

CONSTRUCTION & MINING EQUIPMENT SERVICES INTERNATIONAL L.L.C.

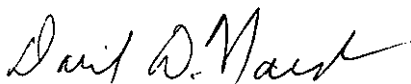
FC 17575

**Balance Sheet
As of 31 December 1997**

(In US \$)

	<u>31 December 1996</u>	<u>31 December 1997</u>
<u>ASSETS</u>		
Cash	708,410	293,639
Prepaid Assets	144,357	187,682
Machinery & Equipment	336,916	354,261
Less: Allowance for Depreciation	<u>(89,584)</u>	<u>(116,720)</u>
Other Assets	80,389	82,861
Total Assets	<u>1,180,488</u>	<u>801,723</u>
<u>LIABILITIES AND CAPITAL</u>		
Accounts Payable	456,761	345,662
Accrued Payroll	135,963	236,123
Inter-Company Advances	3,608,485	4,035,510
Retained Earnings	<u>(3,020,721)</u>	<u>(3,815,572)</u>
Total Liabilities	<u>1,180,488</u>	<u>801,723</u>

"SIGNED ON BEHALF OF SHAREHOLDER"



**David D. Nardo
Secretary**




CONSTRUCTION & MINING EQUIPMENT SERVICES INTERNATIONAL L.L.C.

Income Statement For the Period 1 January 1997 to 31 December 1997

(In US \$)

	<u>Year Ended</u> <u>31 December 1996</u>	<u>Year Ended</u> <u>31 December 1997</u>
Services Revenue & Commissions	4,216,550	4,700,174
Less Expenses:		
Salaries and Wages	1,870,660	2,047,476
Repairs and Maintenance	8,357	10,296
Rent	293,772	293,476
Taxes and Licenses	233,547	229,061
Depreciation	35,259	33,166
Retirement Plans	98,083	80,745
Group Insurance	20,680	20,825
Employer Development	2,939	5,626
Utilities	6,479	3,408
Travel	1,162,789	1,397,748
Entertainment	122,368	109,674
Legal and Accounting Fees	27,549	1,109
Consulting Services	699,554	937,492
Automotive Expense	71,201	66,289
Telephone and Telegraph	250,652	164,581
Office Supplies	43,346	44,306
Freight and Postage	22,739	20,759
Library Expense	992	1,627
Outside Expenses	80,447	18
Dues and Subscriptions	2,275	1,131
Insurance and Bond Premium	24,194	12,606
Advertising	22,691	-
Relocation Expense	23,343	48,754
Miscellaneous Expense	(98,275)	(26,059)
Subtotal	<u>(809,091)</u>	<u>(803,940)</u>
Other Revenues and Gains	<u>28,229</u>	<u>1,889</u>
Net Income (Loss) before Taxes	<u>(780,862)</u>	<u>(802,051)</u>
Income Tax Expense	<u>102,066</u>	<u>(7,200)</u>
Net Income (Loss) after Taxes	<u><u>(882,928)</u></u>	<u><u>(794,851)</u></u>

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