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

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): March 31, 2000

Saf-T-Hammer Corporation

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation)

0-29015

87-0543688

(Commission File Number)

(IRS Employer Identification No.)

14500 N. Northsight Suite 221, Scottsdale, Arizona 85260

(Address of principal executive offices) (Zip Code)

(480) 949-9700

Registrant's telephone number, including area code:

Lost Coast Ventures, Inc.
610 Newport Center Drive, Suite 800
Newport Beach, CA 92660
(949) 719-1977

(Former name, address and telephone number)

ITEM 1. CHANGES IN CONTROL OF REGISTRANT

(a) Pursuant to a Stock Exchange Agreement (the "Exchange Agreement") dated as of March 31, 2000 between MRC Legal Services LLC ("MRC"), a California limited liability company and a majority shareholder of Lost Coast Ventures, Inc. ("Lost Coast"), a Delaware corporation, and Saf-T-Hammer Corporation ("SAFH"), a Nevada corporation, 800,000 of the outstanding shares of common stock of Lost Coast held by MRC, representing approximately 80% of the issued and outstanding common stock of Lost Coast, were exchanged for 200,000 shares of common stock of SAFH in a transaction in which SAFH effectively became the parent corporation of Lost Coast.

The Exchange Agreement was adopted by the unanimous consent of the Board of Directors of Lost Coast, MRC and SAFH on March 31, 2000. No approval of the shareholders of either SAFH or Lost Coast is required under applicable state corporate law.

Prior to the merger, Lost Coast had 1,000,000 shares of common stock outstanding of which 800,000 shares were exchanged by MRC for 200,000 shares of common stock of SAFH. Immediately subsequent to the stock exchange, Lost Coast agreed to complete a reorganization pursuant to which the remaining shareholders were paid cash for their shares. By virtue of the exchange and the proposed reorganization, SAFH acquired 100% of the issued and outstanding common stock of Lost Coast.

SAFH also entered into a Consulting Agreement in connection with the acquisition of Lost Coast with M. Richard Cutler, Brian A. Lebrecht, Vi Bui, Asher Starik and Stephanie Crumpler (the "Consultants") pursuant to which SAFH agreed to issue 250,000 shares of common stock of SAFH to the Consultants.

Prior to the effectiveness of the Exchange Agreement, SAFH had an aggregate of 8,889,110 shares of common stock, par value \$.001, issued and outstanding, and no shares of preferred stock outstanding.

Upon closing of the Exchange Agreement and Consulting Agreement, SAFH had an aggregate of 9,339,110 shares of common stock outstanding.

The officers of SAFH continue as officers of SAFH subsequent to the Exchange Agreement. See "Management" below. The officers, directors, and by-laws of SAFH will continue without change.

A copy of the Exchange Agreement is attached hereto as an exhibit. The foregoing description is modified by such reference.

(b) The following table sets forth certain information regarding beneficial ownership of the common stock of SAFH as of March 31, 2000 (prior to the issuance of 450,000 shares pursuant to the Exchange Agreement and the Consulting Agreement) by:

- each person or entity known to own beneficially more than 5% of the common stock;
- each of SAFH's directors;
- each of SAFH's named executive officers; and
- all executive officers and directors of SAFH as a group.

BENEFICIAL OWNER	NUMBER OF SHARES BENEFICIALLY OWNED(1)	PERCENTAGE
Mitchell A. Saltz	3,300,000	37.12%
Sandra E. Price	560,000	6.3%
Sherry Noreen	275,000	3.1%
Theodore Saltz	300,000	1.12%
All Executive Officers and Directors & Affiliates As a group (3 persons)	3,875,000	41.34%

1. The address for each of these shareholders, with the exception of Sandra E. Price is c/o Saf-T-Hammer Corporation, 14500 N. Northsight, Suite 221, Scottsdale, Arizona 85260. Each person has sole voting and dispositive power with respect to all outstanding shares. Ms. Price's address is 3030 E. Ocotilla LN East, Phoenix, AZ 85028.

ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS

(a) The consideration exchanged pursuant to the Exchange Agreement was negotiated between MRC and SAFH.

In evaluating SAFH as a candidate for the proposed acquisition, MRC used criteria such as SAFH's present stock price as set forth on the over-the-counter bulletin board, its safe gun technology and other businesses and other anticipated operations, and SAFH's business name and reputation. MRC and SAFH determined that the consideration for the merger was reasonable.

(b) SAFH intends to continue its historical businesses and proposed businesses as set forth more fully immediately below.

BUSINESS

COMPANY ORGANIZATION, REORGANIZATION AND OPERATIONS

Prior to incorporation as Saf-T-Hammer Corporation in 1998, the Company existed as De Oro Mines, Inc. De Oro Mines, Inc. was incorporated on June 17, 1991 in the state of Nevada. Its original Articles of Incorporation provided for 1,000,000 shares of common stock with a par value of \$0.01 per share. On August 15, 1996, the shareholders of the Company authorized the recapitalization of the Company and the Amendment of its Articles of Incorporation to allow the Corporation to issue up to 100,000,000 shares of a single class of Common Stock with a par value of \$0.001. The Amended Articles were duly adopted as stated and were filed on October 16, 1996 with the Secretary of the State of Nevada. From its inception, De Oro Mines, Inc. was in the development stage and was primarily engaged in the business of developing mining properties. During 1992, De Oro lost its remaining assets and settled its liabilities, and from that date forward remained dormant. Effective October 20, 1998, the company acquired the assets of Saf-T-Hammer, Inc., and changed its name from De Oro Mines, Inc. to Saf-T-Hammer Corporation. Prior to this agreement becoming effective, De Oro Mines, Inc. had a total of 532,788 shares of common stock issued and outstanding. Pursuant to the Asset Agreement, the Company issued 1,331,250 shares of common stock to Saf-T-Hammer, Inc., which then resulted in a total of 1,864,038 shares of common stock being issued and outstanding. The shareholders also approved a four share for one share forward stock split. This asset purchase agreement and bill of sale was approved by the majority of the shareholders of both corporations and provided for the purchase of all of the assets of Saf-T-Hammer, Inc., which included the device more specifically described below and all rights connected with and concerning the device.

The principal asset of Saf-T-Hammer, Inc. was a product in development and the patent pending rights to a childproof gun safety device known as the Saf-T-Hammer, which is an easily removable, external firearm hammerhead that enables safe storage of weapons, including loaded firearms. Once the Saf-T-Hammer has been removed, the weapon is incapable of discharging. When the Saf-T-Hammer is placed back on the weapon, it is again ready to fire. A gun owner can easily remove the Saf-T-Hammer in approximately one second and take it with him or her when leaving the home, thereby relieving the fear of death or injury to a child or other person due to an accidental discharge of the weapon. Upon the gun owner's return, he or she can easily place the Saf-T-Hammer back on the weapon in about a second, as well. Thus, the Saf-T-Hammer allows both safety and protection while the weapon remains loaded. The unique and salient features of the Saf-T-Hammer are as follows:

- o Saf-T-Hammer, unlike trigger locks, can be used with a loaded weapon;
- o Saf-T-Hammer cannot be fired when in safety mode;
- o Saf-T-Hammer can be removed and re-armed in less than a second;
- o Saf-T-Hammer requires no keys;
- o Saf-T-Hammer requires no codes to remember;
- o Saf-T-Hammer requires no appreciable level of mechanical ability to operate;
- o Saf-T-Hammer cannot be broken, twisted or cut-off;
- o Saf-T-Hammer is cheaper than other similar gun safety devices to produce; and
- o Saf-T-Hammer is currently patent pending.

The Company's administrative offices and distribution facilities are located at 14500 N. Northsight, Suite 221, Scottsdale, Arizona 85260. There are currently six employees who perform managerial and administrative duties for the Company. To date, Saf-T-Hammer Corporation has had no business operations and limited prior operating history. For the most part, the Company's operations have been narrowly confined to research and development, infrastructure and market planning, and cultivation of its sales and marketing network. As a direct result of the Company's emphasis upon internal development, it has fostered two gun safety products ("Saf-T-Hammer" and "Saf-T-Trigger") that will be marketed and distributed through standard firearms industry distribution channels, catalogue outlets and direct sales. The Company has also identified a unique proprietary marketing plan for one of its divisions, an Internet safety mall. This Internet based "mall" concept will feature products and services incidental to home and family safety issues and should serve as a secondary profit center to the Company's core business.

THE ADDRESSED MARKET

Three target markets exist for Saf-T-Hammer & Saf-T-Trigger:

1. Current gun owners who store their weapons in residences where children reside or visit;
2. Future gun owners who will purchase a weapon equipped with Saf-T-Hammer or Saf-T-Trigger, or replace their current weapon with a gun, which has been equipped with Saf-T-Hammer or Saf-T-Trigger; and
3. Gun Dealers and Gunsmiths, (technically known as Federal Firearms Licensees or FFL's) who will act as the distributors of Saf-T-Hammer and Saf-T-Trigger, and as the point of contact for gun owners wanting to be fitted with Saf-T-Hammer or Saf-T-Trigger technology. Currently, in the United States, there are 93,000 FFL's.

The company acknowledges that specialized target marketing strategies will be required for each of these three markets and has addressed those needs with a comprehensive marketing plan.

NEW GUN SALES

Saf-T-Hammer plans to license the rights of its product to the major gun manufacturers for a royalty payment for each Saf-T-Hammer or Saf-T-Trigger. Gun manufacturers can produce both of these products for a few dollars apiece after minor changes are made to their existing manufacturing process.

AFTER-MARKET CONVERSIONS

Saf-T-Hammer intends to establish licensed Saf-T-Hammer dealers (existing gunsmiths) to convert currently owned guns with Saf-T-Hammers and Saf-T-Triggers. It is anticipated that dealers will purchase the products from the Company, and will charge the customer for the labor involved in installing a Saf-T-Hammer or Saf-T-Trigger.

The dealers can install the devices in approximately 10 minutes. The Company anticipates that the total cost of the conversion to the consumer will be less than \$50.00.

BUSINESS STRATEGY

Current and Future Gun Owners

Saf-T-Hammer and Saf-T-Trigger can be marketed successfully to both current and future gun owners through both conventional techniques, and complimentary creative strategies. Conventional marketing strategies will include the venues currently utilized by all gun manufacturers, including magazines, gun shows, target mailings, etc. Sales data from the major gun manufacturers suggests that conventional marketing techniques are successful. Additionally, Saf-T-Hammer can be promoted through unconventional avenues. Some of these include:

Development of relationships with safety organizations such as the National Safety Council, Center to Prevent Handgun Violence, Mothers Against Violence in America (MAVIA), the NRA's Eddie Eagle Gun Safety Program, and others which are spreading across the United States. In some instances, Saf-T-Hammer should earn the endorsement of safety organizations based on pure product merit. In other circumstances, a "team approach" can be utilized to benefit both the non-profit entity and Saf-T-Hammer, through the use of cash incentive donations to these organizations for sales attributed to the organizations' efforts.

By virtue of the novel and unprecedented safety technology it represents, Saf-T-Hammer can make good utilization of a major public relations "kick-off" campaign. The ease and speed with which the technology can be implemented, coupled with the complete trustworthiness of its safety features makes Saf-T-Hammer a truly newsworthy invention. Because Saf-T-Hammer's products are strictly safety devices, they are not burdened by the politics surrounding gun ownership and gun rights, and can be widely embraced as a solution to unintended gun injuries and death. The government scrutiny and public focus on gun danger makes the present a perfect time to launch Saf-T-Hammer into the marketplace.

Gun Dealers and Gunsmiths Performing Conversions

Dealers and gunsmiths ("FFL's") will also require specialized marketing. To successfully foster a mass desire to sell Saf-T-Hammer-equipped firearms will depend on communicating the following to FFL's:

The profit potential of selling Saf-T-Hammer equipped guns;

The ease of the conversion process, and the telephone and web-site availability of on-going technical support;

The ease of the use of the Saf-T-Hammer and Saf-T-Trigger, and the ease with which it may be demonstrated to the gun owner, as well as the availability of point-of-purchase promotional and training material to be made available to gun owners at the dealership.

Detailed strategies for each of these markets are underway.

COMPETITION

The major competitors of the Company are the manufacturers of trigger locks. Currently, most of these devices require that the guns be unloaded. Saf-T-Hammer is designed to be used on either loaded or un-loaded weapons. We not only offer a solution to existing gun owners, but to new gun owners as well.

FIREARMS AVAILABLE FOR SAF-T-HAMMERS

Nearly all of the 230 million firearms in the U.S. can be fitted with either a Saf-T-Trigger or Saf-T-Hammer, and in many cases, both.

INSTITUTION OF A CHARITABLE FOUNDATION FOR GUN SAFETY

In light of numerous recent events, the Company recognizes that now, more than ever before, a meaningful statement coupled with action must be effected to stem the tide of both reckless and unintentional gun violence. The management of Saf-T-Hammer is firmly committed to alleviating the suffering and improving the quality of life of all victims of senseless firearms violence. To this end, Saf-T-Hammer will be chartering an independent philanthropic service to raise and administer funds for the express purpose of financing relief from and providing answers to tragedies that result from irresponsible gun violence. After examining the root cause, pattern of practice and most significant areas of deficiency surrounding this problem, the Company's Board of Directors has mandated a policy of intervention that will serve to address the blight of senseless gun violence. The course of action selected by the Company's directors has culminated in a resolution to support the funding of a charitable foundation (hereinafter "Foundation for Gun Safety") that will devote its energies and resources toward the following:

GUN SAFETY EDUCATION FUND: This area of intervention will monitor, select and award worthy organizations and institutions striving to implement educational programs that effectively disseminate gun safety and awareness.

OUTREACH FUND: In recognition of the social and economic climate that pervades many of our communities, the Foundation for Gun Safety will spearhead a movement to retro-fit guns with the Saf-T-Hammer in targeted economically challenged areas. The Outreach Fund's express mission will be to offer this service on a cost free, "no questions asked" basis.

VICTIM BEREAVEMENT FUND: The aftermath of gun violence leaves its mark on all strata of the American populace and, oftentimes, it does not discriminate between those who are financially capable of bearing the brunt of medical and counseling expenses. To assuage this additional victimization of the families who are related to persons targeted by senseless firearms violence, the Foundation for Gun Safety will allocate funds and directly apply them to assist in supporting selected families burdened by the excessive cost of medical and counseling expenses.

To ensure the success of this charitable foundation, Saf-T-Hammer expects to contribute the sum of one dollar (\$1.00) for each dollar raised by the foundation up to a maximum of 5% of its pre-tax profits.

SUMMARY OF MANUFACTURING AND SERVICE DIVISIONS

All three divisions, as represented hereinafter, serve as the manufacturing, service and core business of the Company. The following summary describes their function and operations in brief detail:

PRODUCTION. This division is dedicated to the research, development and manufacturing of products and services employed in the safety product industry at affordable prices. Saf-T-Hammer Corporation ("Saf-T-Hammer") plans to manufacture and introduce a full line of safety products that will provide families with simple, safe solutions to the dangers that exist in and out of the home. At this time, Saf-T-Hammer is currently developing and testing its Saf-T-Trigger device. The prototypes are built and stress tested to 10,000 rounds. Once the Company is satisfied that a prototype meets its rigorous design and function requirements, the prototype is sent for bid to manufacturers. Manufacturing specifications will be strictly adhered to, and quality control procedures will ensure the high quality of the final product. Invariably, there is considerable cost and time involved in research and development prior to the actualization of a new product as it reaches the manufacturing stage. The Saf-T-Trigger device is expected to be available to the market by the second quarter of 2000. To mitigate the liability of developing additional safety products, Company management believes that the impending revenue generated from the introduction of the Saf-T-Trigger device will be sufficient to offset the simultaneous research and development cost of its additional product line. Management fully expects that in following such a course of development it should afford Saf-T-Hammer a lucrative means of generating revenue from its retail efforts while new products are developed and submitted for industry and regulatory approval. This division will serve to meet the Company's short-term objective of bringing in revenues to support the R&D activities of the Company while sustaining its long-term objectives of exponential growth. The Company believes that through this mode of production it will find increased profitability within one year of commencement of manufacturing operations. Saf-T-Hammer will provide its products on a retail and wholesale basis through direct marketing and licensed distribution similar to, and in such manner as is customarily utilized in the sale of gun parts marketing programs. However, current plans are underway to effect an Internet "Mall" concept for purposes of highlighting and showcasing the Company's and others' home and family safety products.

MARKETING. Saf-T-Hammer Corporation will utilize traditional and non-traditional venues to introduce and promote the Saf-T-Hammer and other products offered by the Company. Traditional venues will include utilization of the well-established firearms industry marketing and distribution networks to sell its products. The Company recently negotiated placement of its products with market reps, who carry products directly into dealership and sporting goods stores in all 50 states. Management believes that market representatives offer an ideal means of introducing the retail environment to a new product, because they combine on-site, hands-on exposure to the products with education and personal salesmanship. Saf-T-Hammer Corporation will also use traditional venues to reach the law enforcement market. Many jurisdictions require their officers to use a safety device for their firearms while off-duty. Non-traditional consumer venues include exposure to the family market segment, through traditional media venues and via partnerships with organizations promoting safety, including law enforcement, schools, pediatricians and other public safety officials. Extensive contacts in this arena are underway, including efforts to coordinate with law enforcement, and other city public safety officials nationwide. Internet exposure will be utilized to enhance product exposure and to prime the market by raising public awareness about the gun safety issue. A large-scale public awareness program is also underway, which includes exposing press and public officials to the product. As the Company prepares to place its products on the shelves, an intensive advertising campaign will compliment the public relations efforts already underway.

E-COMMERCE VENTURES. Saf-T-Hammer Corporation is currently exploring the development of a complimentary e-commerce element to create additional exposure for the Company's products, and to generate an additional revenue stream through sales of an assortment of safety products to the public over the Internet. The Company's web site is www.saf-t-hammer.com.

MARKET FOR SAFH'S SECURITIES

SAFH has been a non-reporting publicly traded company. SAFH's common stock is presently traded on the OTC Bulletin Board operated by Nasdaq under the symbol SAFHE. SAFH has not become or otherwise been a reporting company under the Securities Exchange Act of 1934. The Nasdaq Stock Market has implemented a change in its rules requiring all companies trading securities on the OTC Bulletin Board to become reporting companies under the Securities Exchange Act of 1934. SAFH is required to become a reporting company by the close of business on April 6, 2000 or no longer be listed on the OTC Bulletin Board. SAFH effected the stock exchange transaction with Lost Coast on March 31, 2000 and became a successor issuer thereto in order to comply with the reporting company requirements implemented by the over-the-counter bulletin board.

The following table sets forth the high and low closing prices for shares of SAFH common stock for the periods noted, as reported by the National Daily Quotation Service and the Over-The-Counter Bulletin Board. Quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not represent actual transactions.

YEAR	PERIOD	CLOSING PRICES	
		HIGH	LOW
2000	First quarter	\$2.34	\$0.75
1999	First quarter	\$1.88	\$0.88
	Second quarter	\$2.94	\$0.88
	Third quarter	\$1.81	\$1.00
	Fourth quarter	\$1.31	\$0.88

In addition to freely tradeable shares, SAFH has shares of common stock outstanding which could be sold pursuant to Rule 144. In general, under Rule 144, subject to the satisfaction of certain other conditions, a person, including one of our affiliates, who has beneficially owned restricted shares of common stock for at least one year is entitled to sell, in certain brokerage transactions, within any three-month period, a number of shares that does not exceed the greater of 1% of the total number of outstanding shares of the same class, or the average weekly trading volume during the four calendar weeks immediately preceding the sale. A person who presently is not and who has not been an affiliate for at least three months immediately preceding the sale and who has beneficially owned the shares of common stock for at least two years is entitled to sell such shares under Rule 144 without regard to any of the volume limitations described above.

MANAGEMENT

DIRECTORS AND EXECUTIVE OFFICERS

The following table sets forth the names and ages of the current directors and executive officers of SAFH who will remain so with the combined entity, their principal offices and positions and the date each such person became a director or executive officer. Our executive officers are elected annually by the Board of Directors. Our directors serve one year terms until their successors are elected. The executive officers serve terms of one year or until their death, resignation or removal by the Board of Directors. There are no family relationships between any of the directors and executive officers except that Theodore Saltz is the father of Mitchell A. Saltz. In addition, there was no arrangement or understanding between any executive officer and any other person pursuant to which any person was selected as an executive officer.

Our directors and executive officers are as follows:

Name	Age	Positions
Mitchell A. Saltz	47	Chief Executive Officer and Chairman of the Board of Directors
Robert L. Scott	53	President and Chief Operations Officer
Sherry Noreen	46	Vice President and Director
Theodore Saltz	69	Secretary/Treasurer and Director

MITCHELL A. SALTZ - CEO & CHAIRMAN

Mitchell A. Saltz has been Chief Executive Officer and a Director of the Company since its inception in 1998 and is primarily responsible for formulating corporate policy and direction. Prior to assuming the president and CEO's position, he amassed an impressive record spanning more than 10 years as the former founder and president of Business Information Systems, Inc. ("BISI"). BISI served as a data processing firm specializing in computerized accounting and income tax services. Clients included national CPA firms and Fortune 500 companies. Mr. Saltz served on several corporate boards and chaired the financial advisory board of Western Omni Trust, an international investment banking company specializing in initial public stock offerings, asset management and international tax strategies, for 6 years. Furthermore, Mr. Saltz served as a Board member of Mezzanine Capital, Ltd., (MEZZ), a publicly held Bermuda closed-end investment holding company which he helped found in 1994. MEZZ specializes in equity investments, bridge financing, and investment banking services to publicly traded companies. Mr. Saltz performed all corporate accounting functions, cash-flow management, investment strategy, tax planning, mergers and acquisitions analysis, and portfolio management of the cash and marketable securities held by MEZZ, as Treasurer and Chief Financial Officer at MEZZ. Among his many achievements, Mr. Saltz co-invented the safety hammer and safety trigger device which are the primary products of Saf-T-Hammer Corporation. The devices are designed with the capability of simultaneously rendering both loaded and unloaded firearms inoperable. He assigned the rights to the devices to the Company and filed for patent protection in the beginning of 1998 and 1999. Mr. Saltz received his BA in accounting from Cleveland State University.

ROBERT L. SCOTT B PRESIDENT & COO

Mr. Scott joined Saf-T-Hammer in December, 1999. Mr. Scott spent a decade at Smith & Wesson, one of the nation's leading gun manufacturers. He joined the Hartford-based company in 1989 as Vice-President of Sales and marketing and oversaw the gun company's worldwide sales and marketing efforts. Mr. Scott brings a wealth of knowledge about the firearms and sporting industries as well as extensive marketing experience to Saf-T-Hammer, having spent some 20 years in the business of marketing consumer products. Prior to joining Smith and Wesson, Mr. Scott directed sales operations for a number of national consumer goods companies, including Miami-based Tasco Sales, Inc. and Berkley and Company out of Iowa. Mr. Scott currently serves as Vice Chairman of the Hunting and Shooting Sports Heritage Foundation, is on the Board of Governors of the National Shooting Sports Foundation, and on the Executive Committee of the Sporting Arms and Ammunition Manufacturers' Institute. Mr. Scott graduated from Ohio University in Athens, Ohio in 1969.

SHERRY NOREEN -VICE PRESIDENT, DIRECTOR

Ms. Noreen brings a solid and extensive 20 year sales background to the Company. Serving as the Vice President of Marketing, she is principally concerned with the management and development of the Company's varied marketing strategies, which include liaison between the Company and its customers. Ms. Noreen graduated with honors from Michigan State University and applied her education and training by helping to sell technological communications networks for such industry leaders as AT&T, Michigan Bell/Ameritech and US West. Her titles ranged from Major Market Account Executive to Strategic Account Manager in which she managed a team of 20 sales and technical engineers and was responsible for 18 million dollars in annual sales revenues. During her combined tenure at the aforementioned communications companies, she personally developed and implemented a marketing strategy which culminated in generating over 100 million dollars in sales revenues. Ms. Noreen has further distinguished herself by winning Leaders Council awards and ranked in the top 5% every year of her tenure. Moreover, she won Sales Team of the Year awards at AT&T, and was the top Account Executive in the US for Ameritech in 1990. Throughout her service at the aforementioned communications enterprises, her clients included such industry giants as: Allied Signal, Citicorp, IBM, TRW, Holiday Inn, Price Waterhouse, Chase Manhattan, TransAmerica, John Hancock, Xerox, Federal Express, Honeywell, Rockwell, ADP, Compuware, Deloitte Touche, Arthur Anderson, Siemens, CNA, Textron, LA-Z-Boy, Burlington Northern, K-Mart, Vickers, Digital Equipment, as well as a host of school districts and major universities.

THEODORE SALTZ - SECRETARY/TREASURER, DIRECTOR

Mr. Saltz occupies the posts of Secretary and Treasurer for the Company. His duties include management of working capital, receivables, cash and accounts outstanding, and ongoing financial forecasting. After graduating from Case Western Reserve University with honors in the field of accounting, Mr. Saltz practiced as a Certified Public Accountant for over 40 years. He founded the accounting firm of Page, Saltz and Shamis in 1967, which became one of the largest local public accounting firms in the state of Ohio. Mr. Saltz currently serves on numerous corporate and advisory boards for both public and privately run businesses.

The directors named above will serve until the next annual meeting of the Company's shareholders. Thereafter, directors will be elected for one-year terms at the annual shareholders' meeting. Officers will hold their positions at the pleasure of the Board of directors, absent any employment agreement.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following SAFH summary compensation table shows certain compensation information for services rendered in all capacities for the three fiscal years ended December 31, 1998 and 1999. Other than set forth herein, no executive officer's salary and bonus exceeded \$100,000 in any of the applicable years. The following information includes the dollar value of base salaries, bonus awards, the number of stock options granted and certain other compensation, if any, whether paid or deferred.

SUMMARY COMPENSATION TABLE

Name and Principal Position	Year	Annual Compensation			Long Term Compensation				
		Salary (\$)	Bonus (\$)	Other Annual Compensation (\$)	Awards	Securities Underlying Options SAR's (#)	Payouts	All Other Compensation (\$)	
Mitchell A. Saltz (CEO & Chairman)	1999	\$28,000	-0-	-0-	Restricted Stock Awards (\$)	-0-	LTIP Payouts (\$)	-0-	-0-
	1998	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

OPTION/SAR GRANTS IN LAST FISCAL YEAR
(INDIVIDUAL GRANTS)

Name	Number of Securities Underlying Options/SAR's Granted (#)	Percent of Total Options/SAR's Granted to Employees In Fiscal Year	Exercise of Base Price (\$/Sh)	Expiration Date
Mitchell A. Saltz	-0-	-	-	-

AGGREGATED OPTION/SAR EXERCISES IN LAST FISCAL YEAR
AND FY-END OPTION/SAR VALUES

Name	Shares Acquired On Exercise (#)	Value Realized (\$)	Number of Unexercised Securities Underlying Options/SAR's At FY-End (#) Exercisable/Unexercisable	Value of Unexercised In- The-Money Option/SAR's At FY-End (\$) Exercisable/Unexercisable

Mitchell A. Saltz	-0-	-0-	-0-	-0-

To date, Directors of the Company have not received any compensation for serving in such capacity.

Employment Agreements

The Company presently has employment contracts in effect with all of the principal officers of the Company, which can be terminated by either party on 30 days' written notice. Mr. Saltz serves at the pleasure of the Board of Directors. Mr. Saltz was employed as the Chief Executive Officer of the Company beginning in September 1998. Mr. Saltz has oversight of all operations of the Company including, but not limited to, the procurement of raw and processed materials, the shipment and sale of the Company's products, solicitation of sales, and maintenance of books and records pursuant to the operation of the plant and sales offices as required by the Board of Directors. Pursuant to his employment contract, Mr. Saltz is the named insured on a "Key Man" life insurance policy executed between the Company and a nationally known life insurance company. The Company is the designated beneficiary and will be entitled to receive benefits totaling \$500,000 as per terms and provisions of the Key Man life insurance policy.

There were no stock awards, restricted stock awards, stock options, stock appreciation on rights, long-term incentive plan compensation or similar rights granted to any Named Executive Officer during any of the Company's last fiscal year. None of the Named Executive Officers presently holds directly any stock options or stock purchase rights.

The Company has no retirement, pension, profit sharing or other plan covering its Officers and Directors.

CERTAIN TRANSACTIONS

Acquisition of Controlling Interest

In September 1998, Mitchell A. Saltz acquired ownership of 100% of the issued and outstanding shares of Common Stock of the Company. Subsequently, he divested ownership of nearly 38% of the issued and outstanding shares of Common Stock of the Company in his possession, as an inducement to effect employment transactions with certain of the Company's officers and directors.

Future Transactions

Any future transactions, including loans, between the Company and any of its officers, directors, affiliates and principal shareholders will be on terms no less favorable to the Company than can be obtained from unaffiliated third parties. Any such transactions will be subject to approval of a majority of the Board of Directors, including a majority of the independent, disinterested directors.

Recent Stock Issuances

In March 2000, the Company issued convertible debentures with a face value of \$1,000,000 under Rule 504 of Regulation D. The debentures are convertible into common stock at the discretion of the holder at a 25% discount. As of the date of this report none of the debentures have been converted.

On or about March 15, 2000, the Company issued an aggregate of 310,500 shares of the Company's "restricted" common stock to five consultants in exchange for consultation services rendered to the Company valued at \$155,250. The issuances were isolated transactions not involving a public offering pursuant to section 4(2) of the Securities Act of 1933.

Resolving Conflicts of Interest

The Board of Directors has determined that its Directors are to disclose all conflicts of interest and all corporate opportunities to the entire Board of Directors. Any transaction involving a conflict of interest engaged in by the Company shall be on terms no less favorable than could be obtained from an unrelated third party. A director will only be allowed to pursue a corporate opportunity in the event it is first disclosed to the Board of Directors and the Board determines that the Company shall not pursue the corporate opportunity.

DESCRIPTION OF SECURITIES

General

The Company's authorized capital structure presently consists of one class of Common Stock. There are authorized 100,000,000 shares of a voting Common Stock, par value \$0.001 per share, of which 8,889,110 shares are issued and outstanding as of March 31, 2000. There are currently outstanding no warrants or options to purchase any shares of the Company's Common Stock or Preferred Stock.

Description of Common Stock

The Company is authorized for the issuance of 100,000,000 shares of a voting Common Stock, par value \$0.001 per share, of which 8,889,110 (without giving effect to the Stock Exchange Agreement) shares are issued and outstanding as of March 31, 2000. Each issued and outstanding share entitles its holder to one vote. The shares of the Company's Common Stock have no preemptive or other subscription rights, have no conversion rights. In the event of liquidation, holders of the Company's Common Stock will share on a pro rata basis all assets legally available for distribution to shareholders, subject to the liquidation preference of any outstanding shares of the Company's Preferred Stock.

Holders of the Company's Common Stock have one vote for each share outstanding. The presence, in person or by proxy, of a majority of the outstanding shares constitutes a quorum at meetings of shareholders. The vote of the holders of a majority of the shares present at a meeting at which a quorum is present shall be the act of the shareholders unless the vote of a greater number is required by law or by the Articles of Incorporation. The Company's Common Stock does not have cumulative voting rights. Therefore, the holders of more than fifty percent of the outstanding shares voting for the election of directors can elect all members of the Board of Directors, and in such event, the holders of the remaining shares will not be able to elect any persons or the Board of Directors.

Transfer Agent

The Company has retained Interwest Transfer Company, Inc., 1981-4800 South, Suite 100, Salt Lake City, Utah 84117, for the disposition of its publicly traded and outstanding Common Stock shares.

RISK FACTORS

COMMERCIALIZATION STAGE COMPANY.

Although we were formed in 1991, since inception we have been engaged almost exclusively in organizational, research and development activities and has just recently initiated product commercialization. Accordingly, as a transitional development stage company, we have had a limited relevant operating history upon which an evaluation of our prospects can be made. Consequently, the likelihood of success of our business must be considered in view of all of the risks, expenses and delays inherent in the establishment of a new business, including, but not limited to, expenses and delays of an ongoing business that is commenced, slower than anticipated manufacturing and marketing activities, the uncertainty of market assimilation of our products, services and other unforeseen factors. The likelihood of our success must be considered in light of the problems and expenses that are frequently encountered in connection with the operation of a new business and the competitive environment that it encounters.

LIMITED OPERATING HISTORY; LOSSES.

We presently have had no business operations and we have only a limited prior operating history. Although organized and incorporated in mid 1998, we did not commence active operations until the beginning of 1999. To date, our operations have been narrowly confined to research and development, infrastructure and market planning, and cultivation of its sales and marketing network. As of December 31, 1999, there have been no revenues. We anticipate that we will continue to incur losses and generate negative cash flow over the next six months. At this time, we have no revenues, and there is no assurance that we will ever have significant revenues or be profitable or achieve positive cash flow from operations.

WE ARE PRESENTLY IN UNSOUND FINANCIAL CONDITION WHICH MAKES INVESTMENT IN OUR SECURITIES HIGHLY RISKY. Our financial statements include an auditor's report containing a modification regarding an uncertainty about our ability to continue as a going concern. Our financial statements also include an accumulated deficit of \$1,437,958 as of December 31, 1999 and other indications of weakness in our present financial position. We have been operating primarily through the issuance of common stock for services by entities, including affiliates, that we could not afford to pay in cash. We are consequently deemed by state securities regulators to presently be in unsound financial condition. No person should invest in this offering unless they can afford to lose their entire investment.

RECENTLY REORGANIZED COMPANY.

De Oro Mines, Inc. was incorporated on June 17, 1991 in the state of Nevada. From its inception, De Oro Mines, Inc. was in the development stage and was primarily engaged in the business of developing mining properties. During 1992 De Oro lost its remaining assets and settled its liabilities and from that date forward remained dormant. Effective October 20, 1998, De Oro Mines acquired the assets of Saf-T-Hammer, Inc., and changed its name from De Oro Mines, Inc. to Saf-T-Hammer Corporation. The principal asset of Saf-T-Hammer, Inc. was a product in development and the patent pending rights to the product. This potential product is a childproof gun safety device.

To date, we have had limited operating history and have not conducted any significant business. We must therefore be considered promotional and in our early formative and developmental stages. Potential shareholders should be aware of the difficulties normally encountered by a new enterprise. There is nothing at this time on which to base an assumption that our business plans will prove successful, and there is no assurance that we will be able to operate profitably.

DEPENDENCE UPON KEY PERSONNEL.

Our success depends, in part, upon the successful performance of our CEO, Mr. Mitchell A. Saltz. Although we have entered into a comprehensive employment contract with Mr. Saltz, and we have employed and will in the future employ additional qualified executives, employees and consultants having significant experience delivering the business expertise needed, if Mr. Saltz fails to perform any of the duties undertaken by him for any reason whatsoever, our ability to manufacture, market and distribute our products would be harmed. To mitigate this risk, we have secured and will maintain key man life insurance on Mr. Saltz. And, pursuant to its terms, we are the designated beneficiary and will be entitled to receive benefits totaling \$500,000. Moreover, we believe there are available qualified managerial and other personnel in sufficient numbers to properly staff our facilities and offices, but we cannot be sure we could do so.

REGULATION.

Our business, as well as all participants in the production and marketing of gun parts, is subject to various laws and governmental regulations. The manufacture and marketing of gun parts is governed by various state laws and federal regulations and protocols. We believe we are in compliance with such laws and that such laws do not have a material adverse impact on our operations. Such laws, rules, regulations and protocols are subject to change. Therefore, our approach to compliance may require modifications to adjust for future regulatory change.

COMPETITION.

There are several manufacturing entities and service providers that currently offer products and services similar to those which we have proposed. These entities may have greater financial and personnel resources than we do. Manufacture and use of gun safety devices throughout the United States is on the increase. The gun industry, in general, is dominated by a small number of companies that are well known to the public. We believe that as a manufacturer of a firearm safety device line, both wholesale and retail, we should be able to compete with the better known brands of service companies presently in operation. Although we consider ourselves favorably positioned to compete in this market niche, our profitability may be harmed if other competing entities continue to operate or commence operations in our proposed regional areas.

RELIANCE ON OUTSIDE SUPPLIERS.

We purchase our die molds, raw materials and supplies from independent sources and will for some time remain dependent upon such outside sources for all of our unprocessed natural products. We do not know if these sources will be able to provide adequately for our current and future needs and the needs of our customers. In the event that any of our suppliers should suffer quality control problems, lack of raw materials or financial difficulties, we would be required to find alternative sources for our product lines. The time lost in seeking and acquiring additional and newer sources could hurt our revenues and profitability.

EFFECTS ON FLUCTUATIONS IN RAW AND PROCESSED MATERIALS, COSTS AND AVAILABILITY.

We purchase premium grade raw and processed materials for use in our manufacturing enterprise. Such products are obtained from third party sources and manufacturing sub-contractors. The price and availability of these materials are subject to numerous factors not within our control including: weather conditions, policies of foreign countries and/or trade restrictions as well as the status of the worldwide demand for raw, organic, metal, chemical and plastic ingredients. In the event we cannot timely acquire our raw and processed materials from third party entities, our ability to ship products and to service our targeted markets on a timely basis, if at all, would be harmed.

CONFLICTS OF INTEREST. Certain conflicts of interest exist between us and our officers and directors. They have other business interests to which they devote attention, and they may be expected to continue to do so although management time should be devoted to our business. As a result, conflicts of interest may arise that can be resolved only through exercise of such judgment as is consistent with their fiduciary duties.

POSSIBLE NEED FOR ADDITIONAL FINANCING. We have very limited funds, and such funds may not be adequate to take advantage of any available business opportunities. Even if our funds prove to be sufficient to acquire an interest in, or complete a transaction with, a business opportunity, we may not have enough capital to exploit the opportunity. Our ultimate success may depend upon our ability to raise additional capital. We have not investigated the availability, source, or terms that might govern the acquisition of additional capital and will not do so until we determine a need for additional financing. If additional capital is needed, there is no assurance that funds will be available from any source or, if available, that they can be obtained on terms acceptable to us. If not available, our operations will be limited to those that can be financed with our modest capital.

REGULATION OF PENNY STOCKS. Our securities are subject to a Securities and Exchange Commission rule that imposes special sales practice requirements upon broker-dealers who sell such securities to persons other than established customers or accredited investors. For purposes of the rule, the phrase "accredited investors" means, in general terms, institutions with assets in excess of \$5,000,000, or individuals having a net worth in excess of \$1,000,000 or having an annual income that exceeds \$200,000 (or that, when combined with a spouse's income, exceeds \$300,000). For transactions covered by the rule, the broker-dealer must make a special suitability determination for the purchaser and receive the purchaser's written agreement to the transaction prior to the sale. Consequently, the rule may affect the ability of broker-dealers to sell our securities and also may affect the ability of shareholders to sell their securities.

In addition, the Securities and Exchange Commission has adopted a number of rules to regulate "penny stocks." Such rules include Rules 3a51-1, 15g-1, 15g-2, 15g-3, 15g-4, 15g-5, 15g-6, and 15g-7 under the Securities Exchange Act of 1934, as amended. Because our securities may constitute "penny stocks" within the meaning of the rules, the rules would apply to us and to our securities. The rules may further affect the ability of owners of our securities to sell our securities.

Shareholders should be aware that, according to Securities and Exchange Commission Release No. 34-29093, the market for penny stocks has suffered in recent years from patterns of fraud and abuse. Such patterns include (i) control of the market for the security by one or a few broker-dealers that are often related to the promoter or issuer; (ii) manipulation of prices through prearranged matching of purchases and sales and false and misleading press releases; (iii) "boiler room" practices involving high-pressure sales tactics and unrealistic price projections by inexperienced sales persons; (iv) excessive and undisclosed bid-ask differentials and markups by selling broker-dealers; and (v) the wholesale dumping of the same securities by promoters and broker-dealers after prices have been manipulated to a desired level, along with the resulting inevitable collapse of those prices and with consequent investor losses. We are aware of the abuses that have occurred historically in the penny stock market. Although we do not expect to be in a position to dictate the behavior of the market or of broker-dealers who participate in the market, management will strive within the confines of practical limitations to prevent the described patterns from being established with respect to our securities.

LIMITED PUBLIC MARKET EXISTS. There is a limited public market for our common stock, and no assurance can be given that a market will continue or that a shareholder ever will be able to liquidate his investment without considerable delay, if at all. The market price for our stock may be highly volatile. Factors such as those discussed in this "Risk Factors" section may have a significant impact upon the market price of our securities. Owing to the low price of the securities, many brokerage firms may not be willing to effect transactions in the securities. Even if a purchaser finds a broker willing to effect a transaction in these securities, the combination of brokerage commissions, state transfer taxes, if any, and any other selling costs may exceed the selling price. Further, many lending institutions will not permit the use of such securities as collateral for any loans.

FORWARD-LOOKING STATEMENTS AND ASSOCIATED RISKS. Management believes that this Report on Form 8-K contains forward-looking statements, including statements regarding, among other items, our future plans and growth strategies and anticipated trends in the industry in which we operate. These forward-looking statements are based largely on our control. Actual results could differ materially from these forward-looking statements as a result of factors we describe herein, including, among others, regulatory or economic influences.

ITEM 3. BANKRUPTCY OR RECEIVERSHIP

Not applicable

ITEM 4. CHANGES IN REGISTRANT'S CERTIFYING ACCOUNTANT

Not applicable.

ITEM 5. OTHER EVENTS

Successor Issuer Election.

Upon execution of the Exchange Agreement and delivery of the SAFH shares to MRC as the sole shareholder of Lost Coast, pursuant to Rule 12g-3(a) of the General Rules and Regulations of the Securities and Exchange Commission, SAFH became the successor issuer to Lost Coast for reporting purposes under the Securities Exchange Act of 1934 and elected to report under the Act effective March 31, 2000.

ITEM 6. RESIGNATIONS OF DIRECTORS AND EXECUTIVE OFFICERS

Not applicable.

ITEM 7. FINANCIAL STATEMENTS

The financial statements of SAFH for the fiscal years ending December 31, 1998 and December 31, 1999 are included herein in reliance on the report of Stonefield Josephson, Inc., our independent public accountants.

SAF-T-HAMMER CORPORATION
(FORMERLY KNOWN AS DE ORO MINES, INC.)
(A DEVELOPMENT STAGE ENTERPRISE)

FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 1999 AND 1998

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Saf-T-Hammer Corporation
Scottsdale, Arizona

We have audited the accompanying balance sheet of Saf-T-Hammer Corporation, (a development stage enterprise) as of December 31, 1999, and the related statements of operations, stockholders' equity and cash flows for the two 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 audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saf-T-Hammer Corporation as of December 31, 1999, and the results of its operations and its cash flows for the two years then ended in conformity with generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As shown in the financial statements, the Company has incurred net losses from operations, has negative cash flows from operations, and has a net capital deficiency. These factors raise substantial doubt about the Company's ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Stonefield Josephson, Inc.
CERTIFIED PUBLIC ACCOUNTANTS

Santa Monica, California
March 31, 2000

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)
BALANCE SHEET - DECEMBER 31, 1999

ASSETS

CURRENT ASSETS -		
cash	\$	1,000
 PROPERTY AND EQUIPMENT, net of accumulated depreciation		 21,212 -----
	\$	22,212 =====

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES -		
accrued expenses	\$	34,041
 LOANS PAYABLE, STOCKHOLDERS		 340,000
 STOCKHOLDERS' DEFICIT:		
Common stock; \$0.001 par value, 100,000,000 shares authorized, 8,578,610 shares issued and outstanding	\$	6,447
Additional paid-in capital		1,079,682
Deficit accumulated during development stage		(1,437,958) -----
Total stockholders' deficit		(351,829) -----
	\$	22,212 =====

See accompanying independent auditors' report and notes to financial statements.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF OPERATIONS

	From inception Year ended December 31, 1999	Year ended December 31, 1998	to December 31, 1999
	-----	-----	-----
Net revenues	\$ -	\$ -	\$ -
Cost of revenues	-	-	-
Gross profit	----- -	----- -	----- -
Selling, general and administrative expenses	1,243,040	194,918	1,437,958
Net loss	\$ (1,243,040)	\$ (194,918)	\$ (1,437,958)
Net loss per share, basic and diluted	(0.15)	\$ (0.06)	\$ (0.17)
Weighted average shares outstanding, basic and diluted	8,426,412	3,181,563	8,426,412

See accompanying independent auditors' report and notes to financial statements.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)

	Common stock Shares	Common stock Amount	Additional paid-in capital	Total Accumulated deficit	Total stockholders' deficit
Balance at January 1, 1998 (post 4:1 stock split)	2,131,152	\$ -	\$ -	\$ -	\$ -
Capital contribution into Saf-T-Hammer, Inc. (pre-reverse merger) by shareholders		-	104,546	-	104,546
New common stock shares issued per reverse merger agreement on October 20, 1998 (post 4:1 stock split)	5,325,000	5,325	(5,325)	-	-
Net loss for the year ended December 31, 1998				(194,918)	(194,918)
Balance at December 31, 1998	7,456,152	5,325	99,221	(194,918)	(90,372)
Issuance of common stock during private placement, net	985,000	985	843,140	-	844,125
Issuance of common stock for services rendered	137,458	137	137,321	-	137,458
Net loss for the year ended December 31, 1999				(1,243,040)	(1,243,040)
Balance at December 31, 1999	8,578,610	\$ 6,447	\$ 1,079,682	\$ (1,437,958)	\$ (351,829)

See accompanying independent auditors' report and notes to financial statements.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

STATEMENTS OF CASH FLOWS

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Year ended December 31, 1999	Year ended December 31, 1998	From inception on December 18, 1992 to December 31, 1999
	-----	-----	-----
CASH FLOWS PROVIDED BY (USED FOR)			
OPERATING ACTIVITIES:			
Net loss	\$ (1,243,040)	\$ (194,918)	\$ (1,437,958)
	-----	-----	-----
ADJUSTMENTS TO RECONCILE NET LOSS TO NET			
CASH PROVIDED BY OPERATING ACTIVITIES:			
Depreciation	7,740	1,548	9,288
Capital contribution - product development	-	74,046	74,046
Stock compensation for services rendered	137,458	-	137,458
	-----	-----	-----
CHANGES IN OPERATING ASSETS AND LIABILITIES:			
(INCREASE) DECREASE IN ASSETS -			
INCREASE (DECREASE) IN LIABILITIES -			
accrued expenses	10,732	23,309	34,041
	-----	-----	-----
Total adjustments	155,930	98,903	254,833
	-----	-----	-----
Net cash used for operating activities	(1,087,110)	(96,015)	(1,183,125)
	-----	-----	-----
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES:			
Proceeds from loans payable, related parties	340,000	130,500	470,500
Payments on loans payable, related parties	(130,500)	-	(130,500)
Proceeds from issuance of common stock, net	844,125	-	844,125
	-----	-----	-----
Net cash provided by financing activities	1,053,625	130,500	1,184,125
	-----	-----	-----
NET CHANGE IN CASH	(33,485)	34,485	1,000
CASH, beginning of year/period	34,485	-	-
	-----	-----	-----
CASH, end of year/period	\$ 1,000	\$ 34,485	\$ 1,000
	=====	=====	=====
SUPPLEMENTAL DISCLOSURE OF CASH FLOW			
INFORMATION:			
Interest paid	\$ -	-	-
Income taxes paid	\$ -	-	-
	-----	-----	-----
SUPPLEMENTAL DISCLOSURE OF NON-CASH			
FINANCING AND INVESTING ACTIVITIES:			
Issuance of common stock during reverse merger	\$ -	\$ 74,046	\$ 74,046
	=====	=====	=====
Contribution of property and equipment	\$ -	\$ 30,500	\$ 30,500
	=====	=====	=====
Issuance of stock for services	\$ 137,458	\$ -	\$ 137,458
	=====	=====	=====

See accompanying independent auditors' report and notes to financial statements.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 1999 AND 1998

(1) ORGANIZATION AND BUSINESS ACTIVITY:

Prior to incorporation as Saf-T-Hammer Corporation in 1998, the Company existed as De Oro Mines, Inc. De Oro Mines, Inc. was incorporated on June 17, 1991 in the State of Nevada. Its original Articles of Incorporation provided for 1,000,000 shares of common stock with a par value of \$0.01 per share.

On August 15, 1996, the shareholders of the Company authorized the recapitalization of the Company and the amendment of its Articles of Incorporation to allow the corporation to issue up to 100,000,000 shares of a single class of Common Stock with a par value of \$0.001. The amended Articles were duly adopted as stated and were filed on October 16, 1996 with the State of Nevada. From its inception, De Oro Mines, Inc. was in the development stage and was primarily engaged in the business of developing mining properties. During 1992, De Oro lost its remaining assets and settled its liabilities, and from that date forward remained dormant.

Effective October 20, 1998, the Company acquired the assets of Saf-T-Hammer, Inc. and changed its name from De Oro Mines, Inc. to Saf-T-Hammer Corporation. The acquisition was accounted for under the purchase method. Prior to this agreement becoming effective, De Oro Mines, Inc. had a total of 532,788 shares of common stock issued and outstanding. Pursuant to the Asset Acquisition Agreement, the Company issued 1,331,250 shares of common stock to Saf-T-Hammer, Inc., which then resulted in a total of 1,864,038 shares of common stock being issued and outstanding.

Pursuant to Accounting Principles Board Opinion No. 16, "Accounting for Business Combinations," Saf-T-Hammer, Inc. was the acquirer and De Oro Mines, Inc., the acquiree, and accordingly, this transaction was accounted for as a reverse merger since effective control of the Company was with the officer/shareholders of Saf-T-Hammer, Inc. The shareholders also approved a four share for one share stock split. The financial statements as of December 31, 1999 and 1998 reflect the effect of the four to one stock split. The majority of the shareholders of both corporations approved this asset purchase agreement and related bill of sale.

The primary asset of Saf-T-Hammer Corporation is a childproof gun safety device that the Company plans to manufacture and sell throughout the world. Currently, the Company is in the product development stage and has a patent pending for rights to the childproof gun safety device.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain 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 could differ from those estimates.

See accompanying independent auditors' report.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1999 AND 1998

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

CASH:

Equivalents

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less which are not securing any corporate obligations.

Concentration

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

INCOME TAXES:

Income taxes are provided for using the liability method of accounting in accordance with Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes." A deferred tax asset or liability is recorded for all temporary differences between financial and tax reporting. Deferred tax expense (benefit) results from the net change during the year of deferred tax assets and liabilities.

NET LOSS PER SHARE:

The Company has adopted Statement of Financial Accounting Standard No. 128. Earnings per Shares ("SFAS No. 128"), which is effective for annual and interim financial statements issued for periods ending after December 15, 1997. SFAS No. 128 was issued to simplify the standards for calculating earnings per share ("EPS") previously in APB No. 15, Earnings Per Share. SFAS No. 128 replaces the presentation of primary EPS with a presentation of basic EPS. The new rules also require dual presentation of basic and diluted EPS on the face of the statement of operations.

FAIR VALUE:

Unless otherwise indicated, the fair values of all reported assets and liabilities, which represent financial instruments, none of which are held for trading purposes, approximate the carrying values of such amounts.

PROPERTY AND EQUIPMENT:

Property and equipment are stated at cost. Expenditures for maintenance and repairs are charged to earnings as incurred, whereas, additions, renewals, and betterments are capitalized. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts, and any gain or loss is included in operations. Depreciation is computed using the straight-line method over the estimated useful lives of 3-5 years.

See accompanying independent auditors' report.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1999 AND 1998

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED:

COMPREHENSIVE INCOME:

The Company does not have other comprehensive income. Comprehensive loss consists of net loss from operations.

IMPAIRMENT OF LONG-LIVED ASSETS AND LONG-LIVED ASSETS TO BE DISPOSED OF:

The Company adopted the provision of FASB No. 121, Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of. This statement requires that long-lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amounts of the assets exceed the fair values of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Adoption of this statement did not have a material impact on the Company's financial position, results of operations or liquidity.

NEW ACCOUNTING PRONOUNCEMENTS:

The Company has adopted Statements of Financial Accounting Standards No. 130 "Reporting Comprehensive Income" and No. 133 "Accounting for Derivative Instruments and Hedging Activities." The Company also adopted Statement of Position No. 98-5 "Reporting on the Costs of Start-up Activities." Adoption of these activities did not materially affect the financial statements.

GOING CONCERN:

The Company's consolidated financial statements are prepared using the generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. Without realization of additional capital, it would be unlikely for the Company to continue as a going concern. This factor raises substantial doubt about the Company's ability to continue as a going concern.

Management recognizes that the Company must generate additional resources to enable it to continue operations. The Company intends to begin recognizing significant revenues during year 2000. Management's plans also include the sale of additional equity securities and debt financing from related parties. However, no assurance can be given that the Company will be successful in raising additional capital.

Further, there can be no assurance, assuming the Company successfully raises additional equity and debt financing, that the Company will achieve profitability or positive cash flow. If management is unable to raise additional capital and expected significant revenues do not result in positive cash flow to meet its obligations, the Company's ability to continue as a going concern will become substantially doubtful.

See accompanying independent auditors' report.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1999 AND 1998

(3) INCOME TAXES:

There is no provision for income taxes for the year ended December 31, 1999, due to the net losses. The Company's total deferred tax asset as of December 31, 1999 is as follows:

Net operating loss carryforwards	\$	(1,400,000)
Effective tax rates		40%

		560,000
Valuation allowance		(560,000)

Net deferred taxes	\$	-
		=====

The federal net operating loss carryforward will expire in various amounts starting in 2018. This carryforward may be limited upon the consummation of a business combination under IRC Section 381.

(4) ACCRUED EXPENSE:

Included in accrued expenses at December 31, 1999 is approximately \$21,000 of checkbook overdraft.

(5) LOANS PAYABLE, STOCKHOLDERS:

Loans payable, stockholder, bears interest at 5% per annum on the average balance outstanding, is unsecured and due on September 30, 2001. Pursuant to the terms of this loan agreement, the Company may borrow, through September 30, 2000, up to a limit of \$500,000 for use in the Company's normal cause of business. Pursuant to the terms of this agreement dated September 30, 1999, interest payments are due on January 15th and July 15th. In the event that the Company fails to make timely interest payments with 90 days from its due date, the loans become payable on demand. As of December 31, 1999, the Company owed \$220,000 under this loan agreement. Subsequent to December 31, 1999, the Company borrowed an additional \$193,000.

Loan payable, officer-stockholder, bears interest at 5% per annum on the average balance outstanding, is unsecured and due on September 30, 2001. Pursuant to the terms of this agreement dated September 30, 1999, interest payments are due on January 15th and July 15th. In the event that the Company fails to make timely interest payments with 90 days from its due date, the balance owed becomes payable on demand. As of December 31, 1999, the Company owed \$120,000 under this note agreement.

Interest expense for the years ended December 31, 1999 and 1998 amounted to \$3,000 and \$0, respectively.

See accompanying independent auditors' report.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1999 AND 1998

(6) STOCKHOLDERS' DEFICIT:

Prior to October 20, 1998, Saf-T-Hammer Corporation (Formerly De Oro Mines, Inc.) had a total of 532,788 (pre-split) shares of common stock issued and outstanding.

On October 20, 1998, pursuant to an Asset Acquisition Agreement, the Company issued 1,331,250 (pre-split) shares of common stock to Saf-T-Hammer, Inc., which then resulted in a total of 1,864,038 (pre-split) shares of common stock being issued and outstanding. Pursuant to Accounting Principles Board Opinion No. 16, "Accounting for Business Combinations," Saf-T-Hammer, Inc. was the acquirer and De Oro Mines, Inc., the acquiree, and accordingly, this transaction was accounted for as a reverse merger since effective control of the Company was with the officer/shareholders of Saf-T-Hammer, Inc.

Immediately following the Asset Acquisition Agreement and issuance of 1,331,250 (pre-split) shares, the Company forward split its common stock at 4:1 shares, resulting in 7,456,152 shares being issued and outstanding. The Company then changed its name from De Oro Mines, Inc. to Saf-T-Hammer Corporation.

During the first quarter of 1999, the Company commenced a private placement of 1,000,000 shares of its restricted Rule 144 common shares at an offering price of \$1.00 per share. The Private Placement was exempt from the registration provisions of the Securities and Exchange Commission Act of 1933 and Rule 504 of Regulation D. As of December 31, 1999, the Company raised approximately \$844,000, which is net of offering costs of approximately \$70,000.

During the year ended December 31, 1999, the Company issued 137,458 (post-split) shares of its restricted common stock. Accordingly, the Company recorded compensation expense for service of \$137,458 during the year.

(7) SUBSEQUENT EVENTS (UNAUDITED):

Acquisition of Lost Coast Ventures, Inc.

During March 2000, the Company entered into a Stock Exchange Agreement with MRC Legal Services LLC to acquire 800,000 shares (approximately 80%) of Lost Coast Ventures, Inc., a Delaware Corporation, in exchange for 200,000 shares of its restricted common stock. Pursuant to this Stock Exchange Agreement, immediately following the close of this Agreement, the shareholders will cause Lost Coast Ventures, Inc. to complete a reverse stock split and acquire the remaining 20% of outstanding shares of Lost Coast Ventures, Inc. for cash.

In relation to the Stock Exchange Agreement with MRC Legal Services LLC, the Company also entered into a consulting agreement to negotiate and close the Agreement with certain individuals. Pursuant to this Agreement, the Company will pay \$100,000 cash and issue 250,000 shares of its common stock immediately upon the execution of the stock exchange with the Lost Coast shareholders.

See accompanying independent auditors' report.

SAF-T-HAMMER CORPORATION
(A DEVELOPMENT STAGE ENTERPRISE)

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

YEARS ENDED DECEMBER 31, 1999 AND 1998

(7) SUBSEQUENT EVENTS (UNAUDITED), CONTINUED:

(7) SUBSEQUENT EVENTS (UNAUDITED), CONTINUED:

Convertible Debentures

In March 2000, the Company issued 8% convertible debentures with a face value of \$1,000,000. The debentures are convertible into shares of the Company's common stock at a 25% discount rate to fair market value on the day of conversion.

See accompanying independent auditors' report.

ITEM 8. CHANGE IN FISCAL YEAR

SAFH as the successor issuer has a fiscal year end of December 31. Lost Coast's fiscal year was June 30. SAFH will retain its December 31 fiscal year end.

EXHIBITS

- 2.1 Exchange Agreement between MRC Legal Services LLC and Saf-T-Hammer Corporation, dated as of March 31, 2000.
- 2.2 Consulting Agreement between Saf-T-Hammer Corporation and certain consultants dated as of March 31, 2000.
- 3.1 Articles of Incorporation of the Company
- 3.2 Amendment to the Articles of Incorporation of the Company filed on October 16, 1996.
- 3.3 Amendment to the Articles of Incorporation of the Company filed on May 12, 1998.
- 3.4 Amendment to the Articles of Incorporation of the Company filed on October 22, 1998.
- 3.5 Bylaws of the Company
- 23.1 Consent of Stonefield Josephson, Inc., independent public accountant

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report on Form 8-K to be signed on its behalf by the undersigned hereunto duly authorized.

SAF-T-HAMMER CORPORATION

/s/ Mitchell A. Saltz

Chief Executive Officer and
Chairman of the Board

Date: April 3, 2000

STOCK EXCHANGE AGREEMENT

Agreement dated as of March 31, 2000 between Saf-T-Hammer Corporation, a Nevada corporation ("SAFH"), on the one hand, and MRC Legal Services LLC, a California limited liability company ("MRC" or the "Shareholder"), on the other hand.

1. THE ACQUISITION.

1.1 Purchase and Sale Subject to the Terms and Conditions of this Agreement. At the Closing to be held as provided in Section 2, SAFH shall sell the SAFH Shares (defined below) to the Shareholder and the Shareholder shall purchase the SAFH Shares from SAFH, free and clear of all Encumbrances other than restrictions imposed by Federal and State securities laws.

1.2 Purchase Price. SAFH will exchange 200,000 shares of its restricted common stock (the "SAFH Shares") for 800,000 shares of Lost Coast Ventures, Inc., Inc., a Delaware corporation ("Lost Coast"), representing approximately 80.0% of the issued and outstanding common shares of Lost Coast (the "Lost Coast Shares"). Immediately after the Closing, the Shareholder will cause Lost Coast to complete a reverse stock split (the "Reverse Stock Split") previously approved by the directors of Lost Coast which will result in the remaining 200,000 shares of Lost Coast being cashed out by the Shareholder at no additional cost to SAFH. Immediately subsequent to the Reverse Stock Split, SAFH shall be the sole shareholder of Lost Coast with 8 shares issued and outstanding. The SAFH Shares shall be issued and delivered to the Shareholder or assigns as set forth in Exhibit "A" hereto.

2. THE CLOSING.

2.1 Place and Time. The closing of the sale and exchange of the SAFH Shares for the Lost Coast Shares (the "Closing") shall take place at Cutler Law Group, 610 Newport Center Drive, Suite 800, Newport Beach, CA 92660 no later than the close of business (Orange County California time) on or before March 4, 2000 or at such other place, date and time as the parties may agree in writing.

2.2 Deliveries by the Shareholders. At the Closing, the Shareholder shall deliver the following to SAFH:

a. Certificates representing the Lost Coast Shares, duly endorsed for transfer to SAFH and accompanied by appropriate medallion guaranteed stock powers; the Shareholder shall immediately change those certificates for, and to deliver to SAFH at the Closing, a certificate representing the Lost Coast Shares registered in the name of SAFH (without any legend or other reference to any Encumbrance other than appropriate federal securities law limitations).

b. The documents contemplated by Section 3.

c. All other documents, instruments and writings required by this Agreement to be delivered by the Shareholder at the Closing and any other documents or records relating to Lost Coast's business reasonably requested by SAFH in connection with this Agreement.

2.3 Deliveries by SAFH. At the Closing, SAFH shall deliver the following to the Shareholder:

a. The SAFH Shares for further delivery to the Shareholder or assigns as contemplated by section 1.

b. The documents contemplated by Section 4.

c. All other documents, instruments and writings required by this Agreement to be delivered by SAFH at the Closing.

3. CONDITIONS TO SAFH'S OBLIGATIONS.

The obligations of SAFH to effect the Closing shall be subject to the satisfaction at or prior to the Closing of the following conditions, any one or more of which may be waived by SAFH:

3.1 No Injunction. There shall not be in effect any injunction, order or decree of a court of competent jurisdiction that prevents the consummation of the transactions contemplated by this Agreement, that prohibits SAFH's acquisition of the Lost Coast Shares or the SAFH Shares or that will require any divestiture as a result of SAFH's acquisition of the Lost Coast Shares or that will require all or any part of the business of SAFH to be held separate and no litigation or proceedings seeking the issuance of such an injunction, order or decree or seeking to impose substantial penalties on SAFH or Lost Coast if this Agreement is consummated shall be pending.

3.2 Representations, Warranties and Agreements. (a) The representations and warranties of the Shareholder set forth in this Agreement shall be true and complete in all material respects as of the Closing Date as though made at such time, and (b) the Shareholder shall have performed and complied in all material respects with the agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing.

3.3 Regulatory Approvals. All licenses, authorizations, consents, orders and regulatory approvals of Governmental Bodies necessary for the consummation of SAFH's acquisition of the Lost Coast Shares shall have been obtained and shall be in full force and effect.

3.4 Resignations of Director. Effective on the Closing Date, all of officers and directors shall have resigned as an officer, director and employee of Lost Coast.

4. CONDITIONS TO THE SHAREHOLDER'S OBLIGATIONS.

The obligations of the Shareholder to effect the Closing shall be subject to the satisfaction at or prior to the Closing of the following conditions, any one or more of which may be waived by the Shareholder:

4.1 No Injunction. There shall not be in effect any injunction, order or decree of a court of competent jurisdiction that prevents the consummation of the transactions contemplated by this Agreement, that prohibits SAFH's acquisition of the Lost Coast Shares or the Shareholder's acquisition of the SAFH Shares or that will require any divestiture as a result of SAFH's acquisition of the Shares or the Shareholder's acquisition of the SAFH Shares or that will require all or any part of the business of SAFH or Lost Coast to be held separate and no litigation or proceedings seeking the issuance of such an injunction, order or decree or seeking to impose substantial penalties on SAFH or Lost Coast if this Agreement is consummated shall be pending.

4.2 Representations, Warranties and Agreements. (a) The representations and warranties of SAFH set forth in this Agreement shall be true and complete in all material respects as of the Closing Date as though made at such time, and (b) SAFH shall have performed and complied in all material respects with the agreements contained in this Agreement required to be performed and complied with by it at or prior to the Closing.

4.3 Regulatory Approvals. All licenses, authorizations, consents, orders and regulatory approvals of Governmental Bodies necessary for the consummation of SAFH's acquisition of the Lost Coast Shares and the Shareholder's acquisition of the SAFH Shares shall have been obtained and shall be in full force and effect.

5. REPRESENTATIONS AND WARRANTIES OF THE SHAREHOLDER.

The Shareholder represents and warrants to SAFH that, to the Knowledge of the Shareholder:

5.1 Authorization. The Shareholder is a limited liability company duly organized, validly existing and in good standing under the laws of the state of California. This Agreement constitutes a valid and binding obligation of the Shareholder, enforceable against it in accordance with its terms.

5.2 Capitalization. The authorized capital stock of Lost Coast consists of 20,000,000 authorized shares of stock, par value \$.001, and 1,000,000 preferred shares, par value \$.001, of which 1,000,000 common shares and no preferred shares are presently issued and outstanding. No shares have been registered under state or federal securities laws. As of the Closing Date there will not be outstanding any warrants, options or other agreements on the part of Lost Coast obligating Lost Coast to issue any additional shares of common or preferred stock or any of its securities of any kind.

5.3 Ownership of Lost Coast Shares. The delivery of certificates to SAFH provided in Section 2.2 will result in SAFH's immediate acquisition of record and beneficial ownership of the Lost Coast Shares, free and clear of all Encumbrances subject to applicable State and Federal securities laws.

5.4 Consents and Approvals of Governmental Authorities. Except with respect to applicable State and Federal securities laws, no consent, approval or authorization of, or declaration, filing or registration with, any Governmental Body is required to be made or obtained by Lost Coast or SAFH or any of its Subsidiaries in connection with the execution, delivery and performance of this Agreement by Lost Coast or the consummation of the sale of the Lost Coast Shares to SAFH.

5.5 Financial Statements. Lost Coast has delivered to SAFH the consolidated balance sheet of Lost Coast as at June 30, 1998 and June 30, 1999, and statements of income and changes in financial position for the fiscal years then ended and the period from inception to the period then ended, together with the report thereon of Lost Coast's independent accountant (the "Lost Coast Financial Statements"). The Lost Coast Financial Statements are accurate and complete in accordance with generally accepted accounting principles. The independent accountants for Lost Coast will furnish any and all work papers required by SAFH and will sign any and all consents required to be signed to include the financial statements of SAFH in any subsequent filing by SAFH.

5.6 Litigation. There is no action, suit, inquiry, proceeding or investigation by or before any court or Governmental Body pending or threatened in writing against or involving Lost Coast which is likely to have a material adverse effect on the business or financial condition of Lost Coast, SAFH and any of their Subsidiaries, taken as whole, or which would require a payment by Lost Coast in excess of \$2,000 in the aggregate or which questions or challenges the validity of this Agreement. Lost Coast is not subject to any judgment, order or decree that is likely to have a material adverse effect on the business or financial condition of Lost Coast, SAFH or any of their Subsidiaries, taken as a whole, or which would require a payment by Lost Coast in excess of \$2,000 in the aggregate.

5.7 Absence of Certain Changes. Since the date of the Lost Coast Financial Statements, Lost Coast has not:

a. suffered the damage or destruction of any of its properties or assets (whether or not covered by insurance) which is materially adverse to the business or financial condition of Lost Coast or made any disposition of any of its material properties or assets other than in the ordinary course of business;

b. made any change or amendment in its certificate of incorporation or by-laws, or other governing instruments;

c. issued or sold any Equity Securities or other securities, acquired, directly or indirectly, by redemption or otherwise, any such Equity Securities, reclassified, split-up or otherwise changed any such Equity Security, or granted or entered into any options, warrants, calls or commitments of any kind with respect thereto;

d. organized any new Subsidiary or acquired any Equity Securities of any Person or any equity or ownership interest in any business;

e. borrowed any funds or incurred, or assumed or become subject to, whether directly or by way of guarantee or otherwise, any obligation or liability with respect to any such indebtedness for borrowed money;

f. paid, discharged or satisfied any material claim, liability or obligation (absolute, accrued, contingent or otherwise), other than in the ordinary course of business;

g. prepaid any material obligation having a maturity of more than 90 days from the date such obligation was issued or incurred;

h. canceled any material debts or waived any material claims or rights, except in the ordinary course of business;

i. disposed of or permitted to lapse any rights to the use of any material patent or registered trademark or copyright or other intellectual property owned or used by it;

j. granted any general increase in the compensation of officers or employees (including any such increase pursuant to any employee benefit plan);

k. purchased or entered into any contract or commitment to purchase any material quantity of raw materials or supplies, or sold or entered into any contract or commitment to sell any material quantity of property or assets, except (i) normal contracts or commitments for the purchase of, and normal purchases of, raw materials or supplies, made in the ordinary course business, (ii) normal contracts or commitments for the sale of, and normal sales of, inventory in the ordinary course of business, and (iii) other contracts, commitments, purchases or sales in the ordinary course of business;

l. made any capital expenditures or additions to property, plant or equipment or acquired any other property or assets (other than raw materials and supplies) at a cost in excess of \$100,000 in the aggregate;

m. written off or been required to write off any notes or accounts receivable in an aggregate amount in excess of \$2,000;

n. written down or been required to write down any inventory in an aggregate amount in excess of \$ 2,000;

o. entered into any collective bargaining or union contract or agreement; or

p. other than the ordinary course of business, incurred any liability required by generally accepted accounting principles to be reflected on a balance sheet and material to the business or financial condition of Lost Coast.

5.8 No Material Adverse Change. Since the date of the Lost Coast Financial Statements, there has not been any material adverse change in the business or financial condition of Lost Coast.

5.9 Brokers or Finders. The Shareholder has not employed any broker or finder or incurred any liability for any brokerage or finder's fees or commissions or similar payments in connection with the sale of the Lost Coast Shares to SAFH.

6. REPRESENTATIONS AND WARRANTIES OF SAFH.

SAFH represents and warrants to the Shareholder that, to the Knowledge of SAFH (which limitation shall not apply to Section 6.3). Such representations and warranties shall survive the Closing for a period of two years.

6.1 Organization of SAFH; Authorization. SAFH is a corporation duly organized, validly existing and in good standing under the laws of Nevada with full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement have been duly authorized by all necessary corporate action of SAFH and this Agreement constitutes a valid and binding obligation of SAFH; enforceable against it in accordance with its terms.

6.2 Capitalization. The authorized capital stock of SAFH consists of 100,000,000 shares of common stock, par value \$.001 per share, and 10,000,000 shares of preferred stock, par value \$.001 per share. As of the date of this Agreement, SAFH had 8,889,110 shares of common stock issued and outstanding, and no shares of Preferred Stock issued and outstanding. As of the Closing Date, all of the issued and outstanding shares of common stock of SAFH are validly issued, fully paid and non-assessable. The Common Stock of SAFH is presently listed and trading on the Nasdaq Over-the-Counter Bulletin Board under the symbol "SAFHE."

6.3 Ownership of SAFH Shares. The delivery of certificates to Lost Coast provided in Section 2.3 will result in the Shareholder or assigns immediate acquisition of record and beneficial ownership of the SAFH Shares, free and clear of all Encumbrances other than as required by Federal and State securities laws.

6.4 No Conflict as to SAFH and Subsidiaries. Neither the execution and delivery of this Agreement nor the consummation of the sale of the SAFH Shares to the Shareholders will (a) violate any provision of the certificate of incorporation or by-laws (or other governing instrument) of SAFH or any of its Subsidiaries or (b) violate, or be in conflict with, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under, or result in the termination of, or accelerate the performance required by, or excuse performance by any Person of any of its obligations under, or cause the acceleration of the maturity of any debt or obligation pursuant to, or result in the creation or imposition of any Encumbrance upon any property or assets of SAFH or any of its Subsidiaries under, any material agreement or commitment to which SAFH or any of its Subsidiaries is a party or by which any of their respective property or assets is bound, or to which any of the property or assets of SAFH or any of its Subsidiaries is subject, or (c) violate any statute or law or any judgment, decree, order, regulation or rule of any court or other Governmental Body applicable to SAFH or any of its Subsidiaries except, in the case of violations, conflicts, defaults, terminations, accelerations or Encumbrances described in clause (b) of this Section 6.4, for such matters which are not likely to have a material adverse effect on the business or financial condition of SAFH and its Subsidiaries, taken as a whole.

6.5 Consents and Approvals of Governmental Authorities. No consent, approval or authorization of, or declaration, filing or registration with, any Governmental Body is required to be made or obtained by SAFH or any of either of their Subsidiaries in connection with the execution, delivery and performance of this Agreement by SAFH or the consummation of the sale of the SAFH Shares to the Shareholders.

6.6 Other Consents. No consent of any Person is required to be obtained by Lost Coast or SAFH to the execution, delivery and performance of this Agreement or the consummation of the sale of the SAFH Shares to the Shareholders, including, but not limited to, consents from parties to leases or other agreements or commitments, except for any consent which the failure to obtain would not be likely to have a material adverse effect on the business and financial condition of Lost Coast or SAFH.

6.7 Financial Statements. Prior to closing, SAFH shall have delivered to the Shareholder consolidated balance sheets of SAFH and its Subsidiaries as at December 31, 1999 and 1998, and statements of income and changes in financial position for each of the periods then ended, together with the report thereon of SAFH's independent accountant (the "SAFH Financial Statements"). Such SAFH Financial Statements and notes fairly present the consolidated financial condition and results of operations of SAFH and its Subsidiaries as at the respective dates thereof and for the periods therein referred to, all in accordance with generally accepted United States accounting principles consistently applied throughout the periods involved, except as set forth in the notes thereto, and shall be utilizable in any SEC filing in compliance with Rule 310 of Regulation S-B promulgated under the Securities Act.

6.8 Brokers or Finders. Other than M. Richard Cutler, Brian Lebrecht, Vi Bui,, Asher Starik and Stephanie Crumpler, SAFH has not employed any broker or finder or incurred any liability for any brokerage or finder's fees or commissions or similar payments in connection with the sale of the SAFH Shares to the Shareholders.

6.9 Purchase for Investment. SAFH is purchasing the Lost Coast Shares solely for its own account for the purpose of investment and not with a view to, or for sale in connection with, any distribution of any portion thereof in violation of any applicable securities law.

7. Access and Reporting; Filings With Governmental Authorities; Other Covenants.

7.1 Access Between the date of this Agreement and the Closing Date. Each of the Shareholder and SAFH shall (a) give to the other and its authorized representatives reasonable access to all plants, offices, warehouse and other facilities and properties of Lost Coast or SAFH, as the case may be, and to its books and records, (b) permit the other to make inspections thereof, and (c) cause its officers and its advisors to furnish the other with such financial and operating data and other information with respect to the business and properties of such party and its Subsidiaries and to discuss with such and its authorized representatives its affairs and those of its Subsidiaries, all as the other may from time to time reasonably request.

7.2 Regulatory Matters. The Shareholder and SAFH shall (a) file with applicable regulatory authorities any applications and related documents required to be filed by them in order to consummate the contemplated transaction and (b) cooperate with each other as they may reasonably request in connection with the foregoing.

8. CONDUCT OF LOST COAST'S BUSINESS PRIOR TO THE CLOSING. The Shareholder shall use its best efforts to ensure the following:

8.1 Operation in Ordinary Course. Between the date of this Agreement and the Closing Date, Lost Coast shall cause conduct its businesses in all material respects in the ordinary course.

8.2 Business Organization. Between the date of this Agreement and the Closing Date, Lost Coast shall (a) preserve substantially intact the business organization of Lost Coast; and (b) preserve in all material respects the present business relationships and good will of Lost Coast.

8.3 Corporate Organization. Between the date of this Agreement and the Closing Date, Lost Coast shall not cause or permit any amendment of its certificate of incorporation or by-laws (or other governing instrument) and shall not:

- a. issue, sell or otherwise dispose of any of its Equity Securities, or create, sell or otherwise dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the issuance, sale or disposition of any of its Equity Securities;
- b. create or suffer to be created any Encumbrance thereon, or create, sell or otherwise dispose of any options, rights, conversion rights or other agreements or commitments of any kind relating to the sale or disposition of any Equity Securities;
- c. reclassify, split up or otherwise change any of its Equity Securities;
- d. be party to any merger, consolidation or other business combination;

- e. sell, lease, license or otherwise dispose of any of its properties or assets (including, but not limited to rights with respect to patents and registered trademarks and copyrights or other proprietary rights), in an amount which is material to the business or financial condition of Lost Coast except in the ordinary course of business; or
- f. organize any new Subsidiary or acquire any Equity Securities of any Person or any equity or ownership interest in any business.

8.4 Other Restrictions. Between the date of this Agreement and the Closing Date, Lost Coast shall not:

- a. borrow any funds or otherwise become subject to, whether directly or by way of guarantee or otherwise, any indebtedness for borrowed money;
- b. create any material Encumbrance on any of its material properties or assets;
- c. increase in any manner the compensation of any director or officer or increase in any manner the compensation of any class of employees;
- d. create or materially modify any material bonus, deferred compensation, pension, profit sharing, retirement, insurance, stock purchase, stock option, or other fringe benefit plan, arrangement or practice or any other employee benefit plan (as defined in section 3(3) of ERISA);
- e. make any capital expenditure or acquire any property or assets;
- f. enter into any agreement that materially restricts SAFH, Lost Coast or any of their Subsidiaries from carrying on business;
- g. pay, discharge or satisfy any material claim, liability or obligation, absolute, accrued, contingent or otherwise, other than the payment, discharge or satisfaction in the ordinary course of business of liabilities or obligations reflected in the Lost Coast Financial Statements or incurred in the ordinary course of business and consistent with past practice since the date of the Lost Coast Financial Statements; or
- h. cancel any material debts or waive any material claims or rights.

9. DEFINITIONS.

As used in this Agreement, the following terms have the meanings specified or referred to in this Section 9.

- 9.1 "Business Day" C Any day that is not a Saturday or Sunday or a day on which banks located in the City of New York are authorized or required to be closed.
- 9.2 "Code" C The Internal Revenue Code of 1986, as amended.
- 9.3 "Encumbrances" C Any security interest, mortgage, lien, charge, adverse claim or restriction of any kind, including, but not limited to, any restriction on the use, voting, transfer, receipt of income or other exercise of any attributes of ownership, other than a restriction on transfer arising under Federal or state securities laws.
- 9.4 "Equity Securities" C See Rule 3aB11B1 under the Securities Exchange Act of 1934.
- 9.5 "ERISA" C The Employee Retirement Income Security Act of 1974, as amended.

9.6 "Governmental Body" C Any domestic or foreign national, state or municipal or other local government or multi-national body (including, but not limited to, the European Economic Community), any subdivision, agency, commission or authority thereof.

9.7 "Knowledge" C Actual knowledge, after reasonable investigation.

9.8 "Person" C Any individual, corporation, partnership, joint venture, trust, association, unincorporated organization, other entity, or Governmental Body.

9.9 "Subsidiary" C With respect to any Person, any corporation of which securities having the power to elect a majority of that corporation's Board of Directors (other than securities having that power only upon the happening of a contingency that has not occurred) are held by such Person or one or more of its Subsidiaries.

10. TERMINATION.

10.1 Termination. This Agreement may be terminated before the Closing occurs only as follows:

- a. By written agreement of the Shareholder and SAFH at any time.
- b. By SAFH, by notice to the Shareholders at any time, if one or more of the conditions specified in Section 3 is not satisfied at the time at which the Closing (as it may be deferred pursuant to Section 2.1) would otherwise occur or if satisfaction of such a condition is or becomes impossible.
- c. By the Shareholder, by notice to SAFH at any time, if one or more of the conditions specified in Section 4 is not satisfied at the time at which the Closing (as it may be deferred pursuant to Section 2.1), would otherwise occur or if satisfaction of such a condition is or becomes impossible.
- d. By either the Shareholders or SAFH, by notice to the other at any time after April 6, 2000, if the transaction has not been completed.

10.2 Effect of Termination. If this Agreement is terminated pursuant to Section 10.1, this Agreement shall terminate without any liability or further obligation of any party to another.

13. NOTICES. All notices, consents, assignments and other communications under this Agreement shall be in writing and shall be deemed to have been duly given when (a) delivered by hand, (b) sent by telex or facsimile (with receipt confirmed), provided that a copy is mailed by registered mail, return receipt requested, or (c) received by the delivery service (receipt requested), in each case to the appropriate addresses, telex numbers and facsimile numbers set forth below (or to such other addresses, telex numbers and facsimile numbers as a party may designate as to itself by notice to the other parties).

(a) If to SAFH:

Saf-T-Hammer Corp.
14500 N. Northsight Suite 221
Scottsdale, Arizona 85260
Facsimile No.: (480) 949-9747
Attn: Mitchell A. Saltz, President and Chief Executive Officer

(b) If to the Shareholder:

c/o Cutler Law Group
610 Newport Center Drive, Suite 800
Newport Beach, CA 92660
Facsimile No.: (949) 719-1988
Attention: M. Richard Cutler, Esq.

14. MISCELLANEOUS.

14.2 Expenses. Each party shall bear its own expenses incident to the preparation, negotiation, execution and delivery of this Agreement and the performance of its obligations hereunder.

14.3 Captions. The captions in this Agreement are for convenience of reference only and shall not be given any effect in the interpretation of this agreement.

14.4 No Waiver. The failure of a party to insist upon strict adherence to any term of this Agreement on any occasion shall not be considered a waiver or deprive that party of the right thereafter to insist upon strict adherence to that term or any other term of this Agreement. Any waiver must be in writing.

14.5 Exclusive Agreement; Amendment. This Agreement supersedes all prior agreements among the parties with respect to its subject matter with respect thereto and cannot be changed or terminated orally.

14.6 Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be considered an original, but all of which together shall constitute the same instrument.

14.7 Governing Law, Venue. This Agreement and (unless otherwise provided) all amendments hereof and waivers and consents hereunder shall be governed by the internal law of the State of California, without regard to the conflicts of law principles thereof. Venue for any cause of action brought to enforce any part of this Agreement shall be in Orange County, California.

14.8 Binding Effect. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and assigns, provided that neither party may assign its rights hereunder without the consent of the other, provided that, after the Closing, no consent of Lost Coast or the Shareholder shall be needed in connection with any merger or consolidation of SAFH with or into another entity.

IN WITNESS WHEREOF, the corporate parties hereto have caused this Agreement to be executed by their respective officers, hereunto duly authorized, and entered into as of the date first above written.

SAF-T-HAMMER CORP.
a Nevada corporation

/s/ Mitchell L. Saltz

By: Mitchell L. Saltz, President and Chief Executive Officer

MRC LEGAL SERVICES LLC

/s/ M. Richard Cutler

By: M. Richard Cutler, President

EXHIBIT A

LOST COAST SHAREHOLDER AND ASSIGNS

Shareholder	SAFH Shares to be Issued
MRC Legal Services LLC	97,500
Brian A. Lebrecht	30,000
Vi Bui	22,500
Asher Starik	50,000
TOTAL	200,000

CONSULTING AGREEMENT

CONSULTING AGREEMENT dated as of March 31, 2000 between SAF-T-HAMMER, INC., a Nevada corporation, ("SAFH"), on the one hand, and M. RICHARD CUTLER ("Cutler"), BRIAN A. LEBRECHT ("Lebrecht"), VI BUI ("Bui"), ASHER STARIK ("Starik"), STEPHANIE CRUMPLER ("Crumpler", and, together with Cutler, Lebrecht, Bui and Starik, the "Consultants"), on the other hand.

WHEREAS:

A. Consultants have agreed to render consulting services with regard to the negotiation and completion of a stock exchange between SAFH and the majority shareholder of Lost Coast, Inc., a Delaware corporation (the "Lost Coast Shareholder").

B. In the event SAFH is able to complete the Stock Exchange with the Lost Coast Shareholder, SAFH wishes to compensate Consultants for their consulting services.

NOW THEREFORE, it is agreed:

1. Stock Compensation. SAFH shall pay and cause to be issued to the Consultants a consulting fee of \$100,000 cash, plus 250,000 shares of common stock of SAFH (the "Shares") immediately upon the execution of a stock exchange agreement with the Lost Coast Shareholder. Such shares shall be subject to registration by SAFH on Form S-8 within 5 days of SAFH closing on the stock exchange agreement with the Lost Coast Shareholder. The Consultants agree to prepare and file the S-8 Registration Statement at their sole expense, except for the filing fee associated therewith, which shall be reimbursed by SAFH. The parties agree that the value of the Shares is equal to 50% of the closing bid price on the date of this Agreement. The Shares shall be issued as follows: 108,500 to Cutler, 35,000 to Lebrecht, 26,250 to Bui, 75,000 to Starik and 5,250 to Crumpler.

2. Miscellaneous. This Agreement (i) shall be governed by the laws of the State of California; (ii) may be executed in counterparts each of which shall constitute an original; (iii) shall be binding upon the successors, representatives, agents, officers and directors of the parties; and (iv) may not be modified or changed except in a writing signed by all parties.

This Consulting Agreement has been executed as of the date first above written.

SAF-T-HAMMER, INC.

/s/ Mitchell A. Saltz

By: Mitchell A. Saltz, President and Chief Executive Officer

CONSULTANTS

/s/ M. Richard Cutler

M. Richard Cutler

/s/ Brian A. Lebrecht

Brian A. Lebrecht

/s/ Vi Bui

Vi Bui

/s/ Asher Starik

Asher Starik

/s/ Stephanie Crumpler

Stephanie Crumpler

ARTICLES-OF INCORPORATION
of
DE ORO MINES Inc.

The undersigned incorporator being a natural person more than eighteen (18) years of age acting as the sole incorporator of the above-named corporation (the "Corporation") hereby adopts the following articles of incorporation for the Corporation:

ARTICLE I

Name

The name of the Corporation shall be: DE ORO MINES INC.

ARTICLE II

Period of Duration

The Corporation shall continue in existence perpetually unless sooner dissolved according to law.

ARTICLE III

Purposes and Powers

The purposes for which the Corporation is organized are:

(a) To acquire by purchase or otherwise, own, hold, lease, rent, mortgage or otherwise, to trade with and deal in real estate, lands and interests in lands and all other property of every kind and nature;

(b) To locate, patent, purchase, lease, exchange, trade for, or otherwise acquire, and to hold, own, use, operate, work, extend, improve, and develop, and to sell, exchange, assign, transfer, mortgage, grant security interests in, lease, or otherwise dispose of, in whole or in part, and wherever situated, mines, mining rights, and claims, metalliferous lands, quarries, quarry rights, water, water rights, ditches, reservoirs, oil and gas properties and interests therein, and any rights, rights of way, easements, privileges, permits, or franchises suitable or convenient for any of the purposes of the business, and to deal in the same in every way; to quarry, mine, drill, excavate, produce, purchase, lease, prospect for, - claim, and otherwise acquire, and to process, refine, and develop, and to sell, exchange, trade, deal in and with, and otherwise dispose of asbestos, sulphur, silica, feldspar, uranium, vanadium, rare earth, mica, copper, coal, lead, silver, gold, gas, oil, oil shale, and other minerals, ores, and properties of every kind and nature, and of earth, rock, sand, shale, and other substances containing mineral and ore deposits; and to manufacture, produce, purchase, lease, or otherwise acquire, and to use, operate, improve, repair, replace, and develop, and to sell, trade, exchange, lease, and otherwise dispose of any and all materials, machinery, facilities, appliances, products, equipment, or supplies proper or adapted to be used in or in connection with or incidental to the prospecting, development production, processing, preparation, shipment, and delivery of any of the foregoing minerals and ores and any by-products therefrom; and to do any and all things incidental thereto, or necessary, expedient, or proper to be done in connection with the matters and things set out herein;

(c) To manufacture, use, work, sell and deal in compounds, chemicals, biologicals, pharmaceuticals, electronics, dry goods, food stuffs, and products of all types, including the privileges or rights, owned or hereafter acquired by it for manufacturing, using and vending any machine or machines for manufacturing, working or producing any or all products, and marketing or distributing any or all products;

(d) To borrow money and to execute notes and obligations and security contracts therefore, to lend any of the monies or funds of the Corporation and to take evidence of indebtedness therefore; and to negotiate loans; to carry on a general mercantile and merchandise business and to purchase, sell and deal in such goods, supplies, and merchandise of every kind and nature;

(e) To engage in the export or import business of any goods, supplies, and merchandise of every kind and nature between the United States and its territories and possessions and any and all foreign countries or between foreign countries, as principal or agent;

(f) To do all and everything necessary, suitable, convenient, or proper for the accomplishment of any of the purposes or the attainment of any one or more of the objects herein enumerated or incidental to the powers therein named or which shall at any time appear conducive or expedient for the protection or benefit of the Corporation, with all the powers hereafter conferred by the laws under which this Corporation is organized; and

(g) To conduct any lawful business for which a corporation may be organized under the laws of Nevada.

ARTICLE IV

Authorized Shares

The Corporation is authorized to issue a total of 1,000,000 shares consisting of common stock having a par value of \$0.01 per share. The board of directors of the Corporation shall have authority to authorize the issuance, from time to time without any vote or other action by the stockholders, of any or all shares of the Corporation of any class at any time authorized, and any securities convertible into or exchangeable for such shares, in each case to such persons and for such consideration and on such terms as the board of directors from time to time in its discretion lawfully may determine; provided, however, that the consideration for the issuance of shares of stock of the Corporation having par value shall not be less than such par value. Shares so issued, for which the full consideration determined by the board of directors has been paid to the Corporation, shall be fully paid stock, and the holders of such stock shall not be liable for any further call or assessment thereon.

No holder of shares of any class of the Corporation or of any security of obligation convertible into, or of any warrant, option, or right to purchase, subscribe for, or otherwise acquire, shares of any class of the Corporation, whether now or hereafter authorized, shall, as such holder, have any preemptive right whatsoever to purchase, subscribe for, or otherwise acquire shares of any class of the Corporation, whether now or hereafter authorized.

Anything herein contained to the contrary notwithstanding, any and all right, title, interest, and claim in and to any dividends declared or other distributions made by the Corporation, whether in cash, stock, or otherwise, which are unclaimed by the stockholder entitled thereto for a period of six years after the close of business on the payment date, shall be and be deemed to be extinguished and abandoned; and such unclaimed dividends or other distributions in the possession of the Corporation, its transfer agents, or other agents or depositories, shall at such time become the absolute property of, the Corporation, free and clear of any and all claims of any person whatsoever.

ARTICLE V Limitation on Liability

A director or officer of the Corporation shall have no personal liability to the Corporation or its stockholders for damages for breach of fiduciary duty as a director or officer, except for damages for breach of fiduciary duty resulting from (a) acts or omissions which involve intentional misconduct, fraud, or a knowing violation of law, or (b) the payment of dividends in violation of section 78.300 of the Nevada Revised Statutes as it may from time to time be amended or any successor provision thereto.

ARTICLE VI Principal Office and Resident Agent

The address of the Corporation's principal office in the State of Nevada is 5448 Clubhouse Drive, Las. Vegas, Nevada 89122. The name of its initial resident agent in the state of Nevada is Roy Castle. Either the registered office or the resident agent may be changed in the manner provided by law.

ARTICLE VII Amendments

The Corporation reserves the right to amend, alter, change, or repeal all or any portion of the provisions contained in these articles of incorporation from time to time in accordance with the laws of the state of Nevada, and all rights conferred on stockholders herein are granted subject to this reservation.

ARTICLE VIII Adoption and Amendment of Bylaws

The initial bylaws of the Corporation shall be adopted by the board of directors. The power to alter, amend, or repeal the bylaws or adopt new bylaws shall be vested in the board of directors, but the stockholders of the Corporation may also alter, amend, or repeal the bylaws or adopt new bylaws. The bylaws may contain any provisions for the regulation or management of the affairs of the Corporation not inconsistent with the laws of the state of Nevada now or hereafter existing.

ARTICLE IX Directors

The governing board of the Corporation shall be known as the board of directors. The number of directors comprising the board of directors shall be fixed and may be increased or decreased from time to time in the manner provided in the bylaws of the Corporation, except that at no time shall there be less than three nor more than nine directors. The original board of directors shall consist of three persons. The name and address of each person who is to serve as a director until the first annual meeting of stockholders and until his or her successor is elected and shall qualify is as follows:

Name Address

George D. Fehr	10 Exchange Place, Suite 610 Salt Lake City, Utah 84111
Eloise M. Fehr	2127 St. Mary's Drive Salt Lake City, Utah 84108
Janet N. Davison	48 West 300 South, 706 North Tower Salt Lake City, Utah 84101

ARTICLE X
Incorporator

The name and mailing address of the sole incorporator signing these articles of incorporation is as follows:

Name Address

George D. Fehr 10 Exchange Place, Suite 610
Salt Lake City, Utah 84111

The undersigned, being the sole incorporator of the Corporation herein before named, hereby makes and files these articles of incorporation, declaring that the facts herein are true.

DATED this eighteenth day of April, 1991.

/s/ George D. Fehr

George D. Fehr

STATE OF UTAH)
 : ss.
COUNTY OF SALT LAKE)

I, Janet N. Davison, a notary public, hereby certify that on the 18th day of April, 1990, personally appeared before me George D. Fehr, being by me first duly sworn, who acknowledged to me that he is the person who signed the foregoing document as the incorporator and that the statements contained herein are true.

/s/ Janet N. Davison
NOTARY PUBLIC

[NOTARY STAMP]

CERTIFICATE OF AMENDMENT OF ARTICLES OF INCORPORATION

DE ORO MINES, INC.

We the undersigned Linda Hancey (President) and Gary Hancey (Secretary/Treasurer) of De Oro Mines, Inc. do hereby certify:

That the Board of Directors of said corporation at a meeting duly convened, held on the 15th day of August, 1996 adopted a resolution to amend the original articles as follows:

Article four which presently reads as follows:

ARTICLE FOUR

De Oro Mines, Inc. shall have authority to issue One Million (1,000,000) shares of stock. The number of shares and the par value of such shares, if any, in each class or series within a class is as follows:

Class	Series	No. Of Shares	Par Value
Common	1	1,000,000	\$0.01

Is amended to read as follows

ARTICLE FOUR

De Oro Mines, Inc. shall have authority to issue One Hundred Million (100,000,000) shares of stock. The number of shares and the par value of such shares if any, in each class or series within a class is as follows:

Class	Series	No. Of Shares	Par Value
Common	1	100,000,000	\$0.001

The number of shares of the corporation outstanding and entitled to vote on an amendment to the Articles of Incorporation is 965,575; that the said change(s) and amendment have been consented to and approved by an affirmative vote of 958,435 shares.

/s/ Linda Hancey

Linda Hancey, President

/s/ Gary Hancey

Gary Hancey
Secretary / Treasurer

State of Utah ,
County of Salt Lake

On August 28, 1996, personally appeared before me, a Notary Public, Shalise Hancey, who acknowledged that they executed the above instrument.

/s/ Shalise Hancey

Notary Public

[NOTARY STAMP]

CERTIFICATE OF AMENDMENT
OF ARTICLES OF INCORPORATION
OF DE ORO MINES, INC.

We the undersigned, Linda Hancey, President and Gary Hancey, Secretary of De Oro Mines, Inc., do hereby certify:

That the Board of Directors of said corporation at a meeting duly convened, held on the 26th day of March, 1998 adopted a resolution to amend the original articles as follows:

Article IX which presently reads as follows:

ARTICLE NINE
Directors

The governing board of the corporation shall be known as the board of directors. The number of directors comprising the board of directors shall be fixed and may be increased or decreased from time to time in the manner provided in the bylaws of the Corporation, except that at no time shall there be less than three nor more than nine directors. The original board of directors shall consist of three persons. The name and address of each person who is to serve as a director until the first annual meeting of stockholders and until his or her successor is elected and shall qualify is as follows:

Is hereby amended to read as follows:

ARTICLE NINE
DIRECTORS

The Directors are hereby granted the authority to do any act on behalf of the Corporation as may be allowed by law. Any action taken in good faith, shall be deemed appropriate and in each instance where the Business Corporation Act provides that the Directors may act in certain instances where the Articles of Incorporation so authorize, such action by the Directors, shall be deemed to exist in these Articles and the authority granted by said Act shall be imputed hereto without the same specifically having been enumerated herein.

The Board of Directors may consist of from one (1) to nine (9) directors, as determined, from time to time, by the then existing Board of Directors.

THE FOLLOWING NEW ARTICLES ARE HEREBY ADOPTED

ARTICLE ELEVEN
COMMON DIRECTORS

As provide by Nevada Revised Statutes 78.140, without repeating the section in full here, the same is adopted and no contract or other transaction between this Corporation and any of its officers, agents or directors shall be deemed void or voidable solely for that reason. The balance of the provisions of the code section cited, as it now exists, allowing such transactions, is hereby incorporated into this Article as though more fully set-forth, and such Article shall be read and interpreted to provide the greatest latitude in its application.

ARTICLE TWELVE
LIABILITY OF DIRECTORS AND OFFICERS

No Director, Officer or Agent, to include counsel, shall be personally liable to the Corporation or its Stockholders for monetary damage for any breach or alleged breach of fiduciary or professional duty by such person acting in such capacity. It shall be presumed that in accepting the position as an Officer, Director, Agent or Counsel, said individual relied upon and acted in reliance upon the terms and protections provided for by this Article. Notwithstanding the foregoing sentences, a person specifically covered by this Article, shall be liable to the extent provided by applicable law, for acts or omissions which involve intentional misconduct, fraud or a knowing violation of law, or for the payment of dividends in violation of NRS 78.300

ARTICLE THIRTEEN
ELECTION REGARDING NRS 78.378 - 783793 and 78.411-78.444

This Corporation shall NOT be governed by nor shall the provisions of NRS 78.378 through and including 78.3793 and NRS 78.411 through and including 78.444 in any way whatsoever affect the management, operation or be applied in this Corporation. This Articles may only be amended by a majority vote of not less than 90% of the then issued and outstanding shares of the Corporation. A quorum of outstanding shares for voting on an Amendment to this articles shall not be met unless 95% or more of the issued and outstanding shares are present at a properly called and noticed meeting of the Stockholders. The super-majority set-forth in this Articles only applies to any attempted amendment to this Articles.

The number of shares of the corporation outstanding and entitled to vote on an amendment to the Articles of Incorporation is 1,065,575; that the said change(s) and amendment have been consented to and approved by a majority vote of the stockholders holding at least a majority of each class of stock outstanding and entitled to vote thereon.

Linda Hancey, President

/s/ Gary Hancey

Gary Hancey
Secretary / Treasurer

State Of Utah
County of Salt Lake

On April 6, 1998, personally appeared before me, a Notary Public, Linda Hancey and Gary Hancey who acknowledged that they executed the above instrument

/s/ Shalise Hancey

Notary Public

[NOTARY STAMP]

CERTIFICATE OF AMENDMENT
TO THE ARTICLES OF INCORPORATION
OF
DE ORO MINES INC.

The Undersigned, constituting the President and Secretary of De Oro Mines Inc., hereby certify that pursuant to the provisions of NRS 78.385 the following action was taken:

1. That the Board of Directors of said corporation by unanimous consent dated October 22, 1998, adopted a resolution to amend Article I of the Articles of Incorporation to read as follows: "The name of the Corporation shall be: Saf-T-Hammer Corporation."

2. The number of shares of the corporation outstanding and entitled to vote on an amendment to the Articles of Incorporation was 1,864,028; that the said change(s) and amendment has been consented to and approved by a majority vote for the stockholders holding at least a majority of each class of stock outstanding and entitled to vote thereon.

Dated this 22 day of October 1998.

/s/ Mitchell A. Saltz

Mitchell A. Saltz, President

Attest:

/s/ Theodore Saltz

Theodore Saltz, Secretary

State of Arizona)
) ss
County of Maricopa)

On the 22 day of October 1998, personally appeared before me, a Notary Public, Mitchell A. Saltz, who executed the foregoing Certificate of Amendment to the Articles of Incorporation of De Oro Mines, Inc.

/s/ Steve Backstrom

Notary Public

BYLAWS OF
THE DE ORO MINES, INC.

a Nevada Corporation

ARTICLE I

OFFICES

Section 1. PRINCIPAL OFFICES. The principal office for the transaction of the business of the corporation is fixed and located at 8587 Snowville Drive, Sandy Utah 84093. The Board of Directors may change the principal office from one location to another as from time to time may be necessary. Any change of this location shall be noted by the Secretary on these Bylaws opposite this section, or this section may be amended to state the new location.

Section 2. OTHER OFFICES. The Board of Directors may, at any time, establish branch or subordinate offices at any place or places.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. ANNUAL MEETING. The annual meeting of shareholders may be held on the last Saturday of March of each year at 10:00 am. or at such other date and time which may be scheduled by the Board of Directors to the extent that such scheduling is in compliance with the laws of the state of incorporation of the Company. At this meeting, Directors shall be elected, and any other proper business within the power of the shareholders may be transacted. In the event that an annual meeting is not held in any year, the Board of Directors, as then constituted, shall continue to perform their duties until such annual or special meeting is properly called and they, or any of them, are re-elected or replaced.

Section 2. PLACE OF MEETINGS. All annual shareholders meetings shall be held at the corporation's principal office, or a location selected by the Board of Directors and notice to the shareholders as required by Section 4 of these Articles, and all other shareholders meetings shall be held either at the principal office or any other place within or outside the State of Nevada that may be designated either by the Board of Directors in accordance with these Bylaws, or by the written consent of all persons entitled to vote at the meeting, given either before or after the meeting and filed with the Secretary of the Corporation.

Section 3. SHAREHOLDER ACTION WITHOUT MEETING. Pursuant to Nevada law, any action which could be taken at a meeting of the shareholders may be taken without a meeting, if a written consent thereto is signed by shareholders holding at least a majority of the voting power of the corporation, except that if a different proportion of voting power is required for such action at a meeting, then that proportion of written consent shall be required.

Section 4. SPECIAL MEETINGS. A Special shareholders meeting for any purpose whatsoever may be called at any time by the President, any Vice-President, the Board of Directors, or one or more shareholders holding not less than one-tenth (1/10) of the voting power of the Corporation.

Section 5. NOTICE OF MEETINGS. Written notices specifying the place, day, and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted, shall be given not less than ten (10) days, nor more than fifty (50) days before the date of the meeting. Such notice must be given personally or by mail or by other means of written communication, addressed to the shareholder at the address appearing on the books of the corporation or given by the shareholder to the corporation for the purpose of notice. If no such address appears or is given by a shareholder of record entitled to vote at the meeting, notice is given at the place where the principal executive office of the corporation is located, or by publication at least once in a newspaper of general circulation in the county where the principal executive office is located.

The notice shall be deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication. An affidavit of mailing of any notice in accordance with the provisions of this section executed by the Secretary shall be prima facie evidence of the giving of notice.

Section 6. WAIVER OF NOTICE. A shareholder may waive notice of any annual or special meeting by signing a written notice of waiver either before or after the date of such meeting.

Section 7. QUORUM. The presence in person or by proxy of the holders of at least fifty-one percent (51 %) of the outstanding shares entitled to vote at any meeting of the shareholders shall constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment notwithstanding the withdrawal of enough shareholders to leave less than a quorum, any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

Section 8. PROXIES. Every person entitled to vote at a shareholders meeting of the corporation, or entitled to execute written consent authorizing action in lieu of a meeting, may do so either in person or by proxy executed in writing by shareholder or by his duly authorized attorney-in-fact. No proxy

shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy.

Section 9. VOTING.Except as otherwise provided in the Articles of Incorporation or by agreement or by the general corporation law, shareholders at the close of business on the record date are entitled to notice and to vote.

Section 10. LIST OF SHAREHOLDERS.The Secretary shall prepare, at least ten (10) days before every meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, showing the address of each shareholder and the number of shares registered in the name of each shareholder. Such list shall be open to the examination of any shareholder, for any purpose germane to the meeting. This list shall be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any shareholder present.

Section 11. INSPECTORS.At each meeting of shareholders, the chairman of the meeting may appoint one or more inspectors of voting, whose duty it shall be to receive and count the ballots and make a written report showing the result of the balloting. The Secretary of the Corporation may perform this function.

Section 12. ELECTION BYBALLOT,Election for directors need not be by ballot at the meeting and before the voting begins. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected. No cumulative voting shall be allowed.

Section 13. ORDER OF BUSINESS.The order of business at the annual meeting of the shareholders insofar as possible, and at all other meetings of shareholders, shall be as follows:

1. Call to order.
2. Proof of notice of meeting.
3. Reading and disposing of any unapproved minutes.
4. Reports of officers.
5. Reports of committees.
6. Election of Directors.
7. Disposition of unfinished business.
8. Disposition of new business.
9. Adjournment.

ARTICLE III

BOARD OF DIRECTORS

Section 1. GENERAL POWERS:Subject to the provisions of the Nevada Corporation Act, and any limitations in the Articles of Incorporation and these Bylaws relating to actions required to be approved by the shareholders or by the outstanding shares, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by or under the direction of the Board of Directors.

Section 2. ENUMERATION OF DIRECTORS' POWER.Without prejudice to these general rules, and subject to the same limitation, the Board of Directors shall have the power to:

(a) Select and remove all officers, agents and employees of the Corporation; prescribe any powers and duties for them that are consistent with law, with the Articles of Incorporation, and these Bylaws; fix their compensation; and require from them security for faithful service.

(b) Change the principal executive office or the principal business office from one location to another; cause the Corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or outside the State of Nevada; and designate any place within or outside the State of Nevada for the holding of any shareholders meeting of meetings, including annual meetings.

(c) Adopt, make, or use a corporate seal; prescribe the forms of certificates of stock; and alter the form of the seal and certificate.

(d) Authorize the issuance of shares of stock of the Corporation on any lawful terms, in consideration of money paid, labor done, services actually rendered, debts or securities canceled, or tangible or intangible property actually received.

(e) Borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered for the Corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages,, pledges, hypothecations, and other evidences of debt and securities.

(f) Engage in and/or adopt employment agreements, contracts, or other employment contracts with independent contractors, companies, government agencies, or individuals.

Section 3. NUMBER, TENURE, QUALIFICATION AND ELECTIONS.

To the extent allowed by the Articles of Incorporation, the Board of Directors shall be fixed from time to time by resolution of the Board, but shall not be less than three (3), nor shall it exceed five (5). Directors need not be shareholders of the Corporation. The number of Directors may be increased beyond five (5) only by approval of the outstanding shares of the Corporation. The Directors of the Corporation shall be elected at the annual meeting of the shareholders and shall serve until the next annual or special meeting is

properly called and they, or any of them, are re-elected and until their successors have been elected and qualified.

Section 4. VACANCIES. A vacancy or vacancies on the Board of Directors shall be deemed exist in the event of the death, resignation, or removal of any Director, or if the Board of Directors by resolution declares vacant that office of a Director who has been declared of unsound mind by an order of court or convicted of a felony, or if the authorized number of Directors is increased, the shareholders fail at any meeting of shareholders at which any Director of Directors are elected, to elect the number of Directors to be voted for at that meeting.

Any Director may reign effective on giving written notice to the Chairman of the Board, the President, the Secretary, or the Board of Directors, unless a notice specifies a later time for that resignation to become effective. If the resignation of a Director is effective at a future time, the Board of Directors may elect a successor to take office when the resignation becomes effective.

Vacancies on the Board of Directors may be filled by a majority of the remaining Directors, whether or not less than a quorum, or by a sole remaining Director, except that a vacancy created by the removal of a Director by the vote or written consent of the shareholders or by court order may be filled only by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the unanimous written consent of the shareholders of the outstanding shares entitled to vote. The shareholders may elect a Director or Directors at any time to fill any vacancy or vacancies not filled by the Directors, but any such election by written consent shall require the consent of a majority of the outstanding shares entitled to vote, except that filling a vacancy created by a removal of a Director shall require the written consent of the holders of all outstanding shares entitled to vote.

Each Director so elected shall hold office until the next annual meeting of the shareholders and until a successor has been elected and qualified.

Section 5. ANNUAL MEETING. Immediately following each annual meeting of shareholders, the Board of Directors may hold a regular meeting at the place that the annual meeting of shareholders was held or at any other place that shall have been designated by the Board of Directors for the purpose of organization, any desired election of officers, and the transaction of other business. Notice of this meeting shall not be required.

Section 6. NOTICE OF MEETINGS. Notice need not be given of regular meetings of the Board of Directors, nor is it necessary to give notice of adjourned meetings. Notice of special meetings shall be in writing by mail at least four (4) days prior to the date of the meeting or forty-eight (48) hours' notice delivered personally or by telephone or telegraph or telecopier. Neither the business to be transacted at, nor the purpose of any such meeting need be specified in the notice. Attendance of a Director at a meeting shall constitute a waiver of notice of that meeting except when the Director attends for the express purpose of objecting to the transaction of any business in that the meeting is not lawfully called or convened.

Section 7. PLACE OF MEETINGS AND MEETINGS BY TELEPHONE. Regular and special meetings of the Board of Directors may be held at any place within or outside the State of Nevada that has been designated from time by the Board. In the absence of such designation, meetings shall be at the principal executive office of the Corporation. Any meeting, regular or special, may be held by conference telephone, or similar communication equipment, as long as all Directors participating in the meeting can hear one another, and all such Directors shall be deemed to be present in person at the meeting.

Section 8. SPECIAL MEETINGS. Special meetings of the Board of Directors for any purpose or purposes may be called at any time by the Chairman of the Board or the resident, any Vice President, or the Secretary.

Section 9. MAJORITY OR QUORUM. A majority of the authorized number of Directors constitutes a quorum of the Board for the transaction of business except as hereinafter provided.

Section 10. TRANSACTIONS OF BOARD. Except as otherwise provided in the Articles or these Bylaws, or by law, every act or decision done or made by a majority of the Directors present at a duly held meeting at which a quorum is present, is the act of the Board, provided, however, that any meeting at which a quorum was initially present may continue to transact business notwithstanding the withdrawal of Directors if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 11. ADJOURNMENT. A majority of Directors present at any meeting, whether or not a quorum is present, may adjourn the meeting to another time and place. If the meeting is adjourned for more than twenty-four (24) hours, notice of the adjournment to another time and place must be given prior to the time of the adjourned meeting to the Directors who were present at the time of the adjournment.

Section 12. CONDUCT OF MEETINGS. The Chairman of the Board, or if there is no such officer, the President, or in his absence, any Director selected by the Board shall preside at the meeting of the Board of Directors. The Secretary of the Corporation or, in the Secretary's absence any person appointed by the presiding officer, shall act as Secretary of the Board.

Section 13. ACTION WITHOUT MEETING. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board shall individually or collectively consent in writing to

such action. Such action by written consent shall have the same force and effect as a unanimous vote of the Board of Directors. Such written consent (s) shall be files with the minutes of the proceedings of the Board.

Section 14. FEES AND COMPENSATION OF DIRECTORS. Directors and members of committees may receive such compensation, if any, for their services, and such reimbursement of expenses, as may be fixed or determined by resolution of the Board of Directors. Nothing herein contained shall be construed to preclude any Director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise, and receiving compensation for such services.

Section 15. APPROVAL OF BONUSES FOR DIRECTORS AND OFFICERS.

No bonuses or share in the earnings or profits of the Corporation shall be paid to any of the officers, Directors, or employees of the Corporation except as approved by the Board of Directors.

ARTICLE IV

OFFICERS

Section 1. OFFICERS. The officers of the Corporation shall be a President, a Vice-President, a Secretary, and a Chief Financial Officer (Treasurer). The Corporation may also have, at the discretion of the Board of Directors, a Chairman of the Board, one or more Assistant Secretaries, one or more Assistant Treasurers, and such other officers as may be appointed in accordance with the provisions of Section 3 of this Article IV. Any number of offices may be held by the same person, except the offices of President and Secretary.

Section 2. ELECTION OF OFFICERS. The officers of the Corporation, except such officers as may be appointed in accordance with the provisions of Section 3 or Section 5 of this Article IV shall be chosen by the Board of Directors, and each shall serve at the pleasure of the Board, subject to the rights, if any, of an officer under any contract of employment.

Section 3. SUBORDINATE OFFICERS. The Board of Directors may appoint, and may empower the President to appoint, such other officers as the business of the corporation may require. Each of them shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws, or as the Board of Directors may from time to time determine.

Section 4. REMOVAL AND RESIGNATION OF OFFICERS. Subject to the rights, if any, of an officer under a contract of employment, any officer may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting of the Board, or, except in case of an officer chosen by the Board of Directors, by the Board of Directors.

Any officer may resign at any time by giving written notice to the Corporation. Any resignation shall take effect on the date of receipt of that notice or at any later time specified in that notice; unless otherwise specified in that notice. Any resignation is without prejudice to the rights, if any, of the corporation under any contract for which the officer is a party.

Section 5. VACANCIES IN OFFICES. A vacancy in any office because of death, resignation, removal, disqualification, or any other cause, shall be filled in the manner prescribed in these Bylaws for regular appointments to that office.

Section 6. PRESIDENT. Subject to such powers, if any, as may be given by the Bylaws or Board of Directors to other officers of the Corporation, the President shall be the General Manager and Chief Executive Officer of the Corporation and shall, subject to the control of the Board of Directors, have general supervision, direction, and control of the business and the officers of the Corporation. He shall preside at all meetings of the shareholders and at all meetings of the Board of Directors. He shall have the general powers and duties of management usually vested in the office of President of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the Bylaws.

Section 7. VICE-PRESIDENT. In the absence or disability of the President, the Vice-President designated by the Board of Directors shall perform all the duties of the President, and when so acting shall have all the powers of and be subject to all of the restrictions upon, the President. The sole duty of the Vice-President of this Corporation shall be to function as a representative of the President in such case as the President may be absent or disabled. The Vice-President may, when not acting in the representative capacity of the President, hold other positions and be assigned other duties within the Corporation.

Section 8. SECRETARY. The Secretary shall keep or cause to be kept, at the principal executive office or such other place as the Board of Directors may direct, a book of minutes of all meetings and actions of Directors, committees of Directors and shareholders, with the time and place of holding, whether regular or special, and, if special, how authorized, the notice given, the names of those present at Director meetings or committee meetings, the number of shares present or represented at shareholders meetings, and the proceedings.

The Secretary shall keep, or cause to be kept, at the principal executive office or at the office of the Corporation's transfer agent or registrar, as determined by resolution of the Board of Directors, a record of shareholders, or a duplicate record of shareholders showing the names of all shareholders and their addresses, the number of shares held by each, the number and date of certificates issued for the same, and the number and date of cancellation of every certificate surrendered for cancellation.

The Secretary or Assistant Secretary, if they are absent or unable to act or refuse to act, any other officer of the Corporation shall give, or cause to be given, notice of all meetings of the shareholders, of the Board of Directors, and of committees of the Board of Directors required by the Bylaws or by law to be given. The Secretary shall keep the seal of the Corporation, if one is adopted, in safe custody and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the Bylaws.

Section 9. CHIEF FINANCIAL OFFICER. The Chief Financial Officer (Treasurer) shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The book of accounts shall at all reasonable times be opened to inspection by any Director.

The Chief Financial Officer shall deposit all monies and other valuables in the name and to the credit of the Corporation with such depositories as may be designated by the Board of Directors. He shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all of his transactions as Chief Financial Officer and of the financial condition of the Corporation, and shall have other powers and perform other such duties as may be prescribed by the Board of Directors or the Bylaws.

ARTICLE V

INDEMNIFICATION OF DIRECTORS. OFFICERS. EMPLOYEES.
AND OTHER AGENTS

Section 1. AGENTS. PROCEEDINGS. AND EXPENSES. For the purpose of this Article, "agent" means any person who is or was a Director, officer, employee, or other agent of this Corporation, or is or was serving at the request of this Corporation as a Director, officer, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust or other enterprise, or was a Director, officer, employee, or agent of a foreign or domestic corporation which was a predecessor corporation of this corporation or of another enterprise at the request of such predecessor corporation; "proceeding" means any threatened, pending or completed action or proceeding, whether civil, criminal, administrative, or investigative; and "expenses" includes, without limitation, attorneys' fees and any expenses of establishing a right to indemnification under Section 4 or Section 5 4 of this Article.

Section 2. ACTIONS OTHER THAN BY THE CORPORATION. This Corporation shall defend and indemnify any person who was or is a party, or is threatened to be made a party, to any proceeding (other than an action by or in the right of this Corporation) by reason of the fact that such person is or was an agent of this Corporation, against expenses, judgments, fines, settlements and other amounts actually and reasonably incurred in connection with such proceeding if that person acted in good faith and in a manner that that person reasonably believed to be in the best interests of this corporation and, in the case of a criminal proceeding, had no reasonable cause to believe the conduct of that person was unlawful. The termination of any proceeding by judgment, order, settlement, conviction, or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which the person reasonably believed to be in the best interest of this Corporation or that the person had reasonable cause to believe that the person's conduct was lawful.

Section 3. ACTIONS BY CORPORATION. This Corporation SHALL indemnify any person who was or is a party, or is threatened to be made a party, to any threatened, pending or completed action by or in the right of this Corporation to procure a judgment in its favor by reason of the fact that said person is or was an agent, counsel to the Corporation, officer or director of this Corporation, against expenses actually and reasonably incurred by that person in connection with the defense or settlement of that action if that person acted in good faith, in a manner that that person believed to be in the best interests of this Corporation and with such care, including reasonable inquiry, that such action would not be deemed grossly negligent on the part of such agent (for the purposes of this Article V, the term "agent" shall mean and include all officers, directors, counsel, and employees). Indemnification shall be available under this Section 3, conditioned only upon the following:

(a) In respect of any claim, issue or matter as to which that person may be liable to this Corporation, the duty and obligation of the Corporation to defend and indemnify such agent SHALL be absolute unless and only to the extent that the court in which that action was brought shall determine, upon application, that in view of all the circumstances of the case, said person acted with reckless disregard equated to gross negligence with regard to the specific claims made against said person;

(b) The indemnification provisions set forth herein are to be interpreted as broadly as possible in their application to any officer, director, counsel or agent of the corporation, to include accountants and counsel for the corporation. Such interpretation shall treat these provisions as continuing contractual obligations of the corporation and subsequent modification shall not limit the effect of these provisions as applied to the covered classes who were so covered, at any time following adoption hereof.

Section 4. SUCCESSFUL DEFENSE BY AGENT To the extent that an agent of this corporation has been successful on the merits or otherwise in defense of any proceeding referred to in Section 2 or 3 of this Article, or in defense of any claim, issue, or matter therein, the agent shall be indemnified against expenses actually and reasonably incurred by the agent in connection therewith. An agent shall be deemed successful if the Court fails to make a specific finding regarding the degree of fault as set forth in Section 3, hereinabove.

Section 5. REQUIRED APPROVAL. Except as provided in Section 4 of this Article, any indemnification under this Article shall be made by this Corporation only if authorized in the specific case on a determination that indemnification of the agent is proper in the circumstances because the agent has met the applicable standard of conduct set forth in Sections 2 or 3 of this Article, by:

(a) A majority vote of a quorum consisting of Directors who are not parties to the proceeding;

(b) Approval by the affirmative vote of a majority of the shares of this corporation entitled to vote represented at a duly held meeting at which a quorum is present or by written consent of holders of a majority of the outstanding shares entitled to vote; or

(c) The court in which the proceeding is or was pending, on application made by this corporation or the agent or the attorney or other person rendering services in connection with the defense, whether or not such application by the agent, attorney or other person is opposed by this Corporation.

Section 6. ADVANCEOF EXPENSES. Expenses incurred in defending any proceeding may be advanced by this Corporation before the final disposition of the proceeding on receipt of an undertaking by or on behalf of the agent to repay the amount of the advance unless it shall be determined ultimately that the agent is entitled to be indemnified as authorized is this Article.

Section 7. OTHER CONTRACTUAL RIGHTS. Nothing contained in this Article shall affect any right to indemnification to which persons other than Directors and officers of this Corporation or any subsidiary hereof may be entitled to contract or otherwise.

Section 8. INSURANCE. Upon and in the event of a determination by the Board of Directors of this Corporation to purchase such insurance, this Corporation shall purchase and maintain insurance on behalf of any agent of the corporation against any liability asserted against or incurred by the agent in such capacity or arising out of the agent's status as such whether or not this corporation would have the power to indemnify the agent against that liability under the provisions of this section.

Section 9. FIDUCIARIESOF CORPORATE EMPLOYEE BENEFIT PLAN. This Article does not apply to any proceeding against any trustee, investment manager, or other fiduciary of an employee benefit plan in that person's capacity as such, even though that person may also be an agent of the Corporation as defined in Section 1 of this Article. Nothing contained in this Article shall limit any right to indemnification to which such trustee, investment manager, or other fiduciary may be entitled by contract or otherwise, which shall be enforceable to the extent permitted by applicable law other than this Article.

ARTICLE VI

STOCK CERTIFICATES

Section 1. FORMThe shares of the Corporation shall be represented by certificates signed by the President or Vice President, and the Chief Financial Officer or the Secretary of the Corporation. Any or all of such signatures may be facsimiles if countersigned by a transfer agent, or registered by a registrar, other than the Corporation itself or an employee of the Corporation. Each such certificate shall also state:

- (a) The name of the record holder of the shares represented by such certificate;
- (b) The number of shares represented thereby;
- (c) A designation of any class or series of which such shares are a part;
- (d) That the shares have a par value of \$0.001;
- (e) That the corporation is organized under the laws of the State of Nevada
- (f) Any restrictions applicable to the shares shall be so designated on the face thereof.

Section 2. TRANSFERS.Transfer of shares of the Corporation shall be MADE IN THE manner set FORTH in the Nevada Uniform Commercial Code. The Corporation shall maintain stock transfer books, and any transfers shall be registered thereon only on request and surrender of the stock certificate representing the transferred shares, duly endorsed; if transfer is by Power of Attorney, the Power of Attorney shall be deposited with the Secretary of the Corporation or with the designated Transfer Agency.

Section 3. LOST. DESTROYED. AND STOLEN CERTIFICATES.No certificate or shares of stock in the Corporation shall be issued in place of any certificate alleged to have been lost, destroyed, stolen, or mutilated except on production of such evidence and provision of such indemnity to the Corporation as the Board of Directors may prescribe.

ARTICLE VII

CORPORATE ACTIONS

Section 1. CONTRACTS.The Board of Directors may authorize any ofcer or officers, or any agent or agents of the Corporation, to enter into any contract or to execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS.No loan shall be made by the Corporation to its officers or Directors, and no loan shall be made by the Corporation secured by its shares. No loan shall be made or contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. CHECKS, DRAFTS, OR ORDERS.All checks, drafts, or other orders for the payment of money by or to the Corporation and all notes and other evidence of indebtedness issued in the name of the Corporation shall be signed by such officer or Officers, agent or agents of the Corporation, and in such manner as shall be determined by resolution of the Board of Directors.

Section 4. BANK DEPOSITS. All funds of the Corporation not otherwise employed, shall be deposited to the credit of the Corporation in such banks, trust companies, or other depositories as the Board of Directors may select.

ARTICLE VIII

MISCELLANEOUS

Section 1. INSPECTION OF CORPORATE RECORDS.The stock ledger and minute books may be kept by any information storage device if readily convertible into legible form. Any shareholder of record, in person or by an attorney or agent who presents proof of such position with guaranteed signature on such proof, may, upon written demand under oath, stating purpose, inspect for any proper purpose, the stock ledger, list of shareholders and make written extracts of the same. Such extracts shall be made in writing by the individual preparing or requesting such inspection and such inspection shall be during normal business hours and shall not be made without at least five (5) business days written notice thereof. Such notice, to be effective must be received not at least five (5) business days prior to the proposed inspection date, a signed receipt from the US Postal Service shall be proof of such notice and the date of receipt.

Section 2. INSPECTION OF ARTICLES OF INCORPORATION AND BYLAWS.

The original or a copy of the Articles of Incorporation and Bylaws of the Corporation, as amended or otherwise altered to date, and certified by the Secretary of the Corporation, shall at all times be kept at the principal

executive office of the Corporation. Such Articles and Bylaws shall be open for inspection to all shareholders of record or holders of voting trust certificates at all reasonable times during the business hours of the Corporation.

Section 3. FISCAL YEAR. The fiscal year of the Corporation shall begin on the first day of January of each year and end at midnight on the last day of December of the same year or as otherwise determined by the Board of Directors.

Section 4. CONSTRUCTION AND DEFINITION. Unless the context requires otherwise, the general provisions, rules of construction, and definitions contained in the applicable Nevada Statutes which shall govern the construction of these Bylaws.

Without limiting the foregoing, the masculine gender where used included the feminine and neuter; the singular number includes the plural, and the plural number includes the singular; "shall" is mandatory and "may" is permissive; and "person" includes the Corporation as well as a natural person.

ARTICLE IX

AMENDMENTS TO BYLAWS

These Bylaws may be amended at any time by a majority vote of the Board of Directors or by a majority vote of the outstanding shares held by the shareholders of the corporation.

CERTIFICATE OF SECRETARY OF ADOPTION BY DIRECTORS

I HEREBY CERTIFY that I am the duly elected, qualified and acting Secretary of the above-named Corporation and that the above and foregoing Bylaws were adopted as the Bylaws of said Corporation on the date set forth above by a majority of vote of the shareholders of said Corporation.

Dated: July 1, 1996

/s/ Gary Hancey

Gary Hancey, Secretary

[Stonefield Josephson, Inc.]

To the Board of Directors of Saf-T-Hammer Corporation

We hereby consent to the use in this Form 8-K of our report dated March 31, 2000 relating to the financial statements of Saf-T-Hammer Corporation.

/s/ Stonefield Josephson, Inc.
STONEFIELD JOSEPHSON, INC.
Certified Public Accountants

Santa Monica, California
April 3, 2000