquisition, it is anticipated that Mr. Golec will be paid $92,820 per annum and Mr. Bencic will be paid $57,600 per annum. It is anticipated that a sales executive will be paid up to $150,000 per annum.

Principal Holders of Voting Securities

As at May 31, 2000, to the knowledge of the directors and officers of Augusta, there is no person or corporation beneficially owning, directly or indirectly, or exercising control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of Augusta.

Upon completion of the Acquisition, the following persons will own, directly or indirectly or exercise control or direction over shares carrying more than 10% of the voting rights attached to all outstanding shares of Augusta:

Name and Residence	Number of Shares	Percentage of Class after the Acquisition
Augusta Capital Corp.[(1)]	2,730,423	20.9%
Patrick Golec	2,746,250	21%
Tom Bencic	2,746,250	21%

(1) A private corporation wholly owned by Richard Warke.

Public and Insider Ownership

Upon completion of the Acquisition, 3,531,249 Augusta Common Shares will be held by the public representing 27.1% of the 13,037,244 Augusta Common Shares that will then be issued and outstanding. Promoters and insiders will hold 9,505,995 Augusta Common Shares, representing 72.9% of the 13,037,244 Augusta Common Shares that will be issued and outstanding after the Acquisition. The foregoing numbers and percentages do not include 1,165,000 Augusta Common Shares issuable upon the exercise of 1,165,000 outstanding special warrants of Augusta or the securities to be issued in connection with the Private Placement.

Options and Other Rights to Purchase Securities

As at May 31, 2000, the following options and other rights to purchase securities of Augusta are outstanding:

Name	Reason for Grant	Number of Shares	Exercise Price	Expiry Date
Donald Clark	Director	40,000	$0.63	March 5, 2005
R. Stuart Angus	Director	40,000	$0.63	March 5, 2005
Tom Bencic	Director	40,000	$0.63	March 5, 2005
Patrick Golec	Director (conditional)	40,000	$0.63	March 5, 2005
Richard Warke	President & Director	35,000	$0.63	March 5, 2005
Keith Shaefer	Consultant	50,000	$0.63	March 5, 2005
Purni Parikh	Employee	15,000	$0.63	March 5, 2005
Philip Yee	Chief Financial Officer	15,000	$0.63	March 5, 2005
Beata Golec	Employee (conditional)	10,000	$0.63	March 5, 2005
Jason Tremoyne	Employee (conditional)	10,000	$0.63	March 5, 2005
Jane Li	Employee	5,000	$0.63	March 5, 2005

Upon completion of the Acquisition, incentive stock options may be granted to directors, officers and employees of Augusta and CyberCom in accordance with the rules and policies of the CDNX

Performance/Escrow Securities

As of the date of this Circular, Augusta and CyberCom have no performance shares or escrow shares outstanding. After completion of the Acquisition, subject to regulatory approval, Augusta will have 7,000,000 Performance Shares subject to escrow in accordance with the provisions of Policy 19 of the former Vancouver Stock Exchange Corporate Finance Services and Procedures Manual. The Performance Shares will represent approximately 53.7% of the total issued and outstanding common shares of Augusta after the Acquisition. It is anticipated that Montreal Trust Company of Canada will be the escrow agent.

It is expected that the beneficial owners of the Performance Shares will be Augusta Capital Corporation, Patrick Golec, Tom Bencic, Donald Clark and Augusta Corporation. The specific number of Performance Shares to be held by each of the foregoing persons has not yet been determined but will be determined in consultation with the CDNX.

Pursuant to Policy 19, and subject to such amendments as the CDNX may require, holders of Performance Shares will be entitled to the pro-rata release of a number of Performance Shares equal to the amount of cumulative cash flow, not previously applied towards release, divided by an earn-out price.

The bankruptcy or the departure of a holder of Performance Shares from Augusta or CyberCom will not change the escrow requirements applicable to such persons Performance Shares. Upon the death of a holder of Performance Shares, the Performance Shares of such person will be released from escrow, subject to any required regulatory approvals.

Sponsorship

Augusta and CyberCom have entered into a sponsorship agreement, dated January 31, 2000, with Canaccord Capital Corporation (the “Sponsor”) whereby the Sponsor has agreed to act as Augusta’s sponsor in connection with the

Acquisition and the related listing requirements of the CDNX. Augusta has agreed to pay the Sponsor a fee of $20,000 plus GST in consideration for acting as the Augusta's sponsor.

Investor Relations Arrangements

Augusta and CyberCom have not entered into any written or oral agreement or understanding with any person to provide any promotional or investor relations services for Augusta or CyberCom or their securities.

Relationship between Augusta, CyberCom and the Sponsor

The Sponsor is not related or connected in any way to Augusta or to CyberCom. Other than the sponsorship fee referenced herein under "Sponsorship", the Sponsor will not receive any additional benefits.

Legal Proceedings

There are no legal proceedings to which Augusta is a party, nor to the best of the knowledge of management are any legal proceedings contemplated, except for the following:

1. Action commenced in Ontario by Scintrex Limited in respect of a debt of $305,000 for services rendered, which action has been settled by the parties pursuant to a letter agreement dated June 6, 2000. See "Indebtedness".

2. In April 1998 an optionor filed a court action in Quebec claiming Augusta owes it $300,701, comprised of $30,000 for payment on an option agreement which Augusta has terminated and $270,701 for damages relating to various reports the optionor claims Augusta did not provide. Augusta considers the action lacks merit.

There are no legal proceedings to which CyberCom is a party, nor to the best of the knowledge of Augusta are any legal proceedings contemplated.

Auditors, Transfer Agent And Registrar

The auditors of Augusta are Deloitte & Touche LLP, Chartered Accountants, Suite 2100, 1055 Dunsmuir Street, Vancouver, British Columbia V7X 1P4. The auditor of CyberCom is Thomas H. Halford, Chartered Accountant, 306 LeMarchand Mansion, 11523 100 Avenue, Edmonton, AB, T5K 0J8. Deloitte & Touche LLP will be the auditors of Augusta and CyberCom after the Acquisition.

The Registrar and Transfer Agent of Augusta is Montreal Trust Company of Canada, 4th Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9. Montreal Trust Company of Canada will continue to the Registrar and Transfer Agent after the Acquisition.

Material Contracts

Except for contracts entered into in the ordinary course of business of Augusta and CyberCom, the following are the material contracts of Augusta and CyberCom upon completion of the Acquisition:

1. Agreement for Sale dated February 11, 1999 between CyberCom and The Northern Alberta Institute of Technology with respect to ownership of intellectual property for the " Plant Technology Engineering and Building Operator A" programs.

2. Debt Settlement Agreements dated August 26, 1999 with three (3) parties whereby Augusta settled debt aggregating $181,491 by the issuance of 1,134,315 Augusta Common Shares at a deemed price of $0.16.

3. Subscription Agreements dated August 26, 1999 with twelve (12) parties relative to the private placement of 1,165,000 special warrants at a price of $0.15 per special warrant, for total proceeds of $174,750. Each special warrant is exercisable into one Augusta Common Share for no additional compensation.

4. Consultant Agreement dated January 1, 2000 between CyberCom and EPCOR Generation Inc. (“EPCOR”) regarding the provision of services by CyberCom to assist with the development of technical training modules for EPCOR’s Genesee Generating Station.

5. Sponsorship Agreement, dated January 31, 2000, between Augusta, CyberCom and Canaccord Capital Corporation.

6. Consultant Agreement dated February 14, 2000 between CyberCom and EPCOR regarding the provision of services by CyberCom to assist with the development of technical training modules for EPCOR’s Cloverbar Generating Station.

7. Joint Venture Agreement dated February 14, 2000 between CyberCom and College Boreal whereby the parties will jointly develop a French language version of the “Plant Technology” course.

8. Agreement dated February 28, 2000 between CyberCom and IX Productions Inc. for the provision of services by CyberCom to convert hard copy text books to a CD-ROM format.

9. Letter Agreement, dated May 1, 2000, between Augusta Capital Corporation and Mr. Patrick Golec, regarding Consideration Shares and continued employment.

10. Letter Agreement, dated May 1, 2000, between Augusta Capital Corporation and Mr. Tom Bencic, regarding Consideration Shares and continued employment.

11. Letter Agreement dated June 6, 2000, with Scintrex Limited (“Scintrex”) relative to debt of $305,000 owing to Scintrex by Augusta, which debt has been settled (see “Indebtedness”).

Inspection of Material Contracts and Other Material Documents

The above contracts and obligations and other material documents (except those subject to confidentiality provisions or for which consent to disclosure is required, in which case Augusta will seek such consents as may be required), such as the Evans & Evans Valuation and Fairness Opinion, CyberCom’s business plan and the CyberCom market study (when completed), are or will be available for review by any Member at the offices of Augusta at 1700 - 701 West Georgia St., P.O. Box 10109 Pacific Centre, Vancouver, B.C., V7Y 1C6, Monday to Friday, statutory holidays excepted, between the hours of 9:00 a.m. and 4:00 p.m..

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

Other than as disclosed in this Circular, no director or officer of Augusta, no person who has served as a director or officer of Augusta since the commencement of Augusta's most recently completed fiscal year, and no associate or affiliate of any of the foregoing has, any material interest, direct or indirect, by way of beneficial ownership of Augusta Common Shares or otherwise, in any matter to be acted on at the Meeting, other than the election of directors.

PARTICULARS OF OTHER MATTERS

Management of Augusta knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting accompanying this Circular. However, if any other matters, which are not known to Management, should properly come before the Meeting, it is the intention of the persons named in the form of Proxy accompanying this Circular to vote upon such matters in accordance with their best judgement.

DIRECTORS’ APPROVAL

The contents of this Circular and the sending thereof to the Members have been approved by the Board of Directors of Augusta.

CERTIFICATE OF AUGUSTA METALS INCORPORATED

The foregoing constitutes full true and plain disclosure of all material facts relating to the particular matters to be acted upon by the securityholders.

Dated June 14, 2000

(signed) Richard W. Warke	*(signed) Philip Yee*
Richard W. Warke, Chief Executive Officer	Philip Yee, Chief Financial Officer
(signed) Donald B. Clark	*(signed) R. Stuart Angus*
Donald B. Clark, Director	R. Stuart Angus, Director

CERTIFICATE OF CYBERCOM SYSTEMS INC.

The foregoing as it relates to CyberCom Systems Inc. constitutes full true and plain disclosure of all material facts relating to the particular matters to be acted upon by the securityholders.

Dated June 14, 2000

(signed) Patrick Golec	*(signed) Philip Yee*
Patrick Golec, Chief Executive Officer	Philip Yee, Chief Financial Officer
(signed) Richard W. Warke	
Richard W. Warke, Director	

SCHEDULE "A"

ACQUISITION RESOLUTION

RESOLVED that the Directors of Augusta Metals Incorporated ("Augusta") are hereby authorized to issue up to 10,000,000 common shares in the capital of Augusta to shareholders of CyberCom Systems Inc. ("CyberCom"), in consideration for the acquisition of 100% of the outstanding shares of CyberCom (the "Acquisition") as contemplated by and on the terms set forth in the share purchase agreement dated January 26, 2000 between Augusta and the shareholders of CyberCom, with such restrictions or conditions as may be imposed by the Canadian Venture Exchange and with discretion granted to the Board of Directors of Augusta to modify the terms of the transaction provided that such modifications are not materially adverse to Augusta, and the resulting change of business and reverse take-over and any change of control resulting from the issuance of up to 10,000,000 common shares to shareholders of CyberCom is hereby approved.

SCHEDULE “B”

PERFORMANCE SHARES RESOLUTION

“RESOLVED, as a special resolution, that the issuance of 7,000,000 common shares of Augusta Metals Incorporated as performance/escrow shares, as part of the 10,000,000 common shares of Augusta Metals Incorporated to be issued in connection with the acquisition of all of the issued and outstanding shares of CyberCom Systems Inc., is hereby approved.”

SCHEDULE "C"

NAME CHANGE RESOLUTION

RESOLVED, as a special resolution, that:

a) the name of Augusta Metals Incorporated be changed to "CyberCom Systems Inc." or such other name as the board of directors may approve; and

b) the Memorandum of Augusta Metals Incorporated be altered to reflect the foregoing change so that it shall be in the form of the Altered Memorandum attached hereto and marked Schedule "D".

SCHEDULE “D”

ALTERED MEMORANDUM

Province of British Columbia Company Act

ALTERED MEMORANDUM
(as altered by Special Resolution passed on July 14, 2000)

of

CYBERCOM SYSTEMS INC.

1. The name of the Company is **CYBERCOM SYSTEM INC.**

2. The authorized capital of the Company consists of ONE HUNDRED MILLION (100,000,000) Common Shares without par value.

SCHEDULE “E”

AUGUSTA METALS INCORPORATED
AUDITED AND UNAUDITED FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

January 31, 2000, 1999, 1998, 1997 and 1996 (Audited)

April 30, 2000 and 1999 (Unaudited)

AUDITORS' REPORT

To the Directors of Augusta Metals Incorporated:

We have audited the balance sheets of Augusta Metals Incorporated as at January 31, 2000 and 1999 and the statements of loss and deficit and cash flows for the five years 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 audits.

We conducted our audits in accordance with 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.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 2000 and 1999 and the results of its operations and its cash flows for the five years then ended in accordance with Canadian generally accepted accounting principles.

/s/ Deloitte &Touche LLP

Chartered Accountants

Vancouver, British Columbia
February 22, 2000
(except for Note 14 which is
as of June 15, 2000)

REVIEW ENGAGEMENT REPORT

To the Directors of Augusta Metals Incorporated:

We have reviewed the balance sheet of Augusta Metals Incorporated as at April 30, 2000 and the statements of loss and deficit and cash flows for the three month periods ended April 30, 2000 and 1999. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Company.

A review does not constitute an audit, and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

/s/ Deloitte &Touche LLP

Vancouver, British Columbia
June 15, 2000

Chartered Accountants

AUGUSTA METALS INCORPORATED

BALANCE SHEETS

	Notes	April 30, 2000 (Unaudited)	January 31, 2000	January 31, 1999
CURRENT ASSETS				
Cash and cash equivalents	3	$ 130,625	$ 10,976	$ 8,723
Marketable securities		-	4,772	7,158
Accounts receivable		38,126	33,450	10,519
		168,751	49,198	26,400
ADVANCES TO RELATED PARTY	6	113,000	113,000	-
MINING ASSETS	4	-	-	9,478
		$ 281,751	$ 162,198	$ 35,878
CURRENT LIABILITIES				
Accounts payable and accrued liabilities		$ 396,276	$ 407,689	$ 511,406
CAPITAL DEFICIENCY				
Share capital	5	12,140,219	12,140,219	11,958,728
Special warrants	5	156,725	156,725	-
Special warrant subscriptions	6	140,900	-	-
Deficit		(12,552,369)	(12,542,435)	(12,434,256)
		(114,525)	(245,491)	(475,528)
		$ 281,751	$ 162,198	$ 35,878
CONTINUING OPERATIONS	1			

APPROVED BY THE BOARD

/s/ Donald Clark

____

Director

/s/ Richard Warke

____

Director

AUGUSTA METALS INCORPORATED

STATEMENTS OF LOSS AND DEFICIT

	For the 3 months ended April 30,		For the years ended January 31,				
	2000 (Unaudited)	1999 (Unaudited)	2000	1999	1998	1997	1996
INTEREST INCOME	$ 649	$ 67	$ 889	$ 880	$ 4,153	$ 195,284	$ 39,219
EXPENSES:							
Administration	7,500	7,500	30,000	30,000	30,000	32,700	120,000
Bank charges and interest	28	-	859	763	1,328	453	-
Capital taxes	-	-	-	-	-	15,256	-
Consulting	2,032	-	967	-	1,385	29,393	24,689
Filing and regulatory	2,776	1,151	12,318	18,595	27,917	26,654	29,337
Interest and finance charges (Note 13)	-	24,785	-	-	-	-	-
Office and general	177	146	1,707	12,445	54,272	50,833	3,072
Professional fees	3,165	2,245	13,951	15,999	94,372	61,294	20,889
Rent (Note 9)	-	-	-	36,221	45,972	44,185	-
Salaries and benefits	-	-	2,030	72,409	128,641	115,963	35,080
Travel and promotion	463	1,854	19,771	22,866	55,594	87,138	162,519
	16,141	37,681	81,603	209,298	439,481	463,869	395,586
Loss from operations	(15,492)	(37,614)	(80,714)	(208,418)	(435,328)	(268,585)	(356,367)
Write-down of marketable securities	-	-	(2,386)	(54,877)	(262,292)	(43,903)	-
Gain (loss) on disposition of marketable security	14,268	-	-	24,843	-	160,996	(51,508)
Gain on disposition of mining assets	-	-	-	-	8,000	375,000	308,974
Recovery (write-off) of mining assets	-	3,600	(5,878)	(154,289)	(5,271,839)	(1,231,796)	-
Gain on debt settlement	-	-	15,000	-	-	24,418	-
Loss on settlement of contingency	-	-	-	-	-	-	(107,500)
Reorganization costs	(8,710)	-	(34,201)	(3,974)	-	-	-
LOSS FOR THE PERIOD	(9,934)	(34,014)	(108,179)	(396,715)	(5,961,459)	(983,870)	(206,401)
Deficit, beginning of period	(12,542,435)	(12,434,256)	(12,434,256)	(12,037,541)	(6,076,082)	(5,092,212)	(4,885,811)
DEFICIT, END OF PERIOD	$ (12,552,369)	$ (12,468,270)	$ (12,542,435)	$ (12,434,256)	$ (12,037,541)	$ (6,076,082)	$ (5,092,212)
LOSS PER SHARE	$ (0.00)	$ (0.02)	$ (0.05)	$ (0.21)	$ (3.10)	$ (0.60)	$ (0.20)

AUGUSTA METALS INCORPORATED
STATEMENTS OF CASH FLOWS

	For the 3 months ended April 30,		For the years ended January 31,				
	2000	1999	2000	1999	1998	1997	1996
	(Unaudited)	(Unaudited)					
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:							
OPERATING							
Loss for the period	$ (9,934)	$ (34,014)	$ (108,179)	$ (396,715)	$ (5,961,459)	$ (983,870)	$ (206,401)
Items not affecting cash:							
Write-down of marketable securities	-	-	2,386	54,877	262,292	43,903	-
Loss (gain) on sale of marketable securities	(14,268)	-	-	(24,843)	-	(160,996)	51,508
Gain on disposition of mining assets	-	-	-	-	(8,000)	(375,000)	(308,974)
Marketable securities received as loan bonus	-	-	-	-	-	(136,000)	-
(Recovery) write-off of mining assets	-	(3,600)	5,878	154,289	5,271,839	1,231,796	-
Gain on debt settlement	-	-	(15,000)	-	-	(24,418)	-
	(24,202)	(37,614)	(114,915)	(212,392)	(435,328)	(404,585)	(463,867)
Net changes in non-cash working capital items:							
Accounts receivable	(4,676)	(1,455)	(22,931)	27,836	104,532	41,843	(183,157)
Accounts payable and accrued liabilities	(11,413)	37,311	92,774	(37,570)	(2,463)	(243,669)	601,167
	(40,291)	(1,758)	(45,072)	(222,126)	(333,259)	(606,411)	(45,857)
INVESTING							
Advances to related party	-	-	(113,000)	-	-	-	-
Proceeds from sale of marketable securities	19,040	-	-	62,613	-	490,996	430,992
Loan receivable	-	-	-	-	-	716,500	(716,500)
Expenditures for mining assets	-	-	-	(74,761)	(468,839)	(2,388,079)	(3,651,312)
Proceeds from disposition of mining assets	-	-	-	138,045	8,000	-	1,035,700
Recoveries of mining expenditures	-	3,600	3,600	86,250	-	-	-
	19,040	3,600	(109,400)	212,147	(460,839)	(1,180,583)	(2,901,120)
FINANCING							

Issuance of capital stock	-	-	-	-	-	2,429,529	1,387,679
Issuance of special warrants	-	-	156,725	-	-	-	1,601,235
Subscriptions for special warrants	140,900	-	-	-	-	-	-
	140,900	-	156,725	-	-	2,429,529	2,988,914
NET CASH INFLOW (OUTFLOW)	119,649	1,842	2,253	(9,979)	(794,098)	642,535	41,937
CASH & CASH EQUIVALENTS, BEGINNING OF PERIOD	10,976	8,723	8,723	18,702	812,800	170,265	128,328
CASH & CASH EQUIVALENTS, END OF PERIOD	$ 130,625	$ 10,565	$ 10,976	$ 8,723	$ 18,702	$ 812,800	$ 170,265
SUPPLEMENTAL CASH FLOW INFORMATION:							
Interest received	$ 649	$ 67	$ 889	$ 880	$ 4,153	$ 195,284	$ 39,219
Interest paid	-	-	-	-	-	-	-

Refer to Note 5(d) for non-cash financing activities.

1. CONTINUING OPERATIONS

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern which assume that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company has a history of losses, has a working capital deficiency, and has a capital deficiency. Realization values may be substantially different from the carrying values as shown in these financial statements should the Company be unable to continue as a going concern.

The Company's ability to meet its obligations and maintain its operations is contingent upon successful completion of additional financing arrangements and the continuing support of its creditors.

The Company had interests in mining properties which were at the exploration stage, the economic viability of which was dependent on the discovery of economically recoverable reserves, confirmation of the Company's interest in the underlying mineral claims, the ability of the Company to obtain appropriate financing to complete development of the properties and profitability of future operations or proceeds from the disposition thereof. The Company wrote-off all of its mining assets in the year ended January 31, 2000.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with accounting principles generally accepted in Canada which require management to make estimates and

assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

(a) Cash and cash equivalents

Cash and cash equivalents consist of deposits in banks and highly liquid investments with an original maturity of ninety days or less.

(b) Mining assets

Mining assets are comprised of wholly owned properties, undivided interests in properties and deferred exploration expenses on properties in the exploration stage. They are recorded at acquisition cost or at the attributed value in the case of a devaluation caused by a permanent impairment of value. Mining properties, related deferred exploration expenses and options to acquire undivided interests in mining properties are amortized only as these properties are put into production or written off if they are abandoned.

During the normal course of its business, the Company enters into agreements to acquire undivided interests in mining properties which are normally acquired in exchange for exploration and development expenses to be incurred according to different schedules, issuance of shares and payments subject to feasibility studies. In addition, royalties will be paid on commercial operations of certain mining properties.

The Company wrote-off all of its mining assets in the year ended January 31, 2000.

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Loss per share

Loss per share is computed using the weighted average number of shares outstanding during the year after giving retroactive consideration for the share consolidation in Note 5(c).

(d) Stock-based compensation plans

The Company has stock-based compensation plans, which are described in Note 5(e). No compensation expense is recognized for these plans when stock or stock options are issued to directors, officers, consultants and employees. Any consideration paid by directors, officers, consultants and employees on exercise of stock options or purchase of stock is credited to share capital. If stock or stock options are repurchased from directors, officers, consultants and employees, the excess of the consideration paid over the carrying amount of the stock or stock option cancelled is charged to deficit.

3. CASH AND CASH EQUIVALENTS

Included in cash and cash equivalents is a guaranteed investment certificate of $6,000 pledged as security to enable the Company to make electronic regulatory filings and payments.

4. MINING ASSETS

	Mining Properties - Cost January 31, 2000	Mining Properties - Cost January 31, 1999	Deferred Exploration Expenses January 31, 2000	Deferred Exploration Expenses January 31, 1999
Mining assets:				
Quebec, Canada	$ -	$ 6,004	$ -	$ 3,474
Other	-	-	-	-
	$ -	$ 6,004	$ -	$ 3,474

	January 31, 2000	January 31, 1999
Mining properties:		
Balance, beginning of year	$ 6,004	$ 47,542
Acquisition expenditures	-	84,200
Disposition of properties	-	(84,200)
Write-off of properties	(6,004)	(41,538)
Balance, end of year	$ -	$ 6,004

	January 31, 2000	January 31, 1999
Deferred exploration expenses:		
Balance, beginning of year	$ 3,474	$ 265,759
Geologists, consultants and professional services	-	2,017
Ground sampling, mapping, and general	-	73
Reimbursement of security deposits	-	(11,529)
Disposition of properties	-	(53,845)
Write-off of properties	(3,474)	(199,001)
Balance, end of year	$ -	$ 3,474

During the year ended January 31, 2000, the Company wrote-off all of its mining assets.

4. MINING ASSETS (continued)

	Mining Properties - Cost April 30, 2000	Mining Properties - Cost April 30, 1999	Deferred Exploration Expenses April 30, 2000	Deferred Exploration Expenses April 30, 1999
Mining assets:				
Quebec, Canada	$ -	$ 6,004	$ -	$ 3,474
Other	-	-	-	-
	$ -	$ 6,004	$ -	$ 3,474

	April 30, 2000	April 30, 1999
Mining properties:		
Balance, beginning of period	$ -	$ 6,004

Acquisition expenditures		-		-
Balance, end of period	$	-	$	6,004

	April 30,			
	2000		1999	
Deferred exploration expenses:				
Balance, beginning of period	$	-	$	3,474
Expenditures for exploration		-		-
Balance, end of period	$	-	$	3,474

5. SHARE CAPITAL

(a) **Authorized:** 100,000,000 common shares without par value

(b) **Issued:**

Changes in the Company's share capital were as follows:

	Number of Shares		Amount
Common shares - Balance at January 31, 1998	19,029,292	$	11,958,728
Ten-for-one share consolidation (Note 5c)	(17,126,363)		-
Common shares - Balance at January 31, 1999	1,902,929		11,958,728
Shares issued in settlement of debt (Note 5d)	1,134,315		181,491
Common shares - Balance at January 31, 2000 and April 30, 2000	3,037,244	$	12,140,219

(c) **Share consolidation**

On August 25, 1998, the Company consolidated its common shares whereby one new common share was issued for ten old common shares held then outstanding.

(d) **Shares issued in settlement of debt**

On December 3, 1999, the Company issued 1,134,315 common shares at a deemed price of $0.16 per share in settlement of debts totalling $181,491.

5. SHARE CAPITAL (continued)

(e) **Options**

At January 31, 2000, certain directors and officers of the Company hold 120,000 options and certain employees of the Company hold 10,350 options to purchase common shares of the Company which are exercisable at a price of $1.50 per share and expire between April 2000 and May 2003. The exercise price of each option was not less than the market price of the Company's stock on the date of the grant and an option's maximum term is 5 years.

The following table summarizes the status of the Company's stock option plans as at April 30, 2000 and as at January 31, 2000 and 1999, and changes during the periods ending on those dates:

	April 30, 2000		January 31, 2000		January 31, 1999	
	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
Outstanding at beginning of period	130,350	$1.50	137,850	$1.50	151,500	$4.01
Granted	300,000	$0.63	-	-	17,500	$1.50
Forfeited	-	-	(7,500)	$1.50	(31,150)	$3.24
Cancelled	(130,350)	$1.50	-	-	-	-
Outstanding at end of period	300,000	$0.63	130,350	$1.50	137,850	$1.50
Options exercisable at period-end	-		130,350		130,850	

On May 26, 1998, the Company re-priced the exercise prices of its stock options from $0.36 and $0.52 per share to $0.15 per share. On August 25, 1998, the Company's share consolidation of ten old common shares to one new common share effectively increased the exercise price of its stock options from $0.15 per share to $1.50 per share.

The following tables summarizes information about stock options outstanding at April 30, 2000 and January 31, 2000:

	Options Outstanding			Options Exercisable	
	Number Outstanding	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price	Number Exercisable	Weighted Average Exercise Price
April 30, 2000	300,000	4.8 Years	$0.63	-	-
January 31, 2000	130,350	1.4 Years	$1.50	130,350	$1.50

On March 6, 2000, the Company cancelled options to acquire up to 130,350 common shares of the Company with an exercise price of $1.50 per share and expiration dates between April 2000 and May 2003. Also, during the first quarter ended April 30, 2000, the Company granted director, employee and consultant incentive stock options to purchase up to 300,000 common shares of the Company at a price of $0.63 per share for a period of five years ending March 5, 2005.

5. SHARE CAPITAL (continued)

(f) Special Warrants

In September 1999, the Company closed a private placement for 1,165,000 special warrants at a price of $0.15 per special warrant for net proceeds of $156,725, net

of share issue expenses of $18,025. Each special warrant entitles the holder to acquire, without additional consideration, one common share of the Company.

6. RELATED PARTY TRANSACTIONS

On January 26, 2000, the Company entered into a Share Purchase Agreement ("Agreement") whereby the Company will issue 10,000,000 of its common shares to related parties for the purchase of a 100% interest in CyberCom Systems Inc. ("CyberCom"), a company with certain common directors, subject to regulatory and shareholder approvals; one of the related parties is Augusta Capital Corporation ("Capital"), a company controlled by one of the directors, which owns 82.50% of CyberCom. When the acquisition of CyberCom is completed, the resultant business combination will be accounted as a reverse-takeover. In accordance with this method of accounting, CyberCom will be identified as the acquirer and the Company as the accounting subsidiary.

On December 3, 1999, the Company issued 276,585 common shares at a deemed price of $0.16 per share to two companies, which share certain common director(s), in satisfaction of debts totalling $44,254 (Note 5(d)).

During the fiscal year ended January 31, 2000, the Company incurred administrative expenses of $30,000 (1999 - $30,000) to a company in which the President has a 25% interest. At January 31, 2000, included in accounts receivable is an amount of $21,122 (1999 - $9,454) due from related companies and in accounts payable is an amount of $45,556 (1999 - $22,254) due to related companies, which share certain common directors with the Company. Also, at January 31, 2000, the Company had advanced $113,000 to a company with certain common directors. Such advances do not provide for specific terms of repayment, and are unsecured and non-interest bearing.

For the three months ended April 30, 2000, the Company incurred administrative expenses of $7,500 (1999 - $7,500) to a company in which the President has a 25% interest. At April 30, 2000, included in accounts receivable is an amount of $17,042 (1999 - $10,505) due from related companies and in accounts payable is an amount of $42,351 (1999 - $38,070) due to related companies, which share certain common directors with the Company. Also, at April 30, 2000, the Company had advanced $113,000 to a company with certain common directors. Such advances do not provide for specific terms of repayment, and are unsecured and non-interest bearing.

During the quarter ended April 30, 2000, the Company received $140,900 in funds for subscriptions of special warrants ("Special Warrants") from subscribers who are directors of the Company or CyberCom and from a company which is controlled by the President of the Company. The price of each Special Warrant is $0.40, and each Special Warrant entitles the holder to acquire for no additional consideration a unit consisting of one common share of the Company and one share purchase warrant. Each share purchase warrant entitles the holder to purchase one common share at $0.50 for a period of two years from the date of issuance of the Special Warrants. The Special Warrants are subject to finalization with the subscribers.

7. INCOME TAXES

As at April 30, 2000, the Company has accumulated non-capital losses of approximately $1.2 million. These losses will expire between 2001 and 2007. The potential future tax benefits are not reflected in the financial statements.

8. FINANCIAL INSTRUMENTS

The carrying values of cash and cash equivalents, marketable securities, accounts receivable, advances to related party and accounts payable and accrued liabilities as reflected in the balance sheet approximate their fair values. Advances to the related company is unsecured with no terms of repayment. This amount accounts for approximately 70% of the Company's assets as at January 31, 2000 and 40% as at April 30, 2000.

9. COMMITMENTS

The Company shares leased office premises with a company under common control. The latter company incurred and paid the full amount of the office rent during the three month period ended April 30, 2000 and during the year ended January 31, 2000, with no allocation to the Company. The Company's share of the minimum annual rental under this agreement for the next two years ending January 31, 2002 is as follows:

Year 2001: $22,326 Year 2002: $22,326

10. 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. Although the change in date has occurred, it is not possible to conclude that all aspects of the Year 2000 Issue that may affect the Company, including those related to the efforts of customers, suppliers, or other third parties, have been fully resolved.

11. CONTINGENT LIABILITIES

In November 1996, an optionor filed a court action claiming the Company owes it an aggregate of $65,000 on four option agreements which the Company terminated. In October 1999, the Supreme Court of Quebec dismissed the action, and the optionor is appealing the decision in the Court of Appeal. In April 1998, the optionor filed another court action claiming the Company owes it an aggregate of $300,701, comprised of $30,000 for payment on another option agreement which the Company has terminated and $270,701 for damages relating to various reports which the optionor claims the Company did not provide. The Company considers that both actions lack merit and no liability is recorded in the financial statements.

12. SEGMENTED INFORMATION

The Company operates in one industry, and as at April 30, 2000 and January 31, 2000, all assets and operations are in Canada.

13. OTHER SIGNIFICANT EVENTS

During the three months ended April 30, 1999, the Company was charged $24,785 in interest for outstanding amounts owed to a particular creditor. However, the interest charges were later foregone during the fiscal year ended January 31, 2000 when the Company settled the debt by issuance of shares which is included in the Company's issuance of common shares in settlement of debt owed to various creditors as disclosed in Note 5(d).

During the year ended January 31, 2000, the Company entered into agreements with Scintrex Limited ("Scintrex") to satisfy debts of $305,000 ("Debt") owed by the Company to Scintrex. The Company will create a wholly-owned subsidiary ("Subco") which would assume the Debt. Subco will then issue 2,033,333 shares at a deemed price of $0.15 per share to Scintrex in satisfaction of the Debt. Scintrex will subscribe for an additional 1,000,000 shares of Subco at $0.15 per share for working capital purposes. Subco will acquire 100% of the issued and outstanding shares of the high technology company, LaserTech Group Inc. ("LTG"), by the issuance of about 10,200,000 Subco shares from treasury to shareholders of LTG. The Company will dividend to its shareholders all its 2,100,000 shares acquired on the creation of Subco. The shares will be recorded at fair value at the date of issuance, and any gain (loss) on the transaction will be recorded as income (loss) at that time. If Scintrex fails to fulfill its obligations pursuant to the agreements within 24 months, Scintrex will completely forgive the payment of the Debt in which the Company and Subco will have no further liability to Scintrex. Subsequent to the year ended January 31, 2000, the Company is proceeding with these arrangements although no further progress have been achieved.

14. SUBSEQUENT EVENT

Subsequent to April 30, 2000, the Company is in the process of filing a Notice of Annual and Extraordinary General Meeting and Management Information Circular to obtain regulatory and shareholder approvals for the acquisition of CyberCom Systems Inc. ("CyberCom"), a company with certain common directors, as disclosed in Note 6. In order to complete the business combination, the Company will issue 10,000,000 common shares at an estimated fair value of $1,336,387. Fair value has been estimated based upon the market value of the Company's shares at April 30, 2000.

The fair values as at April 30, 2000 of the net assets to be acquired are as follows:

Current assets:	
Cash and cash equivalents	**$ 130,625**
Accounts receivables	**38,126**
Advances to related party	**113,000**
	281,751
Current liabilities:	
Accounts payable and accrued liabilities	**(396,276)**
	(114,525)

Charge to deficit to reflect excess of consideration over fair value of net assets	**1,450,912**
	$1,336,387

The fair value of the consideration given will be determined at the date of closing of the transaction. Therefore it is likely that the fair value will vary from the value as at April 30, 2000 and the difference may be significant.

SCHEDULE “F”

CYBERCOM SYSTEMS INC. AUDITED AND UNAUDITED FINANCIAL STATEMENTS

CYBERCOM SYSTEMS INC.

FINANCIAL STATEMENTS

December 31, 1999, 1998, 1997, 1996 and 1995 (Audited)

March 31, 2000 and 1999 (Unaudited)

AUDITOR'S REPORT

To the Directors of CyberCom Systems Inc:

I have audited the balance sheets of CyberCom Systems Inc. as at December 31, 1999 and 1998 and the statements of income (loss), retained earnings (deficit) and cash flows for the five years then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the five years then ended in accordance with Canadian generally accepted accounting principles.

/s/ Thomas Halford

Chartered Accountant

Edmonton, Alberta
March 4, 2000
(except for Note 8 which is
as of June 15, 2000)

REVIEW ENGAGEMENT REPORT

To the Directors of CyberCom Systems Inc:

I have reviewed the balance sheet of CyberCom Systems Inc. as at March 31, 2000 and the statements of income (loss), retained earnings and cash flows for the three month periods ended March 31, 2000 and 1999. My review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to me by the Company.

A review does not constitute an audit, and consequently I do not express an audit opinion on these financial statements.

Based on my review, nothing has come to my attention that causes me to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

/s/ Thomas Halford

Chartered Accountant

Edmonton, Alberta
June 15, 2000

CYBERCOM SYSTEMS INC.

BALANCE SHEETS

	Notes	March 31, 2000 (Unaudited)	December 31, 1999	December 31, 1998
CURRENT ASSETS				
Cash and cash equivalents		$ 31,281	$ -	$ 13,855
Accounts receivable		62,231	93,264	28,775
Prepaid expenses		2,200	1,600	-
Investment tax credits		41,623	43,063	1,440
		137,335	137,927	44,070
DUE FROM RELATED PARTY		5,000	-	-
CAPITAL ASSETS, NET	3			
Computer equipment, net		61,422	50,235	49,918
Audio-visual equipment, net		1,757	1,849	1,973
Office equipment, net		5,468	3,096	1,076
		68,647	55,180	52,967
RESEARCH & DEVELOPMENT COSTS		24,224	28,018	4,673
		$ 235,206	$ 221,125	$ 101,710
CURRENT LIABILITIES				
Bank loan		$ 9,000	$ 12,929	$ -
Accounts payable and accrued liabilities		60,067	37,924	6,617
Corporate income taxes payable		2,916	2,916	3,854
Advances from shareholders	4	(2,235)	3,180	2,072
Current portion of long-term debt	5	5,923	7,154	6,598
		75,671	64,103	19,141
LONG-TERM DEBT	5	-	651	7,804
OTHER LOANS		113,000	85,000	-
DEFERRED INCOME TAXES		4,200	4,200	-
		192,871	153,954	26,945
SHAREHOLDERS' EQUITY				
Share capital	6	25,001	25,001	25,001
Retained earnings		17,334	42,170	49,764
		42,335	67,171	74,765
		$ 235,206	$ 221,125	$ 101,710

APPROVED BY THE BOARD

/s/ *Patrick Golec*	/s/ *Richard Warke*
________________________________	________________________________
Director	Director

CYBERCOM SYSTEMS INC.

STATEMENTS OF INCOME (LOSS) AND RETAINED EARNINGS (DEFICIT)

	For the 3 months ended March 31,		For the years ended December 31,				
	2000	**1999**	**1999**	**1998**	**1997**	**1996**	**1995**
	(Unaudited)	(Unaudited)					
SALES	$ 164,603	$ 147,205	$ 340,496	$ 232,991	$ 108,721	$ 108,066	$ 9,757
EXPENSES							
Advertising and promotion	1,535	2,287	9,164	201	151	100	-
Amortization	2,123	3,899	18,562	11,706	10,609	10,121	2,416
Amortization of research & development costs	3,794	3,794	15,177	2,337	-	-	-
Automotive	6,292	2,185	8,362	4,914	1,174	43	-
Dues licenses and fees	60	-	-	-	20	-	-
Computer supplies	861	5,245	5,245	792	740	138	-
Employee benefits	-	-	10,937	666	-	-	-
Insurance	-	-	-	-	557	680	-
Interest and bank charges	523	150	1,709	1,254	890	948	-
Internet services	352	816	6,333	836	1,344	1,989	-
Meal and entertainment	2,393	2,396	12,461	4,302	2,701	1,342	-
Office	3,392	2,613	7,010	3,463	6,419	1,190	-
Professional fees	3,050	-	5,733	3,581	1,075	1,000	-
Publications	-	-	-	-	59	-	-
Rent	3,164	1,000	8,200	6,600	100	-	-
Repairs and maintenance	-	-	-	-	369	-	-
Telephone	3,689	1,627	10,563	4,514	2,304	994	-
Travel	1,263	466	4,239	769	795	-	-
Training	-	-	1,608	993	400	467	-
Wages and subcontract	157,024	53,213	178,598	119,309	79,674	93,804	7,385
	189,515	79,691	303,901	166,237	109,381	112,816	9,801
EARNINGS (LOSS) BEFORE OTHER INCOME	(24,912)	67,514	36,595	66,754	(660)	(4,750)	(44)
OTHER INCOME (EXPENSE)							
Interest income	76	-	-	-	-	-	-
Interest on long-term debt	-	(1,000)	(926)	(1,301)	-	-	-
Research and development grant	-	-	-	-	-	-	-
EARNINGS (LOSS) BEFORE INCOME TAXES	(24,836)	66,514	35,669	65,453	(660)	(4,750)	(44)
(Income taxes) recovery	-	-	(3,262)	(13,863)	3,632	-	-

NET EARNINGS (LOSS) FOR THE PERIOD	$ (24,836)	$ 66,514	$ 32,407	$ 51,590	$ 2,972	$ (4,750)	$ (44)
Retained earnings (deficit), beginning of period:							
As originally reported	$ 42,170	$ 49,763	$ 54,531	$ (1,826)	$ (4,794)	$ (44)	$ -
Retroactive change in accounting principles	-	-	(4,768)	-	-	-	-
As restated	42,170	49,763	49,763	(1,826)	(4,794)	(44)	-
Net earnings (loss) for the period	(24,836)	66,514	32,407	51,590	2,972	(4,750)	(44)
Dividends	-	(40,000)	(40,000)	-	-	-	-
RETAINED EARNINGS (DEFICIT), END OF PERIOD	$ 17,334	$ 76,277	$ 42,170	$ 49,764	$ (1,822)	$ (4,794)	$ (44)

CYBERCOM SYSTEMS INC.

STATEMENTS OF CASH FLOWS

	For the 3 months ended March 31,		For the years ended December 31,				
	2000	1999	1999	1998	1997	1996	1995
	(Unaudited)	(Unaudited)					
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:							
OPERATING							
Net earnings (loss) for the period	$ (24,836)	$ 66,514	$ 32,407	$ 51,591	$ 2,969	$ (4,751)	$ (44)
Items not affecting cash:							
Amortization	5,917	7,693	33,739	14,042	10,609	10,121	2,416
Deferred income taxes	-	-	4,200	-	-	-	-
	(18,919)	74,207	70,346	65,633	13,578	5,370	2,372
Net changes in non-cash working capital items:							
Accounts receivable	31,033	(8,589)	(64,490)	(27,358)	(1,416)	-	-
Prepaid expenses	(600)	-	(1,600)	-	-	-	-
Investment tax credits	1,440	-	(41,623)	2,192	(3,632)	-	-
Accounts payable and accrued liabilities	22,143	3,729	31,307	(1,522)	2,224	6,819	(906)
Corporate income taxes payable	-	-	(938)	3,854	-	-	-
Advances from shareholders	(5,415)	(20,000)	1,108	-	2,677	(1,300)	695
	29,682	49,347	(5,890)	42,799	13,431	10,889	2,161
INVESTING							
Advances to related party	(5,000)	-	-	-	-	-	-
Acquisition of capital assets	(15,590)	(162)	(20,775)	(34,111)	(12,047)	(15,785)	(25,876)
Research and development expenses	-	(8,628)	(38,522)	(7,010)	-	-	-
Change in deferred charges	-	-	-	-	-	382	(382)
	(20,590)	(8,790)	(59,297)	(41,121)	(12,047)	(15,403)	(26,258)
FINANCING							

(Repayment) proceeds of long-term debt, net	(1,882)	1,000	(6,597)	14,403	-	-	-
Other loans	28,000	-	85,000	-	-	-	-
Dividends	-	(40,000)	(40,000)	-	-	-	-
Issuance (redemption) of share capital	-	-	-	-	(1)	5,000	20,002
	26,118	(39,000)	38,403	14,403	(1)	5,000	20,002
NET CASH INFLOW (OUTFLOW)	35,210	1,557	(26,784)	16,081	1,383	486	(4,095)
CASH & CASH EQUIVALENTS (BANK LOAN), BEGINNING OF PERIOD	(12,929)	13,855	13,855	(2,226)	(3,609)	(4,095)	-
CASH & CASH EQUIVALENTS (BANK LOAN), END OF PERIOD	$ 22,281	$ 15,412	$ (12,929)	$ 13,855	$ (2,226)	$ (3,609)	$ (4,095)
SUPPLEMENTAL CASH FLOW INFORMATION:							
Interest received	$ 76	-	-	-	-	-	-
Interest paid	-	$ 1,000	$ (926)	$ (1,301)	-	-	-

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with generally accepted accounting principles as set out by the Canadian Institute of Chartered Accountants. The following policies are significant:

(i) Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is intended to amortize the cost of the asset over its useful life and is determined using the following methods and rates:

	Method	Rate
Computer equipment	Declining-balance	30 percent
Computer software	Declining-balance	100 percent
Audio visual equipment	Declining-balance	20 percent
Office equipment	Declining-balance	20 percent

(ii) Research and development costs

Research and development costs are stated at cost less amortization. Cost includes wages and other direct costs and are reduced by government grants and investment tax credits. Research and development costs are amortized over a three year period on a straight-line basis.

2. CHANGE IN ACCOUNTING PRINCIPLE

The Company adopted the policy of capitalizing and deferring research and development expense during the current year. The change in accounting principle has been applied retroactively resulting in an increase in total assets and an increase in retained earnings of $4,771.

3. CAPITAL ASSETS

	December 31, 1999			December 31, 1998
	Cost	Accumulated Amortization	Net	Net
Computer equipment	$ 101,594	$ 51,359	$ 50,235	$ 49,918
Audio-visual equipment	3,139	1,290	1,849	1,973
Office equipment	3,862	766	3,096	1,076
	$ 108,595	$ 53,415	$ 55,180	$ 52,967

3. CAPITAL ASSETS (continued)

	March 31, 2000			March 31, 1999
	Cost	Accumulated Amortization	Net	Net
Computer equipment	$ 114,592	$ 53,170	$ 61,422	$ 52,519
Audio-visual equipment	3,139	1,382	1,757	1,867
Office equipment	6,453	985	5,468	1,022
	$ 124,184	$ 55,537	$ 68,647	$ 55,408

4. ADVANCES FROM SHAREHOLDERS

Advances from shareholders are due on demand and are non-interest bearing.

5. LONG-TERM DEBT

Capital lease for computer equipment bearing interest at the rate of 8.25 percent requiring monthly payments of $627.01 until repaid January 16, 2001.

6. SHARE CAPITAL

(i) Authorized:

100,000,000 Class A common voting shares without par value
100,000,000 Class B common non-voting shares without par value
100,000,000 Class C common non-voting shares without par value
100,000,000 Class D preferred shares without par value

(ii) Issued and outstanding:

	Number of Shares	Amount
Balance, December 31, 1997	100,000	$ 25,001
Issued during the year	-	-
Balance, December 31, 1998	100,000	25,001
Issued during the year	-	
Balance, December 31, 1999	100,000	25,001
Issued during the period	-	
Balance, March 31, 2000	100,000	$ 25,001

7. CONTRACTUAL COMMITMENTS

The Company leases its premises. The terms of the lease require monthly payments of $1,400 until July 2001.

8. SUBSEQUENT EVENT

On January 26, 2000, Augusta Metals Incorporated (“Augusta”), a company with certain common directors, entered into a Share Purchase Agreement (“Agreement”) whereby Augusta will issue 10,000,000 of its common shares to related parties for the purchase of a 100% interest in the Company, subject to regulatory and shareholder approvals. When the acquisition of the Company is completed, the resultant business combination will be accounted as a reverse takeover. In accordance with this method of accounting, the Company will be identified as the acquirer and

Augusta as the accounting subsidiary. Augusta is in the process of seeking regulatory and shareholder approvals.

SCHEDULE "G"

PRO FORMA UNAUDITED AND CONSOLIDATED FINANCIAL STATEMENTS

AUGUSTA
METALS INC

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

APRIL 30, 2000 AND JANUARY 31, 2000

COMPILATION REPORT

To the Directors of Augusta Metals Incorporated:

We have reviewed, as to compilation only, the accompanying pro forma consolidated balance sheet of Augusta Metals Incorporated as at April 30, 2000 and the accompanying pro forma consolidated statements of loss and cash flows for the three month period ended April 30, 2000 and for the year ended January 31, 2000 which have been prepared for inclusion in the Notice of Annual and Extraordinary General Meeting and Management Information Circular. In our opinion, the pro forma consolidated balance sheet and pro forma consolidated statements of loss and cash flows have been properly compiled to give effect to the Acquisition Agreement entered into between Augusta Metals Incorporated and CyberCom Systems Inc. as described in Note 2.

/s/ Deloitte & Touche LLP

Chartered Accountants
Vancouver, British Columbia
June 15, 2000

AUGUSTA METALS INCORPORATED

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

as at APRIL 30, 2000

	Augusta Metals Incorporated April 30, 2000	CyberCom Systems Inc March 31, 2000	Adjustments Refer Note 3		Pro Forma Augusta Metals Incorporated
ASSETS					
CURRENT					
Cash and cash equivalents	$ 130,625	$ 31,281			$ 161,906
Accounts receivable	38,126	62,231			100,357
Prepaid expenses	-	2,200			2,200
Investment tax credits	-	41,623			41,623
	168,751	137,335			306,086
ADVANCES TO RELATED PARTIES	113,000	7,235	$ (113,000)	(f)	7,235
CAPITAL ASSETS, net	-	68,647			68,647
RESEARCH AND DEVELOPMENT COSTS	-	24,224			24,224
	$ 281,751	$ 237,441			$ 406,192
LIABILITIES					
CURRENT					
Bank loan	$ -	$ 9,000			$ 9,000
Accounts payable and accrued liabilities	396,276	60,067	60,000	(d)	516,343
Corporate income taxes payable	-	2,916			2,916
Current portion of long-term debt	-	5,923			5,923
	396,276	77,906			534,182
OTHER LOANS	-	113,000	(113,000)	(f)	-
DEFERRED INCOME TAXES	-	4,200			4,200
	396,276	195,106			538,382
(CAPITAL DEFICIENCY) SHAREHOLDERS' EQUITY					
SHARE CAPITAL	12,140,219	25,001	(12,140,219)	(e)	1,361,388
SPECIAL WARRANTS	156,725	-	(156,725)	(e)	-
SPECIAL WARRANTS SUBSCRIPTIONS	140,900	-	(140,900)	(e)	-
(DEFICIT) RETAINED EARNINGS	(12,552,369)	17,334	11,041,457	(b),(e)	(1,493,578)
	(114,525)	42,335			(132,190)
	$ 281,751	$ 237,441			$ 406,192

AUGUSTA METALS INCORPORATED

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF LOSS
FOR THE THREE MONTHS ENDED
APRIL 30, 2000

	Augusta Metals Incorporated For the Three Months Ended April 30, 2000	CyberCom Systems Inc For the Three Months Ended March 31, 2000	Adjustments Refer Note 3	Pro Forma Augusta Metals Incorporated
REVENUES				
Sales revenue	$ -	$ 164,603		$ 164,603
Interest income	649	76		725
	649	164,679		165,328
EXPENSES				
Administration	7,500	-		7,500
Advertising and promotion	-	1,535		1,535
Amortization	-	5,917		5,917
Automotive	-	6,292		6,292
Bank charges and interest	28	523		551
Computer supplies	-	861		861
Consulting	2,032	-		2,032
Dues licenses and fees	-	60		60
Filing and regulatory	2,776	-		2,776
Internet services	-	352		352
Office and general	177	7,081		7,258
Professional services	3,165	3,050		6,215
Rent	-	3,164		3,164
Salaries, benefits and subcontractors	-	157,024		157,024
Travel and entertainment	463	3,656		4,119
	16,141	189,515		205,656
Net loss before other income (expense)	(15,492)	(24,836)		(40,328)
Gain on disposition of marketable securities	14,268	-		14,268
Reorganization costs	(8,710)	-	(60,000) (d)	(68,710)
NET LOSS FOR THE PERIOD	$ (9,934)	$ (24,836)		$ (94,770)
LOSS PER SHARE				$ (0.01)

AUGUSTA METALS INCORPORATED

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED
APRIL 30, 2000

	Augusta Metals Incorporated For the Three Months Ended April 30, 2000	**CyberCom Systems Inc** For the Three Months Ended March 31, 2000	**Adjustments** Note 3		**Pro Forma Augusta Metals Incorporated**
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES					
OPERATING					
Net loss for the period	$ (9,934)	$ (24,836)	$ (60,000)	(d)	$ (94,770)
Items not affecting cash:					
Amortization	-	5,917			5,917
Gain on disposition of marketable securities	(14,268)	-			(14,268)
	(24,202)	(18,919)			(103,121)
Net changes in non-cash working capital items:					
Accounts receivable	(4,676)	31,033			26,357
Prepaid expenses	-	(600)			(600)
Investment tax credits	-	1,440			1,440
Accounts payable and accrued liabilities	(11,413)	22,143	60,000	(d)	70,730
Advances from shareholders	-	(5,415)			(5,415)
	(40,291)	29,682			(10,609)
INVESTING					
Advances to related party	-	(5,000)			(5,000)
Acquisition of capital assets	-	(15,590)			(15,590)
Proceeds from disposition of marketable securities	19,040	-			19,040
	19,040	(20,590)			(1,550)
FINANCING					
Repayment of long-term debt, net	-	(1,882)			(1,882)
Other loans	-	28,000			28,000
Subscriptions for special warrants	140,900	-			140,900
	140,900	26,118			167,018
NET CASH INFLOW	119,649	35,210			154,859
CASH & CASH EQUIVALENTS (BANK LOAN), BEGINNING OF PERIOD	10,976	(12,929)			(1,953)
CASH & CASH EQUIVALENTS (BANK LOAN), END OF PERIOD	$ 130,625	$ 22,281			$ 152,906
CASH & CASH EQUIVALENTS (BANK LOAN) COMPRISE OF:					
Cash and cash equivalents	$ 130,625	$ 31,281			$ 161,906
Bank loan	-	(9,000)			(9,000)
	$ 130,625	$ 22,281			$ 152,906

SUPPLEMENTAL CASH FLOW INFORMATION

Interest received	$ 649	$ 76		$ 725
Interest paid	-	-		-

AUGUSTA METALS INCORPORATED

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF (LOSS) INCOME FOR THE YEAR ENDED JANUARY 31, 2000

	Augusta Metals Incorporated For the Year Ended January 31, 2000	**CyberCom Systems Inc** For the Year Ended December 31, 1999	**Adjustments** Refer Note 3	**Pro Forma Augusta Metals Incorporated**
REVENUES				
Sales revenue	$ -	$ 340,496		$ 340,496
Interest income	889	-		889
	889	340,496		341,385
EXPENSES				
Administration	30,000	-		30,000
Advertising and promotion	-	9,164		9,164
Amortization	-	33,739		33,739
Automotive	-	8,362		8,362
Bank charges and interest	859	1,709		2,568
Computer supplies	-	5,245		5,245
Consulting	967	-		967
Filing and regulatory	12,318	-		12,318
Internet services	-	6,333		6,333
Office and general	1,707	17,573		19,280
Professional services	13,951	5,733		19,684
Rent	-	8,200		8,200
Salaries, benefits and subcontractors	2,030	189,535		191,565
Training	-	1,608		1,608
Travel and entertainment	19,771	16,700		36,471
	81,603	303,901		385,504
Net (loss) income before other income (expense)	(80,714)	36,595		(44,119)
Interest on long-term debt	-	(926)		(926)
Gain on debt settlement	15,000	-		15,000
Reorganization costs	(34,201)	-	$ (60,000) (d)	(94,201)
Write-down of marketable securities	(2,386)	-		(2,386)
Write-off of mining assets	(5,878)	-		(5,878)
Net (loss) income before income taxes	(108,179)	35,669		(132,510)
Income taxes	-	(3,262)		(3,262)
NET (LOSS) INCOME FOR THE YEAR	$ (108,179)	$ 32,407		$ (135,772)
LOSS PER SHARE				$ (0.01)

AUGUSTA METALS INCORPORATED

UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED
JANUARY 31, 2000

	Augusta Metals Incorporated For the Year Ended January 31, 2000	**CyberCom Systems Inc** For the Year Ended December 31, 1999	**Adjustments** Note 3	**Pro Forma Augusta Metals Incorporated**
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Net (loss) income for the year	$ (108,179)	$ 32,407	$ (60,000) (d)	$ (135,772)
Items not affecting cash:				
Amortization	-	33,739		33,739
Deferred income taxes	-	4,200		4,200
Gain on debt settlement	(15,000)	-		(15,000)
Write-down of marketable securities	2,386	-		2,386
Write-off of mining assets	5,878	-		5,878
	(114,915)	70,346		(104,569)
Net changes in non-cash working capital items:				
Accounts receivable	(22,931)	(64,490)		(87,421)
Prepaid expenses	-	(1,600)		(1,600)
Investment tax credits	-	(41,623)		(41,623)
Accounts payable and accrued liabilities	92,774	31,307	60,000 (d)	184,081
Corporate income taxes payable	-	(938)		(938)
Advances from shareholders	-	1,108		1,108
	(45,072)	(5,890)		(50,962)
INVESTING				
Advances to relating party	(113,000)	-	113,000 (f)	-
Acquisition of capital assets	-	(20,775)		(20,775)
Expenditures for research and development	-	(38,522)		(38,522)
Recoveries of mining expenditures	3,600	-		3,600
	(109,400)	(59,297)		(55,697)
FINANCING				
Repayment of long-term debt, net	-	(6,597)		(6,597)
Other loans	-	85,000	(85,000) (f)	-
Dividends	-	(40,000)		(40,000)
Issuance of special warrants	156,725	-		156,725
Subscriptions for special warrants	-	-	140,900 (c)	140,900
	156,725	38,403		251,028
NET CASH INFLOW (OUTFLOW)	2,253	(26,784)		144,369

CASH & CASH EQUIVALENTS, BEGINNING OF YEAR		8,723		13,855		22,578
CASH & CASH EQUIVALENTS (BANK LOAN), END OF YEAR	$	10,976	$	(12,929)	$	166,947
CASH & CASH EQUIVALENTS (BANK LOAN) COMPRISE OF:						
Cash and cash equivalents	$	10,976	$	-	$	179,876
Bank loan				(12,929)		(12,929)
	$	10,976	$	(12,929)	$	166,947
SUPPLEMENTAL CASH FLOW INFORMATION						
Interest received	$	889	$	-	$	889
Interest paid	$	-	$	926	$	926

1. BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated financial statements give effect to the acquisition agreement between Augusta Metals Incorporated ("Metals") and CyberCom Systems Inc. ("CyberCom").

The unaudited pro forma consolidated financial statements have been prepared based upon:

(i) The audited financial statements of Metals for the year ended January 31, 2000;

(ii) The unaudited financial statements of Metals as at April 30, 2000 and for the three month period then ended;

(iii) The audited financial statements of CyberCom for the year ended December 31, 1999; and

(iv) The unaudited financial statements of CyberCom as at March 31, 2000 and for the three month period then ended.

The unaudited pro forma consolidated balance sheet of Metals as at April 30, 2000 include the unaudited balance sheet of Metals as at April 30, 2000 and the unaudited balance sheet of CyberCom as at March 31, 2000. The unaudited pro forma consolidated statements of loss and cash flows for the three month period ended April 30, 2000 include the unaudited statements of loss and cash flows of Metals for the three month period ended April 30, 2000 and the unaudited statements of loss and cash flows of CyberCom for the three month period ended March 31, 2000. The unaudited pro forma consolidated statements of loss and cash flows for the year ended January 31, 2000 include the audited statements of loss and cash flows of Metals for the year ended January 31, 2000 and the audited statements of loss and cash flows of CyberCom for the year ended December 31, 1999.

The unaudited pro forma consolidated financial statements should be read in conjunction with the audited and unaudited historical financial statements of the companies including the notes thereto.

The unaudited pro forma consolidated financial statements illustrate the financial position, results of operations and cash flows as if the business combination, disclosed in Note 2, had occurred on the dates indicated. However, they may not indicate the financial position and results of operations that may actually be realized.

2. BUSINESS COMBINATION

Metals has entered into an agreement to complete a business combination with CyberCom. On combination, 100 common shares of Metals will be exchanged for each common share of CyberCom. As the shareholders of CyberCom will hold a majority of the shares issued subsequent to the business combination, CyberCom is identified as the acquirer in the business combination and the transaction will be accounted for as a reverse takeover under the purchase method of accounting. In order to complete the business combination, Metals will issue 10,000,000 common shares at an estimated fair value of $1,336,387. Fair value has been estimated based upon the market value of Metals' shares at April 30, 2000.

2. BUSINESS COMBINATION (continued)

The fair values as at April 30, 2000 of the net assets acquired are as follows:

Current assets:		
Cash and cash equivalents	$	130,625
Accounts receivables		38,126
Advances to related party		113,000
		281,751
Current liabilities:		
Accounts payable and accrued liabilities		(396,276)
		(114,525)
Charge to deficit to reflect excess of consideration over fair value of net assets		1,450,912
	$	1,336,387

The fair value of the consideration given will be determined at the date of closing of the transaction. Therefore it is likely that the fair value will vary from the value used in this pro forma and the difference may be significant.

3. PRO FORMA ASSUMPTIONS, TRANSACTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated financial statements give effect to the following assumption:

(a) Issuance of 10,000,000 common shares of Metals at a deemed value of $1,336,387 in exchange for all the outstanding shares of CyberCom. The deemed value of $1,336,387 represents the market value of $0.44 per common share of Metals for all its 3,037,244 issued and outstanding common shares as at April 30, 2000;

(b) The business combination resulting from the acquisition of CyberCom will recognize a purchase price discrepancy of $1,450,912 which is applied to deficit. The discrepancy is attributable to the deemed value of $1,336,387 from the issuance of 10,000,000 common shares of Metals for the acquisition of CyberCom and the capital deficiency of $114,525 for Metals. The net book values of Metals' assets and liabilities are assumed to closely approximate their market values;

(c) In the three month period ended April 30, 2000, Metals received proceeds of $140,900 for subscriptions for special warrants;

(d) Reorganization costs attributed to the business combination between Metals and CyberCom are expected to be about $60,000 and are thus accrued;

(e) Metals' investment in CyberCom and the capital deficiency accounts as at April 30, 2000 of Metals are eliminated upon the business combination of Metals and CyberCom in which the CyberCom is identified as the acquirer and the business combination is accounted as a reverse-takeover; and

3. PRO FORMA ASSUMPTIONS, TRANSACTIONS AND ADJUSTMENTS (continued)

(f) Intercompany loan accounts are eliminated upon the business combination of Metals and CyberCom. As at December 31, 1999, Metals advanced a total of $85,000 to CyberCom, and as at January 31, 2000 and April 30, 2000 Metals advanced a total of $113,000 to CyberCom.

4. OTHER SIGNIFICANT EVENTS

During the year ended January 31, 2000, the Company entered into agreements with Scintrex Limited ("Scintrex") to satisfy debts of $305,000 ("Debt") owed by the Company to Scintrex. The Company will create a wholly-owned subsidiary ("Subco") which would assume the Debt. Subco will then issue 2,033,333 shares at a deemed price of $0.15 per share to Scintrex in satisfaction of the Debt. Scintrex will subscribe for an additional 1,000,000 shares of Subco at $0.15 per share for working capital purposes. Subco will acquire 100% of the issued and outstanding shares of the high technology company, LaserTech Group Inc. ("LTG"), by the issuance of about 10,200,000 Subco shares from treasury to shareholders of LTG. The Company will dividend to its shareholders all its 2,100,000 shares acquired on the creation of Subco. The shares will be recorded at fair value at the date of issuance, and any gain (loss) on the transaction will be recorded as income (loss) at that time. If Scintrex fails to fulfill its obligations pursuant to the agreements within 24 months, Scintrex will completely forgive the payment of the Debt in which the Company and Subco will have no further liability to Scintrex. Subsequent to the year ended January 31, 2000, the Company is proceeding with these arrangements although no further progress have been achieved. The pro forma unaudited consolidated financial statements do not account for any of the agreements with Scintrex.

5. LOSS PER SHARE

For the purposes of the pro forma consolidated financial statements, the loss per share has been calculated using the weighted average number of shares which would have been outstanding during the three months ended April 30, 2000 and the year ended January 31, 2000 after giving effect to the transactions described in Note 3.