

INTERNATIONAL GEMINI TECHNOLOGY INC

Form 20-F

June 30, 2005

**Table of Contents**

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 20-F**

(Mark One)

**o Registration statement pursuant to Section 12(b) or 12(g) of the Securities Exchange Act of 1934**

or

**b Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the fiscal year ended December 31, 2004**

or

**o Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934  
[No fee required]**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 0-30858

**International Gemini Technology Inc.**

(Exact name of registrant as specified in its charter)

Province of British Columbia, Canada

(Jurisdiction of incorporation or organization)

#208 - 828 Harbourside Drive, North Vancouver, British Columbia, Canada V7P 3R9

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (604) 904-8481

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

Title of each class

Name of each exchange on which registered

None

None pending a transaction

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

Common Shares, no par value

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common shares at December 31, 2004 9,666,848 inclusive of the conversion of the balance of the Series 1 Convertible Preferred shares.

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Indicate by check mark which financial statement item the Registrant has elected to follow. Item 17  Item 18

**Unless otherwise indicated, all references herein are expressed in Canadian dollars and United States currency is stated as U.S.\$\_\_\_\_\_.**

**THIS SUBMISSION SHOULD BE CONSIDERED IN CONJUNCTION WITH PREVIOUSLY FILED FORMS 20-F AND 6-K. THE AUDITED FINANCIAL STATEMENTS AND NOTES THERETO ATTACHED ARE AN INTEGRAL PART OF THIS SUBMISSION.**

**TABLE OF CONTENTS**

ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS

ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE

ITEM 3. KEY INFORMATION

ITEM 4. INFORMATION ON THE COMPANY

ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS

ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS

ITEM 8. FINANCIAL INFORMATION

ITEM 9. THE OFFER AND LISTING

ITEM 10. ADDITIONAL INFORMATION

ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES

ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

ITEM 15. CONTROLS AND PROCEDURES

ITEM 16

ITEM 17. FINANCIAL STATEMENTS

ITEM 18. FINANCIAL STATEMENTS

ITEM 19. EXHIBITS

SIGNATURES

EX-12.1

EX-12.2

EX-13.1

EX-13.2

---

**Table of Contents**

International Gemini Technology, Inc.

**ITEM 1. IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS**

Not required

**ITEM 2. OFFER STATISTICS AND EXPECTED TIMETABLE**

Not applicable.

**ITEM 3. KEY INFORMATION**

**A. Selected financial data.**

The following selected financial data has been extracted from the consolidated financial statements for the last five years prepared pursuant to Canadian generally accepted accounting principles ( GAAP ). Where material differences exist between Canadian and US GAAP, corresponding comparison data has been provided in US GAAP for clarity.

2

---

**Table of Contents****International Gemini Technology Inc.**

## Selected Financial Data

(Expressed in Canadian Dollars)

	<b>12 Months ended December 31</b>				
	<b>2004</b>	<b>2003</b>	<b>2002</b>	<b>2001</b>	<b>2000</b>
Net Operating Revenues	\$ 20,000	3,000	22,000	0	82,500
Income (loss) from continued operations	\$ (39,742)	(37,863)	(35,264)	(23,205)	60,375
Income from discontinued operations	\$ N/a	N/a	N/a	N/a	N/a
Net income (loss)	\$ (39,742)	(37,863)	(35,264)	(23,205)	60,375
Income per share from continued operations	\$ 0	0	0	0	.01
Income per share from discontinued operations	\$ 0	0	0	0	0
Income per share after discontinued operations	\$ 0	0	0	0	.01
Share capital per Canadian GAAP	\$ 13,265,283	13,265,283	13,265,283	13,265,283	13,265,283
Common shares issued	8,323,119	8,323,119	8,323,119	8,323,119	8,323,119
Weighted average shares outstanding per Canadian GAAP	8,323,119	8,323,119	8,323,119	8,323,119	8,323,119
Total Assets	\$ 53,870	49,070	157,186	134,991	216,221
Net Assets (liabilities)	\$ (3,027)	36,715	74,578	109,842	133,047
Convertible debentures (current and long term portions) per U.S. GAAP )	\$ N/a	N/a	N/a	N/a	N/a
Cash Dividends Declared per Common Shares	\$ 0	0	0	0	0
Exchange Rates (Cdn\$ to U.S.\$) Period Average	\$ 0.7683	0.7135	0.6368	0.6458	0.6733

**Table of Contents**

	<b>Period High</b>	<b>Period Low</b>
Exchange Rates (CDN\$ to U.S.\$) for most recent six months		
December 2004	\$ 0.8389	0.8021
January 2005	\$ 0.8295	0.8019
February 2005	\$ 0.8107	0.7946
March 2005	\$ 0.8297	0.8003
April 2005	\$ 0.8207	0.7925
May 2005	\$ 0.8086	0.7853
Exchange Rate (CDN\$ to U.S.\$) June 27, 2005	\$ 0.8125	

**B.** Not required

**C.** Not required

**D. Risk factors.**

The business of the Company entails significant risks, and an investment in the securities of the Company should be considered highly speculative. An investment in the securities of the Company should only be undertaken by persons who have sufficient financial resources to enable them to assume such risks. The following is a general description of all material risks, which can adversely affect the business and in turn the financial results, ultimately affecting the value of an investment the Company.

*The Company has no viable business.*

*The Company has no funds.*

*There is no assurance that the Company can access additional capital.*

*There is no assurance that the transaction disclosed herein with Pinefalls Gold will be consummated, or if consummated will be successful in its quest to find a commercially viable quantity of mineral resources.*

**Table of Contents**

*The Company has a history of operating losses and may have operating losses and a negative cash flow in the future.*

*The Company's auditors have indicated that U.S. reporting standards would require them to raise a concern about the company's ability to continue as a going concern.*

*There is no market for our common shares.*

**ITEM 4. INFORMATION ON THE COMPANY**

**A. History and development of the Company.**

International Gemini Technology Inc. resulted from a one for five reverse split of the common shares of Gemini Technology Inc. accomplished in 1993. International Gemini Technology Inc. was incorporated under the laws of the Province of British Columbia, Canada, by filing of Memorandum and Articles of Association on September 20, 1983, under the name Rainbow Resources Ltd. The company's name was changed to Widescope Resources Ltd. on May 1, 1984, and to Gemini Technology Inc. on September 17, 1985. Registrant is currently in good standing under the laws of British Columbia. The registered and records office of the Company and the Company's principal executive offices are located at #208 828 Harbourside Drive North Vancouver, British Columbia V7P 3R9, telephone 604-904-8481.

From September 1985 the company became involved in the design and marketing of a circuit board for a Zenith computer that allowed it to emulate an IBM PC and utilize much of the related software. Over the next year it broadened its product line to include proprietary computer graphics chips, custom electronic components and equipment. As the line of proprietary computer graphics chips were in final development, the demand for the circuit boards for the Zenith computer ended.

The company licensed its graphics chips to third parties, and concentrated on developing second and third generation products. Due to cash flow problems brought about by external and unforeseeable circumstances and bad management decisions the company was forced into a position of attempting to develop a new generation product with little cash.

In August of 1989 the board changed direction and top management. The new strategy was to accelerate R&D on a blockbuster new product, targeting a small number of very large customers. With little cash and little ongoing revenue, the inevitable delays to the R&D process caused the company to be unable to meet payroll in February 1990. All of management resigned and the board of directors was changed. The shareholders spearheaded an effort to save the Company, which eventually resulted in the change to the board of directors and a plan to revive the Company's operations.

During 1991 the Company concentrated considerable effort on establishing a joint venture in Czechoslovakia to exploit the European market, as well as effort to establish a considerable technical presence in the Middle East. In addition, contracts and joint ventures were pursued in Russia, Singapore and Taiwan. As yet none of these efforts has yielded tangible results.



**Table of Contents**

A great deal of time and energy has been expended in 1993 and 1994 in an effort to target and conclude an acquisition that would be complimentary to Gemini's technical and financial capabilities. This effort continued through 1996, and at the end of 1996 has been unsuccessful. In July of 1997, Gemini entered into discussions to acquire the assets and intellectual property of Abraham Publishing Group Inc. and certain other privately owned assets which in combination operate as a profitable publishing business. These discussions and negotiations had not been concluded by the end of 1997, but in the first quarter of 1998 resulted in an acquisition agreement with closing conditional on raising US\$3.25 million in expansion capital.

Closing had not taken place by the end of 1998 due to small cap market conditions frustrating efforts to raise the required capital. Initiatives were undertaken to identify and review other potential acquisition or mergers requiring less capital.

The dot.com frenzy in the years 1999 and 2000 distorted valuations and made any prospective acquisition prohibitively expensive. The return to more normal valuations after mid 2000 has resulted in fewer but more reasonably priced prospective candidates. However as valuations became more reasonable the sources of funding became fewer. And the events of September 11 virtually shut down the availability of funding for most smaller transactions, particularly the size targeted by the company. Toward the end of the year discussions were entered into on a proprietary medical device, which had met some amount of success in a niche market in Texas. At yearend discussions were progressing, particularly as it appeared that this device could be sold in considerable quantity by the application of effective marketing. This was abandoned as marketing was found not to be the greatest challenge. The greatest challenge was providing the paperwork for the multiplicity of insurers ultimately paying for the use of the device.

During 2002 due diligence was done on two businesses, but neither was able to demonstrate the business case necessary for expansion financing. Accordingly neither was pursued further as a merger or acquisition candidate, despite one being in the bus shelter advertising business, a business usually demonstrating generally attractive economics.

During 2003 due diligence was done on several more businesses. All but one were abandoned as not being able to support the additional financing required to close. One of those abandoned became the subject of further review toward the end of the year as the owners lowered their price expectation. At year end, alternatives were being considered including merging with a like business, also available. A separate business was the subject of low level investigation throughout the year, as it was fairly early stage. It remained under observation at year end, having made considerable business progress.

During 2004 alternatives in the resource sector were explored. Oil and gas projects were investigated, and one in particular was the subject of considerable attention. Increasing energy prices brought with them increasing expectations on the part of the owners of that project, ultimately causing interest to wane. Precious metals projects continued to be reviewed as the entry cost was deemed to be lower, and expenditures in minerals exploration appeared to be more controllable. Toward the end of 2004, the Directors were contemplating making a proposal on one particular project.

**Table of Contents**

**B. Business overview.**

The company's sole activity is its search for a suitable acquisition or acquisitions that can be made and financed at prices and terms that make business sense. The acquisitions targeted will provide products and/or services to customers largely in the United States. They should also have the potential to be grown significantly by excellence in marketing.

World economic conditions, including the trade and budget deficits in the United States, have made the case for precious metals a compelling one. This, combined with the availability of capital for precious metals projects has expanded the acquisition search to include precious metals exploration and development opportunities.

Expected continuing high demand for oil and gas world wide as well as in North America created a compelling case for oil and gas projects. Offsetting this were rapidly increasing expectations on the part of project owners.

In April 2005 the Corporation announced that it has entered into a subscription agreement with Outback Capital Inc. (dba Pinefalls Gold ) a privately held Alberta corporation. The agreement calls for the Corporation to invest \$200,000 into Pinefalls Gold via private placement.

Upon receiving proceeds from its private placement Pinefalls Gold will immediately commence recommended phase one exploration work on its seventeen (17) mining claims in the area of Bissett, Manitoba. The claims are included in the Rice Lake greenstone belt and cover an area of approximately 2800 hectares. The claims are the subject of a Qualifying Report dated June 30, 2004 prepared by Edward Sawitzky, P. Geo. of Arc Metals Ltd. ( Arc ). Arc prepared the report to standards dictated by National Instrument 43-101.

In exchange for its investment, the Corporation will receive 4 million units of Pinefalls Gold. Each unit will consist of one common share and one warrant to purchase an additional common share at \$0.075 for two years. Prior to exercising its warrants the Corporation will own approximately 37% of the then outstanding 10.7 million common shares of Pinefalls Gold. Assuming the exercise of the warrants, the Corporation will own approximately 54% of Pinefalls Gold.

Separately, the Corporation has entered into an Option Agreement with one of the principal shareholders of Pinefalls Gold (the PFG Option ) which entitles the Corporation to acquire a further 3 million common shares of Pinefalls Gold in exchange for one million common shares of the Corporation. The PFG Option is exercisable at the Corporation's sole discretion until it expires on March 31, 2006.

The Corporation and Pinefalls Gold have entered into these arrangements on a non-arms length basis. The two companies have certain directors and principal shareholders in common. The Corporation's directors with conflicts of interest have refrained from voting on the relevant resolutions. The Corporation is relying on exemptions 5.5(3)[corporation not listed on specified markets] and 5.7(3)[fair market value not more than \$2,500,000] from the formal valuation and minority approval requirements of OSC Rule 61-501 regarding Related Party Transactions.

## **Table of Contents**

To enable Gemini to meet its funding obligations Gemini has arranged a non-brokered private placement to provide working capital to the Company. Gemini will issue up to 2 million units at \$0.15 per unit, where each unit consists of one common share of Gemini (a Share ) and one transferable share purchase warrant (a Warrant ). Each warrant will entitle the holder to purchase one common share of Gemini for a term of 24 months, at a price of 18 cents per share. If the common shares of Gemini, at any time after six months after the closing date of the private placement, trade on a recognized stock exchange at a price of \$0.50 per share or greater for 10 consecutive trading days, then Gemini can provide notice to the holders of the warrants and the warrants will expire 30 days after the notice is given.

### **C. Organizational structure.**

The company is part of no other group, nor does it have any subsidiaries. If the Pinefalls Gold transaction as described herein is consummated it is possible that Pinefalls Gold will become a partially owned subsidiary of the Company

### **D. Property, plants and equipment.**

The Company s head office and principal facility, which is leased, is located at 828 Harbourside Drive, North Vancouver. It has no other property, plant, or equipment.

## **ITEM 5. OPERATING AND FINANCIAL REVIEW AND PROSPECTS**

**The following discussion and analysis should be read in conjunction with the financial statements and notes thereto included herein (see also Selected Financial Data ). The consolidated financial statements have been prepared in accordance with Canadian GAAP. Refer Note 15 to the financial statements for a reconciliation of certain amounts to U.S. GAAP under Item 17. The primary differences between the Canadian and U.S. GAAP loss for the year are the inclusion of stock option compensation and a revised goodwill base under U.S. GAAP.**

### **Overview**

The Company s sole focus is on finding and completing a suitable acquisition, or suitable acquisitions. This activity is largely carried out by the directors and large shareholders at their expense. Accordingly its revenue is insignificant and certainly not material. Results can fluctuate on the basis of postal rate increases, or reductions in courier or long distance phone rates.

## **Table of Contents**

### **Results of Operations**

The company has shown modest losses for the past several years. These losses result largely from having no revenue, rather than having unusual expenses. This year the company elected to write down the value of its passive investment, and this resulted in a loss that was somewhat greater than usual. The expenses of the company are almost completely related to satisfying regulatory requirements, including the annual meeting, communication with shareholders; and seeking and evaluating acquisition prospects for suitability and ability to attract financing.

### **Fluctuations in Results**

The Company's annual operating results fluctuate, but very little.

### **Liquidity and Capital Resources**

Since the Company is organized in Canada, the Company's December 31, 2004 consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

As at December 31, 2004, the Company had accumulated losses totaling \$13,321,654. The Company had a working capital deficit of \$3027 as at December 31, 2004. The continuation of the Company is dependent upon the continued financial support of shareholders as well as obtaining long-term financing when the company concludes an appropriate merger or acquisition agreement.

As noted, these conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustment that might arise from uncertainty. However, had the audit been conducted in accordance with U.S. generally accepted auditing standards the auditors would have reflected these concerns in their report and would have included an explanatory paragraph in their report raising concern about the Company's ability to continue as a going concern.

As at December 31, 2004 the Company had cash and term deposits of \$1,472 and a working capital deficit of \$3,027.

### **Impact of Inflation**

The Company believes that inflation has not had a material effect on its past business.

### **Quantitative and Qualitative Disclosures about Market Risk**

Not applicable to the Company.

## **ITEM 6. DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES**

It should be noted that the management discussed below is primarily involved with the Company's current activities. As the Company concludes an acquisition or merger, or embarks

**Table of Contents**

on any other type of project, additional personnel with differing areas of expertise will be utilized. Directors are elected annually by a majority vote of the shareholders and hold office until the next general meeting of the shareholders. Officers are appointed by, and serve at the discretion of, the board of directors. The names, place of residence, positions within the Company and the principal occupations of the directors and senior officers of the Company are set out below.

**A. Directors and senior management.**

<b>Name, Municipality of Residence and Position with the Corporation</b>	<b>Age</b>	<b>Principal Occupation and Position During the Past Five Years</b>
Douglas E. Ford (1) West Vancouver, B.C. Director	41	Director since September 10, 1992; General Manager of Dockside Capital, a private merchant banking and venture capital firm, from 1986 to present; also Vice President of Operations, Bugaboos Eyewear Corp., October 1998 to October 2000.
Martin Schultz Vancouver, B.C. Secretary and Director	61	Director and Secretary since March 20, 1990; Self employed corporate development advisor for over 10 years.
John Stanton Queensburg, New York Director	59	Director since November 15, 1990; Self employed pharmacist
Edward Dolejsi Delta, B.C. Director and President	60	Director since March 20, 1990; Vice-President and General Manager of BRI from July, 1994 until April, 1999; self-employed software consultant since May, 1999.
Edward D. Ford (1) Whistler, B.C. Director	69	Director since March 20, 1990; also has devoted a portion of his time to investment activities and as President of Dockside Capital, a private merchant banking and venture capital firm, for more than the last five years; chartered accountant for more than 20 years.

(1) Edward Ford is the father of Douglas Ford.

**B. Compensation.**

Management compensation is determined by the board of directors based on competitive prices for services provided. During the year ended December 31, 2004, directors and officers, including private companies controlled by directors and officers, as a group, were paid a total of \$38,000 in management fees and rent. See Item 7. Major Shareholders and Related Party Transactions for more detail on fees paid to members of management or to entities owned by them.

**Table of Contents**

For the year ended December 31, 2004, the Company paid no compensation to Directors for acting as Directors. The Company does not have any pension or retirement plans, nor does the Company compensate its directors and officers by way of any material bonus or profit sharing plans. Directors, officers, employees and other key personnel of the Company may be compensated by way of stock options.

**C. Board practices.**

Pursuant to the provisions of the *Company Act* (BC), the Company's directors are elected annually at the regularly scheduled annual general meeting of shareholders. Each elected director is elected for a one-year term unless he resigns prior to the expiry of his term.

The Company has no arrangements in place for provision of benefits to its directors or upon their termination.

The Board has one committee, the Audit Committee, made-up of Messrs. Edward Ford, John Stanton and Douglas Ford. The Audit Committee meets with the auditors annually prior to completion of the audited financial statements and regularly with management during the fiscal year.

**D. Employees.**

Effective at December 31, 2004 the Company had no salaried employees.

**E. Share ownership.**

A total of ten percent (10%) of the common shares of the Company, outstanding from time to time, are reserved for the issuance of stock options pursuant to the Company's Incentive Stock Option Plan.

**ITEM 7. MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS.**

**A. Major shareholders.**

The following table sets forth certain information regarding beneficial ownership of the Company's shares at December 31, 2004 by (i) each person who is known to own beneficially more than 5% of the Company's outstanding Common Stock, (ii) each of the Company's directors and executive officers and (iii) all current directors and executive officers as a group. The table does not reflect common shares held of record by depositories, but does include currently exercisable options and warrants which are included in the calculation of percentage of class ownership for each individual holder. As of December 31, 2004 there were 8,323,119 common shares issued and outstanding. Each of the listed persons may be reached at the Company's head offices.

**Table of Contents**

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
<i>Principal Holders</i>		
Not applicable		
<i>Officers and Directors</i>		
Edward Ford	914,000(1)	10.981
John Stanton	55,000*	0.661
Douglas Ford	914,000(2)	10.981
Martin Schultz	483,167	5.805
Edward Dolejsi	6,200*	0.074
<b>All Officers and Directors as a Group (5 persons)</b>	<b>2,372,367</b>	<b>28.503</b>

\* Less than one percent.

(1) Includes 430,000 shares held through Singer Associates Holdings Ltd.

(2) Includes 430,000 shares held through Wink Holdings Ltd.

There are no arrangements, known to the Company, the operation of which may at a subsequent date result in a change in control of the Company.

**B. Related party transactions.**

During the fiscal year ended December 31, 2004, directors, officers and companies controlled by them have been engaged in the following transactions with the Company:

During the year ended December 31, 2004, a company in which a director has an interest charged the Company \$38,000 (2003: \$36,000, 2002: \$50,500, 2001: \$18,000, 2000: \$18,000) for rent and management fees. The unpaid portion of these amounts, plus additional advances and other amounts due to directors, aggregating \$55,395 (2003: \$10,885, 2002: \$77,562, 2001: \$21,704, 2000: \$76,945) is included in accounts payable and accrued liabilities at December 31, 2004.

During the year ended December 31, 2004, a company controlled by a director purchased the Company's asset, a 3% interest in a private company for \$30,000 resulting in a loss of \$16,024. The \$30,000 purchase price forms part of the year end accounts receivable.

A Company in which a director has an interest was charged \$20,000 (2003: \$3,000, 2002: \$12,000, 2001: \$Nil) for consulting fees during the year ended December 31, 2004. The unpaid portion of these amounts, aggregating \$20,000 (2003: \$Nil, 2002: \$98,940, 2001: \$86,100) is included in accounts receivable.

**Table of Contents**

	2004	2003	2002
Management fees and rent	\$ 38,000	\$ 36,000	\$ 50,500
The above transactions were made on terms as favorable or more favorable to the Company than those that could be obtained from unaffiliated third parties.			

**ITEM 8. FINANCIAL INFORMATION**

The Company is not aware of any significant change since December 31, 2004 that is not otherwise reported in this filing.

**ITEM 9. THE OFFER AND LISTING**

The shares of the company do not currently trade, pending a successful merger or acquisition. Subsequent to a successful transaction it is planned to have the shares commence trading on the NASDAQ bulletin board.

**ITEM 10. ADDITIONAL INFORMATION**

**Memorandum and articles of association**

1. The company was incorporated as Rainbow Resources Ltd. September 20 1983 under certificate of incorporation no. 268952 in the Province of British Columbia Canada. The name was changed to Widescope Resources Ltd. May 1 1984, to Gemini Technology Inc. September 13 1985, and to International Gemini Technology Inc. September 23 1993. No objects and purposes are described.
2. If a director has a material interest in a matter subject to a vote, he must declare it and abstain from voting, or have his vote not counted, except for certain specific exclusions which include setting director compensation. There are no restrictions on directors issuing debt however shareholder approval may be required in connection with convertible debt or other debt driven requirements to issue shares. There is no retirement age or share ownership requirement for directors.
3. Dividends are declared by directors and subject to any special rights, paid to all holders of shares in a class according to the number of shares held. Voting rights are one vote per share. Directors stand for election every year at the annual meeting. Shareholders have no rights to share directly in the company's profits. Subject to prior claims of creditors and preferred shareholders, common shareholders participate in any surplus in the event of liquidation according to the number of shares held. The company may redeem shares by



**Table of Contents**

directors' resolution in compliance with applicable law unless the company is insolvent or may become insolvent by doing so. It must make its offer pro rata to every member who holds a class, subject to applicable stock exchange rules or company act provisions. The directors have wide discretion. Shareholders have no liability for further capital calls. No discriminatory provisions, against an existing or prospective shareholder of a substantial number of shares, are imposed by the articles.

4. Rights of holders of any class of shares can only be changed with their consent, and in accordance with the company act. Consent must be in writing by the holders or by a three fourths majority of a vote of the holders, and by the consent of the British Columbia Securities Commission.
5. A notice convening an annual general or special meeting must specify the place, date, hour, and in the case of a special meeting, the general nature of the special business, and must be given in accordance with the company act. There are no special conditions outlining rights of admission.
6. There are no limitations on rights to own securities.
7. There are no provisions to delay, defer, or prevent a change in control.
8. Nothing in the articles requires ownership disclosure.
9. Not applicable.
10. Not applicable.

**Material contracts**

None.

**Exchange Controls**

**This summary is of a general nature only and is not intended to be, and should not be interpreted as, legal advice to any prospective purchaser. Accordingly, prospective purchasers of the Company's shares should consult with their own advisors with respect to their individual circumstances.**

There are no laws or governmental decrees or regulations in Canada that restrict the export or import of capital, or which affect the remittance of dividends, interest or other payments to holders of the Company's securities who are not residents of Canada, other than withholding tax requirements. Reference is made to Item 7. Taxation .

There are no limitations imposed by the laws of Canada, the laws of Alberta or by the charter or other governing documents of the Company on the right of a non-resident to hold or vote common shares of the Company, other than as provided in the Investment Canada Act (the Investment Act ) and the potential requirement for a Competition Act Review.

## **Table of Contents**

The following summarizes the principal features of the Investment Act and the Competition Act Review for a non-resident who proposes to acquire common shares. This summary is of a general nature only and is not intended to be, nor is it, a substitute for independent advice from an investor's own advisor. This summary does not anticipate statutory or regulatory amendments.

### **The Canadian Investment Act**

The Canadian Investment Act generally prohibits implementation of a reviewable investment by an individual, government or agency thereof, corporation, partnership, trust or joint venture that is not a Canadian as defined in the Investment Act (a non-Canadian), unless, after review, the minister responsible for the Investment Act (the Minister) is satisfied that the investment is likely to be of a net benefit to Canada. Under the Investment Act, a United States citizen qualifies as a World Trade Organization Investor. Subject to the restrictions noted below, an investment in a Canadian business by a World Trade Organization Investor would be reviewable under the Investment Act only if it is an investment to acquire control of such Canadian business and the value of the assets of the Canadian business as shown on its financial statements is not less than a specified amount, which for 1999 was \$184 million. An investment in the shares of a Canadian business by a non-Canadian other than a World Trade Organization Investor when the Company is not controlled by a World Trade Organization Investor, would be reviewable under the Investment Act if it is an investment to acquire control of the Canadian business and the value of the assets of the Canadian business as shown on its financial statements is \$5 million or more, or if an order for review is made by the federal cabinet on the grounds that the investment relates to Canada's cultural heritage or national identity.

The acquisition by a World Trade Organization Investor of control of a Canadian business in any of the following sectors is also subject to review if the value of the assets of the Canadian business exceeds \$5 million (as shown on its financial statements): uranium, financial services (except insurance), transportation services and cultural businesses, which include broadcast media (publication, distribution or sale of books, magazines, periodicals, newspapers, music, film and video products and the exhibition of film and video products), television and radio services. As the Company's business does not fall under any of the aforementioned categories, the acquisition of control of the Company, in excess of the \$5 million threshold, by a World Trade Organization Investor would not be subject to such review.

A non-Canadian would acquire control of the Company for purposes of the Investment Act if the non-Canadian acquired a majority of the common shares.

The acquisition of less than a majority but one-third or more of the common shares would be presumed to be an acquisition of control of the Company unless it could be established that, on acquisition, the Company was not controlled in fact by the acquirer through the ownership of common shares. Notwithstanding the review provisions, any transaction involving the acquisition of control of a Canadian business or the establishment of a new business in Canada by a non-Canadian is a notifiable transaction and must be reported to Industry Canada by the non-Canadian making the investment either before or within thirty days after the investment.

Certain transactions relating to common shares are exempt from the Investment Act, including:

**Table of Contents**

an acquisition of common shares by a person in the ordinary course of that person's business as a trader or dealer in securities;

an acquisition of control of the Company in connection with the realization of security granted for a loan or other financial assistance and not for a purpose related to the provisions of the Investment Act; and

an acquisition of control of the Company by reason of an amalgamation, merger, consolidation or corporate reorganization, following which the ultimate direct or indirect control in fact of the Company, through the ownership of common shares, remained unchanged.

**Canadian Competition Act Review**

Investments giving rise to the acquisition or establishment, directly or indirectly, by one or more persons of control over, or a significant interest in the whole or part of a business of a competitor, supplier, customer or other person are subject to substantive review by Canada's Competition Law Authority, the Director of Investigation and Research (the Director). If or when the Director concludes that a merger, whether by purchase or lease of shares or assets, by amalgamation or by combination, or otherwise, prevents or lessens, or is likely to prevent or lessen competition substantially, he may apply as may be necessary to eliminate the substantial lessening or prevention of competition. Such substantive merger review power applies to all mergers, whether or not they meet limits for pre-notification under the Competition Act.

In addition to substantive merger review, the Competition Act provides for a pre-notification regime respecting mergers of a certain size. The regime applies in respect of share acquisitions, asset acquisitions, amalgamations and combinations. For ease of reference, this filing refers specifically to share acquisition, although the pre-notification regime applies, with the appropriate modification, to other types of acquisition of control as well.

In order for a share acquisition transaction to be pre-notifiable, the parties to the transaction (being the person or persons who proposed to acquire shares, and the corporation the shares of which are to be acquired), together with their affiliates (being all firms with a 50% or more voting shares linkage up and down the chain) must have:

- (i) aggregate gross assets in Canada that exceed \$400,000,000 in value, as shown on their audited financial statements for the most recently completed fiscal year (which must be within the last fifteen (15) months); or
- (ii) aggregate gross revenue from sales in, from or into Canada that exceed \$400,000,000 for the most recently completed fiscal year shown on the said financial statements; and
- (iii) the party being acquired or corporations controlled by that party must have gross assets in Canada, or gross revenues from sales in or from Canada, exceeding \$35,000,000 as shown on the said financial statements. Acquisition of shares carrying up to 20% of the votes of a publicly-traded corporation, or 35% of the votes in a private corporation, will not be subject to pre-notification, regardless of the above thresholds. However, exceeding

## **Table of Contents**

the 20% or the 35% threshold, and again exceeding the 50% threshold, gives rise to an obligation of notification if the size threshold is met.

If a transaction is pre-notifiable, a filing must be made with the Director containing the prescribed information with respect to the parties, and a waiting period (either seven or twenty-one days, depending on whether a long or short form filing is chosen) must expire prior to closing.

As an alternative to pre-notification, the Director may grant an Advance Ruling Certificate, which exempts the transaction from pre-notification. Advance Ruling Certificates are granted where the Director concludes, based on the information provided to him, that he would not have sufficient grounds on which to apply to the Competition Tribunal to challenge the Merger.

## **Taxation**

**This summary is of a general nature only and is not intended to be, and should not be interpreted as, legal or tax advice to any prospective purchaser or holder of the Company's shares and no representation with respect to the Canadian federal income tax consequences to any such prospective purchaser is made. Accordingly, prospective purchasers of the Company's shares should consult with their own tax advisors with respect to their individual circumstances.**

The following summary describes the principal Canadian federal income tax considerations generally applicable to a holder of the Company's shares who, for purposes of the Income Tax Act (Canada) (the Canadian Tax Act) and the Canada-United States Income Tax Convention, 1980 (the Convention) and at all relevant times is resident in the United States and not resident in Canada, deals at arm's length with the Company, holds the Company's shares as capital property, and does not use or hold and is not deemed to use or hold the Company's shares in or in the course of carrying on business in Canada (a United States Holder).

This following summary is based upon the current provisions of the Canadian Income Tax Act, the regulations thereunder, all specific proposals to amend the Canadian Tax Act and the regulations announced by the Minister of Finance (Canada) prior to the date hereof and the Company's understanding of the published administrative practices of the Canada Customs and Revenue Agency (formerly Revenue Canada, Customs, Excise and Taxation). This summary does not take into account or anticipate any other changes in the governing law, whether by judicial, governmental or legislative decision or action, nor does it take into account the tax legislation or considerations of any province, territory or non-Canadian jurisdiction (including the United States), which legislation or considerations may differ significantly from those described herein.

## **Dividends On The Company's Shares**

Generally, dividends paid by Canadian corporations to non-resident shareholders are subject to a withholding tax of 25% of the gross amount of such dividends. However, pursuant to the Convention, the withholding tax rate on the gross amount of dividends paid to residents of the United States is reduced to 15% or, in the case of a United States corporation which owns at least

**Table of Contents**

10% of the voting stock of the Canadian corporation paying the dividends, to 5% of the gross amount of such dividends.

Pursuant to the Convention, certain tax-exempt entities resident in the United States may be exempt from Canadian withholding taxes, including any withholding taxes levied in respect of dividends received on the Company's shares.

**Disposition Of The Company's Shares**

In general, a United States shareholder will not be subject to Canadian income tax on capital gains arising on the disposition of the Company's shares, unless such shares are taxable Canadian property within the meaning of the Canadian Income Tax Act and no relief is afforded under any applicable tax treaty. The shares of the Company would be taxable Canadian property of a non-resident if at any time during the five-year period immediately preceding a disposition by the non-resident of such shares, not less than 25% of the issued shares of any class or series of all classes of shares of the Company belonged to the non-resident, to persons with whom the non-resident did not deal at arm's length, or to the non-resident and persons with whom the non-resident did not deal at arm's length for purposes of the Canadian Income Tax Act. For this purpose, issued shares include options to acquire such shares (including conversion rights) held by such persons. Under the Convention, a capital gain realized by a resident of the United States will not be subject to Canadian tax unless the value of the shares of the Company is derived principally from real estate (as defined in the Convention) situated in Canada.

**Documents on display**

All documents referenced in this Form 20-F may be viewed at the offices of the Company during business hours #208 828 Harbourside Drive, North Vancouver BC V7P 3R9 Canada, Telephone 604-904-8481.

**ITEM 11. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Not applicable

**ITEM 12. DESCRIPTION OF SECURITIES OTHER THAN EQUITY SECURITIES**

Not applicable

**ITEM 13. DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES**

Not applicable

**Table of Contents**

**ITEM 14. MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS**

Not applicable

**ITEM 15. CONTROLS AND PROCEDURES**

Specific controls and procedures were not implemented by the end of fiscal year 2004. The company is in a development phase, where it is evaluating opportunities. There is little money involved at this time so the investment in establishing specific controls and procedures has a lower priority than seeking and evaluating opportunities. Once an appropriate project has been selected and is underway, management will establish controls and procedures in accordance with usual industry practice.

**ITEM 16.**

**A. Audit Committee Financial Expert**

The company has as its audit committee financial expert Mr. Edward D. Ford who is a Canadian Chartered Accountant. He has held these professional qualifications since 1961. During his career Mr. Ford has been an associate, manager and partner of several Canadian professional accounting firms that specialized in audit/assurance, taxation, insolvency and independent business consulting. Additionally he has served as a Chief Financial Officer of several public companies.

**B. Code Of Ethics**

The company has not yet adopted a code of ethics. It has no material assets, as it is in the development phase. Once it has selected an appropriate project, it will adopt a code of ethics that conforms to usual industry practice.

**C. Principal Accounting Fees And Services**

Audit fees of \$2,675 were billed in 2004 and \$1,712 in 2003. The principal accountant billed for no other fees in either of those two years. Under its Form 6-K dated June 2, 2005 the Company disclosed its change of auditor from Charlton & Company, Chartered Accountants (Former Auditor) to Dale Matheson Carr-Hilton LaBonte, Chartered Accountants (Successor Auditor).

**ITEM 17. FINANCIAL STATEMENTS**

The financial statements and notes thereto as required by Item 17 are attached hereto and found immediately after the text of this Registration Statement. The auditors' report of Dale Matheson Carr-Hilton LaBonte, independent registered public accountants, on the audited financial

**Table of Contents**

statements and notes thereto is included immediately preceding the audited financial statements.

Auditors Report.

Financial Statements.

Balance Sheets as at December 31, 2004 and December 31, 2003.

Statements of Operations and Deficit for the years ended December 31, 2004, 2003 and 2002.

Statements of Cash Flows for the years ended December 31, 2004, 2003 and 2002.

Notes to the Financial Statements.

**ITEM 18. FINANCIAL STATEMENTS**

Not applicable. See Item 17. Financial Statements above.

**ITEM 19. EXHIBITS**

Attached hereto are the following exhibits:

12.1 Certification of President pursuant to s.302 of the Sarbanes-Oxley Act of 2002

12.2 Certification of Director pursuant to s.302 of the Sarbanes-Oxley Act of 2002

13.1 Certification of President pursuant to s.906 of the Sarbanes-Oxley Act of 2002

13.2 Certification of Director pursuant to s.906 of the Sarbanes-Oxley Act of 2002

**SIGNATURES**

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

INTERNATIONAL GEMINI  
TECHNOLOGY INC.

Date: June 29, 2005

By: /s/

Name: Martin Schultz  
Title: Secretary and Director, as duly  
authorized signatory





**Table of Contents**

**INDEPENDENT AUDITORS REPORT**

To the Directors of International Gemini Technology Inc.

We have audited the balance sheet of International Gemini Technology Inc. as at December 31, 2004 and the statements of operations and deficit and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards and with the standards of the Public Company Accounting Oversight Board (United States). 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 December 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The financial statements as at December 31, 2003 and for the years ended December 31, 2003 and 2002 were audited by other auditors who expressed an opinion without reservation in their report dated February 10, 2004.

Dale Matheson Carr-Hilton LaBonte  
DALE MATHESON CARR-HILTON LABONTE  
CHARTERED ACCOUNTANTS

Vancouver, B.C.  
June 16, 2005

**COMMENTS BY AUDITORS FOR U.S. READERS ON CANADA-UNITED STATES REPORTING DIFFERENCES**

In the United States, reporting standards for auditors would require the addition of an explanatory paragraph following the opinion paragraph when the financial statements are affected by a significant uncertainty such as referred to in Note 1 regarding the Company's ability to continue as a going concern. Our report to the Directors dated June 16, 2005 is expressed in accordance with Canadian reporting standards which do not permit a reference to such uncertainties in the auditors' report when the uncertainties are adequately disclosed in the financial statements.

Dale Matheson Carr-Hilton LaBonte  
DALE MATHESON CARR-HILTON LABONTE  
CHARTERED ACCOUNTANTS

Vancouver, B.C.  
June 16, 2005



**Table of Contents**

**International Gemini Technology Inc.**  
**Balance Sheets**  
**As at December 31,**  
**(Expressed in Canadian Dollars)**

	<b>2004</b>	<b>2003</b>
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,472	\$ 1,959
Accounts receivable (Notes 4 and 5)	52,398	1,087
	53,870	3,046
<b>Investment</b> (Note 4)		46,024
	\$ 53,870	\$ 49,070
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 56,897	\$ 12,355
<b>Contingency</b> (Note 1)		
<b>SHAREHOLDERS EQUITY (CAPITAL DEFICIENCY)</b>		
<b>Share capital common</b> (Note 6)	12,660,559	12,660,559
<b>Share capital preferred</b> (Note 6)	604,724	604,724
<b>Contributed surplus</b>	53,344	53,344
<b>Deficit</b>	(13,321,654)	(13,281,912)
	(3,027)	36,715
	\$ 53,870	\$ 49,070

Approved by the directors:

Director MARTIN SCHULTZ

Director DOUG FORD

*See accompanying notes.*

Page 2

---

**Table of Contents****International Gemini Technology Inc.  
Statements of Operations and Deficit  
For the Years Ending December 31,  
(Expressed in Canadian Dollars)**

	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Revenue</b> (Note 5)	\$ 20,000	\$ 3,000	\$ 22,179
<b>General and administrative</b> (Note 5)	43,718	40,863	57,443
<b>Loss on sale of investment</b> (Note 4)	16,024		
	59,742	40,863	57,443
<b>Loss for the year</b>	(39,742)	(37,863)	(35,264)
<b>Deficit, beginning of year</b>	(13,281,912)	(13,244,049)	(13,208,785)
<b>Deficit, end of year</b>	\$ (13,321,654)	\$ (13,281,912)	\$ (13,244,049)
<b>Basic and diluted loss per share</b>	\$ (0.005)	\$ (0.005)	\$ (0.004)
<b>Weighted average number of common shares outstanding</b>	8,323,119	8,323,119	8,323,119

*See accompanying notes.*

Page 3

**Table of Contents**

**International Gemini Technology Inc.**  
**Statements of Cash Flows**  
**For the Years Ending December 31,**  
**(Expressed in Canadian Dollars)**

	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Loss for the year	\$ (39,742)	\$ (37,863)	\$ (35,264)
Loss on sale of investment	16,024		
Changes in non-cash working capital balances (Note 7)	(23,231)	39,226	80,571
<b>Net cash from (used in) operating activities</b>	<b>(487)</b>	<b>1,363</b>	<b>45,307</b>
<b>Investing activities</b>			
Investment (acquisition) disposal			(46,024)
<b>Net cash from (used in) investing activities</b>			<b>(46,024)</b>
<b>Increase (decrease) in cash during the year</b>	<b>(487)</b>	<b>1,363</b>	<b>(717)</b>
<b>Cash, beginning of year</b>	<b>1,959</b>	<b>596</b>	<b>1,313</b>
<b>Cash, end of year</b>	<b>\$ 1,472</b>	<b>\$ 1,959</b>	<b>\$ 596</b>
<b>Supplemental cash flow information:</b>			
Interest Paid	\$	\$	\$
Taxes Paid	\$	\$	\$

*See accompanying notes.*

Page 4

**Table of Contents**

**International Gemini Technology Inc.  
Notes to the Financial Statements  
December 31, 2004, 2003 and 2002  
(Expressed in Canadian Dollars)**

1. **Continuing Operations**

The Company has incurred substantial losses to date and additional losses are anticipated in future business acquisition and development. These financial statements are prepared on a going concern basis which implies the Company will continue to realize the carrying value of its assets and discharge its liabilities in the normal course of business. The financial statements do not reflect any adjustments to the carrying value of assets or liabilities that would be necessary should the Company be unable to operate as a going concern. The Company's ability to continue as a going concern is subject to obtaining financing, acquiring or establishing business operations and ultimately on achieving profitable operations. (refer to Note 9)

2. **Significant Accounting Policies**

These financial statements have been prepared in accordance with accounting principles generally accepted ( GAAP ) in Canada, which, except as described in Note 2(a), conform in all material respects with GAAP in the United States. Outlined below are those policies considered particularly significant to the Company.

(a) Stock-based compensation plan

Effective January 1, 2002, the Company adopted the recommendations of the Canadian Institute of Chartered Accountants ( CICA ) Handbook Section 3870 Stock-Based Compensation and Other Stock-Based Payments which recommends the fair value-based methodology for measuring compensation costs for employees and non-employees. With respect to employees, the new section also permits, and the Company adopted the use of the intrinsic value-based method, which recognizes compensation for awards to the employees only when the market price exceeds the exercise price at the date of grant, but requires pro-forma disclosure of earnings and earnings per share as if the fair value method had been adopted.

Effective January 1, 2004, the Company adopted the new recommendations of the CICA Handbook Section 3870 Stock-Based Compensation and Other Stock-Based Payments . These recommendations establish standards for the recognition, measurement and disclosure of stock-based compensation and other stock-based payments in exchange for goods and services. The standard requires that all new or altered stock-based awards provided to employees and non-employees are measured and recognized using a fair value based method. Fair values are determined using the Black-Scholes option pricing model. Any consideration paid by employees on the exercise of the options is credited to share capital. The adoption of this policy has no effect on these financial statements.

Under United States GAAP, the Company accounts for stock options granted to non-employees using the fair value method in accordance with Financial Accounting Standard No. 123 Accounting for Stock-Based Compensation ( SFAS No. 123 ).The Company has elected to continue to account stock-based employee compensation arrangements in accordance with the provisions of Accounting Principles Board Opinion No. 25, Accounting for Stock Issued to Employees ,( APB No. 25 ) and comply with the disclosure provisions of SFAS No. 123. As the Company has not granted any stock options subsequent to the adoption of SFAS No. 123 and the provision of the CICA Handbook Section 3870, to date there has been no differences resulting from accounting for stock options between Canadian and United States GAAP. In December 2004, the Financial Accounting Standards Board ( FASB ) issued Financial Accounting Standards No. 123R,

Share-Based Payment which will require fair value method of accounting for all awards of equity instruments. Management is currently evaluating the potential impact that the adoption of SFAS 123R will have on the Company's financial position and results of operations.



**Table of Contents**

**International Gemini Technology Inc.  
Notes to the Financial Statements  
December 31, 2004, 2003 and 2002  
(Expressed in Canadian Dollars)**

2. **Significant Accounting Policies** (continued)

(d) Earnings (loss) per share

The Company uses the treasury stock method to compute the dilutive effect of options, warrants and similar instruments. Under this method the dilutive effect on earnings (loss) per share is recognized on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds would be used to purchase common shares at the average market price during the period. Earnings (loss) per share is calculated using the weighted-average number of shares outstanding during the year.

Diluted loss per share figures are equal to those of basic loss per share for each year since the effects of the convertible preferred shares have been excluded as they are anti-dilutive.

(e) Revenue recognition

Revenue is recognized when the requirements as to performance for transactions involving services are met, the amounts involved are determinable and ultimate collection is reasonably assured at the time of performance.

(f) Impairment of long-lived assets

On January 1, 2004, the Company early adopted the new CICA Handbook Section 3063 Impairment of Long-Lived Assets recommendations. These recommendations provide accounting guidance for the recognition, measurement and disclosure of impairment of long-lived assets, including property, plant and equipment and intangible assets with finite useful lives. They require the recognition of an impairment loss for a long-lived asset when events or changes in circumstances causes its carrying value to exceed the total undiscounted future cash flows expected from its use and eventual disposition. The impairment loss is calculated by deducting the fair value of the asset from its carrying value. This policy has been adopted prospectively and has had no effect on these financial statements.

3. **Financial Instruments**

The Company's financial instruments consist of cash, accounts receivable, and accounts payable and accrued liabilities. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments due to the short term to maturity. The fair value of these financial instruments approximate their carrying values.

The maximum credit risk exposure for all financial assets is the carrying value of these assets.

4. **Investment**

The investment was recorded at cost and represented a 3% interest in a private company, B.W.N. Oil Technologies Inc.

During the year ended December 31, 2004, the investment was sold to a company with a common director for \$30,000 resulting in a loss of \$16,024. Included in accounts receivable at December 31, 2004 is the sale amount of \$30,000 which was subsequently received.

**Table of Contents**

\

**International Gemini Technology Inc.  
Notes to the Financial Statements  
December 31, 2004, 2003 and 2002  
(Expressed in Canadian Dollars)**

**5. Related Party Transactions**

During the year ended December 31, 2004, a company in which a director has an interest charged the Company \$38,000 (2003: \$36,000; 2002: \$50,500) for rent and management fees. The unpaid portion of these amounts, plus additional advances and other amounts due to directors, aggregating \$55,395 (2003: \$10,885) is included in accounts payable and accrued liabilities at December 31, 2004.

A company in which a director has an interest was charged \$20,000 (2003: \$3,000; 2002: \$12,000) for consulting fees during the year ended December 31, 2004. The unpaid portion of these fees in the amount of \$20,000 (2003: \$Nil) are included in accounts receivable.

Related Party transactions were in the normal course of business and have been recorded at the exchange amount. Amounts due to related parties are unsecured, non-interest bearing and without specific terms of repayment.

See Note 4.

**6. Share Capital**

- a) The authorized capital of the Company comprises 100,000,000 Common shares without par value and 100,000,000 Series 1 Convertible Preferred shares without par value. The rights and restrictions of the Preferred shares are as follows:
- i) dividends shall be paid at the discretion of the directors;
  - ii) the holders of the Preferred shares are not entitled to vote except at meetings of the holders of the Preferred shares, where they are entitled to one vote for each Preferred Share held;
  - iii) the shares are convertible at any time; and
  - iv) the number of the Common shares to be received on conversion of the Preferred shares is to be determined by

dividing the conversion value  
of the share, \$1 per share, by  
\$0.45.

b) i) Common shares

	<b>2004</b>		<b>2003</b>	
	<b>Shares</b>	<b>\$</b>	<b>Shares</b>	<b>\$</b>
Balance, beginning and end of year	8,323,119	12,660,559	8,323,119	12,660,559

ii) Preferred shares

	<b>2004</b>		<b>2003</b>	
	<b>Shares</b>	<b>\$</b>	<b>Shares</b>	<b>\$</b>
Balance, beginning and end of year	604,724	604,724	604,724	604,724

**Table of Contents**

**International Gemini Technology Inc.**  
**Notes to the Financial Statements**  
**December 31, 2004, 2003 and 2002**  
**(Expressed in Canadian Dollars)**

**7. Changes in Non-Cash Working Capital Balances Relating to Operations**

	<b>2004</b>	<b>2003</b>	<b>2002</b>
Accounts receivable	(21,311)	109,479	\$ (22,912)
Investments			46,024
Accounts payable and accrued liabilities	44,542	(70,253)	57,459
	\$ 23,231	39,226	\$ 80,571

**8. Income Taxes**

The Company incurred a loss for the year of \$39,742 (2003: \$37,863; 2002: \$35,264). The potential future tax benefit of these losses has not been recorded as a full future tax asset valuation allowance has been provided due to the uncertainty regarding the realization of these losses

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	<b>2004</b>	<b>2003</b>	<b>2002</b>
Loss for the year	\$ 39,742	\$ 37,863	\$ 35,264
Income tax recovery of statutory rates	\$ 14,156	\$ 13,479	\$ 12,617
Unrecognized benefit of capital loss	(5,708)		
Unrecognized benefit of non-capital losses	(8,448)	(13,479)	(12,617)
Total income taxes	\$	\$	\$

The significant components of the Company's future income tax assets are as follows:

	<b>2004</b>	<b>2003</b>	<b>2002</b>
Future income tax assets:			
Non-capital losses carried forward	\$ 42,742	\$ 34,294	\$ 20,815
Capital losses carried forward	2,854		

Research and development expenses carried forward	1,220,128	1,220,128	1,220,128
Valuation allowance	(1,265,724)	(1,254,422)	(1,240,943)
Future income tax	\$	\$	\$

**Table of Contents**

**International Gemini Technology Inc.  
Notes to the Financial Statements  
December 31, 2004, 2003 and 2002  
(Expressed in Canadian Dollars)**

8. **Income Taxes** (continued)

The Company has \$120,050 in non-capital losses which expire at various dates to the year ended December 31, 2014 and \$8,012 in capital losses which may be available to offset future taxable capital gains which can be carried forward indefinitely.

In addition, the Company has accumulated timing differences comprised primarily of research and development expenditures not yet deducted for income tax purposes of \$3,427,326.

The related potential income tax benefits with respect to these items have not been recorded in the accounts. Application and expiration of these carryforward balances are subject to relevant provisions of the Income Tax Act, Canada.

9. **Subsequent Events**

The Company entered into a subscription agreement to invest \$200,000 into Outback Capital Inc. (dba Pinefalls Gold ) a private Alberta company with certain directors and principal shareholders in common with the Company.. Pinefalls Gold is an exploration company with mining claims located in the area of Bissett, Manitoba. The Company will invest \$200,000 in exchange for 4 million units at \$0.05 per unit with each unit comprised of one common share and one warrant to purchase an additional common share at \$0.075 for a period of two years. Prior to exercising the warrants the Company will own approximately 37% of the common shares of Pinefalls Gold.

In addition, the Company entered into an option agreement with one of the principal shareholders of Pinefalls Gold, a director of the Company, which entitles the Company to acquire a further 3 million common shares of Pinefalls Gold in exchange for one million common shares of the Company. The option is exercisable at the Company s discretion and it expires on March 31, 2006.

In the event that the Company exercises both the warrants and the option, the Company would own approximately 65% of the common shares of Pinefalls Gold.

The Company has arranged a non-brokered private placement to provide working capital to the Company. The Company will issue up to 2 million units at \$0.15 per unit with each unit comprised of one common share and one warrant. Each warrant will entitle the holder to purchase one common share for a period of 24 months at \$0.18 per share. To date the Company has issued 1,560,333 units and raised \$234,050 in connection with this financing.

Page 9