

Adagio Corporation, Inc.
Notes to Financial Statements
For the 5 Month(s) Ending May 31 05
(Unaudited)



8 LONG TERM DEBT

	May 31 2005 Net book value	February 28 2005 Net book value
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Royal Bank loan bearing interest at 8.5% per annum, repayable in monthly blended payments of \$14,452. The load matures on September 30, 2007 and is secured by 1st mortgage on 123-4 Ave SE Calgary, AB and personal guarantees by the principals of the corporation.		
Toronto Dominion loan bearing interest at 7.5% per annum, repayable in monthly blended payments of \$8,000. The loan matures on October 15, 2007 and is secured by general security agreement covering the assets of the corporation.		
Amounts payables within one year	<hr/>	<hr/>
	<u>\$0.00</u>	<u>\$0.00</u>

Principal repayment terms are approximately:

2003	\$300,000
2004	300,000
2005	300,000
2006	375,000
2007	760,000
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	<u>\$2,035,000</u>

Comments regarding long term debt

See notes to the financial statements