

TREKLOGIC TECHNOLOGIES INC.

ANNUAL INFORMATION FORM

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2.0 CORPORATE STRUCTURE

2.1 Name and Incorporation

TrekLogic Technologies Inc. (“TKI” or the “Company”)

Executive Office:

10th Floor, 154 University Avenue, Toronto, ON, M5H 3Y9

Business Offices:

600-8500 Leslie Street, Thornhill, ON, L3T 7P1

1686 Woodward Drive, Ottawa, ON, K2C 3R8

409-45 Sheppard Avenue East, Toronto, ON, M2N 5W9

Registered Office:

Suite 300, 2355 Skymark Avenue, Mississauga, ON, L4W 4Y6

TrekLogic Technologies Inc. was incorporated on January 14, 2000 as Red Lantern Corporation under the *Business Corporations Act* (Alberta) and was classified as a Junior Capital Pool Corporation as defined by Alberta Securities Rule 46-501. The shares of Red Lantern Corporation were listed on the Canadian Venture Exchange on August 23, 2000, which exchange subsequently became the TSX Venture Exchange.

On June 21, 2002, Red Lantern Corporation was continued into Ontario and concurrently changed its name to TrekLogic Technologies Inc.

2.2 Inter-Corporate Relationships

As at September 30, 2003, the TKI corporate structure was as follows:

Subsidiary companies:

- TrekLogic Inc.
- Xycorp Inc.
- Brainhunter.com Ltd. (“Brainhunter”)
- Advanced Solutions Group Inc. (“Advanced”)
- Protec Employment Services Limited (“Protec”)
- InBusiness Solutions Inc. (“InBusiness”)

As at February 29, 2004, the TKI corporate structure was as follows:

Subsidiary companies:

- TrekLogic Inc.
- Xycorp Inc.
- Brainhunter.com Ltd. (“Brainhunter”)

- Advanced Solutions Group Inc. (“Advanced”)
- Protec Employment Services Limited (“Protec”)
- Prolink Consulting Inc. (“Prolink”)
- Sirius Consulting Group Inc. (“Sirius”)
- InBusiness Solutions Inc. (“InBusiness”)

Note: TrekLogic’s ownership of InBusiness Solutions Inc., was 62.3% as of September 30, 2003 and 96% as of February 29, 2004, the balance owned publicly (see discussion Section 3.2.2)

All subsidiaries are incorporated under the laws of Ontario except InBusiness which is continued under the laws of Canada.

3.0 GENERAL DEVELOPMENT of the BUSINESS

3.1 OVERVIEW

TrekLogic is a high value added technology company providing end-to-end HCM Solutions based on proprietary technology and processes under the brand BRAINHUNTER to a wide variety of corporate and government clients on a national scale. TrekLogic’s HCM solutions are structured across two primary categories:

1. ***Contract & Permanent Staffing Services*** are the key focus of the Company. This is a high growth opportunity where revenue is driven from annuity contract and permanent staffing placements. The HCM marketplace, in particular contract staffing solutions, represents over 10% of the North American GDP, and approximately \$5.89 billion of contract Staffing Services in Canada alone. Brainhunter’s HCM technology platform provides a significant competitive advantage allowing Brainhunter to create, develop and manage Strategic Staffing Services relationships with clients where the focus is on providing the client with an end-to-end staffing solution with emphasis on becoming the dominant provider of annuity contract staffing and permanent staffing placements in Canada.
2. ***Solutions Delivery*** is comprised of approximately 75 highly specialized technical employees supporting a strong core, highly profitable solutions business that is an enabler in managing the Brainhunter HCM technology platform providing the engine driving Brainhunter’s high growth Staffing Services consolidation strategy. Additionally, the Solutions division manages the research and development initiatives and ASP infrastructure that drives an ever-increasing licensing fees revenue stream from HCM Solutions sales; and fast growing posting revenues generated from over 42 internally-hosted specialized job boards.

Brainhunter HCM Technology

The Brainhunter HCM technology, particularly when combined with the TrekLogic Solutions delivery expertise, allows the execution of a high growth consolidation strategy in the Staffing Services industry. Brainhunter HCM technology results in increased revenue from identifying higher quality candidates, faster response and delivery times, faster and better matching of candidates to jobs, broader market coverage and deeper client penetration. Costs are reduced on all fronts including sales and marketing, recruiting, candidate acquisition and infrastructure. Brainhunter's end-to-end integrated HCM solution provides vendor management, applicant tracking, back office systems and job board capability that puts competitors at a significant disadvantage. It reduces customers' total staffing costs, enhances customer penetration strategies and customer retention, increases the quality and size of the resume database, allows TrekLogic better control over its gross margins and enhances TrekLogic's relationship with the contract-based personnel deployed to customers. The Brainhunter HCM software platform is highly scalable and significantly enhances the ability to integrate Staffing Services acquisitions quickly, efficiently and profitably.

About Brainhunter

Brainhunter's fully integrated staffing management portal provides a robust web-enabled HCM technology platform designed to improve workflow effectiveness and minimize staffing costs. It automates recruiting, manages staffing vendors and captures, edits, stores, retrieves and shares critical information about recruiting human capital. Brainhunter offers an enterprise wide solution organized into multiple distinct but integrated business applications / models as follows:

Self-Serve staffing agency - a web-enabled staffing platform that provides an automated recruiting solution, internally and externally;

CareerSite - a job board technology platform allowing the creation and management of highly specialized job boards along specialized skill sets;

TalentFlow - a resume management and applicant tracking software solution that manages both resume databases and the interaction between the job candidate and the employer; and

Vendor Management - empowers the client to effectively manage and measure the performance of multiple Staffing Services vendors by automating the procurement process between the client and the vendor.

Back Office Systems - substantially improves administrative efficiency of Staffing Services operations and payroll management by delivering electronic web based time sheet capability, electronic invoicing/billing module that supports consolidated billing, purchase order management and direct deposit payment processing.

Each of the modules can operate on a stand-alone basis or be fully integrated with each other. One significant competitive advantage of Brainhunter's proprietary HCM technology is the database engine that captures, screens, and presents candidates to clients in an accurate and timely manner. The system is rules-based,

and relies on translating recruiting and screening techniques capturing over 100 person years of recruiting expertise developed into automated screening algorithms across many industry verticals. The database uses both structured (SQL) searches on quantitative information (e.g. number of years of experience of a particular skill) and text processing from information stored within resumes along with a number of techniques to pre-screen and rank candidates vis-a-vis the job requirement. Additionally, the platform offers technical knowledge assessment, computer based training and dynamic interview booking on-line, as well as drug testing, and criminal records and background checking, with results delivered on-line.

Brainhunter's Technology is the Leading Fully Integrated HCM Platform

Brainhunter's HCM technology surpasses the level and scope of capability provided by competitive firms. The fully-integrated functionality of the HCM technology platform far exceeds the functionality of competitors' solutions. The various business applications, including TalentFlow (applicant tracking system), quickly and easily interface to most leading Human Resource Information Systems ("HRIS"). Brainhunter's HCM technology is leading edge software built using a J2EE framework written in JAVA using Oracle as a database running on a UNIX operating system, supported by over 75 highly specialized technical staff and a sophisticated internally-managed hosting and data centre infrastructure. The HCM technology and business process infrastructure allows Brainhunter to manage and grow, organically and via acquisition, a Staffing Services business faster, better and cheaper than its competitors.

3.2 HISTORY

3.2.1 Company Formation

TrekLogic Inc. ("TrekLogic") was incorporated under the *Business Corporations Act* (Ontario) as a private company on August 27, 1997. The purpose of TrekLogic was to provide software solutions to clients, primarily Sun Microsystems Inc. In 1999, TrekLogic earned the highly-desired designation "Sun Microsystems Strategic Partner", due to its extensive knowledge of UNIX and the Sun operating systems, knowledge which allows it to be a leader in consulting and migration projects relating to Sun operating systems.

On October 1, 2001, TrekLogic amalgamated with Stepping Solutions Inc. with the resulting company named TrekLogic Inc. Stepping Solutions Inc. was formed in 1999 and was in the business of providing contract staffing, primarily to the Government of Ontario. A wholly-owned subsidiary of Stepping Solutions Inc., Next Millennium Inc., became a wholly-owned subsidiary of TrekLogic Inc. Next Millennium Inc. was in the business of reselling software.

On June 21, 2002, Red Lantern Corporation, an Alberta company classified as a Junior Capital Pool Corporation as defined by Alberta Securities Rule 46-501, was continued into Ontario and concurrently changed its name to TrekLogic Technologies Inc.

On June 25, 2002, TrekLogic Inc. completed a reverse take-over transaction with TrekLogic Technologies Inc. Under the terms of the transaction agreement, TrekLogic Technologies Inc. acquired 100% of the shares of TrekLogic Inc. in an exchange for shares of TrekLogic Technologies Inc. so that the controlling shareholders of TrekLogic Inc. became the controlling shareholders of TrekLogic Technologies Inc. and TrekLogic Inc. became a 100% owned subsidiary of TrekLogic Technologies Inc. The reverse take-over transaction is being accounted for in the financial statements of TrekLogic Technologies Inc. as a purchase with TrekLogic Inc. as the purchaser.

On July 22, 2002 the TSX-Venture Exchange announced that it was accepting for filing the qualifying transaction of TrekLogic Technologies Inc. (formerly Red Lantern Corporation), that being the acquisition of TrekLogic Inc.

3.2.2 Acquisitions

Xycorp Inc.

On July 25, 2002 the Company acquired Xycorp Inc., a privately held company, located in Toronto, Ontario, which is in the business of providing contract IT personnel to major companies such as IBM and Manulife Insurance, and various ministries of the Government of Ontario. In addition, it places IT personnel on a permanent basis. Purchase price was \$1,000 plus future payments based on cash flow to a maximum of \$300,000.

Brainhunter.com Ltd.

Effective March 31, 2003, the Company acquired all of the issued and outstanding shares of Brainhunter.com Ltd. ("Brainhunter"), a web-enabled end-to-end recruitment technology platform. Consideration for the purchase, totalling \$4,083,831, consisted of 2,186,110 Series A preferred shares of the Company valued at \$1,093,055, three-year vendor-take-back notes totalling \$1,298,749 of which \$840,367 is paid in cash as a percentage of revenue over time and \$458,382 is paid in Company common shares at the prevailing market price at maturity, net cash of \$1,643,527, and transaction costs of \$48,500.

InBusiness Solutions Inc.

Effective May 1, 2003, the Company acquired 62.3% of the issued and outstanding shares of InBusiness Solutions Inc. ("InBusiness"), an information technology solutions and services company listed on the TSX Venture exchange. Consideration for the purchase consisted of \$2,000,000 in cash plus transaction costs of \$37,433. Because the Company acquired control of InBusiness, the

InBusiness acquisition has been accounted for in accordance with the purchase method of accounting.

On December 11, 2003 TrekLogic issued an offer to acquire all issued and outstanding common shares including options and warrants of not already owned by TrekLogic for a cash price of \$0.15 per share. On December 11, 2003 TrekLogic held 30,000,000 of the 48,157,307 issued and outstanding common shares of InBusiness as well as 30,000,000 common share purchase warrants exercisable at \$0.10 per warrant for the period ending April, 2005.

The offer was to expire on January 15, 2004. It was extended to January 30, 2004, at which date 35,990,764 shares had been deposited. It was extended to February 9, 2004 at which date an additional 402,023 shares had been deposited.

Upon the acquisition of the additional 402,023 common shares of InBusiness, TrekLogic owns, in the aggregate, 66,392,787 common shares of InBusiness, being approximately 95.65% of the issued and outstanding common shares. The common shares acquired by TrekLogic pursuant to the Offer represent approximately 92.34% of the common shares of InBusiness not previously owned by TrekLogic and its affiliates and associates.

TrekLogic is proceeding to acquire all of the remaining outstanding common shares of InBusiness pursuant to the compulsory acquisition provisions of the Canada Business Corporations Act.

IT Assets of Thinkpath Inc.

On June 27, 2003, the Company acquired the information technology ("IT") assets of Thinkpath Inc. ("Thinkpath"). These assets include the ongoing business of contract IT staff and the use of the Thinkpath brand in Canada for IT staffing. The assets were acquired for \$200,000 cash, a promissory note for \$60,000, and transaction costs of \$19,136.

Advanced Solutions Group Inc.

Effective June 30, 2003, the Company acquired all of the issued and outstanding shares of Advanced Solutions Group Inc. ("Advanced"), an information technology solutions company. Consideration for the purchase, totalling \$254,269, consisted of 100,000 common shares of the Company valued at \$135,000, 50,000 common share purchase warrants of the Company valued at \$5,865, net cash of \$82,608, and transaction costs of \$30,796.

ProTec Employment Services Limited

Effective July 31, 2003, the Company acquired all of the issued and outstanding shares of ProTec Employment Services Limited, operating as "ProTec Global Staffing ("ProTec"), an engineering and industrial staffing company. Consideration for the purchase, totalling \$1,570,293, consisted of 1,000,000 common shares of the Company valued at \$1,200,000, a promissory note for \$300,000, 101,000 common share purchase warrants of the Company valued at

\$48,055 and transaction costs of \$22,238. Additionally, a contingent consideration may be incurred of up to \$500,000 in cash and additional warrants based on certain income benchmarks, through September 30, 2007.

Prolink Consulting Inc.

Effective October 1, 2003, the Company acquired 100% of the shares of Prolink Consulting Inc. ("Prolink"), an information technology staffing company. Consideration includes 550,000 common shares of the Company with a deemed value of \$2 per share, 355,000 common share purchase warrants priced at \$1.85 and vesting over a three-year period and a cash amount, to be determined, based on working capital. All shares have escrow periods up to three years tied to management contracts and performance criteria. Results of Prolink are included in the consolidated financial statements of the Company as of the effective date.

Sirius Consulting Group Inc.

Effective November 1, 2003, the Company acquired 100% of the shares of Sirius Consulting Group Inc. ("Sirius"), an information technology staffing company. Consideration includes \$3.0M of cash and a \$1.0M two-year transferable convertible note at an interest rate tied to 90-day treasury bills, exercisable at \$3.00 per common share of the Company. The convertible note has quarterly repayment terms over a two-year period. Additionally, the Company issued 250,000 common share purchase warrants with an exercise price of \$1.96 vesting over three years and a cash amount, to be determined, based on working capital. Results of Sirius are included in the consolidated financial statements of the Company as of the effective date.

3.2.3 Financings

\$430,325 Private Placement

On December 23, 2002, the Company received regulatory approval and closed off a private placement of \$430,325, for which it is issuing 1,229,500 units, each unit consisting of one common share and one purchase warrant. Each warrant entitles the holder to acquire one common share at \$0.35 in the first year and at \$0.40 in the second year

\$4,000,000 Private Placement

On April 15, 2003, the Company closed a Private Placement Financing for a total of \$4,000,000 in gross proceeds. In connection with the Financing, 6,000,000 common shares and 2,000,000 Convertible Preferred Shares were issued, all shares issued at \$0.50 per share. The Convertible Preferred Shares are convertible to 2,000,000 common shares at the option of the holder of the Convertible Preferred Shares. All shares are subject to a four-month hold period, normal for Private Placement Financing of this size and nature. As part of the costs of the financing, the Company issued, to the broker who arranged the financing, 600,000 warrants as a Compensation Option, exercisable for two years from date of closing at \$0.50 per share.

\$3,300,000 Private Placement

On July 10, 2003, the Company closed a Private Placement Financing for a total of \$3,300,000 in gross proceeds. In connection with the Financing, 4,285,714 common shares and 428,571 Convertible Preferred Shares were issued, all shares issued at \$0.70 per share. The Convertible Preferred Shares are convertible to 428,571 common shares at the option of the holder of the Convertible Preferred Shares. All shares are subject to a four-month hold period, normal for Private Placement Financing of this size and nature. As part of the costs of the financing, the Company issued, to the broker who arranged the financing, 257,142 warrants as a Compensation Option, exercisable for two years from date of closing at \$0.70 per share. Additionally, a financial advisor was paid 50,000 Options on the same terms for corporate services.

\$10,000,000 Private Placement

On February 2, 2004, the Company completed a private placement of 5,555,556 common shares at \$1.80 per share for gross proceeds of \$10.0M. In connection with this private placement, the Company issued compensation warrants exercisable to acquire an aggregate of 283,335 common shares at \$1.88. Insiders acquired approximately \$3.7M of the financing.

3.3 Dispositions

The Company has made no dispositions of companies or businesses since inception.

3.4 Industry Trends

Management believes that there are trends in North America which will provide the Company with significant opportunities over the immediate future to profitably expand the business of the Company:

- The continuing trend by primary IT users to “outsource” IT development projects to Solutions providers like TrekLogic to avoid having a large IT infrastructure
- The continuing trend by primary IT users as well as large primary IT solutions providers such as IBM and Sun Microsystems to use IT contractors for projects in lieu of using permanent employees

Management believes that the IT development sector will continue to expand over the coming years as the economy generally recovers from the economic doldrums of the first years of the 21st century.

Management believes that the time is opportune to effect a consolidation strategy within the IT Contract Staffing industry.

4.0 Narrative Description of the Business

4.1 Introduction

TrekLogic is a high value added technology company providing end-to-end HCM Solutions based on proprietary technology and processes under the brand BRAINHUNTER to a wide variety of corporate and government clients on a national scale. TrekLogic's HCM solutions are structured across two primary categories:

1. **Contract & Permanent Staffing Services** are the key focus of the Company. This is a high growth opportunity where revenue is driven from annuity contract and permanent staffing placements. The HCM marketplace, in particular contract staffing solutions, represents over 10% of the North American GDP, and approximately \$5.89 billion of contract Staffing Services in Canada alone. Brainhunter's HCM technology platform provides a significant competitive advantage allowing Brainhunter to create, develop and manage Strategic Staffing Services relationships with clients where the focus is on providing the client with an end-to-end staffing solution with emphasis on becoming the dominant provider of annuity contract staffing and permanent staffing placements in Canada.
2. **Solutions Delivery** is comprised of approximately 75 highly specialized technical employees supporting a strong core, highly profitable solutions business that is an enabler in managing the Brainhunter HCM technology platform providing the engine driving Brainhunter's high growth Staffing Services consolidation strategy. Additionally, the Solutions division manages the research and development initiatives and ASP infrastructure that drives an ever-increasing licensing fees revenue stream from HCM Solutions sales; and fast growing posting revenues generated from over 42 internally-hosted specialized job boards.

4.2 STAFFING BUSINESS

Staffing Business Overview

The Staffing Business is composed of the businesses of Brainhunter.com Ltd., InBusiness Solutions Inc., Xycorp Inc., the IT assets of Thinkpath Inc., Protec Employment Services Limited, Prolink Consulting Inc. and Sirius Consulting Group Inc.

Nature of Business

TrekLogic is creating a staffing business, focused on providing contract consultants primarily to the Information Technology (IT) sector and secondarily to the engineering sector using a technologically advanced recruiting platform (the Brainhunter recruiting platform) that offers a significant competitive advantage and a strong point of differentiation from competitive staffing providers. Based on this competitive advantage as well as the Company's management expertise in the contract staffing industry, TrekLogic will execute a consolidation strategy to become leading technology staffing firm in Canada.

Brainhunter Technology Advantage

The core technology for the Brainhunter recruiting platform is the database engine that captures, screens, and presents candidates to clients in an accurate and timely manner. The proprietary matching algorithms rely on translating our recruiting and screening techniques developed over the past 20 years into an automated computer system. The platform offers a cost effective WEB based enterprise total staffing solution with the same or better level of service than traditional employment agencies. Management believes that the Brainhunter technology currently has no significant direct competitor that provides a WEB-based total staffing solution exactly similar to Brainhunter.

Target Market

TrekLogic is targeting a broad range of clients across all major industries and geographic locations and especially Fortune 1000 clients and emerging growth companies utilizing skilled or professional labor, as well as Canadian federal and provincial government ministries and agencies. Geographically the main target areas are: Toronto, Ottawa and Calgary.

Toronto is extremely attractive because of the historical relationship and existing brand equity through the staffing entities acquired by Treklogic Technologies Inc., Thinkpath IT, Xycorp, Brainhunter and InBusiness Solutions. Most of these companies have been in existence for many years (between 6 and 28 years) with substantial staffing relationships and Vendor of Record status. We can therefore continue to penetrate the existing accounts and win more business in this large market in a short period of time, through the application of the sophisticated technology advantage. It is our belief that the build up of the critical mass, our combined size and capability will also allow us to effectively compete against the

larger players for the major accounts in our target market. In the IT staffing market, size, financial strength and stability factors are all important in winning major accounts.

Ottawa represents the Canadian City with the largest demand for technology professionals, and has been and will continue to be the home to most of the Canadian emerging technology growth companies, when the economical cycle reverses. This market is also fortunate to have the bulk of the federal government IT's business. InBusiness Solutions, our Ottawa based acquisition, has an established presence in Ottawa spanning almost 16 years. It has substantially penetrated the federal government and continues to build its market share within the government entities.

Calgary's petro-chemical industry employs over 23,000 engineers. Many of these engineers engage in temporary/contract employment. There is also substantial business within the other employment verticals. This market is extremely attractive purely because of its market potential

Consolidation Opportunity

The highly fragmented nature of the industry, combined with the scalability of Brainhunter's front-end marketing & recruiting platform, Treklogic's back-end financial system presents and management and financial expertise presents a large consolidation business opportunity.

The US has experienced a high degree of consolidation over the last 30 to 40 years. Most of the large US staffing firms referenced were grown through large amounts of acquisition.

In Ontario alone, there is an estimated 576 technology staffing companies with sales ranging from less than \$1 million to approximately \$160 million. Many of the operators run their business operation at a very unsophisticated small business level. Also, many of these operators are at or nearing retirement without a clear exit strategy to capitalize of the value built in the business.

Because staffing is a service business, there are very little fixed assets to dispose of or integrate into the post merged entity. The integration efforts are primarily focused on receivables, client relationships, consultant's relationships, the sales & recruiting team and forging a common corporate cultures, business values and to use established business practices.

Treklogic's infrastructure, financial position and sound management and operational capability is extremely well positioned to execute a similar, "tried & true", proven consolidation strategy in the Canadian market to develop and emerge as the largest, leading technology staffing firm in the country.

BRAINHUNTER.COM LTD.

Executive Summary

Brainhunter (“Brainhunter”, or the “Company”) is a staffing agency with a technologically advanced recruiting platform that offers a significant competitive advantage and a strong point of differentiation with high value added services. The platform offers a cost effective WEB based enterprise total staffing solution with the same or better level of service than traditional employment agencies. Brainhunter uses technology to manage the attraction, as well as the searching, pre-screening and presentation of available, interested and qualified candidates in a timely manner. Our technology allows us to handle higher volumes of candidates with a greater reach, while maintaining the speed, ease of use and quality of resources that clients currently expect from a traditional employment agency.

Brainhunter targets a broad range of clients across all major industries and geographic locations and especially Fortune 1000 clients and emerging growth companies utilizing skilled or professional labor. While Brainhunter technology works equally well in all job functions, they especially target the IT, Engineering and Health Care job functions. The employment service market is a mature US\$100+ billion market (SI Report) in the US and estimated to be over \$5.6 billion in Canada. Brainhunter offers both full-time and contract placement of candidates, as well as ancillary services such as private-label client database management and 3rd party vendor management software. Brainhunter surpasses the level and scope of services provided by competitive firms by offering technical, skill testing, computer based training and dynamic interview booking on-line, as well drug testing and criminal records and background checking, with results delivered on-line.

- Brainhunter’s Management believes that currently there is no direct competition in the market since no other firm has adopted a web- based Enterprise Wide total staffing solution focused on contract and permanent staffing. There is, however, competition from mature brick-and-mortar agencies, and from online resume boards that offer portions of our service. Brainhunter is however, highly differentiated from these companies by offering an end-to-end staffing process and a wider array of value-added services.

The Company Mission

“Brainhunter will use its technology advantage to become the leading technology staffing Company in Canada by delivering complete flexible staffing solutions and outstanding services to job seekers and employers.”

Brainhunter’s goal is to become the largest and best technology staffing company in Canada through a combination of acquisitions and organic growth.

Brainhunter aims to be the leader in applying technological solutions and innovations business models to continuously develop and deliver superior products and services to the staffing services business. These developments will be for the benefit of both job seekers and employers.

Strategy

Brainhunter aims to be the leading supplier of available, interested and qualified job seekers in a timely manner for both full-time and contract employment. Brainhunter will find and place candidates predominantly in the IT, Engineering and Health Care job functions for a broad range of clients. Brainhunter will leverage its proprietary core technology, employment agency knowledge and low-overhead model to dominate the recruitment and placement market.

Brainhunter aims to be the leading technology contract staffing agency in Canada. Brainhunter will capitalize on a number of factors to emerge as the dominant player in the business. Brainhunter.com's core business strategy will focus on the following elements to develop a sustainable competitive advantage:

- 1) Low cost, scalable infrastructure will allow substantial cost reduction upon the integration of acquired companies.
- 2) Our technology platform will increase client penetration but increase the fill rate of job orders through the use of its fast sophisticated matching technology, candidate attraction, screening, selection and speed of contact.
- 3) Provide a complete end-to-end staffing solution that is comparable to or surpasses the services of traditional agencies, job boards and resume management systems.
- 4) Be a Leader in applying technology to continuously develop the most effective system to fill jobs. This process is substantially improved and more cost effective through the relationship with the solutions practice of Treklogic's solutions practice.

Core Business

Brainhunter provides the complete line of services currently offered by traditional employment/placement agencies at a discount through a web interface. These services include:

- Full-time placement of resources
- Contract placement of resources
- Private-Label database management for clients
- Management of Third-Party vendors
- Administration (Payrolling) of independent contractors to mitigate co-employment risks to the client
- Ancillary services such as Technical Testing, Drug and Background Screening, Reference Checks, on-line dynamic interview booking and computer-based training on the WEB.

Proprietary Technology

The core technology for Brainhunter is the database engine that captures, screens, and presents candidates to clients in an accurate and timely manner. The proprietary matching algorithms rely on translating our recruiting and screening techniques developed over the past 20 years into an automated computer system. The database uses both structured (SQL) searches on quantitative information combined with text based information stored within a candidates profile along with a number of techniques to pre-screen candidates. Management believes that the system can screen candidates with approximately 90% of the accuracy of a professional human recruiter.

The system has some major advantages over the traditional methods. The candidate can update his/her own candidate information. In addition, email allows a strong tool for communicating with existing candidates. Since the system is automated, the volume of placements is less subject to the physical limitations faced by traditional agencies.

Value Propositions

Brainhunter offers a comprehensive end-to-end staffing solution comprised of an Applicant Tracking System (ATS, TalentFlow), a Vendor Management System, a job board network (CareerSite) consisting of 27 niche job boards and a staffing database containing over 450,000 job seekers. Our staffing solution, when used in its entirety will yield maximum benefit and cost savings to a client. However, each separate module can be used and each will yield significant benefits and a drastic improvement over a traditional staffing solution offering the same component of service.

The utilization of our services will allow Brainhunter to entrench it self into a client and make it easier to displace our competitors and position ourselves to obtain maximum client penetration and position ourselves to become the master vendor.

Below, we examine the value propositions for each component of our staffing solution.

Core Staffing Services

Brainhunter's management strongly believes that the most valuable assets of a corporation are its employees. The intellectual capital and quality of its employees are directly responsible for the creation of its business strategy, innovation, competitiveness, operations and ultimate success. We therefore feel that the processes through which employees are attracted, screened, selected hired and retained are of utmost importance.

Brainhunter has therefore developed one of the most advanced technology platform that is specifically designed to thoroughly and effectively empower recruiters to find and select the top talent that best fit every job. Our platform contains:

- **Proprietary matching technology:** which reduces approximately 80% of

the “grunt” work that has to be done by recruiters. The auto-matching technology will very speedily, objectively and consistently analyze hundreds of thousands of resumes to find the best match for each position in a time frame that would be impossible to be matched by human recruiters. It has been benchmarked to 87% of the accuracy of human recruiters.

- **Extensive reach of Talent:** Our WEB based platform can reach talent globally to find the most qualified candidate for each position. Our database contains over 450,000 resumes from candidates predominantly in Canada, but also from the US and globally.
- **Auto-contact:** Our system works 24 X 7. When a candidate match is made by the system, it automatically contacts the candidate to find out if he/she is available and interested in the position. This ensures that our recruiters have a much better chance of getting to the best candidates faster than our competitors. This therefore will translate into a higher success rate of placements and higher revenue
- **Integrated tools:** Our integrated tools such as technical testing, psychological and personality testing, criminal record & background checking and illegal substance abuse testing are all available on-line. This is part of our standard screening platform and ensures that a thorough screening process is made available to all clients and recruiters. Most competitive staffing agencies do not have these tests readily available and more than 90% of them do not perform these tests.
- **Workflow process:** Our system is built to mimic the workflow of a typical recruiter following “best practices” in the industry. Our system therefore allows us to easily enforce process control to yield consistently high results and standardize our service offering with the highest quality.
- **Cost:** Brainhunter’s cost effective delivery of its services derived through automation and operational efficiencies allows us to reduce our cost of service to the clients while maintaining comparable gross margins as traditional firms. This increases our competitiveness.

The table below shows potential savings to companies depending on the number of hires.

Table 1: Cost Savings from Using Brainhunter vs. Traditional Agencies for Full-Time Staffing

<i>Number of Hires</i>	<i>Traditional Agencies at 25%</i>	<i>Brainhunter Service 15%</i>	<i>Cost Savings</i>
12	180,000	108,000	72,000
36	540,000	324,000	216,000
48	720,000	432,000	288,000
60	900,000	540,000	360,000
100	1,500,000	900,000	600,000

gross salary is \$60,000/yr

2. Assume Brainhunter express service at 10%
3. Assume Brainhunter Assist service at 15%

Similar cost savings can be realized in contract or supplemental staffing. Table 5 shows expected cost savings for using Brainhunter to hire contractors instead of using traditional agencies.

Table 2: Cost Savings from Using Brainhunter vs. Traditional Agencies for Contract Staffing

<i>Number of Contractors</i>	<i>Revenue</i>	<i>Traditional Agencies at 25%</i>	<i>Brainhunter Service 20%</i>	<i>Cost Savings</i>
10	1,080,000	270,000	216,000	54,000
25	2,700,000	675,000	540,000	135,000
50	5,400,000	1,350,000	1,080,000	270,000
75	8,100,000	2,025,000	1,620,000	405,000
100	10,800,000	2,700,000	2,160,000	540,000

1. Contractor works 1800 hrs/year.
2. Traditional Agencies charge a 25% margin.

Private Label Database Management System

Similarly, the private label database management system is being licensed to clients up to 65% discount vs. competitive products. Moreover, where there are strategic value relationships, the private label database system’s licensing fee may be waived for up to two years in return for some special consideration. (This is detailed in the pricing section). The table below shows the value proposition:

Table 3: Cost Savings Using Brainhunter VS. E*Cruiter.com

	<i>Base Cost</i>	<i>10 Users</i>	<i>15 Users</i>	<i>20 Users</i>
<i>E*Cruiter.com</i>	14,000	100,000	125,000	150,000
<i>Brainhunter.com</i>	8,000	40,000	60,000	75,000
<i>Savings</i>	6,000	60,000	65,000	75,000
<i>Brainhunter Special*</i>	0	0	0	0
<i>Savings on special</i>	14,000	100,000	125,000	150,000

*Special Conditions: displacement of competitive products in return for exclusivity and first rights to fill positions.

Vendor Management System

The cost savings on vendor management for clients are completely dependent upon their recruitment and acquisition strategy. This is difficult to quantify. However, some preliminary cost savings are suggested below.

Assumptions:

- Brainhunter will act as the master supplier
- Brainhunter will be able to negotiate with third party vendors that will result in cost savings of 4.5% of their markup.
- Brainhunter will be able to fill at least 50% of all posted jobs using the express service plan.
- Typical agency markup is 25% of consultant’s pay rate or full time salary.
- Brainhunter will charge 1% transaction fee to the vendors.

Table 4: Cost Savings that may be realized using Brainhunter as Master Supplier.

Gross Billing	Percentage Savings of Gross Billing		
	2%	3%	4%
\$3,000,000	60,000	90,000	120,000
\$5,000,000	100,000	150,000	200,000
\$8,000,000	160,000	240,000	320,000
\$10,000,000	200,000	300,000	400,000
\$15,000,000	300,000	450,000	600,000

The table above shows cost savings that may be realized if Brainhunter acted as the Master Supplier and was able to decrease staffing costs between 2% to 4%.

Intangible Benefits

- Outsourcing of vendor management functions
- Reduction of purchasing managers' time and effort dealing with vendors
- Automated process extremely fair, consistent and fast

Management

Raj Singh, COO.

Raj Singh has been in the IT industry for over 15 years. Raj's educational background includes a B.Sc. degree from York University, coupled with an MBA from Florida International University. Raj's business background is complemented with a strong technical IT background. He has worked in both technical and business roles with large Fortune 500 companies. He has been associated with PROCOM for over eight years and has worked as a Senior Manager for over 4 years. Raj is one of the two partners who created the Brainhunter concept. As a senior manager at PROCOM, Raj developed over \$40 million in annual revenue for PROCOM, with over \$4 million in gross margin. Raj has significantly contributed to the expansion of PROCOM. He has been very successful in penetrating the financial industry and establishing PROCOM as the largest supplier to four of the five major Canadian banks. Raj also started international recruiting for PROCOM and was co-founder of Silverstar Systems Integration Ltd., which was created for the recruitment of international IT workers.

Outside Support

Additionally, our outside management advisors provide specific services and guidance as requested. They include:

Accounting

Clancy and Company – Clancy and Company, a mid-size accounting firm, serves as the auditors for Treklogic Technologies Inc. and Brainhunter.

Legal

Treklogic Technologies Inc. currently retains the services of Harris and Harris, LLP, based in Mississauga, Ontario, Canada.

Marketing & Advertising

Brainhunter currently manages all marketing and advertising activities with its in-house team. When necessary, Brainhunter will engage best of breed firms specializing in the areas of marketing and advertising for required services.

Public Relations

Publication Relations is currently managed by a combination of Treklogic Technologies Inc. Executive Management and Mr. Alan Pryde, an external PR consultant.

Application & System Support

Application support, R&D and hosting is done on site by the Treklogic Software Solutions group, a wholly owned subsidiary of Treklogic Technologies Inc.

Intellectual Property Strategy

Brainhunter intends to protect and exploit its proprietary core technology (database services) as well as key intellectual property such as its name(s), logos, etc. The domain name “Brainhunter.com” is registered and owned by Brainhunter Inc. Other domain names such as “Brainhunter .ca”, “Brainhunter .uk.co”, “Brainhunter .org” have been registered. The name “Brainhunter .net” has been registered by another firm in the UK, but is at this point an inactive site. The name “Brainhunter ” and “Brainhunter.com”, have trademarks filed (finalized July 5, 1999) for Canada and the U.S.

Facilities

Treklogic Technologies Inc. has two primary facilities operating in Ottawa and Thornhill, Ontario.

Industry Analysis----The Staffing Industry Size and Growth Drivers

The North American staffing industry has been estimated to be worth in excess of \$US102 billion (SI Report). The industry has experienced a growth rate of over 14% from 1993 through 2000, slowed in 2001 and 2003. This growth rate is expected to continue through 2003 and 2004 (SI Report). There is healthy growth rate within the industry-by-industry segment. The temporary help segment continues to dominate the market. This growth trend is expected to continue as more professional and technical workers pursue alternate employment options and the provision of their services as consultants as opposed to being full-time employees. Even though the PEO (Professional Employment Organization) is in a separate category, there is also a compelling argument that this may well be classified as temporary help.

Business expansion continues to drive job growth in North America. The technology sector (engineering and information technology) and Health Care continues to be forecasted as the main areas of growth. Despite the cyclical downturn in the economy, a severe shortage of technology and Health Care professionals is expected to plague Canada and the US.

Moreover, this growth is also fuelled by business expansion in the non-technology sectors. The accounting and finance sector is experiencing job growth between 30%-40% per annum (SI Report). There is also substantial growth in the management, sales and marketing, technical recruiting and other general non-technology areas.

Demand for health care services are also increasing. Many health care workers themselves are retiring and requiring health care services. For instance, the average U.S. nurse is 48 years old. The health care industry is now positioned to rival IT as the staffing sector with the greatest shortage of skilled personnel. The U.S. Bureau of Labour statistics project that nearly half of the 30 fastest growing occupations between 1999 and 2006 will be health services related.

Structure

The US and Canadian staffing industry is highly competitive and fragmented. There is specialization along many lines. For example, some agencies may specialize along verticals such as engineering, accounting and finance, health care, IT, sales and marketing and many other verticals along job function. Other agencies have developed sub-specialization and are focussed on certain market niches within verticals. For example, some agencies sub-specialize in IT contracting and may further focus on the provision of specific IT skill-sets or software solution such as SAP programs or JD Edwards System specialists. Moreover, these smaller agencies tend to be local and operate within narrow geographic segments.

While, there is very little start up capital required entering the agency business, there are substantial barriers to growth. Specialization, low barriers to entry and

limited geographic focus have resulted in high fragmentation. There are, however, a number of very large agencies. These agencies are generalists serving many employment verticals, international, national or at least spanning many geographic areas, and are often publicly traded companies. These companies have market capitalization of over US\$400 million, ranging to the largest, Adecco SA, with a market capitalization of US\$13.1 billion. Publicly traded companies within this group are shown in table 5 below.

Table 5: Large Public Staffing Companies.

<i>Company</i>	<i>Ticker</i>	<i>Sales</i>
<i>ADECCO</i>	NASDAQ:ADECY	15.31 billion
<i>Manpower</i>	NYSE:MAN	9.54 billion
<i>Olsten Group</i>	NYSE:OLS	4.97 billion
<i>Kelly Services</i>	NASDAQ:KELYA	4.27 billion
<i>Robert Half Intl.</i>	RHI	2.08 billion
<i>Modis</i>	NYSE:MPS	1.95 billion
<i>Mastech</i>	NASDAQ:MAST	0.47 billion
<i>Korn / Ferry</i>	NYSE:KFY	0.40 billion

Placement, Supplemental and Contract Staffing

Generally, employment agencies engage in the Search and Place or supplemental staffing business. In the Search and Place business, the agencies (or search firms) receive orders from companies defining the skills of a job opening that they are looking to fill. The agency engages in a search to find suitably qualified candidates and present candidates to the company. The company interviews the candidates, makes a selection, and hires the candidate to become a full-time employee of the company.

In the case of supplemental staffing, the agency searches for the candidates and sends them to the client to make their selection. The selected candidate does not become a full-time employee of the company. Instead, the agency engages in a contract with the company to provide the services of the selected candidate for a specific length of time at a specific hourly or daily rate. The selected candidate in turn is engaged in a contract with the agency to provide his/her services through the agency, at a specified price, for the same length of time to the client.

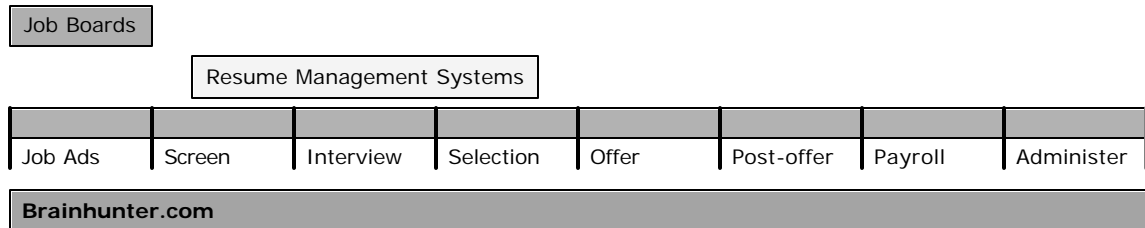
The agency assumes all responsibility for payroll management, source deductions, governmental obligations and administration of the candidate's contract. In essence, the candidate becomes engaged in a fixed term consulting agreement. The difference in price between what the company pays the agency and what the agency pays the consultant becomes the agency's gross margin. It is this difference that allows the agency to make a profit.

Emerging Trends - On-line Recruitment through the Web

Over the last three to four years, we have seen a fundamental shift toward Internet

based staffing solutions. The two primary categories of web-based recruitment tools are the on-line job advertising boards and resume management systems (same as Applicant Tracking Systems - ATS). The most well-known and successful job board is monster.com. One of the most well known resume management system is E*cruiter.com. These two categories of web-based applications perform about 10% to 20% of the function that an agency performs to complete the staffing cycle.

3.1.5 Staffing Cycle



As can be seen from the diagram, the staffing cycle is comprised of a number of phases. The job advertising stage has traditionally been done through newspaper advertising. The web-based job-advertising boards, such as monster.com, are now replacing this. The next three stages are partially done by the Resume Management System.

The remaining stages, generating and presenting the job offers, pre and post employment screening (tech testing, drug testing, reference checking, criminal record and background checking etc.), contract negotiations and administration and payroll management is not performed by the job boards nor the Resume Management System. These are essential functions that must be performed to complete the staffing cycle. In the case of contract staff, it is imperative that a knowledgeable third party performs the contract administration and payroll management functions, since this has severe pseudo-employment and tax implications.

On-line Job Advertising Boards

This is a highly fragmented market, although few large players, in most cases the first-to-market players, dominate the market. These include:

- www.monster.com, a division of TMP Worldwide Inc. The largest competitor.
- www.workopolis.com,
 - www.HotJobs.com,

Beyond these larger players, there are as many smaller “resume boards” (as of 2002) or sites where recruiters and job seekers may find each other. Many of the boards are specialized, such as www.medhunters.com that is targeted exclusively to health care workers.

These job boards have one element in common – they are not agencies, and have not been created by groups that worked in the employment agency business. Monster.com and Workopolis, two of the largest job advertising boards were created to compete against the newspaper job advertising business. They view a successful job posting as one that has the most reach and the most number of “hits” or resumes. This results in high numbers of resumes. While we have

similar reach being WEB based, our software will pre-screen and present only highly qualified and suitable candidates to the client, thereby saving the HR professionals significant time otherwise spent sifting through resumes.

Competitive Analysis

Management believes that Brainhunter currently has no significant direct competitor that provides a WEB-based total staffing solution exactly similar to Brainhunter . As indicated earlier, the job advertising boards and resume management systems partially overlap with Brainhunter.com’s complete staffing cycle, from job advertising to job fulfillment. This overlap accounts for approximately 10% -20% of the complete staffing cycle. Approximately 80% of the hiring cycle remains incomplete after using these systems.

Brainhunter vs Job Boards

First and foremost, the job boards are not agencies, as they not go beyond job advertising. They attract a large number of candidates and make a large database of resumes available to corporations. The downside is that when recruiters post a job, they receive an extremely large volume of resumes per position (typically as many as 500) with limited pre-screening done by the job boards. This still leaves the majority of the resource intensive “grunt” work to be done by the recruiter. The recruiter still needs to pre-screen the resumes, and determine availability and interest. The next factor is that the job boards use a pay-per-post or subscription model. The client assumes the upfront risk without any guarantee of finding a suitable candidate.

When the company finds a contractor through the job boards, they still need to find an agency to complete the remainder of the staffing cycle. The balance of the staffing includes contains about 80% - 90% of the work and all the contractual risks. The agencies therefore charge the full price as they would normally charge if they found the candidate. In this case, there is no benefit to using the job boards to find a contractor or supplemental staff.

Brainhunter vs the Resume Management Systems

Resume Management Systems are license-based software that act on the company’s own internal database of resumes. They provide partial pre-screening, on-line interview booking and provide partial assistance in the selection of candidates. Most of these systems offer a high degree of functionality. The prices of these systems range from CDN\$55,000 to well over CDN\$250,000, depending on the number of users.

Brainhunter.com’s private label product offers similar functionality as these systems. However, when coupled with the Brainhunter core system, the private label system offers much greater functionality in terms of access to external candidates, candidate management, pre- and post employment checks and completing the hiring process.

Brainhunter customizes the private label product to the client’s needs at very little or no additional cost. More importantly, depending on the size of the organization, Brainhunter gives the private label product to the customers for free, if they agree to give Brainhunter preference in filling positions that they are

unable to fill with their own resume database. Some additional conditions apply and are detailed in the “Products” section of this document.

Brainhunter vs Traditional Agencies

Brainhunter delivers highly qualified technology consultants to its clients faster, better and more cost effectively. Unlike many of the established, traditional, Canadian staffing companies, Brainhunter provides a more extensive suite of value added services including on-line interview booking, technical testing, computer based training, criminal records and background checking and drug testing with results delivered on-line. Management believes that none of the traditional agencies, and definitely none of the on-line services, offer the combined set of services offered by Brainhunter’s on-line services.

Brainhunter also gives the companies access to a much broader and deeper pool of skilled candidates due to the extensive reach of the Internet. This allows clients to pick the best possible candidate from a vast pool of applicants. Finally, the Brainhunter system performs consistent and objective screening of a large volume of candidate through its rules-based algorithms in an extremely efficient manner.

MARKETING AND SALES

Market Description

Brainhunter.com's market is defined as technology & health care staffing agency market. Brainhunter offers flexible staffing solutions which includes staffing services to provide both permanent and contract personnel, and / or a WEB based of recruiting systems.

Target Markets

Brainhunter targets four customer groups.

- HR Managers and Recruiters responsible for recruitment at Fortune 1000 companies . While we target a broad range of companies, Brainhunter has identified a core set of clients (approximately 75- 100 clients) determined to be highly desirable.
- Key decision-makers responsible for the evaluation and selection of web-based Recruitment and staffing solutions, typically purchasing and strategic sourcing.
- Job seekers.
- Specialized companies that meet our criteria to be Brainhunter.com's business partners and distributors of Brainhunter.com's staffing solutions.

Customer Buying Criteria and Process

Our two main corporate customers (Fortune 1000 and Emerging growth companies) have different approaches to buying. The Fortune 1000 clients (large volume clients) are the most sophisticated buyers, often with a formalized structure of decision makers that includes both Human Resources and Purchasing, and in some cases Line-Management and/or Upper Management. Typically, a line-manager in a functional group (e.g. HR or IT), will express an interest in the service and champion the use of that service through the purchasing department.

A formal proposal or application to be added to the approved vendor's list often accompanies this. The criteria used to evaluate a prospective vendor vary widely by firm, but common criteria include: ability to provide key resources, ability to service multiple locations or multiple job types, good reputation or references, and a competitive pricing strategy.

Smaller clients, in general will have a simpler buying process, usually at the line-manager level and potentially with a smaller purchasing or accounts payable department. Although the buying criteria is often similar, typically they are less concerned with the credentials of the firm and its size – rather, they are more concerned with pricing and access to available, qualified resources.

Brainhunter.com's Marketing Strategy

Brainhunter has three (3) primary objectives. These objectives are:

- Rapid development of market share for IT contract staffing within Ontario & Calgary. Our goal is to have 5000 contractors on assignment by 2007.
- Increase installation base of TalentFlow, Vendor Management and Career Site systems in Canada.
- Increase our candidate database through primary means as well as through the extension of our Career Site Network.

Brainhunter will accomplish these objectives using a combination of Internet based and traditional promotional activities.

The basic strategy to achieve these objectives will be:

- Increase brand awareness and build strong brand identity and equity; Launch a public relations campaign to establishing credibility, awareness and acceptance and position Brainhunter as the best platform to deliver technical resources directly and through its associated brands. Brainhunter will be identified as the source for quality, speed, responsiveness and efficiency.
- Develop strategic business alliances with web sites such as Workopolis and Hotjobs that have a high volume of traffic of employers and job seekers.
- Develop strategic web links that will reach our target markets and drive traffic to our sites.
- Attendance of major trade shows.
- Speaking engagements.
- Presentation of case studies and white papers. Brainhunter intends to retain experts in marketing and public relations to develop and execute appropriate plans to accomplish these objectives.

Sales Strategy: Brainhunter will employ a multi-channel and multi-tiered sales approach through:

- Web-based sales
- A direct sales force comprised of business development managers that will engage in face-to-face selling, telemarketing, trade shows, career and job

fairs and public speaking engagements. This will be done through proposed regional offices in:

1. Toronto.
 2. Ottawa.
 3. Calgary (planned for 2004).
- Distributors – small to medium sized specialized agencies. The distributorship program will enormously expand Brainhunter distribution channel to resell its TalentFlow and Vendor Management products. The distributors will be selected based on the following criteria:
 - Geographic location
 - Client base
 - Service “fit”

The objectives of our sales strategy are:

- To establish a Year 1 sales mix of at least 80% IT contract staffing and 20% permanent staffing.
- To become preferred (VOR) to the 75-100 major clients set as target.
- To position Brainhunter as an enterprise staffing solution, that will supply technology staff faster, better and more cost effectively than traditional agencies or single point system solutions.
- To expand our Career Site Network (“niche job boards for associations”).
- To up-sell Brainhunter.com’s private label and vendor management systems to its core staffing clients.
- To position Brainhunter as a master supplier using its vendor management system.

Brainhunter will engage in the following activities to achieve the above objectives:

- Establish sales targets, objectives and milestones for each sales representative.
- Establish account penetration level objectives,
- Establish target fill rates for job orders,
- Build competent core sales and management teams to support each vertical,
- Implement a defined formal sales cycle,
- Create a comprehensive contact management and marketing intelligence system,
- Develop a competent account management/recruiting team, and
- Develop and deliver a comprehensive training program for clients and employees.

Geographic Markets

Brainhunter will launch its products and services in the following major Canadian cities:

- Toronto

- Ottawa
- Calgary

Brainhunter will also seek to sell its products to US companies through direct marketing from its Canadian operations, US marketing channels such as agents, distributors and a referral network. We do not plan to open branch offices in the US or hire direct a sales force. We do not expect any significant percentage of our sales to be generated from US clients.

Toronto is extremely attractive because of the historical relationship and existing brand equity through the staffing entities acquired by Treklogic Technologies Inc., Thinkpath IT, Xycorp, Brainhunter and InBusiness solutions. Most of these companies has veen in existence for many years (between 6 and 28 years) with substantial staffing relationships and Vendor of Record status. We can therefore continue to penetrate the existing accounts and win more business in this large market in a short period of time, through the application of the sophisticated technology advantage. It is our belief that the build up of the critical mass, our combined size and capability will also allow us to effectively compete against the larger players for the major accounts in our target market. In the IT staffing market, size, financial strength and stability factors are all important in winning major accounts.

Ottawa represents the Canadian City with the largest demand for technology professionals, has been and will continue to be the home to most of the Canadian emerging technology growth companies, when the economical cycle reverses. This market is also fortunate to have the bulk of the federal government IT's business. InBusiness Solutions, our Ottawa based acquisition, has and established presence in Ottawa spanning almost 16 years. It has substantially penetrated the federal government and continues to build its market share within the government entities.

Calgary's petro-chemical industry employs over 23,000 engineers. Many of these engineers engage in temporary/contract employment. There is also substantial business within the other employment verticals. This market is extremely attractive purely because of its market potential.

As Brainhunter successfully penetrates these major cities and establishes a successful track record, additional cities will be targeted. We will assess and rank each city in terms of attractiveness and our probability of successfully penetrating the market. Brainhunter.com's intention is to become a truly North American agency with complete and effective coverage across all employment discipline in every major city.

Industry Consolidation opportunity

The highly fragmented nature of the industry, combined with the scalability of Brainhunter's front-end marketing & recruiting platform, Treklogic's back-end financial system presents and management and financial expertise presents a large consolidation business opportunity.

The US has experienced a high degree of consolidation over the last 30 to 40 years. Most of the large US staffing firms referenced were grown through large amounts of acquisition.

In Ontario alone, there is an estimated 576 technology staffing companies with sales ranging from less than \$1 million to approximately \$160 million. Many of the operators run their business operation at a very unsophisticated small business level. Also, many of these operators are at or nearing retirement without a clear exit strategy to capitalize of the value built in the business.

Because staffing is a service business, there are very little fixed assets to dispose of or integrate into the post merged entity. The integration efforts are primarily focused on receivables, client relationships, consultant's relationships, the sales & recruiting team and forging a common corporate cultures, business values and to use established business practices.

Treklogic's infrastructure, financial position and sound management and operational capability is extremely well positioned to execute a similar, "tried & true", proven consolidation strategy in the Canadian market to develop and emerge as the largest, leading technology staffing firm in the country.

Products & Services

Brainhunter has three products that are strategically linked together to provide a comprehensive total staffing solution. These three products empower a company to perform all the functions of a traditional agency with speed, consistency and objectivity. It also eliminates the "grunt" work in the recruiting process, freeing the recruiters and human resources manager time to focus on proactive human resources planning and management.

The products and services combined offer a complete end-to-end staffing process solution from candidate attraction to job fulfillment. The three products are:

- Brainhunter core staffing services system.
- Private label database management system.
- Vendor management system.

The core services system can function on a stand-alone basis. The vendor management and private label database management system requires the core product.

Brainhunter.com's products and services fully integrate to support is marketing and sales strategy. Brainhunter core product establishes a toehold on the

enterprise, the Private Label product builds on this relationship and establishes Brainhunter as a core recruiting tool, and the Vendor Management System establishes Brainhunter as the gatekeeper, imposing Brainhunter between the enterprise and all Vendors. Brainhunter becomes the primary vendor, and all other vendors are forced to develop third party relationships.

The diagram below summarizes the relationship between Brainhunter.com’s products and business strategy.

Diagram Showing Product Relationships to Business Strategy.

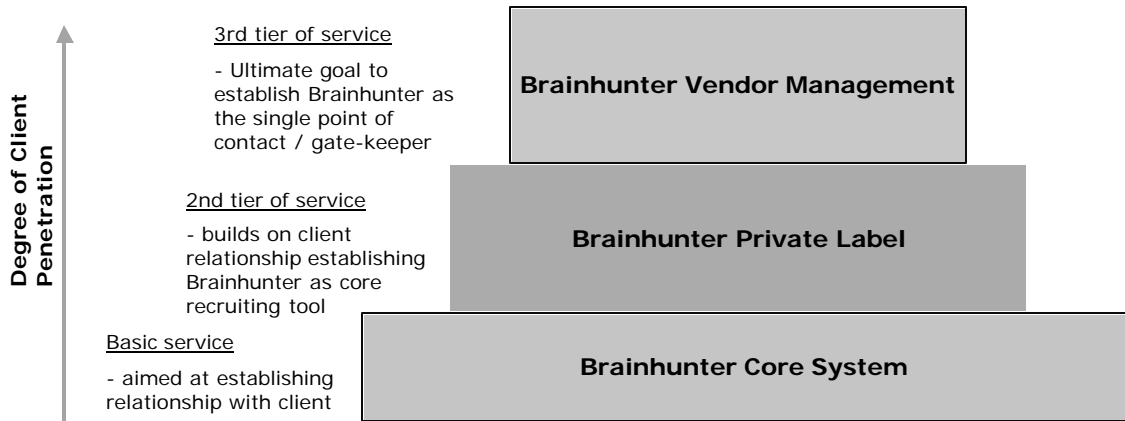


Table 6: Brainhunter Table of Features

<i>Reach</i>	Presents your positions to thousands of prospective job seekers through the Brainhunter job network that includes Yahoo, Alta Vista, Excite and the leading newsgroups, and records their response within minutes. Actively recruits thousands of new candidates on a daily basis, ensuring that the most complete range of job seekers is available for your consideration.
<i>Qualifying & Pre-Screening</i>	Quickly and accurately qualifies through thousands of profiles (based on up to 50 skills and interests) to identify the most qualified job seekers for your position. Automatically presents you with a ranked short list of job seekers that are always QUALIFIED, INTERESTED and AVAILABLE for your position, along with extensive information for further evaluation. You can discretely select only the job seekers that you are interested in meeting.
<i>Recruitment Communication</i>	Manages the entire candidate communication process including interview scheduling, real-time tracking of their status in your process, all recruitment communications and internal data collected by your organization during the interviewing process.
<i>Candidate Management</i>	Manages the entire candidate selection processes including technical testing, skill summaries, reference checks and pre-employment checks (drug and criminal background checking).
<i>Process Management</i>	Enables you to manage the entire staffing process independently using the most advanced process management tools in the industry, or with assistance from a friendly and knowledgeable Account Manager.
<i>Contract Management</i>	Manages the administration of all contract staff, including payroll, statutory withholdings, and compliance and reporting.
<i>Performance Reporting</i>	Produces real-time, online performance reports that allow a recruiting organization to measure their cost-per-hire, elapsed time-to-hire, line manager response levels and overall recruitment costs.
<i>3rd Party Vendor Management</i>	Fully integrates with future releases of 3 rd Party Vendor Management and Client Private Label Database features.
<i>Contingency Fee Pricing</i>	Charges a fee only upon successful hiring of one of our job seekers.

Core System and Service Plans

The core system is the heart of the system. This core system provides all of the following functionality:

- Candidate attraction, management and pricing
- Candidate selection and ranking
- Pre- and post employment checks

The core system functionality is packaged into three levels of service for the client. The three packages are designed to meet the level of recruiting support the client needs and price points.

Pricing Strategy

Brainhunter will price its products and services at a substantial discount to competitors. We will be the low cost leader in the staffing business.

Brainhunter.com's efficiency and cost structure permits an aggressive pricing model. The pricing strategy will support Brainhunter.com's objective to rapidly acquire market share.

Brainhunter's Core Service Plans

Recruiters will choose a service plan that fits their budget and their level of comfort with Internet recruiting solutions.

- Brainhunter Express is designed for recruiters who are comfortable with our powerful Internet based recruitment tools and are ready to take complete control of the recruiting process.
- Brainhunter Assist offers all of the features available in Express, with the added benefit of having an experienced human resources recruiter helping with the screening process.
- Brainhunter Premium is ideal for the organization that wants a traditional, full service staffing solution. It is also an option when the recruitment load is higher than normal.

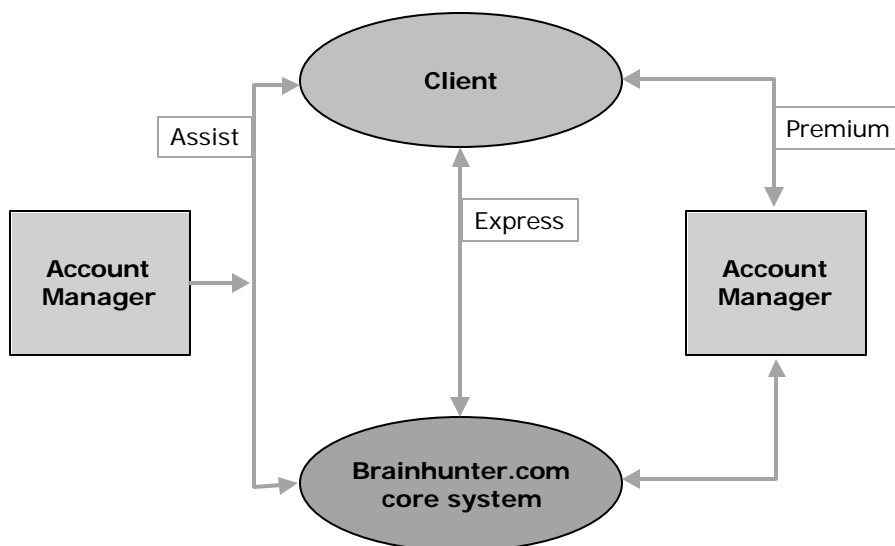
Table: 7 Shows a Comparison of Brainhunter.com's Three Service Plans.

<i>Feature</i>	<i>Express</i>	<i>Assist</i>	<i>Premium</i>
<i>Full access to the complete Brainhunter tools with unlimited user accounts for client representatives</i>	X	X	X
<i>Unlimited company job templates and unlimited posting of client jobs to the Brainhunter site</i>	X	X	X
<i>Unlimited posting to 3rd party job boards</i>	X	X	X
<i>Automated pre-screening and candidate matching</i>	X	X	X
<i>Automated mining (outbound recruiting) for candidates that match the full breadth of client skill requirements</i>	X	X	X
<i>Online technical testing</i>	X	X	X
<i>Online reference and pre-employment (criminal and drug) checks</i>	X	X	X
<i>Presentation of all employment offers for permanent</i>	X	X	X

<i>hires</i>			
<i>Signing of all contract and non-disclosure agreements for contact hires</i>	X	X	X
<i>Complete ongoing contract administration including Brainhunter pay system, statutory deductions, compliance and reporting</i>	X	X	X
<i>Dedicated, full-time Account Manager to provide screening and strategy assistance</i>	X	X	X
<i>Unlimited technical and application help-desk support</i>	X	X	X
<i>Complete user set-up and application training</i>	X	X	X
<i>Pre-posting review of client job</i>		X	X
<i>Pre-screening of all Brainhunter automated search matches the dedicated Account Manager to confirm job skills, communication/soft skills and interest level</i>		X	X
<i>Complete project management by a dedicated, full-time Account Manager</i>			X
<i>Complete development, posting and management of job postings and marketing message</i>			X
<i>Selection-style interviews of all short-list candidates</i>			X
<i>Market research to identify candidates who may be available but not actively looking</i>			X
<i>Detailed and role-specific reference checks performed by the dedicated Account Manager</i>			X
<i>Competitive and flexible fee structure, as low as:</i>	10%	15%	20%

The chart below is a graphic representation of the workflow between a recruiter, the Core system and Brainhunter’s recruiters.

Figure 1: Core Services Workflow.



Pricing - Premium, Assist & Express

Table 8: Prices for Brainhunter.com’s Three Service Plans.

<i>Service Plan</i>	<i>Contract</i>	<i>Full-time</i>
<i>Brainhunter Express</i> ⁽³⁾	10% of Rate ⁽¹⁾	10% of Salary ⁽²⁾
<i>Brainhunter Assist</i> ⁽³⁾	15% of Rate	15% of Salary
<i>Brainhunter Premium</i> ⁽³⁾	20% of Rate	20% of Salary

⁽¹⁾ Consultant’s hourly pay rate.

⁽²⁾ First year gross annual salary.

⁽³⁾ The percentage margins are subject to volume discounts.

Private Label Database System

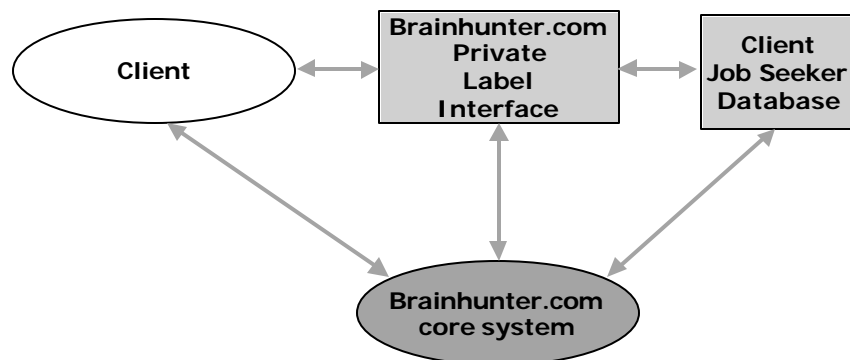
The private label database system allows the company to take advantage of the Brainhunter.com’s engine to catalogue, pre-screen and select candidates that apply to them through their web site, newspaper ads, career fair and other means.

The appearance or the interface of their corporate web site remains unchanged.

The look and feel is exactly the same. However, Brainhunter.com’s system provides them with a sophisticated data- mining tool for Resume management and candidate selection.

Below is a diagram showing an overview of the interaction of the Brainhunter core system, the Private label interface, client and job seekers.

Figure 2: Private Label Workflow.



Pricing – Private Label Database System

Brainhunter.com’s private label system is intended to provide strategic marketing value rather than to generate revenue. The product allows Brainhunter to displace application service providers such as E*cruiter. Additionally, it allows Brainhunter to become well entrenched into the organization and have them

develop a dependency upon the product.

In large accounts where there is an application service provider, Brainhunter will waive the annual licensing fee for two (2) years subject to the following conditions:

- All Jobs must be posted to Brainhunter.com. Brainhunter will submit suitable candidates, but there is no obligation to hire them.
- If no suitable candidate is found in their internal database, Brainhunter receives a two-week exclusive engagement to fill the position before the job is sent to other agencies
- Brainhunter may invite candidates to register that are in the company’s internal database but are not hired within three months. The clients will have access to the candidates’ updated profiles on the Brainhunter system.
- Brainhunter does not charge any fees for candidates found in the company’s internal database. Candidates hired from the Brainhunter database using the private label product will be subject to the normal fee schedule based upon the chosen service plan.

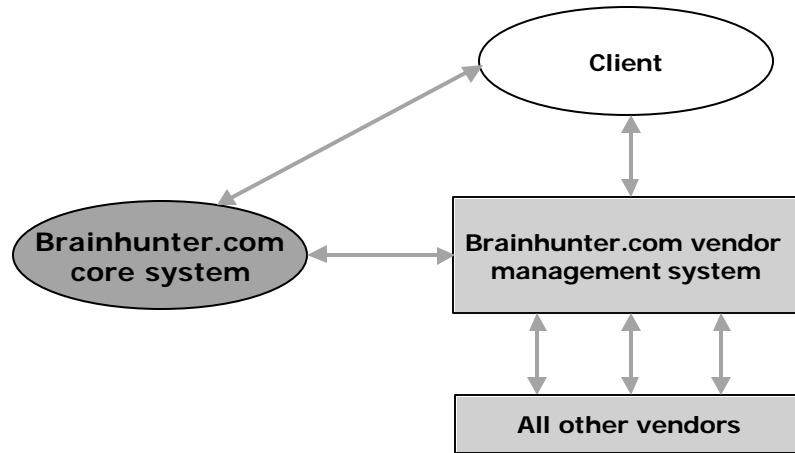
Table 9: Private Label Database Management System Fee Schedule.

<i>Number of Users</i>	<i>Cost Per User/year</i>
<i>1-5</i>	\$5,000 per User + \$8,000 base.
<i>6-10</i>	\$4,500 per additional user
<i>11+</i>	\$4,000 per additional user

NOTE: Client pays for system customization and installation.

Vendor Management System

The vendor management system is designed to provide the company with complete control of the acquisition process through a single interface. The system allows a fair, objective and consistent process to dispatch job requirements to all vendors at the same time. In turn it gathers all vendor Resume submissions and date stamp, rank order and track their progress through the staffing process. The diagram below geographically demonstrates the process flow between Brainhunter.com’s core system, the vendor management system, vendors and the client.

Figure 3: Vendor Management System Workflow.

Pricing - Vendor Management System

The pricing policy for the vendor management system is dependent upon Brainhunter.com's supplier status with the company. Supplier status is classified as:

- Brainhunter as master supplier; or
- Brainhunter as one of several preferred vendors.

Being a master supplier is a highly desirable status with numerous strategic advantages. There is a more than reasonable expectation that the master supplier will obtain the largest volume of business due to exclusivity arrangements and strategic positioning. Pricing of the system will therefore be favorable to the customers to reflect the advantages and benefits of being a master supplier. Similarly, any arrangements that include exclusive engagements will be priced favorable to reflect the advantages and increased probability of filling the job openings.

The pricing policy is outlined below.

Brainhunter as Master Supplier

- Software system supplied to client at no cost.
- Brainhunter will assist client in vendor evaluation, selection and development of RFP for vendor selection.
- Brainhunter will assist in the negotiation of vendor rates and margins.
- Brainhunter will charge a 1% of gross billing transaction fee to the vendors.
- Brainhunter will assist client in establishing vendor management processes, best practices and code of ethics for vendors.

Brainhunter as a Normal Preferred Vendor

The client has three pricing options to choose from:

Option I

- \$25,000 annual licensing fee + 0.25% of all gross sales through system.
- Brainhunter given one-week exclusivity to fill positions before engaging other vendors.

Option II

- \$50,000 annual licensing fee + 0.25% of gross sales through system.
- No exclusivity to Brainhunter.com.

Option III

- 1% of all gross sales generated through the system.
- No exclusivity to Brainhunter.com.

Companies with a large volume of business may negotiate the transaction fees. Additionally, these companies may have enough bargaining power to have the vendors pay the transaction fee.

Service Line Plans

Brainhunter offers a number of services that aid our clients in the posting, attracting, qualifying, screening, contacting, interviewing, testing and hiring employees and contractors.

Our primary service is the **Brainhunter Web Site Database and Candidate Management System**. Essentially, this is the core web-based product that clients use to find new employees and contractors, and also to set up interviews and engage the employees or contractors. The product is designed around the typical work-flow of a Fortune 1000 HR department, and has the following key features:

Job Posting Features:

- Unlimited Job Templates unique to each company
- Multiple job-streams or folders of templates (e.g. Accounting, Marketing, IT jobs)
- Multi-post to multiple locations, with distinct salaries by location
- Resume Keyword and Structured Skills screening criteria
- Additional Screening criteria such as Salary, Travel, Education, Languages, Employment Status, Location, Industry, etc.
- Auto-search builder based on job description and criteria– no need for complicated Boolean search strings or search formula
- Automatic posting of jobs to outside sources – Newsgroups, premium web sites, other job boards, mailing lists
- Reuse Job Postings from templates or actual Requisitions
- Create, Manage, Auto-expire, Delete job postings
- Post jobs to corporate web site (Private Label Service only)
- Post jobs to internal corporate web site (Private Label Service only)

- Post jobs to approved third-party vendors (Vendorware Service only)

Applicant Management

- Automatic collection of direct applicants to jobs as well as contacted “potential” candidates (no manual searching required)
- Manual searching option available with automatic, multiple email contact of candidates.
- Auto-screening of both direct applicants and contacted candidates and auto-decline of unsuitable candidates
- Candidate matches of available, interested candidates ranked by match criteria
- Review, forward, decline, contact, interview, tech-test, background check, drug-test candidates, all in both single and multi-mode.
- Annotate, view history, references, company comments, previous tech-tests for candidates
- Forward candidate to other internal users (single and multi-mode) with annotation

Communications:

- Receive email notice of new matches
- Respond to candidates via email
- Email resume to remote user
- Manage internal routing lists
- Set up interviews with individual or multiple candidates (phone or face-to-face) by email

Administration:

- Change Company-wide information and basic job criteria
- Change Company-wide Job Templates
- Built-in online Help
- Measure recruiting performance with comprehensive reporting – applicants, rejections, offers, cost-per-hire, jobs posted, hires by manager, hires by recruiter, etc.
- Manage candidates that have applied through corporate web site (Private Label Service Only)
- Manage 3rd Party Vendor candidates (Vendorware Service Only)

Other:

- Instantly have own corporate career page, both for Internal and External candidates (Private Label Service Only)

Additional Features that are planned for release include:

- Ability to add unique screening questions for job posts with both text and drop down lists for candidate responses – evaluate responses automatically and combine with matching criteria

- Set questions as mandatory or optional
- Auto posting to premium job-boards with either client membership or Brainhunter membership.
- Enable standard or customized auto-response messages to applicants
- Saving candidates to folders with reminders for contacting

Private Label Database Service

Additional services that are offered include our “Private-Label” Database system. With it, clients can operate their own branded front-end web site, whether it is internal to their own employees, or seamlessly integrated into their main external site, using the Brainhunter database as the back-end engine driving the screening, contacting, and candidate management. All the features associated with the core product are made available to the client and aid them in managing and screening external and internal candidates that they attract to their web site. The service is offered on a leased-software basis – it is hosted and maintained on our site with complete privacy and confidentiality. Candidates that enter their information exclusively on a client’s private-label database are held exclusively on that database and not accessible by other Brainhunter clients. The client would not be charged if they hired a candidate from their proprietary database, even if it overlapped with a registered Brainhunter candidate. The product competes with traditional candidate management systems, but we offer the advantages of a lower price (typically these stand-alone packages sell for upwards of \$100,000) and full integration with the core Brainhunter product. Our pricing strategy with this product is to have very high-value pricing to encourage its use, and further lock the client into the core Brainhunter product where the bulk of our revenues are generated.

Vendorware Service

The third database management product is our Vendorware product. Again, built on the foundations of the core Brainhunter database and management system, this product manages the submission of 3rd party agency candidates. There are no products commercially available that serve this function to date. Some firms have built their own internal systems, but generally speaking they lack functionality, integration and support within the organization. In any large organization, the HR department typically utilizes a short-list of preferred vendors or employment agencies. The resource department or individual managers receive candidate submissions from the various agencies and they must track who the candidate has come from, whether or not they have been submitted by another agency, determine if the rates and skill sets are appropriate, set up interviews through the various agencies and engage contracts with each supplier. Invoices are then submitted by each different agency. Vendorware provides a simple interface for both the agency and the client to manage this process. Its key features include:

- Secure login for approved agencies
- Simple submission process for agencies

- Date stamp of submission to avoid duplicate submissions
- Screening option for clients (can screen agency submissions based on job criteria)
- Efficient distribution of jobs to all agencies at same time
- Efficient interview, tech-test and background check of agency candidates
- Statistical information available to both client and agency (number of submissions, success rate, average rates, hires per manager by agency, etc.)
- Optional “pay rolling” of all agency hires to streamline invoice handling (i.e. Brainhunter as Master Supplier)
- Seamless integration with core Brainhunter system and Private-Label system.

The pricing strategy for the Vendorware product is similar to the Private-Label system – we want to encourage its use with a low price to ensure greater success of the core system and the primary revenue source. This is particularly true in cases where Brainhunter is awarded “Master Supplier” or “Gatekeeper” status and is tasked with pay rolling all agency contracts. In these cases, we anticipate that the Vendorware software would be a free service and the revenues would be derived from the pay rolling.

4.3 SOLUTIONS DELIVERY BUSINESS

TrekLogic Technologies Inc. (“TrekLogic”) is an Information Technology (“IT”) Services company providing software solutions services to a high profile client base primarily in the U.S. and is built around a number of high value-added specialty practice areas where TrekLogic has a competitive advantage, either due to specialized expertise or proprietary software tools used in the provision of services. TrekLogic is committed to making the investment in developing both software tools and highly trained personnel that results in a distinct competitive advantage.

TrekLogic is a provider of information technology (“IT”) solutions to other businesses. It is focused in the following areas:

- Software Solutions. This is the primary business. TrekLogic specializes in the design, development and maintenance of software solutions that facilitate electronic commerce based upon Internet technology.
- migration of application systems and data between operating platforms
- custom software solutions
- consultancy projects

It is the view of management that there are significant benefits to be derived from the joining together of the software solutions and the contract staffing businesses. By having a contract staffing business, the software solutions business has access to a large pool of available software talent, and is able to quickly identify the most appropriate people when solutions projects require additional resources. At the same time the contract staffing business provides excellent qualified leads to upcoming major projects through its large base of relationships in the IT world.

The market for the services offered by TrekLogic is, in practical terms, limited only by the Company's ability to grow in a manner which allows the Company to maintain its high standards of quality and customer satisfaction.

The Company's competitive advantage lies in its ability to provide services based on either a technology advantage (i.e. proprietary software tools) or a domain knowledge, (i.e. specific industry expertise).

Services Offered

TrekLogic offers specialized services in all areas of e-commerce in Business-to-Customer and Business-to-Business applications. An extensive knowledge of a wide variety of e-commerce architectures and techniques established over several years of practical experience, combined with specialist expertise in system design, development and integration provides a sound skill basis for both the analysis of applications and the practical implementation of solutions:

- business process analysis
- requirements analysis and specification
- system specification and design

- software design and development
- integration design and development
- implementation planning and management
- system and software maintenance and support

TrekLogic has a strong track record of delivering effective business solutions, not just technology solutions, on time and within budget. Experience of proven techniques and available technology leads to the identification of viable, effective solutions at reduced technical risk. TrekLogic uses the technologies that most effectively fulfill the client's business needs and budgets, and has many years of experience with the enabling technologies, including:

- Internet
- Java
- databases
- client-server architectures
- communications
- security
- integration

Entire projects, or any part of the analysis, planning, design, development or implementation process can be carried out, at TrekLogic's own premises or at a client's site.

Software Development Services

This is TrekLogic's core area of expertise, and one of TrekLogic's fastest growing services. TrekLogic has first-class professional engineers covering all major operating systems, design techniques and development languages. TrekLogic's experience stretches from designing real-time embedded software for medical analytical instruments to sophisticated mission-critical financial investment applications. TrekLogic can provide a complete software development solution from the initial design/architecture stage, through implementation to final delivery and support to meet the client's specific business requirements. In addition to TrekLogic's technical staff, TrekLogic also provides top quality project management to ensure that projects are delivered on schedule and within budget.

TrekLogic software development services include:

- application/system architectural design
- integration design and development
- project management and implementation
- prototype development
- application enhancement
- product validation and support
- performance tuning and application scaling
- technical expertise

TrekLogic has a wealth of experience in developing applications on all the popular Unix operating environments, such as Sun Microsystems Solaris, HP-UX, IBM AIX and DEC UNIX. TrekLogic emphasizes open system technology. With this initiative in mind TrekLogic ensures that applications can run on other Unix operating systems with minimal extra effort and without sacrificing any specific strengths of the operating system. TrekLogic's in-depth knowledge of the Unix operating system ensures that applications TrekLogic develops will take full advantage of the operating system features and capabilities. TrekLogic specializes in both structured programming in C and object-oriented design in C++ and Java. TrekLogic also specializes in database application design and TrekLogic has years of experience with Oracle, Informix and Sybase. To ensure that applications perform to maximum capacity, TrekLogic can tune applications to make the most efficient use of proper utilities and resources on the operating system, or TrekLogic can design or enhance an application to use multi-threaded technology to take full advantage of multi-processor architectures. TrekLogic's transaction manager (CICS and Tuxedo) expertise has been demonstrated in the architecture, design and implementation of a number of financial applications that have been deployed in major banks and financial institutions.

Internet Services

The rapid expansion of the Internet, and in particular its use as a vehicle for conducting business, has created unprecedented opportunities for companies that are able to act quickly and decisively. TrekLogic's specialized design and application capabilities have enabled TrekLogic to position itself as a high value added solution provider in providing Internet and e-commerce technology solutions.

The majority of the applications TrekLogic develops have an Internet aspect, either as a full end-to-end solution or as a traditional client-server model with browser delivered user interface.

- end-to-end infrastructure design and implementation
- data center implementation
- data mining and reporting
- integration with existing applications and systems
- Internet application development
- migration of existing applications to the Internet
- provision of Internet front-ends (web-enabling)
- Internet service delivery
- web site hosting
- E-mail, FTP, Telnet etc.
- beta testing for web services

TrekLogic has created highly successful data center and data mining solutions that integrate database technology with Internet-based application software. TrekLogic's Internet applications usually cover the full end-to-end solution

including integration with other systems. Increasingly a common requirement is the migration of existing application software to be either full Internet solutions, or web-enabled by the addition of a browser-delivered front-end.

Java Development Services

Since its launch in 1996 Java has become the fastest growing, most dominant computing environment in history. A Java application can be run under most computer platforms, including Windows, NT workstation and server, OS2, MVS, OS400, AIX, Solaris, HP-UX, SGI, Linux, Mac - and the list is growing. Development investments already made do not have to be abandoned. TrekLogic can assist in migrating existing applications to Java in a proven and effective manner. TrekLogic has been deeply immersed in Java technology since its introduction and TrekLogic's key technical people have years of distributed computing experience (CORBA, DCE and DCOM) and database experience.

Java Architecture

TrekLogic can convert application architecture to a Java architecture using the latest stable building blocks of Java. TrekLogic can design the application environment into a multi-tier architecture, ensure tight security, maximize the application performance, and at the same time minimize the impact to the users. TrekLogic selects the proper transports that best fit the current application needs, such as remote method invocation, Java IDL (CORBA) or even plain Java sockets. TrekLogic ensures that the applications do not depend on any particular database vendor, so that the application will run on all major databases. TrekLogic's strategy is to deploy the application to the Java environment quickly and safely, but also flexibly enough for future enhancement.

Java Prototype and proof-of-concept

If there is uncertainty as to whether Java is the right solution for the applications, TrekLogic can help develop a prototype or proof-of-concept that can be built quickly to demonstrate the ability of the proposed Java architecture to meet requirements. All major Java building blocks will be glued together and tested before any major effort is made to develop the final product.

Java Implementation

After the architecture design is completed, TrekLogic has a team of Java engineers to assist TrekLogic in the Java object-oriented design and then continue with code implementation. TrekLogic will provide detailed project planning and management.

Enhance Java applications to 100% pure Java

Writing applications in 100% pure Java ensures that applications will run on all Java enabled platforms – write once, run everywhere. TrekLogic can examine the client's current Java applications and modify them to 100% pure Java.

Expertise

Industry Experience

- Communications
- Human Resources
- Construction
- Insurance
- Consulting
- Manufacturing
- Education
- Market Research
- Financial
- Pharmaceutical
- Government
- TELCO

Development

- Application re-engineering
- Internet/Extranet/Intranet solutions
- Business applications
- N-Tier application development
- Customer relationship management
- Application/system infrastructure migration
- Data warehousing, data mining
- Product/application customization and support
- Database design and administration
- Security and cryptography
- Device drivers (for Windows, Unix, Linux)
- Systems integration
- Distributed data processing
- Testing
- e-commerce (B2B, B2C)
- Wireless/mobile programming
- Information systems development

Skill Areas

- Application servers · Software design
- Internet development · Development tools
- Client/server architectures · Standards
- Operating systems and platforms · Embedded systems
- Communications · Support/maintenance
- Project management · Groupware
- Configuration management · System software development
- Programming languages · Integration
- Databases · Security

Competition

The information technology services market has grown dramatically in recent years as a result of the increasing use of digital technology by businesses for communication, marketing and information dissemination to their employees, vendors and suppliers. Different information technology service providers have focused on different types of services, including technology consulting and marketing services. For example, telecommunication companies offer very different services than do Internet content providers who create web sites. This factor, coupled with the rapid pace of technology change, makes the information technology services market fragmented and intensely competitive in some market segments. Low barriers to entry characterize the market and therefore competition will continue to intensify.

TrekLogic believes that the principal competitive factors in the market are:

- the degree of specialization of the services offered
- value of the services provided compared to the price of such services
- quality of the services and the deliverables
- reputations of the firms and their professionals delivering the service
- project management capabilities
- speed of development and implementation of e-Business solutions
- technical and strategic expertise
- creative front end design capabilities
- effectiveness of sales and marketing strategies

TrekLogic believes that it competes effectively with most of these factors within its target market niches.

Competition includes in-house e-Business development and companies that sell all or part of the solution including the following:

- IPS firms of which there are many, large and small, in the marketplace
- large system integrators operating both in Canada and the US including the consulting arms of the "Big Four" accounting firms
- web page professional service firms and online agencies
- the professional services groups of computer equipment companies
- outsourcing firms
- internal IT departments of current and potential clients

TrekLogic believes that its main strength of superior and proven technical development favorably positions it to compete in its target market niches with any of the above firms. TrekLogic is focused on creating specialty practices in high value added areas identified as having significant growth opportunities. In these specialty areas, TrekLogic has proven capability that allows it to compete profitably with any of the competition

5.0 CONSOLIDATED FINANCIAL INFORMATION

5.1 Annual Information

Balance Sheet

	Dec 31, 2003	Sep 30, 2003	Sep 30, 2002	Sep 30, 2001
Current Assets	\$14,403,373	\$10,844,815	\$3,221,465	\$1,064,697
Non-current Assets	\$15,025,910	\$9,894,322	\$970,689	\$70,338
Total Assets	\$29,429,283	\$20,739,137	\$4,192,154	\$1,135,035
Current Liabilities	\$13,391,251	\$6,748,715	\$1,772,323	\$503,488
Non-current Liabilities	\$1,633,749	\$1,252,898	\$0	\$55,000
Non-controlling interest	\$75,880	\$60,761	\$0	\$0
Total Liabilities	\$15,100,880	\$8,062,374	\$1,772,323	\$558,488
Shareholder Equity	\$14,328,403	\$12,676,763	\$2,419,831	\$576,547

Statement of Operations

	3 Months	Year	Year	11 Months
	Dec 31, 2003	Sep 30, 2003	Sep 30, 2002	Sep 30, 2001
Revenue	\$16,305,181	\$22,281,605	\$6,480,742	\$2,742,289
Cost of Sales	12,129,491	15,631,700	3,146,542	949,105
Gross Margin	4,175,690	6,649,905	3,334,200	1,793,184
Expenses:				
Other Labour Costs	2,046,035	3,239,117	1,131,534	352,886
Sales, General and Administrative	942,653	1,442,698	426,486	201,224
Loss (gain) on foreign exchange	0	114,829	(3,196)	0
Total	2,988,688	4,796,644	1,554,824	554,110
Earnings from Operations	1,187,002	1,853,261	1,779,376	1,239,074
Integration costs	135,000	0	0	0
Management Bonus	0	0	0	930,000
Earnings before Interest, Taxes and Amortization	1,052,002	1,853,261	1,779,376	309,074
Interest (net)	90,543	153,685	25,754	(23,014)
Amortization	206,018	506,067	48,653	22,307
Earnings before Income Tax	755,441	1,193,509	1,704,969	309,781
Income Tax	294,622	239,000	629,000	83,000
Earnings before non-controlling interest	460,819	954,509	1,075,969	226,781
Non-controlling interest	15,119	59,598	0	0
Net Earnings	\$445,700	\$894,911	\$1,075,969	\$226,781
Net Earnings per share--basic	\$0.01	\$0.03	\$0.06	N/A
Net Earnings per share--fully diluted	\$0.01	\$0.03	\$0.06	N/A

5.2 Quarterly Information

Results for the previous nine quarters (unaudited):

	Dec	Sep	Jun	Mar	Dec
	2003	2003	2003	2003	2002
Revenue	\$16,305,181	\$10,767,492	\$6,910,360	\$2,444,062	\$2,159,691
Cost of Sales	12,129,491	8,236,254	4,787,636	1,454,182	1,153,628
Gross Margin	4,175,690	2,531,238	2,122,724	989,880	1,006,063
Other Labour Costs	2,046,035	1,326,232	1,146,747	377,925	431,859
Sales, General and Administrative	1,077,653	764,780	307,568	162,569	164,136
Loss (gain) on foreign exchange	0	114,829	0	0	0
Total	3,123,688	2,205,841	1,454,315	540,494	595,995
Earnings before Interest, Taxes and Amortization	1,052,002	325,397	668,409	449,386	410,068
Interest (net)	90,543	121,585	32,100	0	0
Amortization	206,018	311,559	164,674	14,917	14,916
Earnings before Income Tax	755,441	(107,747)	471,635	434,469	395,152
Income Tax	294,622	(231,657)	183,938	145,350	141,369
Earnings before non-controlling interest	460,819	123,910	287,697	289,119	253,783
Non-controlling interest	15,119	(21,395)	80,993	0	0
Net Earnings	\$445,700	\$145,305	\$206,704	\$289,119	\$253,783
Earnings per share--basic	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
Earnings per share--fully diluted	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01
	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
	2003	2003	2003	2003	2002
Current Assets	\$14,403,373	\$10,844,815	\$7,497,228	\$2,508,664	\$2,684,392
Non-current Assets	15,025,910	9,894,322	9,605,839	1,634,562	972,680
Total Assets	29,429,283	20,739,137	17,103,067	4,143,226	3,657,072
Current Liabilities	13,391,251	6,748,715	6,551,029	1,038,668	876,635
Non-current Liabilities	1,633,749	1,252,898	2,413,642	0	0
Non-controlling interest	75,880	60,761	194,074	0	0
Total Liabilities	15,100,880	8,062,374	9,158,745	1,038,668	876,635
Shareholder Equity	14,328,403	12,676,763	7,944,322	3,104,558	2,780,437
Total Liabilities and Equity	\$29,429,283	\$20,739,137	\$17,103,067	\$4,143,226	\$3,657,072

	Sep	Jun	Mar	Dec
	2002	2002	2002	2001
Revenue	\$2,756,660	\$1,157,177	\$1,193,250	\$1,373,655
Cost of Sales	1,396,008	421,314	450,552	715,086
Gross Margin	1,360,652	735,863	742,698	658,569
Other Labour Costs	496,706	288,052	236,910	203,888
Sales, General and Administrative	25,362	105,087	159,640	136,397
Loss (gain) on foreign exchange	(3,196)	0	0	0
Total	<u>518,872</u>	<u>393,139</u>	<u>396,550</u>	<u>340,285</u>
Earnings before Interest, Taxes and Amortization	841,780	342,724	346,148	318,284
Interest (net)	25,754	0	0	9,099
Amortization	28,653	0	10,000	10,000
Earnings before Income Tax	787,373	342,724	336,148	299,185
Income Tax	299,000	125,000	154,000	111,461
Earnings before non-controlling interest	<u>488,373</u>	<u>217,724</u>	<u>182,148</u>	<u>187,724</u>
Non-controlling interest	0	0	0	0
Net Earnings	<u>\$488,373</u>	<u>\$217,724</u>	<u>\$182,148</u>	<u>\$187,724</u>
Earnings per share--basic	\$0.02	N/A	N/A	N/A
Earnings per share--fully diluted	\$0.02	N/A	N/A	N/A
	Sep 30	Jun 30	Mar 31	Dec 31
	2002	2002	2002	2001
Current Assets	\$3,221,465	\$1,777,514	\$1,809,045	\$1,533,430
Non-current Assets	970,689	90,521	400,866	380,558
Total Assets	4,192,154	1,868,035	2,209,911	1,913,988
Current Liabilities	1,772,323	344,560	710,176	696,148
Non-current Liabilities	0	55,000	5,000	5,000
Non-controlling interest	0	0	0	0
Total Liabilities	1,772,323	399,560	715,176	701,148
Shareholder Equity	2,419,831	1,468,475	1,494,734	1,212,840
Total Liabilities and Equity	\$4,192,154	\$1,868,035	\$2,209,910	\$1,913,988

5.3 Dividends

1. There are no restrictions to prevent the issuer from paying dividends.
2. The issuer does not intend to pay dividends in the foreseeable future, as it is the issuer's intention to reinvest profits into the business.
3. No dividends have been paid in the past three fiscal years.

6.0 MANAGEMENT DISCUSSION and ANALYSIS

6.1 Year ended September 30, 2003

Revenues

Revenues for the year ending September 30, 2003 reached \$22,281,605, up from \$6,480,742 for the previous year. TrekLogic revenues include partial years' revenues for the companies acquired, from their effective date of acquisition:

- Brainhunter.com Ltd. from March 1, 2003;
- InBusiness Solutions Inc. from May 1, 2003;
- Advanced Solutions Group Inc. from July 1, 2003;
- the business of Thinkpath from July 1, 2003; and
- Protec Employment Services Limited from August 1, 2003.

Expenses

The largest component of expenses is personnel costs which, between consulting fees and salaries and benefits, were 85% of revenues for the year ended September, 2003, which compares to 66% for the previous year. This change reflects the growth of the company from a solutions-based business to a recruiting and staffing solutions company.

General and Administration costs remained constant as a % of Revenues at approximately 6.5%

Earnings before interest, amortization, income taxes and non-controlling interest (EBITDA)

EBITDA for the year ending September 30, 2003 was \$1,853,261, an increase in absolute terms over 2002. As the acquired companies are integrated into the TrekLogic structure, integration cost savings will be implemented which, management is confident, will result in EBITDA increasing as a % of revenue.

Income Tax Expense

The company has recorded an expense for income taxes normal for a company of this size and type of business. However, the company has sufficient tax losses available, as a result of companies acquired this year and in 2002, that no income

taxes are payable for this year. In addition, management believes TrekLogic has sufficient tax loss carryforwards to offset the majority of any income tax liabilities for the fiscal year ending September 30, 2004.

Working Capital

Working capital at September 30, 2003 is \$4,096,100, up from \$1,449,142 at September 30, 2002.

Cash

TrekLogic had, at September 30, 2003, cash on hand of \$2,568,375 and bank-indebtedness of \$2,679,193 for a net bank-indebtedness of \$110,818. In addition to the cash on hand, the company had \$1,320,807 undrawn and available of its \$4,000,000 in current bank lines

6.2 Quarter ended December 31, 2003

Revenues

Revenues for the quarter ending December 31, 2003 reached \$16,305,181, up from \$2,159,691 for the quarter ending December 31, 2002. TrekLogic revenues include revenues for the companies acquired, from their effective date of acquisition:

- Prolink Consulting Group Inc. from October 1, 2003; and
- Sirius Consulting Group Inc. from November 1, 2003.

Expenses

The largest component of expenses is personnel costs which, between consulting fees and salaries and benefits, were 87% of revenues for the quarter ended December 31, 2003, which compares to 73% for the quarter ended December 31, 2002. This change reflects the growth of the company from a solutions-based business to a recruiting and staffing solutions company.

General and Administration costs for the quarter ended December 31, 2003 were 5.8% of Revenues, down slightly from the 7.6% of Revenues for the quarter ended December 31, 2002.

Earnings from Operations

Earnings from Operations for the quarter ended December 31, 2003 were \$1,187,002, an increase in absolute terms over the quarter ended December 31, 2002, which was \$410,068. As the acquired companies are integrated into the TrekLogic structure, integration cost savings will be implemented which, management is confident, will result in EBITDA increasing as a % of revenue.

Income Tax Expense

The company has recorded an expense for income taxes normal for a company of this size and type of business. However, the company has sufficient tax losses available, as a result of companies acquired in 2003 and in 2002, such that management believes TrekLogic has sufficient tax loss carryforwards to offset the majority of any income tax liabilities for the fiscal year ending September 30, 2004.

Working Capital and Cash

Working capital at December 31, 2003 is \$1,012,122 down from \$4,096,100 at September 30, 2003. At the same time the Cash position of the Company is shown as a net bank-indebtedness of \$4,675,035 at December 31, 2003, an increase in current net borrowing from \$110,818 as at September 30, 2003. This results from recording the payments for the cash components of the ProLink and Sirius acquisitions.

As part of the Company's overall business strategy, working capital and cash available increased subsequent to December 31, 2003 upon execution of the following:

- increased the current bank lines from \$4,000,000 to \$7,000,000 on January 16, 2004, with a further increase to \$9,500,000 expected before March 31, 2004; and
- closed a \$10,000,000 equity private placement on February 2, 2004.

7.0 MARKET FOR SECURITIES

TrekLogic's common shares are listed for trading on the TSX under the symbol "TKI".

8.0 DIRECTORS AND OFFICERS

Name, Place of Residence	Position with Company	Present and Principal Occupation during the last 5 years	Date of Appoint ment
John McKimm Toronto, Ontario	Director (Insider), Chairman and CEO	TrekLogic Technologies Inc. · Chairman and CEO · 2000 to present Rice Capital Management Plus Inc. · Director · 2003 to present Daedalian eSolutions Inc. · Executive Chairman · 2000 to 2001 McKimm and Company · Chairman · 1991 to present	January 14, 2000
Honourable Michael Kirby Ottawa, Ontario	Director (Independent)	Government of Canada · Senator · 1984 to present Bank of Nova Scotia · Director · 2000 to present Extendicare Inc. · Director · 1987 to present	June 25, 2002
James Penturn Toronto, Ontario	Director (Independent)	John Penturn & Son Limited · President · 1998 to present	June 25, 2002
Mel Steinke, Pickering, Ontario	Director (Independent)	Burntsand Inc. · President & CEO · 2001 to present Descartes Systems Inc. · President · 2001 to 2002 CGI Inc. · Executive Vice President · 1999 to 2000 Deloitte Systems · CEO · 1990 to 1999	August 15, 2002
Stanley Yu Markham, Ontario	Director (Insider), President of TrekLogic Solutions Division	TrekLogic Inc. · General Manager · 1997 to present Sun Microsystems Inc. · Software Consultant · 1995 to 1997	June 25, 2002
Sheldon Inwentash, Pickering, Ontario	Director (Independent)	Genevest Inc. Chairman and CEO 1994 to present Pinetree Capital Corp Chairman and CEO	June 19, 2003
Matthew Shaw, West Palm Beach, Florida	Director (Independent)	Crossbow Ventures · Partner · 2002 to present Centennial Ventures · Senior Associate · 2000 to 2002 Prime New Ventures · Associate · 1998 to 2000	June 19, 2003
Raj Singh, Toronto, Ontario	Director (Insider), President of TrekLogic Staffing Division	Brainhunter.com Ltd. · Chairman and CEO · 1999 to March 2003 (when acquired by TrekLogic) Procom Inc. · 1991 to 1999 · Senior Manager	June 19, 2003
Robert Prentice Toronto, Ontario	CFO and Corporate Secretary	TrekLogic Technologies Inc. · CFO and Corp. Secretary · 2000 to present SteppingStone Group of Companies · CFO and Corp. Secretary · 1998 to 2001	August 15, 2000

Board Committees

Compensation Committee

The Compensation Committee is composed of Michael Kirby (chair), James Penturn, Mel Steinke, and Matthew Shaw. Its mandate is to make recommendations to the Board

of Directors regarding compensation policies and then implement and oversee such compensation policies as are approved by the Board.

Audit Committee

The Audit Committee is composed of James Penturn (chair), Mel Steinke, and Sheldon Inwentash. Its mandate is to review and report on the integrity of the consolidated financial statements of the Corporation and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of material facts.

% of Issued and Outstanding Shares held by Directors and Officers Group “Group” listed above as at February 29, 2004

	Common	Preferred	Total	%
Shares held by Group	11,602,351	4,359,764	15,962,115	35%
Total shares outstanding	40,564,023	4,614,681	45,178,704	100%

9.0 ADDITIONAL INFORMATION

The Company shall provide to any person, upon request to the Secretary of the Company at the 10th Floor, 154 University Avenue, Toronto, ON, M5H 3Y9

- a) when the securities of the Company are in the course of a distribution under a preliminary short form prospectus or a preliminary short form prospectus has been filed in respect of a distribution of its securities:
 - i. one copy of the current AIF of the Company, together with one copy of any document, or the pertinent pages of any document, incorporated by reference in the AIF;
 - ii. one copy of the comparative consolidated financial statements of the Company for its most recently completed financial year for which statements have been filed together with the accompanying report of the auditors, and one copy of the most recent interim consolidated financial statements of the Company that have been filed, if any, for the period after the end of its most recently completed financial year;
 - iii. one copy of the information circular of the Company in respect of its most recent annual general meeting of shareholders that involved the election of directors or one copy of any annual filing prepared instead of that information circular, as appropriate; and iv. one copy of any other documents that are incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under (i) to (iii) above; or

- b) at any other time, one copy of any of the documents referred to in (a)(i), (ii) and (iii) above, provided that the Company may require the payment of a reasonable charge if the request is made by a person who is not a security holder of the Company.