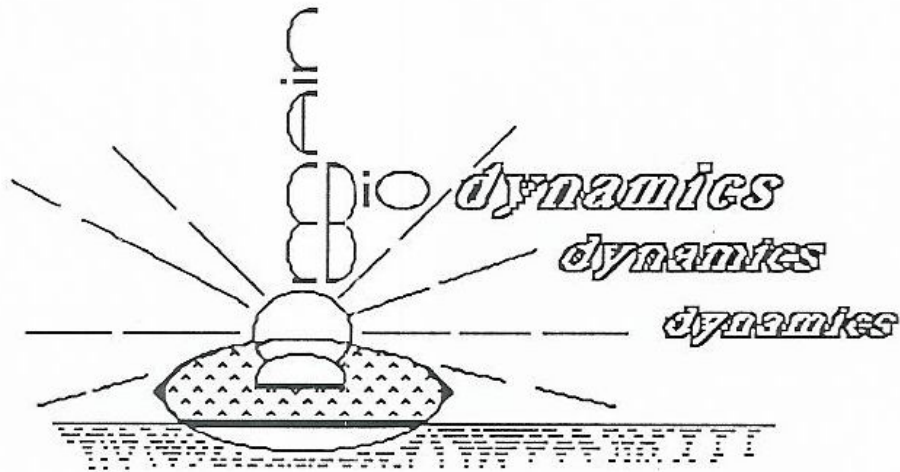


PREFACE  
to  
FINANCIAL OVERVIEW 1



### Strategic Production

DOMAIN brings to Canada the unique productivity of Ecoculture,  
using **Circuited ECodynamic Systems**.

This integrated ecosystemic production of crops makes it possible  
for Canada to meet the critical problems of producing food,  
about 86% of which is imported from such places as California, Arizona,  
Texas, Florida and Mexico.

These geographical sources, in the south of the temperate zone,  
have declared that their present exports will only meet the needs  
of the states immediately adjacent to them - by the end of the '80's!

DOMAIN's ecosystemic production of crops helps Canada's balance  
of payments and eliminates transport costs.

This production even makes it possible to have fresh produce available -  
by locating the source of production near the place where it is consumed.

It is normally difficult to locate the source of production  
near the place where it is consumed,  
because of the high urban and suburban land values.

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### Economics and Technology

Given Canada's latitude, harsh climate, generally high energy costs and the capital and operating costs for ordinary protected and controlled environments (greenhouses), such undertakings would seem economically impossible.

But the unusual efficiencies of high level, large-scale integration, and certain break-through technologies, simultaneously, in a number of essential subsystems, makes the economics not only possible, but somewhat extraordinary.

The concept of sequential dynamic optimums, in system control, and the availability of computer hardware and software, user friendly, low enough in cost, yet powerful enough, are two parts of what make it possible.

### Timing

DOMAIN acquired its present property in September and October of '86.

Some of the land had been rented out to agriculture.

The substances used in the agricultural production make it necessary for DOMAIN to spend at least three years restoring the soil.

The period required to restore the soil, combines with the period required to train enough staff and adapt the property to the practices of Ecoculture.

This adaptation of the property also involves water resource management

### Costs and Values

In the first four and a half months, after acquiring the property,

DOMAIN added to the \$401,500 spent in purchasing two of the three estates comprising the property, plus rent option payments of \$450, more than \$150,000, to restore, build and acquire equipment.

These sums do not take into account the time of its staff, invested in exchange for stock and stock options.

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But it is the viability of the content of our undertaking  
and the form of our organization,  
that have created the kind of commitment  
and the degree of commitment  
that has attracted the further investment  
of about \$80,000 to \$100,000 worth of highly skilled time and effort.

Three factors:

- 1) the merging of land held by separate estates,
  - 2) the value of combining talent and resources and
  - 3) inflationary trends,
- go together to enhance the value of the property.

These factors place the present value of the property  
in the range of \$750,000 to \$800,000.

More than \$3 million has been spent, over the fourteen years  
from 1973 to 1987, to produce the technology and know-how involved  
in **Circuited ECODynamic Systems**.

This places the value of the present undertaking at or near \$4 million.

### Required Training

This value of the undertaking is dependent upon an ongoing sequence.  
This sequence includes in its next step, the training of two groups of staff,  
over at least the next year, in two 24 week training programmes  
and the use of the trained key staff  
to seed the required enlargement of the organization.

We will continue to recruit that future staff  
on the nearby university campuses, where we have active inroads.