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

**FORM 10-KSB**

☐ ANNUAL REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

☒ TRANSITION REPORT UNDER SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934

**FOR THE SIX MONTHS ENDED DECEMBER 31, 2003**

**Commission File No. 001-05996**

**DATAJUNGLE SOFTWARE INC.**

(Name of small business issuer in its charter)

**State of Nevada**

(State or other jurisdiction of  
incorporation or organization)

**91-0835748**

(I.R.S. Employer  
Identification No.)

1 Hines Road, Suite 202, Ottawa, Ontario, Canada  
(Address of principal executive offices)

K2K 3C7  
(Zip Code)

Issuer's telephone number: 613-254-7246

Securities registered under Section 12(b) of the Exchange Act: None

Securities registered under Section 12(g) of the Exchange Act: Common Stock, par value \$.001 per share

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES ☐ NO ☒

- Issuer late filed this Form 10-KSB and late filed Form 8-K which included audited financial statements for DataJungle Ltd. for the years ended June 30, 2003 and 2002

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B contained in this form, and no disclosure will be contained, to the best of the registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB or any amendment to this Form 10-KSB. ☐

State issuer's revenues for its most recent fiscal period. \$16,465

The aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the average between the closing bid (\$0.64) and asked (\$0.69) price of the issuer's Common Stock as of April 23, 2004, was \$5,279,273, based upon the average between the closing bid and asked price (\$0.665) multiplied by the 7,938,756 shares of the issuer's Common Stock held by non-affiliates. (In computing this number, issuer has assumed all record holders of greater than 5% of the common equity and all directors and officers are affiliates of the issuer.)

The number of shares outstanding of each of the issuer's classes of common equity as of April 23, 2004: 15,190,946.

DOCUMENTS INCORPORATED BY REFERENCE: None.

Transitional Small Business Disclosure Format: Yes ☐ No ☒

SEC 2337 (12-03) Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

DATAJUNGLE SOFTWARE INC.  
Form 10-KSB  
December 31, 2003

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## CAUTIONARY NOTICE REGARDING FORWARD-LOOKING STATEMENTS

We caution readers that certain important factors may affect our actual results and could cause such results to differ materially from any forward-looking statements that we make in this report. For this purpose, any statements that are not statements of historical fact may be deemed to be forward-looking statements. This report contains statements that constitute "forward-looking statements." These forward-looking statements can be identified by the use of predictive, future-tense or forward-looking terminology, such as "believes," "anticipates," "expects," "estimates," "plans," "may," "will," or similar terms. These statements appear in a number of places in this report and include statements regarding our intent, belief or current expectations with respect to many things. Some of these things are:

- \* trends affecting our financial condition or results of operations for our limited history;
- \* our business and growth strategies;
- \* our technology;
- \* the Internet; and
- \* our financing plans.

We caution readers that any such forward-looking statements are not guarantees of future performance and involve significant risks and uncertainties. In fact, actual results most likely will differ materially from those projected in the forward-looking statements as a result of various factors. Some factors that could adversely affect actual results and performance include:

- \* our limited operating history;
- \* our minimal sales to date;
- \* our future requirements for additional capital funding;
- \* the failure of our technology and products to perform as specified;
- \* the discontinuance of growth in the use of the Internet;
- \* the enactment of new adverse government regulations; and
- \* the development of better technology and products by others.

The information contained in the following sections of this report identify important additional factors that could materially adversely affect actual results and performance:

"Part I. Item 1. Description of Business" especially the disclosures set out under the heading "Risk Factors"; and

"Part II. Item 6. Management's Discussion and Analysis or Plan of Operation"

You should carefully consider and evaluate all of these factors. In addition, we do not undertake to update forward-looking statements after we file this report with the SEC, even if new information, future events or other circumstances have made them incorrect or misleading.

## **PART I**

### **Item 1. Description of Business.**

#### **Summary**

DataJungle Software Inc. (“DataJungle” or “Company”) designs, develops and markets web-based enterprise class business intelligence reporting and collaboration solutions. Our software translates raw operational business data into views consisting of interactive tables, charts and maps that can be defined and personalized by each user. This software has been built to leverage XML web services and vector graphics based delivery formats to extend the value of leading business intelligence software products and relational database server infrastructure.

DataJungle operates through a wholly owned Canadian subsidiary located in Ottawa, Ontario, Canada.

#### **Our Products**

DataJungle has three main products:

##### **DataJungle Matrix**

- \* This product includes dash-boarding, analysis and report authoring and management functions enabling users to create personalized views of data without the need to have significant involvement from IT staff or specialized report authors.
- \* A user can create any number of dash-board like views focused on the key business metrics of importance to that user. The user can also drill down into any view and explore the underlying data.
- \* An individual user can also author interactive reports from the source data and embed these reports into any web page or port them to other dash-boards or portals.

##### **DataJungle Annotator**

- \* This product extends the functionality of Cognos PowerPlay, a leading business intelligence software product, by adding annotation, collaboration and alerting capabilities.
- \* A user can add comments and create discussion threads in text or recorded in audio and attach these to specific views or cells. The user can save this information for personal use or share it with other colleagues who have access to the same data sets.

##### **DataJungle Reporter**

- \* This is the generic name for applications that can be assembled from DataJungle’s library of pre-built reporter components to the specific requirements of a customer. This solution is appropriate where the customer requires a high degree of customization related to analysis and reporting of business information.
- \* Reporter components include intelligent and interactive chart styles, statistical analysis, alerts and thresholds.

## **Our Markets**

DataJungle targets the business intelligence software market and the business data market with the same core technology and products. The key attributes of each of these markets is as follows:

### **Business Intelligence Software Market**

- \* This market includes a variety of tools and applications focused on helping knowledge workers and business managers to access and analyze key business data and performance metrics. The intention of these products is primarily to help companies make better and faster business decisions.
- \* Existing products in this market provide powerful server technology but are limited in flexibility, user functionality and interactivity. They also provide little or no integration between the different types of application servers.
- \* The emergence of XML web services has allowed the leading vendors in this market to open their products permitting other parties such as DataJungle to extend the functionality of these products and integrate with them.

### **Business Data Market**

- \* This market includes companies that are in the business of selling industry and market research data. These vendors typically do not provide software reporting tools to allow users of the data to extract the full value of the data.
- \* The vendors in the business intelligence software market described above have products that are either too complex or inflexible for the typical user of the data.
- \* The vendors in the business data market have not been able to develop commercial quality software and many continue to deliver data in raw format, paper reports or in basic electronic formats. DataJungle can provide the interactivity and flexibility required for these users.

## **Our Market Positioning**

- \* DataJungle products do not directly compete with the products offered by vendors in the business intelligence software market or the business data market but are intended to complement these products. We intend to sell our products and any related services directly or through distribution channels to organizations that purchase products and services from these business intelligence software vendors or business data vendors. We have initiated marketing efforts primarily in North America but have also initiated contacts in Europe and Asia Pacific.

## **Direct Sales**

- \* The Direct Sales approach entails our management and sales representative making contacts within the organizations of target customers to present the benefits and competitive advantages of our products and services. Leads to such presentations are generated primarily through existing contacts of management and our sales representative.

## Channel Sales

- \* DataJungle has entered into reseller agreements with a leading provider of data to the automotive sector and a leading provider of business intelligence software products. These agreements have resulted in a DataJungle Reporter solution being deployed to one of the large U.S. automotive manufacturers and a number of Reporter objects being deployed to other large U.S. based companies.
- \* DataJungle has entered into a number of other reseller agreements and is continuing efforts to identify other partners or resellers.

The territory where most potential clients reside is expected to be in the U.S. In addition to the resellers described above, two individuals within the company are focused entirely on sales and marketing efforts.

We anticipate that the main expense factors for continuing marketing efforts will be for:

- \* Additional personnel
- \* Direct marketing to potential customers
- \* Participation in trade shows
- \* Travel and living expense
- \* Preparation of collateral material to support sales and distribution efforts
- \* Training and support of resellers

For more information, please see "Part II. Item 6. Management's Discussion and Analysis or Plan of Operation; Plan of Operations."

## Our Competition

Although DataJungle products are not intended to directly compete with the products offered by vendors in the business intelligence software market or the business data market, our products do overlap to some extent with products and service offered by these vendors. Some of these vendors have considerably more resources than DataJungle and may be developing capabilities competitive with DataJungle. In addition, we cannot assure that competitive products do not currently exist or will not be developed or that our products will be saleable in the marketplace on a profitable basis.

## Research and Development

We spent the following amounts during the periods mentioned on research and development activities:

	Six Months December 31, 2003	Twelve Months June 30, 2003
<b>Research and development</b>		
Incurred during the period	\$148,243	\$174,418
Stock related compensation expense	262,367	-
Investment tax credits recoverable	(44,599)	(104,371)
<b>Total</b>	<b>\$366,011</b>	<b>\$70,047</b>

For more information, see: "Part II. Item 6. Management's Discussion and Analysis or Plan of Operation; Plan of Operations."

## **Intellectual Property Protection**

We rely on trade secrets and confidentiality agreements. We claim copyright in specific software products and various elements of the core technology. However, we have not registered trademarks in any jurisdiction to cover specific products described herein or any of the core technology. We believe, but we cannot assure, that our technology and its implementation may be eligible for patent protection.

We cannot assure that we will be able to obtain or to maintain protection of our intellectual property. We also cannot assure that our technology does not infringe upon the intellectual property rights of others. In the event that we are unable to obtain the foregoing protection or our technology infringes intellectual property rights of others, our business and results of operations could be materially and adversely affected. For more information please see "Risk Factors; Proprietary Rights" below.

## **Employees**

As of April 23, 2004, DataJungle had 11 personnel, including 5 executive officers (responsible for sales and marketing, product development and administration), 5 software developers and programmers and 1 in marketing and sales. All of our personnel are located in Ottawa, Canada. In addition, we engage technical consultants and independent contractors to provide specific advice or to perform certain administrative or technical functions as required.

## **Risk Factors**

Our business operations and our securities are subject to a number of substantial risks, including those described below. If any of these or other risks actually occur, our business, financial condition and operating results, as well as the trading price or value of our securities could be materially adversely affected.

### ***Our limited operating history makes evaluating our business and prospects difficult.***

Our limited operating history makes it difficult to evaluate our current business and prospects or to accurately predict our future revenues or results of operations. Our ability to consistently generate revenue on a profitable basis is unproven, and our business plan is constantly evolving. The Internet is constantly changing and software technology is constantly improving, therefore we may need to continue to modify our business plan to adapt to these changes. As a result of our limited operating history, we are more vulnerable to risks, uncertainties, expenses and difficulties than more established companies. As a result, we may never achieve profitability and we may not be able to continue operations if we cannot successfully address the risks associated with our operations.

### ***We have a history of operating losses and we anticipate losses and negative cash flow for the foreseeable future. Unless we are able to generate profits and positive cash flow we may not be able to continue operations.***

We incurred a net loss of \$748,305 and negative cash flow from operations of \$249,639 during the six months ended December 31, 2003. During the twelve months ended June 30, 2003, we incurred a net loss of \$305,258 and negative cash flow from operations of \$272,913. We expect operating losses and negative cash flow from operations to continue for the foreseeable future and to increase from current levels as we increase expenditures for:

- \* sales and marketing;
- \* technology;
- \* research and development; and
- \* general business enhancement.

With increased on-going operating expenses, we will need to generate significant revenues to achieve profitability. Consequently, we may never achieve profitability. Even if we do achieve profitability, we may not sustain or increase profitability on a quarterly or annual basis in the future. If we are unable to achieve or sustain profitability in the future, we may be unable to continue our operations.

***We may require additional capital to proceed with our long-term business plan. If we are unable to obtain such capital in future years, we may be unable to proceed with our long-term business plan and we may be forced to limit or curtail our future operations.***

We may require additional working capital to proceed with our long-term business plan. For a discussion of our capital requirements, see the disclosure in "Part II. Item 6. Management's Discussion and Analysis or Plan of Operation; Plan of Operations." If we are unable to raise additional financing should it become necessary to do so, we may be unable to grow or to implement our long-term business plan and, in fact, we may be forced to limit or curtail our future operations.

***The loss of any of our key personnel would likely have an adverse effect on our business.***

Our future success depends, to a significant extent, on the continued services of our key personnel. Our loss of any of these key personnel most likely would have an adverse effect on our business. In addition, competition for personnel throughout the industry is intense and we may be unable to retain our current personnel or attract, integrate or retain other highly qualified personnel in the future. If we do not succeed in retaining our current personnel or in attracting and motivating new personnel, our business could be materially adversely affected.

***The business environment is highly competitive and, if we do not compete effectively, we may experience material adverse effects on our operations.***

The market for business intelligence products and services is intensely competitive and we expect competition to increase in the future. We compete with large and small companies that provide products and services that are similar to some aspects to our products and services. Our competitors may develop new technologies in the future that are perceived as effective or cost efficient than the technologies developed by us.

Some of our competitors have longer operating histories, greater name recognition, access to larger customer bases and significantly greater financial, technical and marketing resources than we do. As a result, they may be able to adapt more quickly to new or emerging technologies and changes in customer requirements or to devote greater resources to the promotion and sale of their products than we will. In addition, our competitors may have established or may establish financial or strategic relationships among themselves, with existing or potential customers, resellers or other third parties and rapidly acquire significant market share. If we cannot compete effectively, we may experience future price reductions, reduced gross margins and loss of market share, any of which will materially adversely affect our business, operating results and financial condition.



***If we are unable to develop brand recognition, we may be unable to generate significant revenues and our results of operations may be materially adversely affected.***

To attract customers we may have to develop a brand identity and increase awareness of our technology and products. To increase brand awareness, we expect to significantly increase our expenditures for marketing initiatives. However, these activities may not result in significant revenue and, even if they do, any revenue may not offset the expenses incurred in building brand recognition. Moreover, despite these efforts, we may not be able to increase awareness of our brands, which would have a material adverse effect on our results of operations.

***If we are unable to respond to rapid technological change and improve our products and services, our business could be materially adversely affected.***

The business intelligence software industry is characterized by technological advances, changes in customer requirements, frequent new product introductions and enhancements and evolving industry standards in computer hardware and software technology. As a result, we must continually change and improve our products in response to changes in operating systems, application software, computer and communications hardware, networking software, programming tools and computer language technology. The introduction of products embodying new technologies and the emergence of new industry standards may render existing products obsolete or unmarketable. Our future operating results will depend upon our ability to enhance our current products and to develop and introduce new products on a timely basis that address the increasingly sophisticated needs of our end-users and that keep pace with technological developments, new competitive product offerings and emerging industry standards. If we do not respond adequately to the need to develop and introduce new products or enhancements of existing products in a timely manner in response to changing market conditions or customer requirements, our operating results may be materially diminished.

***We may not be able to protect and enforce our intellectual property rights, which could result in the loss of our rights, loss of business or increased costs.***

Our success depends to a significant degree upon the protection of our software and other proprietary technology. The unauthorized reproduction or other misappropriation of our proprietary technology would enable third parties to benefit from our technology without paying us for it. We depend upon a combination of copyright laws, license agreements and non-disclosure and other contractual provisions to protect proprietary and distribution rights of our products. We have not registered trademarks or patents in any jurisdiction. Although we have taken certain steps to protect our proprietary technology, they may be inadequate and the unauthorized use thereof could have a material adverse effect on our business, results of operations and financial condition. Existing copyright laws and the other steps that we have taken offer only limited protection. Moreover, the laws of other countries in which we plan to market our products may afford little or no effective protection of our intellectual property. If we resort to legal proceedings to enforce our intellectual property rights, the proceedings could be burdensome and expensive, even if we were to prevail.

***Claims by third parties that we infringe upon their proprietary technology could hurt our financial condition.***

If we discover that any of our products or technology we license from third parties violates third party proprietary rights, we may not be able to reengineer our product or obtain a license on commercially reasonable terms to continue offering the product without substantial reengineering. In addition, product development is inherently uncertain in a rapidly evolving technology environment in which

there may be numerous patent applications pending for similar technologies, many of which are confidential when filed. Although we sometimes may be indemnified by third parties against claims that licensed third party technology infringes proprietary rights of others, indemnity may be limited, unavailable or, where the third party lacks sufficient assets or insurance, ineffective. We currently do not have liability insurance to protect against the risk that our technology or future licensed third party technology infringes the proprietary rights of others. Any claim of infringement, even if invalid, could cause us to incur substantial costs defending against the claim and could distract our management from our business. Furthermore, a party making such a claim could secure a judgment that requires us to pay substantial damages. A judgment could also include an injunction or other court order that could prevent us from selling our products. Any of these events could have a material adverse effect on our business, operating results and financial condition.

***If security were breached, our business would be materially adversely affected.***

A key element of our technology and products is the ability to access business information using the Internet, either through facilities of our customers or hosted by us. If anyone was able to circumvent security measures, they could misappropriate proprietary information or cause interruptions or problems with hardware and software of DataJungle or customers using our products. Any such security breaches could significantly damage our business and our reputation. In addition, we could be liable to our customers for the damages caused by such breaches or we could incur substantial costs as a result of defending claims for those damages. We may need to expend significant capital and other resources to protect against such security breaches or to address problems caused by such breaches. Security measures taken by us may not prevent disruptions or security breaches. In the event that future events or developments result in a compromise or breach of the technology we use to protect a customer's personal information, our financial condition and business could be materially adversely affected.

***Our operating results may prove unpredictable, and may fluctuate significantly.***

Our operating results are likely to fluctuate significantly in the future due to a variety of factors, many of which are outside of our control. Factors which may cause operating results to fluctuate significantly include the following:

- \* new technology or products introduced by us or by our competitors;
- \* the timing and uncertainty of sales cycles and any seasonal declines in sales;
- \* our success in marketing and market acceptance of our products and services by our existing customers and by new customers;
- \* a decrease in the level of spending for information technology-related products and services by our existing and potential customers; and
- \* general economic conditions, as well as economic conditions specific to users of our products and technology.

Our operating results may be volatile and difficult to predict. As such, future operating results may fall below the expectations of securities analysts and investors. In this event, the trading price of our common stock may fall significantly.

***We expect to generate the majority of revenues in U.S. dollars and incur significant expenses in Canadian dollars. If applicable currency exchange rates fluctuate our revenues and results of operations may be materially and adversely affected.***

We expect that a majority of our revenues will be based on sales provided in United States dollars and currency other than the Canadian dollar. In addition, we expect that a significant portion of our operating expenses will be incurred in Canada. As a result, our financial performance will be affected by fluctuations in the value of the U.S. dollar and other currencies to the Canadian dollar. At the present time, we have no plan or policy to utilize forward contracts or currency options to minimize this exposure, and even if these measures are implemented there can be no assurance that such arrangements will be available, be cost effective or be able to fully offset such future currency risks.

***Other risks associated with international operations could adversely affect our business operations and our results of operations.***

There are certain risks inherent in doing business on an international level, such as:

- \* unexpected changes in regulatory requirements, export and import restrictions;
- \* legal uncertainty regarding liability and compliance with foreign laws;
- \* competition with foreign companies or other domestic companies entering into the foreign markets in which we operate;
- \* tariffs and other trade barriers and restrictions;
- \* difficulties in staffing and managing foreign operations;
- \* longer sales and payment cycles;
- \* problems in collecting accounts receivable;
- \* political instability;
- \* fluctuations in currency exchange rates;
- \* software piracy;
- \* seasonal reductions in business activity; and
- \* potentially adverse tax consequences.

Any of these factors could adversely impact the success of our international operations. One or more of such factors may impair our future international operations and our overall financial condition and business prospects.

***Our common stock price may be volatile.***

The market prices of securities of technology companies are extremely volatile and sometimes reach unsustainable levels that bear no relationship to the past or present operating performance of such companies. Factors that may contribute to the volatility of the trading price of our common stock include, among others:

- \* our quarterly results of operations;
- \* the variance between our actual quarterly results of operations and predictions by stock analysts;
- \* financial predictions and recommendations by stock analysts concerning technology companies and companies competing in our market in general, and concerning us in particular;
- \* public announcements of technical innovations relating to our business, new products or technology by us or our competitors, or acquisitions or strategic alliances by us or our competitors;
- \* public reports concerning our products or technology or those of our competitors; and
- \* the operating and stock price performance of other companies that investors or stock analysts may deem comparable to us.

In addition to the foregoing factors, the trading prices for equity securities in the stock market in general, and technology companies in particular, have been subject to wide fluctuations that may be unrelated to the operating performance of the particular company affected by such fluctuations. Consequently, broad market fluctuations may have an adverse effect on the trading price of our common stock, regardless of our results of operations.

***There is a limited market for our common stock. If a substantial and sustained market for our common stock does not develop, our shareholders' ability to sell their shares may be materially and adversely affected.***

Our common stock is tradable in the over-the-counter market and is quoted on the OTC Bulletin Board under the symbol of DJSW. Many institutional and other investors refuse to invest in stocks that are traded at levels below the Nasdaq Small Cap Market which could make our efforts to raise capital more difficult. In addition, the firms that make a market for our common stock could discontinue that role. OTC Bulletin Board stocks are often lightly traded or not traded at all on any given day. We cannot predict whether a more active market for our common stock will develop in the future. In the absence of an active trading market:

- \* investors may have difficulty buying and selling or obtaining market quotations;
- \* market visibility for our common stock may be limited; and
- \* a lack of visibility for our common stock may have a depressive effect on the market price for our common stock.

***Shares issuable upon the exercise of options and convertible debentures or under anti-dilution provisions in certain agreements could dilute stock holdings and adversely affect our stock price.***

We have issued options and may issue additional options in the future to acquire common stock to our employees and certain other persons at various prices, some of which have, or may in the future have, exercise prices at or below the market price of our stock. As of April 23, 2004 we have outstanding options to purchase a total of 760,300 shares of our common stock. All of these options have exercise prices below the recent market price of \$0.69 per share (as of April 23, 2004). If exercised, these options will cause immediate dilution to our stockholders. Our existing stock option plan has 4,239,700 shares remaining for issuance as of April 23, 2004. Future options issued under the plan may have further dilutive effects.

A holder of a convertible debenture has the option of converting outstanding principal plus interest thereon into 4,309,302 shares of our common stock based on a rate of one common share for each \$0.15 CAD of debt converted. Any such conversion would have a dilutive effect on stockholders.

Issuance of shares pursuant to the exercise of options, anti-dilution provisions, or the conversion of debentures, could lead to subsequent sales of the shares in the public market, which could depress the market price of our stock by creating an excess in supply of shares for sale. Issuance of these shares and sale of these shares in the public market could also impair our ability to raise capital by selling equity securities.

***A large number of shares will be eligible for future sale and may depress our stock price.***

As of April 23, 2004, we had outstanding 15,190,946 shares of common stock of which approximately 13,445,088 shares were "restricted securities" as that term is defined under Rule 144 promulgated under the Securities Act of 1933. These restricted shares are eligible for sale under Rule 144 at various times. No prediction can be made as to the effect, if any, that sales of shares of common stock or the availability of such shares for sale will have on the market prices prevailing from time to time. Nevertheless, the possibility that substantial amounts of our common stock may be sold in the public market may adversely affect prevailing market prices for the common stock and could impair our ability to raise capital through the sale of our equity securities.

***We do not intend to pay dividends in the near future.***

Our board of directors determines whether to pay dividends on our issued and outstanding shares. The declaration of dividends will depend upon our future earnings, our capital requirements, our financial condition and other relevant factors. Our board does not intend to declare any dividends on our shares for the foreseeable future.

***Our common stock may be deemed to be a "penny stock." As a result, trading of our shares may be subject to special requirements that could impede our shareholders' ability to resell their shares.***

Our common stock is a "penny stock" as that term is defined in Rule 3a51-1 of the Securities and Exchange Commission because it is selling at a price below five dollars per share. In the future, if we are unable to list our common stock on NASDAQ or a national securities exchange, or the per share sale price is not at least \$5.00, our common stock may continue to be deemed to be a "penny stock". Penny stocks are stocks:

- \* with a price of less than five dollars per share;
- \* that are not traded on a recognized national exchange;
- \* whose prices are not quoted on the NASDAQ automated quotation system ; or
- \* of issuers with net tangible assets less than
  - \* \$2,000,000 if the issuer has been in continuous operation for at least three years; or
  - \* \$5,000,000 if in continuous operation for less than three years, or
  - \* of issuers with average revenues of less than \$6,000,000 for the last three years.

Section 15(g) of the Exchange Act, and Rule 15g-2 of the Securities and Exchange Commission, require broker-dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain a manually signed and dated written receipt of the document before effecting any transaction in a penny stock for the investor's account. Moreover, Rule 15g-9 of the Securities and Exchange Commission requires broker-dealers in penny stocks to approve the account of any investor for transactions in such stocks before selling any penny stock to that investor. This procedure requires the broker-dealer:

- \* to obtain from the investor information concerning his or her financial situation, investment experience and investment objectives;
- \* to determine reasonably, based on that information, that transactions in penny stocks are suitable for the investor and that the investor has sufficient knowledge and experience as to be reasonably capable of evaluating the risks of penny stock transactions;
- \* to provide the investor with a written statement setting forth the basis on which the broker-dealer made the determination in (ii) above; and
- \* to receive a signed and dated copy of such statement from the investor, confirming that it accurately reflects the investor's financial situation, investment experience and investment objectives.

Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third parties or to otherwise dispose of them.

***Our current and former executive officers, directors and major shareholders own a significant percentage of our voting stock. As a result, they exercise significant control over our business affairs and policy.***

As of April 23, 2004, our current and former executive officers, directors and holders of 5% or more of our outstanding common stock together beneficially owned approximately 60% of the outstanding common stock if they converted all debentures held by them and exercised all of the options held by them. These shareholders are able to significantly influence all matters requiring approval by shareholders, including the election of directors and the approval of significant corporate transactions. This concentration of ownership may also have the effect of delaying, deterring or preventing a change in control and may make some transactions more difficult or impossible to complete without the support of these shareholders.

***Our articles of incorporation contain provisions that could discourage an acquisition or change of control of our company.***

Our articles of incorporation authorize our board of directors to issue preferred stock without stockholder approval. Provisions of our articles of incorporation, such as the provision allowing our board of directors to issue preferred stock with rights more favorable than our common stock, could make it more difficult for a third party to acquire control of us, even if that change of control might benefit our stockholders.

## **Our Corporate History**

Quad Metals Corporation, a Washington company incorporated on June 5, 1968 and Quad Metals Corporation, a wholly owned Nevada subsidiary incorporated on June 20, 2002 merged on December 11, 2002 to form Quad Metals Corporation, a Nevada corporation (“Quad”). Pursuant to a Share Exchange Agreement which was effective October 1, 2003, Quad acquired all of the issued and outstanding common stock of DataJungle Ltd., a Canadian company (formed on August 15, 2001 as a merger of DataJungle, Inc., a Delaware company incorporated on August 4, 2000 and 3853021 Canada Inc., a Canadian company incorporated on July 27, 2001). Effective November 18, 2003, Quad changed its name to DataJungle Software Inc.

### **Item 2. Description of Properties.**

Our head office is located at 1 Hines Road, Suite 202, Ottawa, Ontario, Canada, K2K 3C7. The telephone number is 613-254-7246.

Our office is leased from a non-affiliated party based on a sublease agreement for 5,526 sq. ft. of space until December 31, 2004.

### **Item 3. Legal Proceedings.**

We are not presently a party to any material litigation.

### **Item 4. Submission of Matters to a Vote of Security holders.**

On October 27, 2003, shareholders holding 52.9% of the issued and outstanding common shares of the Company, consented to a resolution to change the name of the Company from Quad Metals Corporation to DataJungle Software Inc.

## **PART II**

### **Item 5. Market for Common Equity and Related Stockholder Matters.**

(a) Market Information -- The principal U.S. market in which our common stock, all of which are of one class, \$.001 par value per share, is traded is in the over-the-counter market. Our stock is quoted on the OTC Bulletin Board under the symbol “DJSW”. Prior to obtaining the symbol “DJSW”, the Company traded under the symbol of “QMTL”. The symbol “QMTL” was granted by the OTC Bulletin Board on March 28, 2003.

The following table sets forth the range of high and low bid quotes of our common stock per quarter since March 28, 2003 as reported by the OTC Bulletin Board. These quotes reflect inter-dealer prices without retail mark-up, markdown or commission and may not necessarily represent actual transactions.

## MARKET PRICE OF COMMON STOCK

Quarter Ending	BID	
	High	Low
<b>2003</b>		
January 1 to March 31	0.00	0.00
April 1 to June 30	0.00	0.00
July 1 to September 30	1.01	0.00
October 1 to December 31	1.01	0.41
<b>2004</b>		
January 1 to March 31	0.70	0.51

On April 23, 2004, the closing price of our common stock was \$0.69 per share.

(b) Holders -- There were approximately 975 holders of record of our common stock as of April 23, 2004, inclusive of those brokerage firms and/or clearing houses holding our securities for their clientele, with each such brokerage house and/or clearing house being considered as one holder. The aggregate number of shares of common stock outstanding as of April 23, 2004 was 15,190,946 shares.

(c) Dividends -- We have not paid or declared any dividends upon our common stock since inception and, by reason of our present financial status and our contemplated financial requirements, we do not contemplate or anticipate paying any dividends in the foreseeable future.

(d) Securities Authorized for Issuance Under Equity Compensation Plans--The following table sets forth details regarding our common stock authorized for issuance under equity compensation plans as at December 31, 2003:

Plan category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	--	--	--
Equity compensation plans not approved by security holders	1,138,848	\$ 0.25	3,861,152
Total	1,138,848	\$ 0.25	3,861,152



We have granted options to purchase an aggregate of 83,700 shares of our common stock to non-employees in consideration for consulting services rendered. These options entitle the holders to purchase shares of common stock at an exercise price of \$0.40 per share. Of these, 79,100 were vested at December 31, 2003 and are exercisable at various dates until December 31, 2013. These options were issued pursuant to a Share Option Plan approved by our Canadian subsidiary, DataJungle Ltd. and were exchanged for options in the Company pursuant to our Share Option Plan, which was adopted by our board of directors and became effective on April 16, 2004. The plan has not been approved by our stockholders. The plan authorizes a committee of our board of directors, which administers the plan, to grant stock options and stock appreciation rights to our officers, employees and consultants. A total of 5,000,000 shares of common stock were reserved for issuance under the terms of the Share Option Plan. In the event of certain mergers, sales of assets, reorganizations, consolidations, recapitalizations, stock dividends or other changes in corporate structure affecting our common stock, the committee administering the plan must make an equitable substitution or adjustment in the aggregate number of shares reserved for issuance under the plan and in the number of shares exercisable under, and the exercise price of, outstanding options under the plan.

(e) Sales of Unregistered Securities--During the three months ended December 31, 2003, we issued the following:

- \* 7,753,719 shares of our common stock in exchange for all of the issued and outstanding common stock of our wholly owned Canadian subsidiary, DataJungle Ltd.;
- \* 5,182,697 shares of our common stock for conversion of debt and related accrued interest of DataJungle Ltd. of \$502,600;
- \* 345,001 shares of our common stock for cash at a price of \$0.30 per share;
- \* \$42,000 of our 12% promissory notes;
- \* 300,000 stock purchase options to employees to purchase 300,000 common shares at an exercise price of \$0.50 expiring at various dates to November 10, 2011;
- \* Received \$69,450 in subscriptions to purchase 231,500 shares of common stock at \$0.30 per share.

During the period from January 1, 2004 to April 23, 2004, we issued the following:

- \* \$30,000 of our 12% promissory notes;
- \* 50,000 stock purchase options to employees to purchase 50,000 common shares at an exercise price of \$0.65 expiring at various dates to March 31, 2012;
- \* Received \$132,000 in subscriptions to purchase 440,000 shares of common stock at \$0.30 per share.

The foregoing securities were issued in reliance upon the exemption provided by Section 4(2) under the Securities Act of 1933 and the rules promulgated thereunder.

## **Item 6. Management's Discussion and Analysis or Plan of Operations.**

### **General**

In this section, we explain our consolidated financial condition and results of operations for the six months ended December 31, 2003 and the twelve months ended June 30, 2003. As you read this section, you may find it helpful to refer to our Consolidated Financial Statements at the end of this annual report.

Until we acquired our Canadian subsidiary, DataJungle Ltd., we had no material or substantive business operations. Since then, our business has been as more fully described in " Part I, Item 1: Description of Business". Accordingly, in this section we focus solely on the historical business operations of the subsidiary and our current business plan and operations.

### **Plan of Operations**

Due to our limited operating history, our historical results of operations are unlikely to provide a meaningful understanding of the activities expected to take place during the period through December 31, 2004. Our major initiatives through December 31, 2004 are:

- \* furthering the development of our products; and
- \* increasing commercial sales of our products, and continuing our current marketing program.

For more information, please see "Part 1. Item 1: Description of Business; Our Products."

### ***Marketing Plans:***

DataJungle has entered into reseller agreements with a leading provider of data to the automotive sector and a leading provider of business intelligence software products. These agreements have resulted in a DataJungle Reporter solution being deployed to one of the large U.S. automotive manufacturers and a number of Reporter objects being deployed to other large U.S. based companies. Efforts to increase our customer base were increased in the last quarter of 2003 and included the engagement of a sales representative. The current focus is to expand the number of leads and to identifying resellers and partners in the U.S., Western Europe and Asia.

Marketing leads are being developed by direct identification of potential customers, limited amount of advertising and through trade shows personal contacts of management and our sales representative. We expect to spend approximately \$48,000 in 2004 on sales and marketing activities excluding travel and compensation related costs.

Our sales representative, who is compensated on a salary and commission basis, will continue to follow up these leads, with the objective of more fully explaining the products and their benefits to potential customers. We estimate the cost of this initiative, including travel and sales support, to be \$385,000 for the year ended December 31, 2004.

The Company will add additional sales representatives as markets for the Company's product expand.

In summary, the marketing program is expected to cost approximately \$433,000 through December 31, 2004.

### ***Developing and Improving Our Products:***

While we will direct a considerable portion of our activities and budget to marketing, we will continue developing the core functions of our products and additional products. For more information please see "Part I. Item 1. Description of Business; Our Products."

We will improve and further develop our products based upon responses from potential customers. The cost associated with this development is primarily a function of the activity currently planned and thus will be subject to a high degree of control. We estimate that the cost of this continued research and development effort will be \$500,000 through December 31, 2004. The Company may expend additional resources on product development on a cost recovery basis through pilot projects with customers. In addition, we expect to spend \$425,000 on general and administrative expenses through December 31, 2004.

Until such time as we generate sufficient revenues from our products and services, we will continue to be dependent on raising substantial amounts of additional capital through any one of a combination of debt offerings or equity offerings, including but not limited to:

- \* debt instruments, including demand notes and convertible debentures similar to those discussed below in “Liquidity and Capital Resources”;
- \* private placements of common stock;
- \* exercise of stock options at an average exercise price of \$0.25 per share;
- \* funding from potential clientele or future industry partners.

During the fourth quarter of 2003, and the period from January 1, 2004 to April 23, 2004, we raised \$304,950 through a private placement to issue 1,016,500 shares of common stock and \$72,000 from 12% promissory notes. These funds are not sufficient to satisfy the requirements of our plan of operations. Consequently, there will be an ongoing requirement for funding as described above. However, there can be no assurance that any future financings can be obtained, should they be required. In this regard, please see “Risk Factors - Requirement for Additional Capital” in Item 1 above.

### **Selected Financial Data**

The selected financial data set forth below with respect to our consolidated statements of operations for the six month period ended December 31, 2003 and the year ended June 30, 2003 and with respect to the consolidated balance sheets as at December 31, 2003 and June 30, 2003, are derived from our audited consolidated financial statements included at the end of this report. The following selected financial data should be read in conjunction with our consolidated financial statements and the notes thereto.

	<b>Six Months Ended December 21, 2003</b>	<b>Year Ended June 30, 2003</b>
<b>Operations Data</b>		
Revenues	\$16,465	\$144,553
Gross margin	(911)	82,154
General and administrative	280,591	155,646
Sales and marketing	82,365	115,218
Research and development	366,011	70,047
Depreciation of property and equipment	6,682	32,070
Net loss	\$ 748,305	\$ 305,258

	<b>Six Months Ended December 31, 2003</b>	<b>Year Ended June 30, 2003</b>
<b>Cash Flows Data</b>		
Net cash from (used in) operations	\$(249,639)	\$ (272,913)
Net cash from (used in) investing activities	(8,371)	(20,595)
Net cash from financing activities	225,509	412,354
Effects of exchange rates on cash	(7,888)	(38,035)
Net increase (decrease) in cash	\$ (40,389)	\$ 80,811
<b>Balance Sheet Data</b>		
Cash, cash equivalents and restricted cash	\$ 46,558	\$ 86,947
Accounts and investment tax credits receivable	230,332	153,944
Work-in-process	203,617	138,937
Total current assets	487,319	386,382
Property and equipment	21,319	16,710
Total assets	508,638	403,092
Accounts payable and accrued liabilities	322,978	313,000
Promissory notes and other obligations	75,209	454,831
Promissory notes and other obligations to related parties	423,602	432,416
Deferred revenue	307,176	136,232
Total current liabilities	1,128,965	1,338,539
Stockholders' equity (deficiency)	(620,327)	(935,447)

### **Results of Operations**

In this section, we discuss our earnings for the periods indicated and the factors affecting them that resulted in changes from one period to the other.

Our financial statements have been prepared in accordance with U.S. GAAP and presented in U.S. dollars for purposes of this report.

### **The six months ended December 31, 2003 compared to the twelve months ended June 30, 2003**

**Revenue:** The Company uses the completed contract method of recognizing revenue. Consequently, revenue is recognized in the period when all substantial obligations under the terms and conditions of a contract are completed. Revenues for the twelve months ended June 30, 2003 were \$144,553 compared to \$16,465 for the six months ended December 31, 2003. In the June 30, 2003 period, the Company completed three contracts for products totaling approximately \$97,000 and one contract for services for approximately \$48,000. For the December 31, 2003 period, the Company completed a contract for products for approximately \$15,000 and a contract for services for approximately \$2,000. In addition to the revenue recognized for accounting purposes, the Company is currently completing three contracts for products and a contract for services for which revenue had not been recognized at

December 31, 2003. Payments received prior to December 31, 2003 from customers for these contracts are recognized in the balance sheet as at December 31, 2003 as deferred revenue. The related costs of contracts not completed as at December 31, 2003 are included in the balance sheet as work-in-process.

**Gross margin:** Gross margin for the six months ended December 31, 2003 was a loss of \$911 (5.5% of revenue). For the twelve months ended June 30, 2003, the gross margin was \$82,154 (57% of revenue). The two projects completed in the six months ended December 31, 2003 were expected to result in minimal or no margin as these projects were undertaken in anticipation of additional work in the future. Three of the four projects for the prior period were priced to result in favorable margins.

**General and administrative expenses:** General and administrative expenses consist primarily of personnel costs, professional fees, communications expenses, occupancy costs and other miscellaneous costs associated with supporting our research and development and sales and marketing activities. During the six months ended December 31, 2003 we incurred \$131,768 (approximately \$264,000 on an annualized basis) before the impact of \$148,823 in stock related compensation expense as compared to \$155,646 during the twelve months ended June 30, 2003. The increase on an annualized basis results primarily from an increase in personnel costs as certain management personnel were not paid for approximately 3 ½ months in the twelve months ended June 30, 2003 and an increase in occupancy costs from moving to facilities with more available space.

**Sales and marketing:** Sales and marketing expenses consist primarily of personnel costs and travel. For the twelve months ended June 30, 2003, expenses were \$115,218 compared to \$66,862 for the six months ended December 31, 2003 (\$133,000 on an annualized basis) before the impact of \$15,503 in stock related compensation expense. The increase on an annualized basis is primarily the result of personnel costs as certain management personnel were not paid for approximately 3 ½ months in the twelve months ended June 30, 2003 partially offset by a decrease in travel and completion of an advertising contract.

**Research and development expenses:** Research and development expenses consist primarily of personnel costs and consulting expenses directly associated with the development of our software applications plus an applicable allocation of rent for space occupied by research and development personnel. For the twelve months ended June 30, 2003, expenses were \$70,047 compared to \$103,644 for the six months ended December 31, 2003 (\$208,000 on an annualized basis) before the impact of \$262,367 in stock related compensation expense. This increase on an annualized basis results primarily from a reduction in tax credits available to DataJungle Ltd. due to the acquisition by the Company. In addition, the increase in expenses on an annualized basis was impacted by less personnel costs being transferred to cost of sales in the six months ended December 31, 2003.

**Amortization:** Amortization expense was \$6,682 during the six months ended December 31, 2003 (\$13,000 on an annualized basis) compared to \$32,070 for the twelve months ended June 30, 2003. This decrease on an annualized basis results primarily to a significant portion of assets being fully amortized in the period to June 30, 2003.

**Net Loss:** We incurred a loss of \$748,305 (\$0.05 per share) for the six months ended December 31, 2003, compared to a loss of \$305,258 (\$0.02 per share) for the twelve months ended June 30, 2003. The loss for the six months ended December 31, 2003 includes \$426,693 in stock related compensation expense (nil for the twelve months ended June 30, 2003). Our revenues and future profitability and future rate of growth are substantially dependent on our ability to:

- \* license our software applications to a sufficient number of clients;
- \* modify the successful software applications, over time, to provide enhanced benefits to existing users; and
- \* successfully develop related software applications.

### **Liquidity and Capital Resources**

At December 31, 2003, we had negative working capital of \$641,646, compared to negative working capital of \$952,157 at June 30, 2003. This increase in working capital occurred primarily as a result of the conversion of \$503,000 in promissory notes including accrued interest thereon, into common shares. We had \$46,558 of cash on hand at December 31, 2003 compared to \$86,947 at June 30, 2003.

During the period from January 1, 2004 to April 23, 2004, we raised \$132,000 from subscriptions to purchase common shares at \$0.30 per share plus \$30,000 pursuant to a 12% promissory note. These resources are not sufficient to fund ongoing operations. Consequently, the Company will require additional capital and increases to revenue on a profitable basis. The Company cannot be certain that sufficient resources will be available to satisfy its liquidity requirements.

***Net Cash Flow from Operations:*** During the six months ended December 31, 2003, we used \$249,639 in operations, compared to using \$272,913 during the twelve months ended June 30, 2003. The use of cash in operations during the six months ended December 31, 2003 resulted primarily from a net loss of \$748,305, which was partially offset by depreciation of \$6,682, non-cash interest expense of \$8,919, stock related compensation expense of \$426,693 and by a net change in non-cash operating working capital of \$56,372. During the twelve months ended June 30, 2003, the use of cash in operations resulted from a net loss of \$305,258 and a net change in non-cash operating working capital of \$59,160 partially offset by depreciation of \$32,070 and non-cash interest of \$59,435.

***Net Cash Used in Investing Activities:*** During the six months ended December 31, 2003, we invested \$10,591 in property and equipment, compared to \$20,595 invested during the twelve months ended June 30, 2003.

***Net Cash From Financing Activities:*** During the six months ended December 31, 2003 net cash provided by financing activities was \$225,509 compared to \$412,354 for the twelve months ended June 30, 2003. During the December 31, 2003 period, we raised \$76,286 from the issuance of promissory notes and \$155,655 in proceeds net of cash-based issuance costs for common stock. During the twelve months ended June 30, 2003 we raised \$418,891 from the issuance of promissory notes. For information concerning our capital requirements see "Plan of Operations" above.

During the period from January 1, 2004 to April 23, 2004, we raised an additional \$30,000 from the issuance of a 12% promissory note and \$132,000 from the private placement of 440,000 shares of common stock.

### **Item 7. Financial Statements.**

The Financial Statements required in Item 7 are included as pages F1 through F26 just prior to the signature page of this Form 10-KSB.

**Item 8. Changes in and Disagreements With Accountants on Accounting and Financial Disclosures.**

On October 10, 2003, DeCoria, Maichel & Teague, P.S. resigned as the auditors of Quad Metals Corporation. On April 16, 2004, the auditors of DataJungle Ltd., KPMG LLP, were appointed auditors of the Company.

There have been no changes in or disagreements with accountants with respect to accounting and/or financial statements.

**Item 8A. Controls and Procedures**

The term “disclosure controls and procedures” is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, or the Exchange Act. This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified by the Securities and Exchange Commission. Our management, including our President & Chief Executive Officer and Vice President Finance, have evaluated the effectiveness of disclosure controls and procedures as of the end of the period covered by this report. Based upon that evaluation, our President & Chief Executive Officer and Vice President Finance have concluded that our disclosure controls and procedures were effective as of the end of the period covered by this annual report.

There were no changes to our internal control over financial reporting during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

**PART III**

**Item 9. Directors, Executive Officers, Promoters and Control Persons; Compliance with Section 16(a) of the Exchange Act.**

The following table sets forth certain information concerning our directors and executive officers:

<u>Name</u>	<u>Age</u>	<u>Position</u>
<b>Edward Munden</b>	<b>53</b>	<b>Director, Chairman, President and Chief Executive Officer</b>

Edward Munden was appointed Director, Chairman, President and Chief Executive Officer of the Company in October 2003. He is a Director of Capital House Corporation (“Capital House”), which he co-founded in February 1989 as an Ottawa based private boutique investment banking organization that has provided and/or arranged early and mid stage venture capital and hands-on managerial assistance to a portfolio of technology software, energy and mining companies. Capital House has been responsible for arranging \$1.2 million of capital investment for the Company to date. In 1994, Mr. Munden co-founded DevX Energy, Inc. (“DevX”) as a Dallas based independent NASDAQ-traded public energy company engaged in the exploration, development and acquisition of oil and natural gas properties. Mr. Munden held senior level positions with DevX including Director, Chairman, President and CEO until it was sold

to Comstock Resources, Inc. in December 2001. Prior to his involvement with the Company, Capital House and DevX, Mr. Munden held positions in the mining industry with Eldorado Nuclear Limited from 1980 to 1989, the manufacturing industry with Proctor and Gamble Company of Canada from 1978 to 1980, and the oil and natural gas industry with Union Oil of Canada Limited from 1974 to 1976. Mr. Munden is also a director of Mustang Minerals Corporation and of JML Resources Limited, both mineral exploration companies whose shares are traded on the TSX Venture Exchange in Canada. Mr. Munden is a professional engineer and holds a Bachelor of Science degree in Engineering and a Masters of Business Administration from Queens University in Kingston, Canada.

**Denes Bartakovich                      48                      Director, Executive Vice President**

Prior to co-founding DataJungle in 2000, Mr. Bartakovich spent 9 years with Cognos in a variety of management positions. His most recent position at Cognos was Director of Internet Marketing. In this capacity he launched the first Cognos Web site and assumed all responsibilities related to leveraging the Web as a business medium and sales engine. Mr. Bartakovich's team included Web application developers and his role included the advancement of Cognos Web technologies. While at Cognos, Mr. Bartakovich pioneered the idea of reaching a mass business audience over the Web by bundling business intelligence software with data from leading data vendors. These data solutions have been featured on CNBC, in Fortune magazine, and many other broadcast and print media outlets. Mr. Bartakovich holds a B.A. (Hons.) from Carleton University and an M.B.A. from the University of Toronto.

**Don Carter                                      53                                      Director, Vice President**

Prior to joining DataJungle, Mr. Carter was a Vice President with Nesbitt Burns in Ottawa where he acted as an investment advisor for 12 years. Mr. Carter has deep expertise in the financial services sector as well as extensive contacts in that sector. Prior to Nesbitt Burns, he held a number of positions with the Government of Canada. Mr. Carter holds a B.Sc. from McGill University.

**Robert Lendvai                              41                              Director**

Mr. Lendvai is currently Vice President, Marketing for Activplant Corporation in London, Ontario, a world leader in enterprise manufacturing intelligence. Mr. Lendvai has over 16 years management experience at global technology leaders Cognos, Business Objects, Corel and Jetform. Immediately prior to Activplant, he was vice president, marketing at Internet security provider Kyberpass Corporation in Ottawa, Ontario. Mr. Lendvai holds a Bachelor of Applied Arts degree from Toronto's Ryerson University.

**Thomas Parkinson                              44                              Director**

Mr. Parkinson is currently Senior Vice President and Chief Technology Officer for Peapod, Inc., an on-line grocery store, which was recently sold to Royal Ahold. Mr. Parkinson co-founded Peapod in 1989. Prior to Peapod, he was co-founder of Resource Control Systems, a Unix relational database company and in sales management with Procter & Gamble. Mr. Parkinson holds a Master in Industrial Design from the Pratt Institute and a B. A. from Wesleyan University.



**Larry Bruce**

**45**

**Vice President Finance, Secretary &  
Treasurer**

Mr. Bruce has been with DataJungle since 2000. Prior to joining DataJungle, Mr. Bruce spent 11 years as Vice President Finance of a diverse group of real estate companies with operations in Ottawa and Washington and investments in various other companies including hi-technology. He was one of the original investors in Autoskill International Inc., an Ottawa based developer of educational software. Mr. Bruce was also a manager in the Entrepreneurial Services Group of Ernst & Young and has over 5 years of public accounting experience in both the Ottawa and Toronto offices handling a diverse client base ranging from owner managed business to public companies. Mr. Bruce is a Chartered Accountant and a Certified Management Accountant and holds a B.B.A. (Hons.) from Bishop's University.

**Robert Poole**

**41**

**Vice President**

Prior to co-founding DataJungle in 2000, Mr. Poole was with Cognos. While at Cognos, he was instrumental in establishing key partnerships with the Nasdaq Stock Market, Thomson Financial and Fortune magazine. Prior to joining Cognos, he co-founded an online information service. Mr. Poole is a Chartered Accountant and has extensive experience in the development of financial models and the processes of translating raw data into business reporting solutions. He holds a B.Sc. and a B.Comm., both from the University of Ottawa.

Each of our officers serves a term of one year or until his successor is appointed.

#### **Audit Committee Financial Expert**

The SEC has adopted rules to implement certain requirements of the Sarbanes-Oxley Act of 2002 pertaining to public company audit committees. One of the rules adopted by the SEC requires a company to disclose whether it has an "audit committee financial expert" serving on its audit committee. Our board of directors has not yet established an audit committee. As such, our board has not yet appointed an audit committee financial expert. At this time, our board of directors believes it would be desirable to have an audit committee, and for the audit committee to have an audit committee financial expert serving on the committee. While informal discussions as to potential candidates have occurred, at this time no formal search process has commenced.

#### **Code of Ethics Policy**

We have not yet adopted a code of ethics policy because of the early stages of operations. We intend to adopt a code of ethics policy in the future.

#### **Compliance with Section 16(a) of The Securities Exchange Act of 1934**

To our knowledge, based solely on a review of such materials as are required by the Securities and Exchange Commission, certain of our officers, directors or beneficial holders of more than ten percent of our issued and outstanding shares of common stock failed to timely file with the Securities and Exchange Commission forms or reports required to be so filed pursuant to Section 16(a) of the Securities Exchange Act of 1934 as follows:

\* Form 3 filings were late filed by Edward Munden, Denes Bartakovich, Robert Poole, Warren Ponvert Jr. and Capital House Corporation.

\* Form 5 filings were late filed by Edward Munden, Denes Bartakovich, Robert Poole, Warren Ponvert Jr., Capital House Corporation, Robert Lendvai, Larry Bruce, Don Carter and Thomas Parkinson.

As of the date of this Form 10-KSB, to our knowledge, based solely on a review of such materials as are required by the Securities and Exchange Commission, all of our officers, directors or beneficial holders of more than ten percent of our issued and outstanding shares of common stock have filed with the Securities and Exchange Commission forms or reports required to be so filed pursuant to Section 16(a) of the Securities Exchange Act of 1934.

### Item 10. Executive Compensation.

The following table shows all the cash compensation paid or to be paid by us or our subsidiaries, as well as certain other compensation paid or accrued, during the fiscal years indicated, to our president and chief executive officer. There were no other executive officers whose total annual salary and bonus exceeded \$100,000 in all capacities in which the person served.

**Summary Compensation Table**

(a) Name and Principal Position	Annual Compensation			(e) Other Annual Compensa- tion (\$)	(f) Restricted Stock Award (\$)	Long Term Compensation		
	(b) Year	(c) Salary (\$)	(d) Bonus (\$)			(g) Securities Underlying Options/ SARs (\$)	(h) LTIP Payouts (\$)	(i) All Other Compensa- tion
Munden, Edward Director, Chairman, President and Chief Executive Officer *	2003	0	0	0	0	0	0	0

\* Became Director, President & CEO in October, 2003.

The following table sets forth information with respect to the executive officer listed above, concerning the grants of options and Stock Appreciation Rights ("SAR") during the past fiscal year:

**Option/SAR Grants In Last Fiscal Year**

Name	Number of Securities Underlying Options/SARs Granted	Percent of Total Options/SARs Granted to Employees in Fiscal Year	Exercise or Base Price (\$/Sh)	Expiration Date
Munden, Edward	0	N/A	N/A	N/A

The following table sets forth information with respect to those executive officers listed above, concerning exercise of options during the last fiscal year and unexercised options and SARs held as of the end of the fiscal year:

**Aggregated Option/SAR Exercises and Fiscal Year-End Option/SAR Values**

<b>Name</b>	<b>Shares Acquired on Exercise (#)</b>	<b>Value Realized (\$)</b>	<b>Number of Securities Underlying Unexercised Options/SARs at FY-End (#) Exerciseable/Unexerciseable</b>	<b>Value of Unexercised In- The-Money Options/SARs at FY-End (\$) Exerciseable/Unexerciseable</b>
Munden, Edward	0	0	0	0

The following table sets forth information with respect to our chief executive officer concerning awards under long term incentive plans during the last fiscal year:

**Long-Term Incentive Plans – Awards In Last Fiscal Year**

<b>Name (a)</b>	<b>Number of Shares, Units or Other Rights (#) (b)</b>	<b>Performance or Other Period Until Maturation or Payout (c)</b>	<b>Estimated Future Payouts under Non-Stock Price Based Plans.</b>		
			<b>Threshold (\$ or #) (d)</b>	<b>Target (\$ or #) (e)</b>	<b>Maximum (\$ or #) (f)</b>
Munden, Edward	0	0	0	0	0

Directors are not compensated for acting in their capacity as directors. Directors are reimbursed for their accountable expenses incurred in attending meetings and conducting their duties.

There is no employment agreement between us and our executive officers. See “Part 1. Item 1. Description of Business; Risk Factors-Dependence on Key Personnel.”

**Item 11. Security Ownership of Certain Beneficial Owners and Management.**

The following table sets forth information as of April 23, 2004, with respect to any person known by us to own beneficially more than 5% of our common stock; common stock beneficially owned by each of our officers and directors named in Item 10; and the amount of common stock beneficially owned by our officers and directors as a group.

<u>Name &amp; Address of Beneficial Owner</u>	<u>Approximate Percent Number of Shares Beneficially Owned</u>	<u>of Common Stock Outstanding (1)</u>
Edward Munden (2,3,4,5) 30 Metcalfe Street, Suite 620 Ottawa, Ontario, K1P 5L4	4,403,603	29.0%
Denes Bartakovich (2,3,8) 23 Wycliffe Street Nepean, Ontario, K2G 5M1	1,917,483	12.6%
Larry Bruce (3,6) 75 Stinson Avenue Nepean, Ontario, K2H 6N6	575,613	3.8%
Don Carter (2,3,4,7) 37 Marble Arch Crescent Nepean, Ontario, K2G 5S7	5,066,475	33.4%
Robert Poole (3,8) 941 Black Road Oxford Station, Ontario, K0G1T0	1,903,953	12.5%
Warren Ponvert Junior 5704 Gloster Road Bethesda, MD, 20816	1,968,073	13.0%
Thomas Parkinson (2) 211 Birch Street Winnetka, IL, 60093	82,500	0.5%
Robert Lendvai (2,9) 140 Fullarton, 9th Floor London, Ontario, N6A 5P2	94,594	0.6%
Capital House Corporation 30 Metcalfe Street, Suite 620 Ottawa, Ontario, K1P 5L4	4,309,302	28.4%
All executive officers and Directors as a group	9,734,919	64.1%

**Notes:**

1. Based on 15,190,946 shares of common stock issued and outstanding as at April 23, 2004 and includes for each person, the shares issuable upon exercise of options and convertible debt held by them.
2. Director.
3. Executive Officer.
4. Includes 4,309,302 shares of common stock issuable upon conversion of a convertible promissory note held in the name of Capital House Corporation (the Note). Capital House Corporation, Edward Munden and Don Carter have an undivided beneficial interest in the Note together with other persons who are not officers, directors or affiliates of the Company. Accordingly, the 4,309,302 shares have been included as beneficially owned by each of the foregoing named persons and by all executive officers and Directors as a group.
5. Includes 94,301 shares of common stock held by spouse.
6. Includes 120,000 options to purchase common stock and 240,000 shares of common stock held by family members.
7. Includes 757,173 shares of common stock held by a family trust.
8. Held by a family trust.
9. Includes 21,000 options to purchase common stock.

## **Item 12. Certain Relationships and Related Transactions.**

During the six months ended December 31, 2003, related party transactions were as follows:

- \* On December 15, 2003, \$34,286 was advanced under the terms of a promissory note payable to Capital House Corporation. This advance is non-interest bearing and may be converted at any time into 300,000 common shares of the Company. In addition to the above, the Company owed \$389,316 together with accrued interest of \$74,967 to Capital House Corporation at December 31, 2003 which may be converted at any time to 4,009,302 common shares of the Company.
- \* On October 1, 2003, a Director of the Company converted a \$7,421 promissory note together with accrued interest to 73,594 common shares of the Company.
- \* On October 1, 2003, a former Director and Officer of the Company converted \$47,081 of debt of the Company to 430,223 common shares of the Company.
- \* An amount of \$3,740 owing to a corporation controlled by a Director of the Company was paid in cash.

During the year ended June 30, 2003, related party transactions were as follows:

- \* \$7,461 was advanced under the terms of the promissory note payable to Capital House Corporation referred to above. In addition, the obligation of the Company increased by \$41,822 upon translation of the obligation, which is denominated in Canadian dollars, to U.S. dollars.
- \* A Director of the Company advanced \$7,421 pursuant to the promissory note referred to above.
- \* An amount of \$2,928 owing to a corporation controlled by a Director of the Company was paid in cash

## **Item 13. Exhibits and Reports on Form 8-K.**

<u>Exhibit No.</u>	<u>Document Description</u>
3.a	Articles of Incorporation
3.b	Amendment to Articles of Incorporation
3.c	By-Laws
4.a	Form of 12% Promissory Note
4.b	Form of Convertible Debenture with related amendments
10.a	Share Option Plan
10.b	Share Exchange Agreement dated September 16, 2003
16.a	Letter on change of certifying accountant
21.a	List of Subsidiaries
31.a	Certification of Chief Executive Officer Pursuant to Section 302
31.b	Certification of Chief Financial Officer Pursuant to Section 302
32.a	Certification of Chief Executive Officer Pursuant to Section 906
32.b	Certification of Chief Financial Officer Pursuant to Section 906

## Reports on Form 8-K

*Form 8-K filed October 15, 2003.* This Form 8-K related to a Letter of Intent and Share Exchange Agreement dated September 16, 2003 with DataJungle Ltd.

*Form 8-K filed October 31, 2003.* This Form 8-K related to a change in the Company's certifying accountant

*Form 8-K filed December 5, 2003.* This Form 8-K related to a change in the name of the Company and appointment of Directors and Officers

*Form 8-K filed on December 16, 2003.* This Form 8-K included unaudited financial statements for the years ended June 30, 2003 and 2002 for DataJungle Ltd., unaudited financial statements for the three month period ended September 30, 2003 and 2002 for DataJungle Ltd. and an unaudited proforma consolidated financial statement as at September 30, 2003 giving effect to the acquisition of DataJungle Ltd. by the Company.

*Form 8-K/A filed on April 23, 2004.* This Form 8-K included audited financial statements for the years ended June 30, 2003 and 2002 for DataJungle Ltd.

*Form 8-K filed on April 23, 2003.* This Form 8-K related to the appointment of KPMG LLP as auditors for the Company

Statements contained in this Form 10-KSB as to the contents of any agreement or other document referred to are not complete, and where such agreement or other document is an exhibit to this Report or is included in any forms indicated above, each such statement is deemed to be qualified and amplified in all respects by such provisions.

### **Item 14. Principal Accountant Fees and Services**

The following table sets out fees billed by the Company's principal accountant for audit and related services for each of the previous two fiscal periods:

<b>Description of services</b>	<b>Fees billed for 6 months ended December 31, 2003</b>	<b>Fees billed for 12 months ended June 30, 2003 &amp; 2002</b>
Audit fees (1)	\$ 15,426	\$ 37,829
Audit-related fees (2)	-	\$ 2,505
Tax related services (3)	\$ 1,311	\$ 57,843

We do not currently have an audit committee, however it is our policy to have all audit fees pre-approved by the board of directors.

#### Notes:

1. June 30, 2003 includes fees for the 12 months ended June 30, 2002.
2. Special report to a government agency relating to an assistance program.
3. June 30, 2003 includes \$6,308 for preparation of corporate tax returns and \$51,535 relating to assistance with filing Canadian research and development tax credits.  
December 31, 2003 includes advice relating to the acquisition of DataJungle Ltd. by Quad Metals Corporation.

Consolidated Financial Statements of

# **DATAJUNGLE SOFTWARE INC.**

Six months ended December 31, 2003 and  
year ended June 30, 2003



KPMG LLP  
Chartered Accountants  
Suite 2000  
160 Elgin Street  
Ottawa, ON K2P 2P8  
Canada

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## AUDITORS' REPORT TO THE BOARD OF DIRECTORS

We have audited the accompanying consolidated balance sheets of DataJungle Software Inc. as of December 31, 2003 and June 30, 2003 and the related consolidated statements of operations, changes in stockholders' deficiency and comprehensive loss and cash flows for the six months ended December 31, 2003 and the year ended June 30, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of DataJungle Software Inc. as of December 31, 2003 and June 30, 2003, and the results of its operations and its cash flows for the six month period ended December 31, 2003 and the year ended June 30, 2003, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in note 2(a) to the consolidated financial statements, the Company has minimal revenues, has negative working capital at December 31, 2003, and has incurred a loss for the six month period and the previous year, as well as negative cash flow from operating activities in the same periods. The Company has accumulated a deficit which results in a deficiency in stockholders' equity and its economic viability is dependent on its ability to generate additional sales and finance operational expenses which raises substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in note 2(a). The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Chartered Accountants

Ottawa, Canada

April 2, 2004 (except for note 20, which is  
as of April 23, 2004)



# DATAJUNGLE SOFTWARE INC.

## Consolidated Balance Sheets

December 31, 2003 and June 30, 2003

(In U.S. dollars)

	December 31, 2003	June 30, 2003
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 46,558	\$ 63,042
Restricted cash	—	23,905
Accounts receivable (note 4)	55,896	36,987
Investment tax credits receivable	174,436	116,957
Contracts-in-process	203,617	138,937
Prepaid expenses	6,812	6,554
	487,319	386,382
Property and equipment (note 5)	21,319	16,710
	\$ 508,638	\$ 403,092
<b>Liabilities and Stockholders' Deficiency</b>		
Current liabilities:		
Accounts payable (note 6)	\$ 92,890	\$ 92,686
Accrued liabilities (note 7)	230,088	220,314
Promissory notes and other obligations payable (note 8)	75,209	454,831
Promissory notes and other obligations payable to related parties (note 9)	423,602	432,416
Current portion of capital lease obligation (note 10)	—	2,060
Deferred revenue	307,176	136,232
	1,128,965	1,338,539
Stockholders' deficiency (note 11):		
Preferred stock, \$0.001 par value. Authorized 10,000,000 shares; issued and outstanding Nil shares at December 31, 2003 and June 30, 2003	—	—
Common stock, \$0.001 par value. Authorized 300,000,000; issued and outstanding 15,190,946 shares at December 31, 2003 and 12,922,859 shares at June 30, 2003	15,191	12,923
Share subscriptions received	69,450	—
Additional paid-in capital	1,394,350	379,040
Accumulated other comprehensive loss	(143,184)	(119,581)
Deficit	(1,956,134)	(1,207,829)
	(620,327)	(935,447)
Basis of presentation (note 2(a))		
Guarantees and commitments (note 15)		
Subsequent events (note 20)		
	\$ 508,638	\$ 403,092

See accompanying notes to consolidated financial statements.

# DATAJUNGLE SOFTWARE INC.

## Consolidated Statements of Operations

For the six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

	Six months ended December 31, 2003	Year ended June 30, 2003
Revenues:		
Products	\$ 14,914	\$ 96,994
Services	1,551	47,559
	16,465	144,553
Cost of revenues:		
Cost of products	13,925	50,346
Cost of services	3,451	12,053
	17,376	62,399
Gross profit	(911)	82,154
Expenses:		
General and administrative	280,591	155,646
Research and development (note 12)	366,011	70,047
Sales and marketing	82,365	115,218
Depreciation of property and equipment	6,682	32,070
	735,649	372,981
	(736,560)	(290,827)
Other income (expenses):		
Interest income	556	2,113
Interest expense	(11,836)	(60,570)
Foreign exchange gain (loss)	(465)	44,026
	(11,745)	(14,431)
Net loss	\$ (748,305)	\$ (305,258)
Loss per common share - basic and diluted (note 14)	\$ 0.05	\$ 0.02
Weighted average common shares outstanding	14,006,277	12,708,293

See accompanying notes to consolidated financial statements.

# DATAJUNGLE SOFTWARE INC.

## Consolidated Statements of Changes in Stockholders' Deficiency and Comprehensive Loss

For the six months ended December 31, 2003 and the year ended June 30, 2003  
(In U.S. dollars)

	Number	Common stock amount	Share subscriptions received	Additional paid-in capital	Deficit	Accumulated other comprehensive loss	Total
Balances at June 30, 2002	12,062,239	\$ 391,421	\$ —	\$ —	\$ (902,571)	\$ (16,772)	\$ (527,922)
Issued for cash	860,620	542	—	—	—	—	542
Comprehensive loss:							
Net loss	—	—	—	—	(305,258)	—	(305,258)
Currency translation adjustment	—	—	—	—	—	(102,809)	(102,809)
Comprehensive loss							(408,067)
Balances at June 30, 2003	12,922,859	391,963	—	—	(1,207,829)	(119,581)	(935,447)
Effect of recapitalization (note 3)	(11,013,330)	(390,054)	—	390,054	—	—	—
Issued for cash	345,001	345	—	103,155	—	—	103,500
Issued on acquisition of Quad Metals Corporation	7,753,719	7,754	—	(5,674)	—	—	2,080
Issued on conversion of debt	5,182,697	5,183	—	497,417	—	—	502,600
Subscriptions for common stock	—	—	69,450	—	—	—	69,450
Share Issuance costs	—	—	—	(17,295)	—	—	(17,295)
Stock options issued to non-employees and modification of options issued to non-employees (note 11)	—	—	—	77,717	—	—	77,717
Stock options issued to employees and modification of options issued to employees (note 11)	—	—	—	348,976	—	—	348,976
Comprehensive loss:							
Net loss	—	—	—	—	(748,305)	—	(748,305)
Currency translation adjustment	—	—	—	—	—	(23,603)	(23,603)
Comprehensive loss							(771,908)
Balances at December 31, 2003	15,190,946	\$ 15,191	\$ 69,450	\$ 1,394,350	\$ (1,956,134)	\$ (143,184)	\$ (620,327)

See accompanying notes to consolidated financial statements.

# DATAJUNGLE SOFTWARE INC.

## Consolidated Statements of Cash Flows

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

	Six months ended December 31, 2003	Year ended June 30, 2003
Cash flows from operating activities:		
Net loss	\$ (748,305)	\$ (305,258)
Items not involving cash:		
Depreciation of property and equipment	6,682	32,070
Interest expense	8,919	59,435
Compensation expense	426,693	—
Change in non-cash operating working capital (note 18)	56,372	(59,160)
Net cash used in operating activities	(249,639)	(272,913)
Cash flows from investing activities:		
Purchase of property and equipment	(10,591)	(20,595)
Acquisition of DataJungle Software Inc., net of cash received (note 3)	2,220	—
Net cash provided by investing activities	(8,371)	(20,595)
Cash flows from financing activities:		
Proceeds from promissory notes and other obligations payable	42,000	418,891
Payments of promissory notes and other obligations payable	(632)	—
Proceeds from promissory notes and other obligations payable to related parties	34,286	—
Payments of promissory notes and other obligations payable to related parties	(3,740)	—
Repayment of capital lease obligation	(2,060)	(7,079)
Issuance of common stock for cash	103,500	542
Share issuance costs	(17,295)	—
Share subscriptions received	69,450	—
Net cash provided by financing activities	225,509	412,354
Effects of exchange rates on cash and cash equivalents	(7,888)	(38,035)
Net increase (decrease) in cash and cash equivalents	(40,389)	80,811
Cash and cash equivalents, beginning of period	86,947	6,136
Cash and cash equivalents, end of period	\$ 46,558	\$ 86,947

See accompanying notes to consolidated financial statements.

# DATAJUNGLE SOFTWARE INC.

## Notes to Consolidated Financial Statements

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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### 1. General:

DataJungle Software Inc. (the "Company") was incorporated in the State of Washington on June 5, 1968 as Quad Metals Corporation ("Quad"). Quad became a Nevada incorporated company on December 11, 2002 when it merged with its wholly owned subsidiary. The Company was renamed to DataJungle Software Inc. on November 18, 2003. The Company is a developer of web-based enterprise-class business intelligence software solutions that translate business data into interactive tables, charts and maps. These solutions consist of modules of functionality that can be assembled to the specific requirements of the customer and customized to the needs of each user class within the customer's business.

### 2. Summary of significant accounting policies:

#### (a) Basis of presentation:

These consolidated financial statements are prepared in accordance with generally accepted accounting principles in the United States of America and include the accounts of DataJungle Software Inc. and its wholly-owned subsidiary, DataJungle Ltd. All significant intercompany balances and transactions have been eliminated in consolidation.

The financial statements have been prepared assuming that the Company will continue as a going concern. The Company has minimal revenues, negative working capital of \$641,646 as at December 31, 2003, and has incurred a loss of \$748,305 and negative cash flow from operations of \$249,639 for the six months then ended. As of December 31, 2003, the Company has an accumulated deficit of \$1,956,134 which results in a stockholders' deficiency of \$620,327. In addition, the Company expects to continue to incur operating losses for the foreseeable future and has no lines of credit or other financing facilities in place. To date, the Company has been able to finance its operations on a month-to-month basis from investors who recognize the advancement of the Company's activities.

All of the factors above raise substantial doubt about the Company's ability to continue as a going concern. Management's plans to address these issues include raising capital through the private placement of equity and renegotiating the repayment terms of accounts payable, accrued liabilities and promissory notes payable. The Company's ability to continue as a going concern is subject to management's ability to successfully implement the above plans. Failure to implement these plans could have a material adverse effect on the Company's position and or results of operations and may result in ceasing operations. The consolidated financial statements do not include adjustments that would be required if the assets are not realized and the liabilities settled in the normal course of operations.

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 2

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## 2. Summary of significant accounting policies (continued):

### (a) Basis of presentation (continued):

Even if successful in obtaining financing in the near term, the Company cannot be certain that cash generated from its future operations will be sufficient to satisfy its liquidity requirements in the longer term and it may need to continue to raise capital by selling additional equity or by obtaining credit facilities. The Company's future capital requirements will depend on many factors, including, but not limited to, the market acceptance of its products, the level of its promotional activities and advertising required to generate product sales. No assurance can be given that any such additional funding will be available or that, if available, it can be obtained on terms favourable to the Company.

### (b) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates.

Significant management estimates include assumptions used in estimating investment tax credits receivable. Receipt of these credits is dependent on Canada Revenue Agency's review and acceptance of the eligibility of expenditures.

### (c) Comprehensive loss:

Comprehensive loss includes the net loss and other comprehensive loss ("OCL"). OCL refers to changes in net assets from transactions and other events and circumstances other than transactions with stockholders. These changes are recorded directly as a separate component of stockholders' deficiency and excluded from net loss. The only comprehensive loss item for the Company relates to foreign currency translation adjustments pertaining to the translation of the financial statements of the Company's subsidiary, from Canadian dollars, the functional currency of the subsidiary, to U.S. dollars, the reporting and functional currency of the Company.

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 3

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## 2. Summary of significant accounting policies (continued):

### (d) Foreign currency translation:

The consolidated financial statements of the Company include the accounts of the Company in U.S. dollars and the accounts of its wholly owned subsidiary, translated into U.S. dollars using Financial Accounting Standards Board's Statement No. 52, "Foreign Currency Translation" for the translation of foreign currency operations. The financial statements of the Company's subsidiary are measured using the Canadian dollar as its functional currency. Assets and liabilities have been translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Revenues and expenses have been translated into U.S. dollars using the average exchange rate for the period. Gains and losses have been reported as a separate component of accumulated other comprehensive loss.

### (e) Revenue recognition:

The Company recognizes revenue using the completed contract method in accordance with the guidance in Statement of Position 81-1, "Accounting for Performance of Construction-Type and Certain Production-Type Contracts". Under the completed contract method, revenue is recognized in the period when all substantial obligations of the Company under the terms and conditions of a contract have been satisfied. Cash receipts received in advance of the recognition of revenue and rights to advance payments are recorded in the balance sheet as deferred revenue. Management anticipates that all of the substantial obligations of the Company under the contracts deferred at December 31, 2003 will be met during fiscal 2004 and the respective revenue will be recognized at that time. Labor costs associated with a contract that has not been recognized as revenue are capitalized in the balance sheet as contracts in process. A provision for contract losses is recognized as soon as the losses become evident.

### (f) Cash equivalents:

The Company considers cash equivalents to be highly liquid investments with original maturities of three months or less and restricted cash as it is available for use for current purposes.

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 4

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## 2. Summary of significant accounting policies (continued):

### (g) Property and equipment:

Property and equipment is stated at cost less accumulated depreciation. Property under capital lease is initially recorded at the present value of the minimum lease payments at the inception of the lease. Depreciation is provided over the estimated useful lives of the underlying assets on a straight-line basis using the following annual rates:

Asset	Useful life
Office equipment	3 years
Computer hardware	3 years
Computer software	2 years

### (h) Leases:

Leases are classified as either capital or operating in nature. Capital leases are those which substantially transfer the benefits and risk of ownership to the Company. Assets acquired under capital leases are depreciated at the same rates as those described in note 2(g). Obligations recorded under capital leases are reduced by the principal portion of lease payments. The imputed interest portion of lease payments is charged to expense.

### (i) Research and development:

Costs related to research, design and development of software products are charged to research and development expense as incurred unless they meet generally accepted criteria for deferral and amortization. Software development costs incurred prior to the establishment of technological feasibility do not meet these criteria and are expensed as incurred. Research costs are expensed as incurred. To date, the Company has not capitalized any software development costs.

### (j) Investment tax credits:

Investment tax credits are accounted for using the cost reduction approach whereby they are recorded as a reduction of the related expense or the cost of the assets acquired when there is reasonable assurance that they will be realized.

### (k) Government assistance:

Government assistance is recorded as a reduction of the related expense or the cost of the assets acquired. Government assistance is recorded in the accounts when reasonable assurance exists that the Company has complied with the terms and conditions of the approved grant program.



# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 5

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## 2. Summary of significant accounting policies (continued):

### (l) Advertising:

Advertising costs are expensed as incurred. Advertising costs amounted to \$Nil for the six months ended December 31, 2003 (June 30, 2003 - \$24,000).

### (m) Income taxes:

Deferred income taxes are determined using the asset and liability method, whereby deferred income tax is recognized on temporary differences using enacted tax rates that are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Temporary differences between the carrying values of assets or liabilities used for tax purposes and those used for financial reporting purposes arise in one period and reverse in one or more subsequent periods. In assessing the realizability of deferred tax assets, management considers known and anticipated factors impacting whether some portion or all of the deferred tax assets will not be realized. To the extent that the realization of deferred tax assets is not considered to be more likely than not, a valuation allowance is provided.

### (n) Stock-based compensation:

The Company applies the intrinsic value-based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees", and related interpretations including FASB Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation an interpretation of APB Opinion No. 25", to account for its stock options for employees. Under this method, compensation expense is recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" and SFAS No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure, an amendment of FASB Statement No. 123," established accounting and disclosure requirements using a fair value-based method of accounting for stock-based employee compensation plans. As permitted by existing accounting standards, the Company has elected to continue to apply the intrinsic-value based method of accounting described above, and has adopted only the disclosure requirements of SFAS 123, as amended.

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 6

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 2. Summary of significant accounting policies (continued):

### (n) Stock-based compensation (continued):

The following table illustrates the effect on net loss if the fair value-based method had been applied to all outstanding and unvested awards in each period.

	December 31, 2003	June 30, 2003
Net loss, as reported	\$ (748,305)	\$ (305,258)
Add stock-based employee compensation expense included in reported net loss	348,976	—
Deduct total stock-based employee compensation expense determined under fair-value-based method for all awards	(718,149)	—
Pro forma net loss	\$(1,117,478)	\$ (305,258)
Earnings per share:		
Basic and diluted — as reported	\$ 0.05	\$ 0.02
Basic and diluted — pro forma	0.08	0.02

### (o) Impairment or disposal of long-lived assets:

The Company accounts for impairment or disposal of long-lived assets in accordance with SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets". This Statement requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to undiscounted future net cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its undiscounted estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 7

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## 2. Summary of significant accounting policies (continued):

### (p) Recently adopted accounting standards:

In November 2002, FASB Interpretation No. 45, "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness to Others, an interpretation of FASB Statements No. 5, 57 and 107 and a rescission of FASB Interpretation No. 34," was issued. This Interpretation enhances the disclosures to be made by a guarantor in its interim and annual financial statements about its obligations under guarantees issued. The Interpretation also clarifies that a guarantor is required to recognize, at inception of a guarantee, a liability for the fair value of the obligation undertaken. The initial recognition and measurement provisions of the Interpretation were applicable to guarantees issued or modified after December 31, 2002 and the disclosure requirements were effective for financial statements of interim or annual periods ending after December 15, 2002. Disclosures required by this standard are included in the notes to these consolidated financial statements.

In December 2002, FASB Statement No. 148, "Accounting for Stock-Based Compensation – Transition and Disclosure, an amendment of FASB Statement No. 123," was issued. This Statement amends FASB Statement No. 123, "Accounting for Stock-Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value method of accounting for stock-based employee compensation. In addition, Statement 148 amends the disclosure requirements of Statement 123 to require prominent disclosures in both annual and interim financial statements. Disclosures required by this standard are included in the notes to these consolidated financial statements.

## 3. Reverse acquisition:

Effective October 1, 2003, the Company acquired 100% of the issued and outstanding shares of DataJungle Ltd. This transaction has been treated as a recapitalization of DataJungle Software Inc. by DataJungle Ltd., effectively as if DataJungle Ltd. had issued shares for consideration equal to the net monetary assets of DataJungle Software Inc.

Under reverse acquisition accounting, the consolidated financial statements of the entity are considered a continuation of the financial statements of DataJungle Ltd. As such, the net assets of DataJungle Ltd. have remained at their carrying value and the net assets of DataJungle Software Inc., which only included cash and nominal liabilities, have been recorded at their fair value. The transaction is presented as a recapitalization transaction in stockholders' deficiency. In addition, the comparative figures reflect the results of operations of DataJungle Ltd. for the fiscal year ended June 30, 2003.

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 8

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 3. Reverse acquisition (continued):

The fair value of the assets and liabilities of DataJungle Software Inc. acquired were as follows:

Assets acquired:	
Cash	\$ 2,220
Liabilities assumed:	
Accounts payable	(140)
	<hr/>
	\$ 2,080
<hr/>	
Consideration given:	
7,753,719 common shares	\$ 2,080
<hr/>	

## 4. Accounts receivable:

	December 31, 2003	June 30, 2003
Trade accounts receivable	\$ 51,430	\$ 32,241
Other	4,466	4,746
	<hr/>	<hr/>
	\$ 55,896	\$ 36,987
	<hr/>	<hr/>

All trade accounts receivable are due in U.S. dollars.

## 5. Property and equipment:

		December 31, 2003	
	Cost	Accumulated depreciation	Net book value
Office equipment	\$ 23,627	\$ 21,030	\$ 2,597
Computer hardware	77,132	60,569	16,563
Computer software	9,705	7,546	2,159
	<hr/>	<hr/>	<hr/>
	110,464	89,145	21,319
Computer hardware under capital lease	23,501	23,501	
	<hr/>	<hr/>	<hr/>
	\$ 133,965	\$ 112,646	\$ 21,319
	<hr/>	<hr/>	<hr/>

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 9

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 5. Property and equipment (continued):

	Cost	Accumulated depreciation	June 30, 2003 Net book value
Office equipment	\$ 22,732	\$ 19,401	\$ 3,331
Computer hardware	66,229	53,793	12,436
Computer software	6,844	6,844	—
	95,805	80,038	15,767
Computer hardware under capital lease	22,612	21,669	943
	\$ 118,417	\$ 101,707	\$ 16,710

## 6. Accounts payable:

	December 31, 2003	June 30, 2003
Trade accounts payable	\$ 21,045	\$ 17,357
Professional fees	54,445	50,548
Advertising fees	4,000	8,000
Employee related payables	4,141	3,314
Other	9,259	13,467
	\$ 92,890	\$ 92,686

## 7. Accrued liabilities:

	December 31, 2003	June 30, 2003
Employee related accruals	\$ 87,147	\$ 103,133
Interest	76,215	89,472
Professional fees	55,561	22,263
Rent	5,660	5,446
Financing fees	5,505	—
	\$ 230,088	\$ 220,314

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 10

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 8. Promissory notes and other obligations payable:

	December 31, 2003	June 30, 2003
Repayable contribution from the Government of Canada, payable on demand, unsecured (note 8(a))	\$ 33,209	\$ 32,568
Promissory note, payable on demand, bearing interest at 12% per annum	42,000	—
Promissory note, maturing on October 7, 2003, bearing interest at 5% per annum, convertible at the option of the holder into common stock of the Company at any time, unsecured (note 8(b))	—	400,000
Promissory note, payable on seven days notice by the lender described in 9(i), maturing on May 16, 2005, bearing interest at 10% per annum compounded semi-annually, convertible at the option of the Company into common stock of the Company at any time and secured by a general security agreement (note 8(c))	—	14,842
Promissory note, payable on seven days notice by the lender described in 9(i), maturing on June 30, 2005, bearing interest at 10% per annum compounded semi-annually, convertible at the option of the Company into common stock of the Company at any time and secured by a general security agreement (note 8(c))	—	7,421
	<b>\$ 75,209</b>	<b>\$ 454,831</b>

Additional terms and conditions related to the promissory notes and other obligations payable are as follows:

- (a) The Company received assistance for certain of its operating costs from the Government of Canada in the form of a repayable, non-interest bearing contribution. Originally, the repayable contribution from the Government of Canada was repayable in five equal annual instalments commencing on July 1, 2004. However, in January 2003, the Company breached a condition of the agreement with the Government of Canada which required the Company to be located in the Province of Quebec. As a result of this breach, the Government of Canada has the right to charge interest on the amount outstanding and require that the Company provide security and to demand immediate repayment. As a consequence, the Company has accrued interest on the amount outstanding at rates prescribed by the Government of Canada (ranging from 5.25% to 6.5% per annum) and has classified the repayable contribution as a current liability.

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 11

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 8. Promissory notes and other obligations payable (continued):

- (b) Under the terms of the October 7, 2003 promissory note, the Company had the option of repaying all or any part of principal or interest at any time without notice, penalty or bonus. In addition, the lender could convert all or part of the principal and accrued interest into common stock of the Company at the rate of one share of common stock for each \$0.33 of debt converted or at such lower rate paid by any third party dealing at arm's length with the Company (the "Conversion Rate"). In the event that the shares of the Company were quoted on a public market in the U.S., the Company could require that all or any portion of the principal and accrued interest be converted to common stock of the Company at the Conversion Rate. On October 1, 2003 this promissory note together with accrued interest was converted to 4,452,624 common shares of the Company.
- (c) Under the terms of the May 16, 2005 and June 30, 2005 promissory notes, the Company had the option of repaying all or any part of principal and interest at any time without notice, penalty or bonus. In addition, the Company could require the principal and interest be converted to common stock of the Company on terms and conditions similar to that accepted by the related party described in 9(i). On October 1, 2003, these promissory notes together with accrued interest were converted to 226,256 common shares of the Company.

## 9. Promissory notes and other obligations payable to related parties:

	December 31, 2003	June 30, 2003
Promissory note, payable on seven days notice, no fixed repayment terms, bearing interest at 10% per annum compounded semi-annually until September 16, 2003 and non-interest bearing thereafter, convertible at the option of the holder into common stock of the Company at any time and secured by a general security agreement representing a first floating charge on all assets of the Company (note 9(i))	\$ 423,602	\$ 374,174
Promissory note payable to a Director of the Company on seven days notice by the lender described in 9(i), maturing on June 30, 2005, bearing interest at 10% per annum compounded semi-annually, convertible at the option of the Company into common stock of the Company at any time and secured by a general security agreement (note 9(ii))	—	7,421
Amounts owing to a shareholder of the Company payable on December 15, 2003, bearing interest at 7% per annum, unsecured (note 9(iii))	—	47,081
Amounts owing to a corporation controlled by a Director and Officer of the Company, non-interest bearing and repayable in monthly instalments of \$626 commencing January 15, 2003	—	3,740
	\$ 423,602	\$ 432,416

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 12

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## **9. Promissory notes and other obligations payable to related parties (continued):**

Additional terms and conditions related to the promissory notes and loans payable to related parties are as follows:

- (i) Under the terms of the promissory note, the Company can repay all amounts of principal and interest at any time without penalty or bonus. In accordance with the terms of a Memorandum of Agreement dated February 21, 2003, the lender has a right to convert all amounts of principal and interest to common stock of the Company at the rate of one common share for each \$0.15 Canadian of debt converted or at such lower rate paid by any third party dealing at arm's length with the Company. In addition, as long as at least \$100,000 Canadian of principal and interest is outstanding, the lender has certain rights related to management and direction of the Company. Included in accrued liabilities is \$74,967 (June 30, 2003 – \$62,996) in accrued interest on this note. The lender has agreed that the promissory note together with accrued interest would be convertible, at the lender's option, into 4,009,302 common shares of the Company. On December 15, 2003, the lender advanced an additional \$34,286 under the terms of the promissory note as amended which may be converted, at the lender's option, into 300,000 common shares of the Company.
- (ii) Under the terms of this promissory note, the Company had the option of repaying principal and interest at any time. In addition, the Company could require the principal and interest be converted to common stock of the Company at terms and conditions similar to that accepted by the lender described in (i). Included in accrued liabilities is \$Nil (June 30, 2003 – \$607) in accrued interest on this note. On October 1, 2003 this promissory note together with accrued interest was converted to 73,594 common shares of the Company.
- (iii) Amounts owing to a shareholder of the Company bear interest at 7% per annum payable semi-annually in arrears with the principal becoming due on December 15, 2003. The Company had the option of repaying the principal at any time prior to this date without penalty or bonus. Included in accrued liabilities is \$Nil (June 30, 2003 - \$6,591) in accrued interest on this obligation. On September 16, 2003, the shareholder agreed to waive interest on this obligation and, on October 1, 2003, the shareholder converted the amount owing to 430,223 common shares of the Company.



# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 13

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 10. Capital lease obligation:

Future minimum capital lease payments are as follows:

	December 31, 2003	June 30, 2003
Year ended June 30:		
2003	\$ —	\$ —
2004	—	2,060
Total minimum lease payments	—	2,060
Less amount representing interest (at approximately 19.6%)	—	—
Present value of minimum lease payments	—	2,060
Less current portion of capital lease obligation	—	2,060
	\$ —	\$ —

## 11. Stock option plan:

During the year ended June 30, 2003, DataJungle Ltd. adopted a Stock Option Plan (the "DJL Plan") pursuant to which the Board of Directors could grant stock options to officers, employees and consultants. The DJL Plan authorized grants of options to purchase up to 4,500,000 shares of authorized but unissued common stock of DataJungle Ltd. Options are granted with an exercise price equal to or greater than the stock's fair market value at the date of grant. All stock options had terms as determined by the Board of Directors, vested within three years and expire no later than seven years from the date of vesting.

Under the Company's Stock Option Plan (the "Plan") up to 5,000,000 shares of authorized but unissued common stock of the Company can be granted to officers, employees and consultants. Options are granted with an exercise price equal to or greater than the stock's fair market value at the date of grant, vest over a period of time as determined by the Board of Directors and expire no later than ten years from the date of vesting.

At December 31, 2003, there were 3,861,152 additional shares available for grant under the Plan. The per share weighted average fair value of stock options granted under the DJL Plan during the three months ended September 30, 2003 was \$Nil (June 30, 2003 - \$Nil) on the date of grant using the Black Scholes option-pricing model (excluding a volatility assumption) with the following weighted average assumptions: September 30, 2003 – expected dividend yield 0%, risk-free interest rate of 4.2%, and an expected life of 9 years; June 30, 2003 – expected dividend yield 0%, risk-free interest rate of 3.5%, and an expected life of 6 years.

# DATAJUNGLE SOFTWARE INC.

Notes to Consolidated Financial Statements, page 14

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 11. Stock option plan (continued):

The per share weighted average fair value of stock options granted under the Plan during the three months ended December 31, 2003 was \$0.43 on the date of grant using the Black Scholes option-pricing model with the following weighted average assumptions: expected dividend yield 0%, risk-free interest rate of 3.8%, volatility rate of 136%, and an expected life of 7.13 years.

A summary of the status of the stock options at December 31, 2003 and June 30, 2003 is as follows:

	December 31, 2003		June 30, 2003	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Options outstanding, beginning of period	1,358,075	\$ 0.15	882,825	\$ 0.40
Granted	1,178,848	0.25	475,250	0.04
Forfeited	(1,398,075)	0.15	—	—
Options outstanding, end of period	1,138,848	\$ 0.25	1,358,075	\$ 0.15

The following table summarizes information about stock options outstanding at December 31, 2003:

Options outstanding				Options exercisable		
Range of exercise prices	Number outstanding at 12/31/03	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable at 12/31/03	Weighted average exercise price	
\$ 0.008	180,150	4.63 years	\$ 0.008	180,150	\$0.008	
0.12	476,275	5.03 years	0.12	416,275	0.12	
0.40	182,423	6.75 years	0.40	177,823	0.40	
0.50	300,000	6.88 years	0.50	—	—	
	1,138,848		\$ 0.25	774,248	\$ 0.12	

# DATAJUNGLE SOFTWARE INC.

Notes to Financial Statements, page 15

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 11. Stock option plan (continued):

On October 1, 2003, pursuant to the Share Exchange Agreement between DataJungle Ltd. and the Company, each option granted under the DJL Plan was exchanged for 0.60 options to purchase common stock of the Company at the same exercise price as under the DJL Plan. In addition, during the years ended June 30, 2003 and 2002, the Company modified the terms of certain stock options granted to employees to reduce the exercise price and/or extend the expiry date and to allow them to retain the award upon a change in status from employee to non-employee. For the six months ended December 31, 2003, non-cash compensation expense of \$262,367, \$71,106 and \$15,503 has been included in research and development, general and administrative and sales and marketing expenses, respectively. For the year ended June 30, 2003, no non-cash compensation charge was recorded as the fair value of the options was \$Nil.

Non-cash compensation expense of \$77,717 (June 30, 2003 - \$Nil) has been included in general and administrative expenses with respect to stock options granted to non-employees and modification of options issued to non-employees.

## 12. Research and development:

	December 31, 2003	June 30, 2003
Incurring during the year	\$ 410,610	\$ 174,418
Less: investment tax credits	(44,599)	(104,371)
	\$ 366,011	\$ 70,047

## 13. Income taxes:

Deferred income taxes reflect the impact of temporary differences between amounts of assets and liabilities as reported for financial reporting purposes and such amounts as measured by tax laws. The tax effects of temporary differences that gave rise to significant portions of the deferred tax asset and deferred tax liability are as follows:

	December 31, 2003	June 30, 2003
Deferred tax asset:		
Net operating loss carryforwards	\$ 445,000	\$ 260,000
Unclaimed scientific research and experimental development	136,000	56,000
Property and equipment and other	13,000	10,000
Total gross deferred tax asset	594,000	326,000
Valuation allowance	(594,000)	(326,000)
Net deferred taxes	\$ —	\$ —

# DATAJUNGLE SOFTWARE INC.

Notes to Financial Statements, page 16

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 13. Income taxes (continued):

Income tax expense varies from the amount that would be computed by applying the enacted U.S. federal income tax rate (Canadian federal income tax rate for June 30, 2003) to the net loss as a result of the following:

	December 31, 2003	June 30, 2003
Expected tax rate	34%	36.87%
Expected tax recovery	\$ (254,423)	\$ (112,549)
Increase (decrease) in taxes resulting from:		
Change in valuation allowance	268,000	166,000
Compensation expense	145,000	—
Difference between current and enacted tax rates	(75,000)	20,000
Losses of legal parent prior to date of acquisition	(19,000)	—
Financing fees	(6,000)	—
Difference between U.S. and Canadian tax rates	(6,000)	—
Canadian provincial differences	(6,000)	(9,000)
Foreign exchange	(13,000)	(27,000)
Other	(33,577)	(37,451)
	\$ —	\$ —

The Company has net operating loss carryforwards available to be applied against Canadian taxable income and which expire as follows:

2008	\$ 200,000
2009	302,000
2010	649,000
	\$ 1,151,000

The Company has net operating loss carryforwards which are significantly restricted and are not considered to be available to be applied against U.S. taxable income. The Company has other losses which can be applied against U.S. taxable income and which expire as follows:

2023	\$ 30,000
	\$ 30,000

# DATAJUNGLE SOFTWARE INC.

Notes to Financial Statements, page 17

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

## 14. Net loss per share:

As the Company incurred a net loss during the six months ended December 31, 2003 and the year ended June 30, 2003, the loss per common share is based on the weighted average common shares outstanding. The following outstanding instruments could potentially dilute loss per share for the periods presented:

	December 31, 2003	June 30, 2003
Number of shares issued upon:		
Exercise of options to purchase common stock	1,138,848	1,358,075
Conversion of promissory notes	4,309,302	5,479,438

## 15. Guarantees and commitments:

### (a) Guarantees:

The Company has entered into agreements that contain features which meet the definition of a guarantee under FASB Interpretation No. 45 ("FIN 45"). FIN 45 defines a guarantee to be a contract that contingently requires the Company to make payments (either in cash, financial instruments, other assets, common shares of the Company or through provision of services) to a third party based on changes in an underlying economic characteristic (such as interest rates or market value) that is related to an asset, liability or an equity security of the other party. The Company has the following guarantees which are subject to the disclosure requirements of FIN 45:

#### *Product warranties*

As part of the normal sale of software products, the Company has provided certain of its customers with product warranties of 30 days from the date of sale. Based on management's best estimate of probable liability under its product warranties, no product warranty accrual was recorded as of December 31, 2003 and June 30, 2003.

### (b) Commitments:

#### *Operating lease*

The Company has entered into an operating lease agreement for office space that expires on December 31, 2004. The future minimum lease payments, excluding operating costs, are approximately as follows: 2004 - \$77,086.

Rent expense for operating leases for the six months ended December 31, 2003 and the year ended June 30, 2003 was \$39,274 and \$45,275, respectively.

# DATAJUNGLE SOFTWARE INC.

Notes to Financial Statements, page 18

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## 16. Financial instruments:

The carrying value of cash and cash equivalents, accounts receivable, accounts payable, accrued liabilities, promissory notes and other obligations payable and promissory notes and loans payable to related parties approximate fair value due to the short term to maturity of these instruments.

## 17. Segmented reporting:

The Company operates in one dominant industry segment, which involves providing web-based software solutions that translate data into tables, charts and maps. The Company's solutions can extend the functionality of business intelligence software packages from other vendors by adding pre-built software objects on top of those vendor's solutions. Alternatively, the Company's pre-built software objects can be assembled and bundled with data from major data vendors to provide functionality and enhanced presentation capabilities.

External revenues attributable to geographic areas based on the location of the customer are as follows:

	December 31, 2003	June 30, 2003
United States	\$ 16,465	\$ 144,553

The Company's assets are located as follows:

	December 31, 2003	June 30, 2003
Canada	\$ 486,963	\$ 403,092
United States	21,675	—

# DATAJUNGLE SOFTWARE INC.

Notes to Financial Statements, page 19

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## 18. Statement of cash flows:

(a) Change in non-cash operating working capital:

	December 31, 2003	June 30, 2003
Accounts receivable	\$ (18,909)	\$ (30,644)
Investment tax credits receivable	(57,479)	(12,980)
Work-in-process	(64,680)	(123,985)
Prepaid expenses	(258)	(5,849)
Due from related parties	—	726
Accounts payable	64	1,868
Accrued liabilities	26,690	(10,005)
Deferred revenue	170,944	121,709
	<hr/> \$ 56,372	<hr/> \$ (59,160)

(b) Supplemental cash flow information:

During the six months ended December 31, 2003, the Company paid interest of \$25,327 (year ended June 30, 2003 - \$1,135).

## 19. Economic dependence:

The Company's two most significant customers account for 100% of revenue for the six months ended December 31, 2003 (year ended June 30, 2003 – 100%).

## 20. Subsequent events:

Subsequent to December 31, 2003, the Company received \$132,000 from investors pursuant to subscription agreements to purchase 440,000 common shares of the Company at \$0.30 per share. In addition, the Company received \$30,000 pursuant to a demand promissory note bearing interest at 12% per annum.

# DATAJUNGLE SOFTWARE INC.

Notes to Financial Statements, page 20

Six months ended December 31, 2003 and year ended June 30, 2003  
(In U.S. dollars)

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## 21. Comparative information for the six months ended December 31, 2002

	Six months Ended December 31, 2002
	(unaudited)
Revenues	\$ 30,402
Gross profit	15,282
Net loss	(145,237)
Loss per common share – basic and diluted	\$ 0.01
Net cash used in operating activities	\$ (167,190)
Net cash used in investing activities	17,626
Net cash used in financing activities	419,141



## SIGNATURES

In accordance with Section 13 or 15(d) of the Securities Exchange Act of 1934, the small business issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATAJUNGLE SOFTWARE INC.

By: /s/ Edward Munden  
Edward Munden  
President and Chief Executive Officer

Dated: April 29, 2004.

In accordance with the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the small business issuer and in the capacities and on the dates indicated.

/s/ Edward Munden  
Edward Munden  
President, Chief Executive Officer and Director  
(principal executive officer)

Dated: April 29, 2004.

/s/ Larry Bruce  
Larry Bruce  
Vice President Finance, Treasurer and Secretary  
(principal financial officer)

Dated: April 29, 2004

ARTICLES OF INCORPORATION  
OF  
QUAD METALS CORPORATION

The undersigned hereby executes the following Articles of Incorporation for the purpose of forming a corporation under the provisions of the laws of the State of Nevada pursuant to NRS 79.

ARTICLE I  
Name

The name of the corporation is Quad Metals Corporation

ARTICLE II  
Purpose

The purpose of this corporation shall be to transact any and all lawful business for which corporations may be incorporated under the laws of the State of Nevada, in general, to have and exercise all the powers conferred by the laws of Nevada upon corporations and to do any and all things hereinbefore set forth to the same extent as natural persons might or could do.

ARTICLE III  
Duration

This corporation shall be of perpetual duration.

ARTICLE IV  
Authorized Capital Stock

The authorized capital stock of the corporation shall consist of two (2) classes of stock, designated as Common Stock and Preferred Stock.

The total number of shares of Common Stock that the corporation will have authority to issue is three hundred million (300,000,000) shares. The shares shall have par value of \$.001 per share. All of the Common Stock authorized herein shall have equal voting rights and powers without restrictions in preference.

The total number of shares of Preferred Stock that the corporation will have authority to issue is ten million (10,000,000) shares. The Preferred Stock shall have no stated value and par value of \$.001 per share. The Preferred Stock shall be entitled to preference over the Common Stock with respect to the distribution of assets of the corporation in the event of liquidation, dissolution, or winding-up of the corporation, whether voluntarily or involuntarily, or in the event of any other distribution of assets of the corporation among its stockholders for the purpose of winding-up its affairs. The authorized but unissued shares of Preferred Stock may be divided into and issued in designated series from time to time by one or more resolutions adopted by the Board of Directors. The Directors in their sole discretion shall have the power to determine the relative powers, preferences, and rights of each series of Preferred Stock.

ARTICLE V  
Preemptive Rights

Stockholders of this corporation will have no preemptive rights to acquire additional shares issued by the corporation, or any securities convertible into, or carrying or evidencing any rights or option to purchase, any such shares.

ARTICLE VI  
Voting

The holders of any of the corporation's capital stock shall possess voting power for the election of directors and for all other purposes, subject to such limitations as may be imposed by law and by any provision of the Articles of Incorporation in the exercise of their voting power. Cumulative voting for the election of directors is hereby expressly prohibited. The holders of Common Stock shall be entitled to one vote for each share held. All of the Common Stock authorized herein shall have equal voting rights and powers without restrictions in preference.

ARTICLE VII  
Board of Directors

The Board of Directors of this corporation shall consist of three (3) directors. The number of directors constituting the Board of Directors of this corporation may be increased or decreased from time to time in the manner specified in the Bylaws of this corporation; provided, however, that the number shall not be less than one (1) or more than eleven (11). All vacancies in the Board of Directors, including those caused by an increase in the number of directors, may be filled by a majority of the remaining directors, though less than a quorum.

ARTICLE VIII  
Director Liability

A director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for conduct as a director, except for liability of the director for (i) acts or omissions that involve intentional misconduct or a knowing violation of law by the director; (ii) conduct which violates Chapter 78.300 of the Nevada Revised Statutes, pertaining to unpermitted distributions to stockholders; or (iii) any transaction from which the director will personally receive a benefit in money, property, or services to which the director is not legally entitled. If the laws of the State of Nevada are amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the corporation shall be eliminated or limited to the fullest extent permitted thereunder, as so amended. Any repeal or modification of the foregoing paragraph by the stockholders of the corporation shall not adversely affect any right or protection of a director of the corporation existing at the time of such repeal or modification.

ARTICLE IX  
Indemnification

The corporation is authorized to indemnify, agree to indemnify or obligate itself to advance or reimburse expenses incurred by its Directors, Officers, employees or agents to the full extent of the laws of the State of Nevada as may now or hereafter exist.

ARTICLE X  
Bylaws

Subject to the power of stockholders to amend or repeal, the Board of Directors of this corporation shall have the power to enact and amend such Bylaws defining the powers and duties of the officers of the corporation and providing for such other matters in relation to its affairs as they may deem necessary and convenient, provided the same are not out of harmony with the laws of the State of Nevada or these Articles of Incorporation.

ARTICLE XI  
Action by Majority Consent of Stockholders

Any action required or permitted to be taken at a meeting of the stockholders may be taken without a meeting if, before or after the action, a written consent thereto is signed by stockholders holding at least a majority of the voting power, except that if a different proportion of voting power is required for such an action at a meeting, then that proportion of written consents is required.

ARTICLE XII  
Amendments

The corporation reserves the right to amend, alter, change or repeal any provision contained in these Articles of Incorporation in the manner now or hereafter prescribed by statute, and all rights conferred on the stockholders herein are granted subject to this reservation.

ARTICLE XIII  
Directors

The initial Board of Directors of this corporation consists of three (3) directors. The name and address of such directors are as follows:

<u>Name</u>	<u>Address</u>
Robert W. O'Brien	1511 S. Riegel Court Spokane, WA 99212
Martyn A. Powell	2024-105 <sup>th</sup> Place S.E. Everett, WA 98208
Michael L. McLaughlin	2615 S. Adams Rd. Veradale, WA 99037

ARTICLE XIV  
Incorporator

The name and address of the incorporator is as follows:

<u>Name</u>	<u>Address</u>
Robert W. O'Brien	1511 S. Riegel Court Spokane, WA 99212

ARTICLE XV  
Registered Agent

The name of the registered agent of this corporation is CSC Services of Nevada, Inc.

ARTICLE XVI  
Registered Office

The post office address of the registered office of this corporation is 502 E. John Street,  
Room E, Carson City, NV 89706.

Dated this 11th day of June, 2002

W. O'Brien, Incorporator



DEAN HELLER  
Secretary of State  
204 North Carson Street, Suite 1  
Carson City, Nevada 89701-4299  
(775) 684 5708  
Website: secretaryofstate.biz

FILED # C 15532-02

NOV 12 2003

IN THE OFFICE OF  
DEAN HELLER, SECRETARY OF STATE



Important: Read attached instructions before completing form.

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**Certificate of Amendment to Articles of Incorporation**  
**For Nevada Profit Corporations**  
**(Pursuant to NRS 78.385 and 78.390 - After Issuance of Stock)**

1. Name of corporation: QUAD METALS CORPORATION

2. The articles have been amended as follows (provide article numbers, if available):

ARTICLE I Name

The name of the corporation is DataJungle Software Inc.

3. The vote by which the stockholders holding shares in the corporation entitling them to exercise at least a majority of the voting power, or such greater proportion of the voting power as may be required in the case of a vote by classes or series, or as may be required by the provisions of the articles of incorporation have voted in favor of the amendment is: 52.9%\*

4. Effective date of filing (optional): November 18, 2003  
(must not be later than 90 days after the certificate is filed)

5. Officer Signature (required): [Signature]

\*If any proposed amendment would alter or change any preference or any relative or other right given to any class or series of outstanding shares, then the amendment must be approved by the vote, in addition to the affirmative vote otherwise required, of the holders of shares representing a majority of the voting power of each class or series affected by the amendment regardless of limitations or restrictions on the voting power thereof.

**IMPORTANT:** Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

**SUBMIT IN DUPLICATE**

This form must be accompanied by appropriate fees. See attached fee schedule.

Nevada Secretary of State AM 78.385 Amend 2003  
Revised on: 11/02/02

**EXHIBIT 3.c**

**BYLAWS  
OF  
QUAD METALS CORPORATION**

**As Adopted by the Board of Directors  
June 24, 2002**

# BYLAWS OF QUAD METALS CORPORATION

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BYLAWS OF  
QUAD METALS CORPORATION

ARTICLE I  
Corporate Offices

The corporation shall maintain a registered office in the State of Nevada. The Board may establish other offices in or outside the State of Nevada.

ARTICLE II  
Stock

*2.1 Issuance of Shares.*

(a) *Authorized Shares.* The corporation may issue the number of shares of each class or series authorized by the Articles. Shares that are issued are outstanding shares until they are reacquired, redeemed, converted, or cancelled.

(b) *Board Authorization for Issuance.* The Board must authorize any issuance of shares. The Board may issue shares in exchange for consideration consisting of any tangible or intangible property or benefit to the corporation, including cash, promissory notes, services performed, contracts for services to be performed, or other securities of the corporation. The Board's authorization must state the maximum number of shares of each class or series that may be issued and the price for each share.

(c) *Sales Subject to Restrictions.* The corporation may issue shares which are subject to restrictions on their transfer, as provided in Section 2.10.

(d) *When Fully Paid.* When the corporation has received the consideration in exchange for which the Board has authorized the issuance of shares, the shares issued will be fully paid and nonassessable.

(e) *Re-Acquisition.* The corporation may acquire its own shares. Shares so acquired shall constitute authorized but unissued shares.

*2.2 Fractional Shares or Scrip.*

(a) *Issuance.* The corporation may:

(1) Issue fractions of a share or pay in money the value of fractions of a share;

(2) Arrange for disposition of fractional shares by the shareholders;

(3) Issue scrip entitling the holder to receive a full share upon surrendering enough scrip to equal a full share.

(b) *Scrip*. Each certificate representing scrip must be conspicuously labeled "scrip," and must state on its face:

(1) The name of this corporation;

(2) That this corporation is organized under the laws of the State of Nevada;

(3) The name of the person to whom it is issued; and

(4) The fractional portion and class of shares and the designation of the series, if any, the certificate represents.

(c) *Rights of Holders*. The holder of a fractional share is entitled to exercise the rights of a shareholder, including the right to vote, to receive dividends, and to participate in the assets of the corporation upon liquidation. The holder of scrip is not entitled to any of these rights unless the scrip so provides.

(d) *Conditions on Issuance*. The Board may authorize the issuance of scrip subject to any condition considered desirable, including:

(1) That the scrip will become void if not exchanged for full shares before a specified date; and

(2) That the shares for which the scrip is exchangeable may be sold and the proceeds paid to the scripholders.

*2.3 Issuance of Rights or Options to Purchase Shares*. The corporation may issue rights, options, or warrants for the purchase of shares of the corporation. The Board shall determine the terms upon which the rights, options, or warrants are issued, their form and content, and the consideration for which the shares are to be issued upon exercise of any such right, option, or warrant.

*2.4 Preemptive Rights*. Shareholders of this corporation will have no preemptive rights to acquire additional shares issued by the corporation, or any securities convertible into, or carrying or evidencing any rights or option to purchase, any such shares.

*2.5 Certificates of Stock*. The Secretary shall issue stock certificates evidencing ownership of shares in the corporation. Stock certificates shall be issued in their proper numerical order. Each shareholder shall be entitled to a certificate which has been signed either manually or in facsimile by the President or a Vice President, which has been attested to by the Secretary or an Assistant

Secretary, and which has been sealed with the corporate seal, if any. The Secretary may issue a certificate bearing the signature of an individual who no longer holds that office. Such a certificate shall have the same effect as it would if the person still held office on the date of issue. Every stock certificate shall state:

- (a) The name of the corporation;
- (b) That the corporation is incorporated in Nevada;
- (c) The name of the person to whom the shares represented by the certificate are issued;
- (d) The number, class, and designation of the series, if any, of the shares represented by the certificate;
- (e) If there is more than one class, a statement that the corporation will furnish to any shareholder, upon request and without charge, a full written statement of the designations, preferences, limitations, and relative rights of the shares of each class authorized by the corporation, and the variations in rights, preferences, and limitations determined for each series; and
- (f) Either a complete description or a reference to the existence and general nature of any restrictions on the ownership or transfer of the shares which the certificate represents.

*2.6 Lost or Destroyed Certificates.* The Secretary may issue a replacement certificate in place of a lost, mutilated, or destroyed certificate, upon proof that the certificate was lost, mutilated, or destroyed, if the holder of the certificate gives a satisfactory bond of indemnity to the corporation. The Secretary may issue a replacement certificate without requiring any bond when the Board determines it is proper to do so.

*2.7 Stock Records.* The Secretary shall keep the stock transfer books at the registered office or principal place of business of the corporation, or at the office of the corporation's transfer agent or registrar. The Secretary, or the transfer agent or registrar, shall enter on the stock transfer books the name and address of each shareholder, together with the class, number of shares, and date on which the shares were issued or transferred to the shareholder. Each shareholder shall keep the shareholder's current address on file with the Secretary.

*2.8 Record Owners.* The corporation shall treat a shareholder of record as the owner of the shares for all purposes. The corporation shall not be bound to recognize any claim to or interest in any share on the part of any other person, whether or not it has notice of such a claim or interest, until that person's name has been entered on the transfer books as the shareholder of record.

## 2.9 Stock Transfers.

(a) *Method of Transfer.* Subject to any restrictions placed on the transfer of shares at or prior to the time such shares are issued, shareholders may transfer their shares by delivering the certificates to the transferee, accompanied by:

(1) An assignment in writing on the back of the certificate, or an assignment separate from certificate, or a written power of attorney to sell, assign, and transfer the shares which is signed by the record holder of the certificate with signature guaranteed; and

(2) Any additional documents, instruments, or other evidences necessary to satisfy the requirements of any transfer restrictions applicable to the shares by law or by contract.

(b) *Surrender of Old Certificate to Secretary.* Upon receipt of a transferred certificate, a transferee shall surrender the certificate, along with evidence that the certificate was transferred to the transferee, to the Secretary, so that the Secretary may record the transfer on the stock transfer books and issue a new certificate to the transferee.

(c) *Recording Transfers.* Except as otherwise specifically provided in these Bylaws, the Secretary shall not record any shares of stock as having been transferred on the books of the corporation until the outstanding certificates for those shares have been surrendered to the corporation. The Secretary shall cancel all certificates surrendered to the corporation for transfer. The Secretary shall issue no new certificate until the former certificate representing those shares has been surrendered and cancelled, except as provided in Section 2.6.

2.10 *Restrictions on Transfer.* The Board may restrict the transfer of the corporation's shares as permitted by law. The existence of any such restriction shall be noted conspicuously on the front or back of the certificate. No such restriction will affect shares issued before the restriction was adopted, unless the holders of the shares are parties to the restriction agreement or voted in favor of the restriction.

## ARTICLE III Shareholders

3.1 *Annual Meeting.* The corporation shall hold a meeting of the shareholders annually on a date and at a time and place set by the Board. The order of business at the annual meeting of shareholders shall be as follows:

- (a) Calling the meeting to order;
- (b) Proof of notice of meeting, or filing of waivers of notice;
- (c) Reading of minutes of the last annual meeting;



- (d) Reports from officers;
- (e) Reports from committees;
- (f) Election of directors; and
- (g) Other business.

### *3.2 Special Meetings.*

The corporation shall hold a special meeting of the shareholders:

- (a) On call of the Board, the Chairman, or the President; or
- (b) If the holders of at least ten percent (10%) of all the votes entitled to be cast on any issue proposed to be considered at the meeting, sign, date, and deliver to the Secretary one or more written demands for a special meeting which describe the purposes for the meeting.

Only issues identified in the notice of a special meeting may be conducted at that meeting. The Secretary shall issue notice of any special meeting as provided in Paragraph 3.6(b).

*3.3 Adjourned Meetings.* The chairman of the meeting may adjourn a shareholders' meeting at any time a quorum, as that term is defined in Section 3.8, is not present. With the consent of the holders of a majority of the shares represented in person or by proxy, and entitled to vote at a shareholders' meeting, the chairman of the meeting may adjourn the meeting for any reason to a time and place determined by the chairman of the meeting. The chairman of the meeting may adjourn a meeting at which directors are to be elected only from day to day until the directors are elected. The shareholders may conduct any business at an adjourned meeting which they might have conducted at the original meeting.

*3.4 Meeting Place.* Shareholders' meetings may be held either at the corporation's registered Nevada office or at any other place designated by the Board and identified in, the notice of the meeting.

*3.5 Chairman of the Meeting.* The Chairman shall serve as chairman of all shareholders' meetings. In the absence of the Chairman, the President or any other person appointed by the Board shall serve as chairman of a shareholders' meeting.

### *3.6 Notice of Shareholders' Meetings.*

(a) *Annual Meetings.* The corporation shall notify the shareholders of each annual shareholders' meeting. The corporation shall deliver notice, as provided in Section 9.1, at least ten (10), but not more than sixty (60), days before the meeting date. Notice of an annual meeting need not include a description of the purposes of the meeting, except as provided under Paragraph (c)

below. The corporation must deliver notice to all shareholders entitled to vote at the annual meeting, and must notify certain other shareholders of an annual meeting as provided in Paragraph (c) below.

(b) *Special Meetings.* The corporation shall notify the shareholders entitled to vote on the actions to be considered at any special meeting called pursuant to Section 3.2. The corporation need not notify all shareholders unless required to do so as provided in Paragraph (c) below. The notice must include a description of the purposes for which the meeting was called, and be accompanied by other materials described in Paragraph (c) below. The corporation must deliver the notice at least ten (10), but not more than sixty (60), days before the meeting date. If the corporation fails to issue the notice within ten (10) days after shareholders holding ten percent (10%) or more of the outstanding shares entitled to vote on a particular issue have delivered to the Secretary written demand for a special meeting to consider that issue in accordance with Paragraph 3.2(b), the shareholders requesting the meeting may issue the notice on behalf and at the expense of the corporation.

(c) *Meetings Concerning Extraordinary Acts.* If a purpose of a shareholders' meeting is to consider action on an amendment to the Articles, a planned merger or share exchange, a proposed sale, lease, or other disposition of all or substantially all of the property of the corporation other than in the regular course of business, or the dissolution of the corporation, the corporation shall notify all shareholders, whether or not entitled to vote, at least twenty (20), but not more than sixty (60), days before the date of the meeting. The notice must describe the proposed action with reasonable clarity and must contain or be accompanied by a copy of the proposed Amendment, the plan of merger or exchange, or the agreement of sale or lease, as applicable.

(d) *Adjourned Meetings.* In general, the corporation need not provide notice to the shareholders of an adjourned meeting if the time, date, and place for reconvening the meeting is announced before the meeting is adjourned. However, if the chairman of a meeting adjourns a meeting for more than one hundred twenty (120) days from the date of the original meeting, the Secretary shall fix a new record date for the adjourned meeting and shall issue a new notice of the adjourned meeting to each shareholder of record entitled to notice of or to vote at the adjourned meeting.

### 3.7 *Waiver of Notice.*

(a) *Written Waiver.* A shareholder may waive any notice before or after the date and time of the meeting that is the subject of the notice. Except as provided by Paragraphs (b) and (c), the waiver must be in writing, signed by the shareholder entitled to the notice, and delivered to the corporation for inclusion in the minutes or filing with the corporate records.

(b) *Waiver by Attendance.* A shareholder's attendance at a meeting waives objection to lack of notice or defective notice of the meeting, unless the shareholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting.

(c) *Waiver of Objection to Particular Matter.* A shareholder waives objection to consideration of a particular matter at a meeting that is not within the purposes described in the meeting notice, unless the shareholder objects to considering the matter when it is presented.

### 3.8 *Quorum.*

(a) *Action if Quorum Present.* Shares entitled to vote as a separate voting group may take action on a matter at a meeting only if a quorum of those shares is present. In general, a majority of the votes entitled to be cast on the matter by the voting group constitutes a quorum of that voting group for that matter.

(b) *Share Represented for Entire Meeting.* Once a share is represented for any purpose at a meeting other than solely to object to holding the meeting or to transacting business at the meeting, the share is deemed present for purposes of establishing a quorum for the remainder of the meeting and for any adjournment of that meeting unless a new record date is set for the adjourned meeting in accordance with Paragraph 3.14(b).

3.9 *Attendance by Communications Equipment.* Shareholders may participate in a shareholders' meeting by any means of communication which enables all persons participating in the meeting to hear each other simultaneously during the meeting. A shareholder who participates by means of communications equipment is deemed to be present in person at the meeting.

### 3.10 *Voting.*

(a) *General Rule.* In general, if a quorum is present, a matter may be approved by a voting group if the votes cast within the voting group favoring the action exceed the votes cast within the voting group opposing the action.

(b) *Voting on Extraordinary Acts.* Unless provided to the contrary in the Articles of Incorporation or by applicable law, the holders of a majority of all shares entitled to vote on an amendment to the Articles, a plan of merger or share exchange, a sale of assets other than in the regular course of business, or a proposal to dissolve the corporation must vote in favor of the proposed action for the corporation to take the action.

(c) *Election of Directors.* Directors shall be elected in accordance with the provisions of Section 4.5.

(d) *Amendments to Quorum Rules.* An amendment to the Articles adding, changing, or deleting either:

(1) A quorum for a voting group greater or lesser than specified in Paragraph 3.8(a); or

(2) A voting requirement for a voting group greater than specified in Paragraph (a) above must meet the same quorum requirement and

be adopted by the same vote and voting groups required to take action under the quorum and voting requirements then in effect.

### 3.11 *Proxies.*

(a) *Voting by Proxy.* A shareholder may vote the shareholder's shares in person or by proxy.

(b) *Proxy Appointment.* A shareholder may appoint a proxy to vote or otherwise act for the shareholder by signing an appointment form, either personally or by the shareholder's agent.

(c) *Term of Appointment.* An appointment of a proxy is effective when received by the Secretary. An appointment is valid for eleven (11) months unless it is revoked earlier or the appointment form expressly provides for a longer period.

(d) *Death or Incapacity of Shareholder.* The death or incapacity of the shareholder appointing a proxy does not affect the right of the corporation to accept the proxy's authority, unless the Secretary is given notice of the death or incapacity before the proxy exercises the proxy's authority under the appointment.

(e) *Corporation's Power to Accept Proxy's Actions.* The corporation is entitled to accept a proxy's vote or other action as that of the shareholder, subject to the provisions of Section 3.12 and to any express limitation on the proxy's authority appearing on the face of the appointment form.

### 3.12 *Corporation's Acceptance of Votes.*

(a) *Acceptance of Vote.* If the name signed on a vote, consent, waiver, or proxy appointment corresponds to the name of a shareholder, the corporation may accept the vote, consent, waiver, or proxy appointment as the shareholder's act.

(b) *Vote Not by Shareholder.* If the name signed on a vote, consent, waiver, or proxy appointment does not correspond to the name of its shareholder, the corporation may accept the vote, consent, waiver, or proxy appointment as the shareholder's act if:

(1) The shareholder is an entity and the name signed purports to be that of an officer, partner, or agent of the entity;

(2) The name signed purports to be that of an administrator, executor, guardian, or conservator representing the shareholder and evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment;

(3) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder, and evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver, or proxy appointment;

(4) The name signed purports to be that of a pledgee, beneficial owner, or attorney-in-fact of the shareholder and evidence acceptable to the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver, or proxy appointment; or

(5) Two or more persons are the shareholder as co-tenants or fiduciaries, the name signed purports to be the name of at least one of the co-owners, and the person signing appears to be acting on behalf of all the co-owners.

(c) *Rejection of Vote.* The corporation may reject a vote, consent, waiver, or proxy appointment if the Secretary has reasonable basis for doubt about the validity of the signature or about the signatory's authority to sign for the shareholder.

### 3.13 *Shareholders' List for Meeting.*

(a) *Shareholders' List.* After the corporation fixes a record date for a meeting, the Secretary shall prepare an alphabetical list of the names of all shareholders as of the record date who are entitled to notice of a shareholders' meeting. The list must be arranged by voting group (and within each voting group by class or series of shares), show the most recent address on file of each shareholder, and identify the number of shares held by each shareholder.

(b) *List Available for Inspection.* The Secretary shall make the shareholders' list available for inspection by any shareholder, beginning ten (10) days prior to the meeting and continuing through the meeting. The list will be available at the corporation's principal office or at a place (identified in the meeting notice) in the city where the meeting will be held. A shareholder, or the shareholder's agent, may inspect the list during regular business hours and at the shareholder's expense during the period it is available for inspection.

(c) *List at Meeting.* The Secretary shall make the shareholders' list available at the meeting. Any shareholder or shareholder's agent may inspect the list at any time during the meeting or any adjourned meeting.

(d) *Right to Copy.* A shareholder may copy the list as provided in Sections 10.2 and 10.3.

### 3.14 *Fixing the Record Date.*

(a) *Date for Meetings.* The Board shall fix a record date in order to determine which shareholders are entitled to notice of a shareholders' meeting or to vote at the meeting. If the Board fails to fix a record date for a meeting, then the day before the first notice of the meeting is delivered to the shareholders shall be the record date. If the Secretary does not issue notice of a meeting because all shareholders entitled to notice have waived notice, then the record date shall be

the date on which the Secretary received the last waiver of notice.

(b) *Date for Adjourned Meetings.* Once the Secretary has determined which shareholders are entitled to notice of or to vote at a shareholders' meeting, the determination is effective for any adjournment of the meeting unless the Board fixes a new record date. The Board must fix a new record date if the meeting is adjourned for more than one hundred twenty (120) days after the date fixed for the original meeting.

(c) *Date for Dividends and Distributions.* If the Board fails to fix a record date for determining which shareholders are entitled to receive a share dividend or a distribution which does not involve a purchase, redemption, or other acquisition of the corporation's shares, the record date shall be the date the Board authorizes that dividend or distribution.

(d) *Date for Action without Meeting.* The record date for determining which shareholders may vote to take action without a meeting is the date the first shareholder signs the consent describing the action to be taken.

### 3.15 *Action by Shareholders without a Meeting.*

(a) *Action Agreed to by All Shareholders.* Any action required or permitted to be taken at a shareholders' meeting may be taken without a meeting or vote if either:

(1) the action (a "Unanimous Consent") is taken by all the shareholders entitled to vote on the action; or

(2) the action is taken by the shareholders holding of record, or otherwise entitled to vote, in the aggregate not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all of the shares entitled to vote on the action were present and voted (a "Majority Consent").

To the extent that prior notice is required by law, any advance notice required by statute to be given to nonconsenting shareholders shall be made at least one business day prior to the effectiveness of the action, or such longer period as required by law. The form of this notice shall be sufficient to appraise the nonconsenting shareholder of the nature of the action to be effected, in a manner approved by the directors of this corporation or by the committee or officers to whom the board has delegated that responsibility. The consents must be delivered to the corporation for inclusion in the minutes or filing with the corporate records.

(b) *Record Date.* The record date for determining shareholders entitled to take action without a meeting shall be as specified in Section 3.14.

(c) *Withdrawal of Consent.* A shareholder may withdraw consent only by delivering a written notice of withdrawal to the Secretary prior to the time that all consents are in possession of the corporation.

(d) *Effective Date of Action.* Action taken by the shareholders without a meeting shall be effective when all consents are in possession of the corporation, unless the consents specify a later effective date.

(e) *Action by Consent.* An action taken by consent has the effect of a meeting vote and may be described as such in any document.

3.16 *Ratification.* Any action taken by the corporation, the directors, or the officers which is subsequently authorized, approved, or ratified by vote of the number of shares that would have been sufficient to approve the action in the first instance, shall be valid and binding as though ratified by every shareholder of the corporation.

#### ARTICLE IV Board of Directors

4.1 *Management Responsibility.* The corporation shall have a Board of Directors, which shall be responsible for the exercise of all corporate powers. The Board shall manage the business, affairs, and property of the corporation.

#### 4.2 *Committees.*

(a) *Creation.* The Board may create one or more Committees of directors. Each Committee must have two or more members.

(b) *Approval of Committees.* The number of directors required to take action under Section 4.11 must approve the creation of a Committee.

(c) *Rules Governing Committees.* The rules governing meetings, action without meetings, notice and waiver of notice, and quorum and voting requirements of the Board, under Sections 4.10 through 4.15, apply to Committees.

(d) *Powers of Committees.* Subject to the limitations stated in Paragraph (e) below, the Board shall specify the extent to which each Committee may exercise the authority of the Board.

(e) *Limitations on Committee Action.* A Committee may not:

(1) Authorize or approve a distribution except according to a general formula or method prescribed by the Board;

(2) Approve or propose to shareholders action which must be approved by the shareholders;

- (3) Fill vacancies on the Board or on any Committee;
- (4) Amend the Articles;
- (5) Adopt, amend, or repeal these Bylaws;
- (6) Approve a plan of merger not requiring shareholder approval; or
- (7) Authorize or approve the issuance or sale of shares or contract for the sale of shares, or determine the designation and relative rights, preferences, and limitations of a class or series of shares.

(f) *Minutes.* All Committees shall keep regular minutes of their meetings, which shall be included in the corporate minute books at the registered office of the corporation.

(g) *No Relief from Responsibility.* Neither the Board nor any director may be relieved of any responsibility imposed by law, the Articles, or these Bylaws by designating a Committee and delegating the Board's or the director's responsibilities to the Committee.

#### 4.3 Duties of Directors.

(a) *Due Care and Loyalty.* Each person, who is a director, shall perform the duties of a director, including any duties the director may have as a member of any Committee:

- (1) In good faith;
- (2) In a manner the director reasonably believes to be in the best interests of the corporation; and
- (3) With the care an ordinarily prudent person in a like position would use under similar circumstances.

(b) *Right to Rely on Experts.* In performing corporate duties, a director may rely on information, opinions, reports, or statements, including financial statements or other financial data prepared or presented by:

- (1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented;
- (2) Legal counsel, public accountants, or other persons concerning matters which the director reasonably believes to be within their professional or expert competence; or
- (3) A Committee, the deliberations of which the director reasonably believes merits confidence, concerning matters within the Committee's designated authority.



(c) *Failure to Act in Good Faith.* A director fails to act in good faith if the director relies on information provided by the above persons even though the director has knowledge concerning a particular matter that would make reliance on the information unwarranted.

4.4 *Number and Qualification of Directors.* The Board shall consist of no fewer than one (1) and no more than eleven (11) directors. The corporation shall have two (2) directors until that number is changed in accordance with these Bylaws. If the shareholders elect a greater or lesser number of directors than is specified in this section, then election of that number shall automatically amend these Bylaws to increase the number of directors to the number elected. No director need be a shareholder of the corporation. The Board or the Shareholders may fix the number of directors and may, at any time, increase the size of the Board to the maximum allowed by these Bylaws.

4.5 *Election of Directors.*

(a) *Initial Directors; Annual Elections.* The terms of the initial directors will expire at the first annual meeting of shareholders. The shareholders shall elect successor directors at the first annual meeting of shareholders, and at each annual meeting thereafter.

(b) *Cumulative Voting.* Cumulative voting for the election of directors is prohibited.

(c) *Election.* In any election of directors, the candidates elected are those who receive a majority of votes cast by the shares entitled to vote in the election, up to the number of directors to be elected.

4.6 *Term of Office.* Each director shall hold office for a one-year term until the next succeeding annual meeting, and thereafter until the director's successor is elected and qualified. If a director dies, resigns, or is removed, the director's replacement shall serve throughout the remaining portion of the director's term, and thereafter until the director's successor is elected and qualified.

4.7 *Vacancy on Board of Directors.* In case of a vacancy in the Board of Directors because of a director's resignation, removal or other departure from the board, or because of an increase in the number of directors, the remaining directors, by majority vote, may elect a successor to hold office for the unexpired term of the director whose position is vacant, and until the election and qualification of a successor.

4.8 *Resignation.* A director may resign at any time by delivering written notice to the Chairman, the President, the Secretary, or each member of the Board. A resignation shall take effect when notice is delivered, unless the notice specifies a later effective date. The corporation need not accept a resignation for the resignation to be effective. A resignation shall not affect the rights of the corporation under any contract with the resigning director.

#### 4.9 Removal.

(a) *Special Meeting.* The shareholders may remove one or more directors, with or without cause, only at a special meeting of shareholders called expressly for that purpose. The notice of the meeting must state that the purpose of the meeting is to remove one or more directors.

(b) *Voting.* The shareholders may remove a director by affirmative vote of the holders of a majority of the shares entitled to vote on the election of that director. A director may not be removed if votes sufficient to elect the director are voted against the director's removal.

#### 4.10 Meetings.

(a) *Annual Meeting.* The first meeting of each newly elected Board shall be known as the annual Board meeting. The Board shall hold the annual Board meeting, without notice, immediately after the annual shareholders' meeting or after any special shareholders' meeting at which new directors are elected. The Board shall hold the annual Board meeting at the same place as the annual shareholders' meeting unless the Board specifies another place by resolution.

(b) *Regular Meetings.* The Board may hold regular meetings at a place and on a day and hour fixed by resolution of the Board.

(c) *Special Meetings.* The Chairman, or President if there is no Chairman, or any two directors may call a special meeting of the Board. The Board shall hold the special meeting at the place and on the day and hour specified by the persons calling the meeting.

(d) *Adjourned Meetings.* A majority of the directors present may vote to adjourn any meeting to another time and place even if the number of directors present or voting does not constitute a quorum. If the meeting is adjourned for more than forty-eight (48) hours, the Secretary shall give notice of the time and place of the adjourned meeting to the directors who were not present at the time the meeting was adjourned.

#### 4.11 Quorum and Voting of Directors.

(a) *Majority Constitutes a Quorum.* A majority of the directors shall constitute a quorum for the transaction of business at a meeting, except as provided in Section 4.7 and in Paragraph (b) below. The appropriate percentage of the directors present at a meeting at which a quorum is present may take any actions which the directors are authorized to take on behalf of the corporation.

(b) *Action in Absence of a Quorum.* The Board may continue to transact business at a meeting at which a quorum was initially present. In order to take any action at a meeting at which a quorum is no longer present, the action must be approved by a sufficient percentage of the number of directors required to establish a quorum.

(c) *Dissent by Directors.* A director may abstain or dissent from any action taken. However, a director may not dissent or abstain if the director voted in favor of the action taken. A director who is present at a meeting when action is taken is deemed to have assented to the action taken unless:

(1) The director objects at the beginning of the meeting to holding the meeting or to transacting business at the meeting;

(2) The director's dissent or abstention from the action taken is entered in the minutes of the meeting; or

(3) The director delivers written notice of the director's dissent or abstention to the chairman of the meeting before the Board adjourns the meeting or to the corporation within a reasonable time after the Board adjourns the meeting.

4.12 *Attendance by Communications Equipment.* The directors may participate in a meeting by means of any communications equipment which enables all persons participating in the meeting to hear each other simultaneously during the meeting. A director who participates by means of communications equipment is deemed to be present in person at the meeting.

4.13 *Action by Directors without a Meeting.* The Board may take any lawful action without a meeting if each director delivers a signed consent to the corporation, before or after the action to be taken, which describes the action taken or to be taken. An action approved by consent shall have the same effect as an action approved by unanimous vote at a meeting duly held upon proper notice, and may be described as such in any document. All consents shall be inserted into the minute books as if they were the minutes of a Board meeting.

#### 4.14 *Notice of Meeting.*

(a) *Regular Meetings.* The Secretary may, but need not, issue notice pursuant to Article IX of any regular Board meeting if the time and place of the regular meeting has been fixed by resolution of the Board and a copy of the resolution has been mailed or delivered to each director at least two (2) days preceding the day of the first meeting held under that schedule.

(b) *Special Meetings.* The Secretary, or the person calling a special Board meeting, shall issue notice pursuant to Article IX of the date, time, and place of the meeting at least two (2) days preceding the day on which the meeting is to be held. Any Board meeting shall be properly called if each director either has received valid notice of the meeting, is present without objecting, or waives notice of the meeting pursuant to Paragraph (c) below. The notice of any regular or special meeting of the Board need not specify the purpose of the meeting or the actions proposed for the meeting unless these Bylaws so require.

(c) *Waiver of Notice.* A director may waive notice before or after the date and time stated in the notice. A waiver shall be equivalent to receipt of notice. A director may waive notice by submitting a written waiver, signed by the director entitled to the notice, to the corporation for inclusion in the minutes or filing with the corporate records. A director may also, by attending or participating in a meeting, waive any required notice of the meeting unless the director, at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

4.15 *Chairman of the Meeting.* The Chairman shall serve as the chairman of the meeting of all Board meetings. In the absence of the Chairman, the President or any other person appointed by the Board shall serve as the chairman of the meeting of a Board meeting.

4.16 *Compensation.* The Board shall fix the amount or salary to be paid to each director for service as a director or for attendance at each meeting of the Board. Salary or payment for service as a director shall not preclude a director from serving the corporation in any other capacity or from receiving compensation for service in that other capacity.

4.17 *Liability for Unlawful Distributions.*

(a) *Director's Liability.* A director who votes for or assents to an unlawful distribution made in violation of Section 8.1 is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating Section 8.1, if the director fails to perform the director's duties in compliance with Section 4.3.

(b) *Right to Contribution.* A director held liable for an unlawful distribution is entitled to contribution:

(1) From every other director who could be held liable for the unlawful distribution; and

(2) From each shareholder for the amount the shareholder accepted knowing the distribution was unlawful.

## ARTICLE V

### Directors' and Officers' Conflicting Interest Transactions

5.1 *Validity* A contract or other transaction is not void or voidable solely because:

(a) The contract or transaction is between the corporation and:

(1) One or more of its directors or officers; or

(2) Another corporation, firm or association in which one or more of its

directors or officers are directors or officers or are financially interested;

(b) A common or interested director or officer:

(1) Is present at the meeting of the board of directors or a committee thereof which authorizes or approves the contract or transaction; or

(2) Joins in the execution of a written consent which authorizes or approves the contract or transaction pursuant to Section 4.13; or

(c) The vote or votes of a common or interested director are counted for the purpose of authorizing or approving the contract or transaction, if one of the circumstances specified in Section 5.2 exists.

*5.2 Circumstances.* The circumstances in which a contract or other transaction is not void or voidable pursuant to Section 5.1 are:

(a) The fact of the common directorship, office or financial interest is known to the board of directors or committee, and the board or committee authorizes, approves or ratifies the contract or transaction in good faith by a vote sufficient for the purpose without counting the vote or votes of the common or interested director or directors.

(b) The fact of the common directorship, office or financial interest is known to the stockholders, and they approve or ratify the contract or transaction in good faith by a majority vote of stockholders holding a majority of the voting power. The votes of the common or interested directors or officers must be counted in any such vote of stockholders.

(c) The fact of the common directorship, office or financial interest is not known to the director or officer at the time the transaction is brought before the board of directors of the corporation for action.

(d) The contract or transaction is fair as to the corporation at the time it is authorized or approved.

*5.3 Quorum.* Common or interested directors may be counted in determining the presence of a quorum at a meeting of the board of directors or a committee thereof which authorizes, approves or ratifies a contract or transaction, and if the votes of the common or interested directors are not counted at the meeting, then a majority of the disinterested directors may authorize, approve or ratify a contract or transaction.

## ARTICLE VI Indemnification

*6.1 Indemnification.* The corporation shall indemnify any person who was or is a party

or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, except an action by or in the right of the corporation, by reason of the fact that he is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses, including attorneys' fees, judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action, suit or proceeding, to the full extent permitted by the Nevada Business Corporation Act.

6.2 *Insurance.* The corporation may purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee, or agent of the corporation, or who, while a director, officer, employee, or agent of the corporation, is or was serving at the request of the corporation as a director, officer, partner, trustee, employee, or agent of another foreign or domestic corporation, partnership, joint venture, trust, employee benefit plan, or other enterprise, against liability asserted against or incurred by the individual in that capacity or arising from the individual's status as a director, officer, employee, or agent, whether or not the corporation would have power to indemnify the individual against the same liability under Section 6.1.

## ARTICLE VII Officers

7.1 *Officers and Their Duties.* The following officers shall be elected annually and shall have the duties enumerated below:

(a) *Chairman of the Board.* The Chairman shall be a director and shall perform the duties assigned to the Chairman by the Board. The Chairman shall preside at all meetings of the shareholders and at all meetings of the Board. The Chairman may sign deeds, mortgages, bonds, contracts, or other instruments, unless these powers have been expressly delegated by the Board to some other officer or agent of the corporation or are otherwise required by law to be signed or executed by some other officer or in some other manner. If the President dies or becomes unable to act, the Chairman shall perform the duties of the President, except as may be limited by resolution of the Board.

(b) *President.*

(1) The President shall be the chief executive officer of the corporation unless some other officer is so designated by the Board. The President shall supervise and control the assets, business, and affairs of the corporation. If no Chairman has been elected, the President shall be a director. The President may sign certificates for shares of the corporation, deeds, mortgages, bonds, contracts, or other instruments, unless these powers have been expressly delegated by the Board to some other officer or agent of the corporation. The President shall vote shares in other corporations which are owned by the corporation, unless the Board prescribes otherwise. The President shall perform all duties incident to the office of president and any other duties which the Board may prescribe.

(2) The President may appoint one or more Assistant Secretaries and Assistant Treasurers, as the President deems necessary.

(c) *Vice Presidents.* The Board may designate one or more Vice Presidents or other officers and assistant officers as the Board determines is necessary or advisable, or the Board may delegate that power to the President. The Vice Presidents shall have the powers and perform the duties accorded to them by the Board, the Articles, the Bylaws, or delegated to them by the Chairman or the President. If no Chairman has been elected, in the absence or disability of the President, the Vice President, designated by the Board, shall perform the duties of the President. When so acting, the designated Vice President shall have all the powers of, and be subject to the same restrictions as is the President. However, a Vice President may not preside as the chairman of a Board meeting unless that Vice President is also a director.

(d) *Secretary.*

(1) The Secretary shall:

(A) Prepare the minutes of meetings of the directors and of the shareholders, keep the minutes in one or more books provided for that purpose, and be responsible for authenticating the records of the corporation;

(B) Ensure that all notices are given in accordance with the provisions of Sections 3.6, 4.14 and Article IX of these Bylaws and as required by law;

(C) Serve as custodian of the corporate records and the corporate seal, and ensure that the seal is affixed to all documents requiring the corporation's seal, provided that the document has been duly authorized for execution;

(D) Keep a register of the address of each shareholder, director, and officer;

(E) Sign certificates representing the authorized shares of the corporation;

(F) Maintain the stock transfer books of the corporation pursuant to the provisions of Section 2.7;

(G) Appoint a registrar or transfer agent to oversee the stock transfer books;

(H) When required by law or resolution of the Board, sign the corporation's deeds, mortgages, bonds, contracts, or other instruments; and

(1) Perform all other duties incident to the office of Secretary or assigned by the President or the Board.

(2) In the absence of the Secretary, an Assistant Secretary may perform the duties of the Secretary.

(e) *Treasurer.*

(1) The Treasurer shall:

(A) Take custody of and account for all funds and securities held by the corporation;

(B) Receive and give receipts for sums due to the corporation, and deposit those sums in the name of the corporation in banks, trust companies, or other depositories which the Board may select in accordance with the provisions of these Bylaws; and

(C) Perform all other duties incident to the office of treasurer or assigned to the Treasurer by the President or the Board.

(2) In the absence of the Treasurer, an Assistant Treasurer may perform the duties of the Treasurer.

(f) *Additional Duties; Other Officers and Agents.* The Board may assign any officer any additional title that the Board deems appropriate. The Board may delegate to any officer or agent the power to appoint assistant officers or agents and to prescribe the terms of office, authorities, and duties of such assistant officers or agents.

(g) *Authority to Enter Contracts and to Issue Checks and Drafts.* The Board may authorize any officer or agent of the corporation to enter into contracts or to execute and deliver instruments in the name of and on behalf of the corporation. The Board may grant either general or limited authority to its officers and agents to make contracts or execute instruments. The Board shall authorize certain officers or agents of the corporation to sign the corporation's checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation.

*7.2 Qualifications.* None of the officers is required to be a director, except as specified in Section 7.1. The same person may hold two or more corporate offices, except that one person may not hold the offices of President and Secretary at the same time.

*7.3 Standards of Conduct for Officers.*

(a) *Due Care and Loyalty.* An officer with discretionary authority shall discharge the officer's duties under that authority:



(1) In good faith;

(2) With the care an ordinarily prudent person in a like position would exercise under similar circumstances; and

(3) In a manner the officer reasonably believes to be in the best interests of the corporation.

(b) *Right to Rely on Experts.* In performing the officer's duties, the officer may rely on information, opinions, reports, or statements, including financial statements and other financial data prepared or presented by:

(1) One or more officers or employees of the corporation whom the officer reasonably believes to be reliable and competent in the matters presented; or

(2) Legal counsel, public accountants, or other persons concerning matters the officer reasonably believes to be within their professional or expert competence.

(c) *Failure to Act in Good Faith.* An officer fails to act in good faith if the officer relies on information provided by the above persons, even though the officer has knowledge that makes reliance on the information unwarranted.

**7.4 Bonds.** The Board may require any officer to post a bond to ensure that the officer faithfully performs the duties of the office, and that in case of the death, resignation, retirement or removal of the officer, the officer returns all books, papers, vouchers, money and other property in the officer's possession or under the officer's control which belongs to the corporation. The bond shall be in the amount and with any sureties required by the Board.

**7.5 Delegation.** The Board may delegate the powers and duties of an officer who is absent or unable to act to any officer, director, or other person.

**7.6 Election and Term of Office.** The Board shall elect the officers at the annual Board meeting. If the Board fails to elect the officers at that meeting, it shall convene a meeting to elect the officers as soon thereafter as possible. Each officer shall hold office for a one-year term until the next succeeding annual Board meeting, or until the officer's successor is elected and qualified, unless the officer dies, resigns, or is removed.

**7.7 Vacancies.** The Board may fill a vacancy in any office created because of the death, resignation, removal, or disqualification of an officer, because of the creation of a new office, or for any other cause.

**7.8 Resignation.** An officer may resign at any time by delivering written notice to the Chairman, the President, any Vice President, the Secretary, or to each member of the Board. An officer's resignation shall take effect at the time specified in the notice or, if the time is not

specified, when the notice is delivered. The corporation need not accept a resignation for the resignation to be effective. A resignation shall not affect the rights of the corporation under any contract with the resigning officer.

*7.9 Removal.* The Board may remove an officer or agent of the corporation, with or without cause, if the Board finds that the best interests of the corporation would be served by removing that officer or agent. The corporation's action to remove the officer or agent shall not affect the officer's contract rights against the corporation. Any officer or assistant officer, if appointed by another officer, may be removed by any officer authorized to appoint officers or assistant officers.

*7.10 Compensation.* The Board shall set the compensation for the officers and the other agents and employees of the corporation. The Board may delegate the authority to set the compensation of the officers, agents, and employees to the President. No officer may be prevented from receiving compensation as an officer solely because the officer is also a director of the corporation.

## ARTICLE VIII Dividends and Distributions

*8.1 Distributions.* The Board may authorize and the corporation may make distributions of cash or other property in the form of a dividend or the purchase, redemption, or other acquisition of the corporation's shares, unless after making the distribution:

(a) The corporation would be unable to pay its debts as they become due in the usual course of business; or

(b) The corporation's total assets would be less than the sum of its total liabilities plus the amount needed, if the corporation were dissolved at the time of distribution, to satisfy the preferential rights of shareholders whose preferential rights are superior to the shareholders who receive the distribution.

*8.2 Measure of Effect of Distribution.* For purposes of determining whether a distribution may be authorized by the Board of Directors and paid by the corporation under Section 8.1, the effect of distribution shall be measured as follows:

(a) In the case of a distribution of indebtedness which requires the corporation to make principal and interest payments only if those payments would qualify as an allowable distribution under Section 8.1, each payment of principal and interest must qualify as a separate distribution, the effect of which shall be measured on the date the payment is actually made.

(b) In the case of a distribution made through the purchase, redemption, or other acquisition of the corporation's shares, the effect of the distribution shall be measured as of the earlier of:

(1) The date on which any money or other property is transferred to the shareholders;

(2) The date on which any debt is incurred by the corporation; or

(3) The date on which the shareholder ceases to be a shareholder with respect to the acquired shares.

(c) In the case of a distribution of indebtedness, other than that described in Paragraph (a) above, the effect of the distribution shall be measured as of the date the indebtedness is distributed.

(d) In any other case, the effect of the distribution shall be measured either:

(1) As of the date on which the distribution is authorized, if the corporation paid the distribution within one hundred twenty (120) days after the date of authorization; or

(2) As of the date of payment, if such date occurs more than one hundred twenty (120) days after the date of authorization.

### 8.3 *Share Dividends.*

(a) *Issuance to All Shareholders.* The corporation may issue a share dividend by issuing shares pro rata and without consideration to all shareholders or to the shareholders of one or more classes or series.

(b) *Issuance to Class of Shareholders.* Shares of one class or series may not be issued as a share dividend in respect of shares of another class or series unless:

(1) The Articles so authorize;

(2) A majority of the votes entitled to be cast by the class or series to be issued approve the issue; or

(3) There are no outstanding shares of the class or series to be issued.

8.4 *Closure of the Stock Transfer Books.* The Board may close the stock transfer books for a period of not more than sixty (60) days for the purpose of making a distribution.

8.5 *Reserves.* The corporation may, before making any distribution, set aside certain amounts to serve as a reserve fund to meet contingencies, or for any other purpose. Any funds not distributed by the corporation at the end of any fiscal year shall be deemed to have been thus set aside as a reserve until the Board otherwise disposes of the funds.

ARTICLE IX  
Notices

*9.1 Method of Notice.*

(a) *General.* In general, notices called for under these Bylaws shall be given in writing.

(b) *Methods of Communication.* Notice may be communicated in person; by telephone, telegraph, teletype, facsimile, email or other form of wire or wireless communication; or by mail or private carrier. If these forms of personal notice are impracticable, notice may be communicated by a newspaper of general circulation in the area where published; or by radio, television, or other form of public broadcast communication.

(c) *Effective Date of Notice to Shareholder.* Written notice to a shareholder, if in a comprehensible form, is effective when mailed, if mailed with first-class postage prepaid and correctly addressed to the shareholder's address shown in the corporation's current record of shareholders or when received if communicated in person; by telephone, telegraph, teletype, facsimile, email or other form of wire or wireless communication or by private carrier. The Secretary may send notices to a shareholder by delivering or mailing the notice to the shareholder's most recent address on file. Any notice sent to that address shall be deemed sufficient if the shareholder fails to furnish a current address to the Secretary.

(d) *Notice to the Corporation.* Written notice to the corporation may be addressed to its registered agent at its registered office or to the corporation at the address of its principal office as shown in the most recent annual report.

(e) *Effective Date of Notice to Other Parties.* Except as provided above, written notice to other parties shall be effective at the earliest of:

- (1) The time of receipt;
- (2) The date shown on the return receipt if sent by registered mail; or
- (3) Five (5) days after the notice was deposited in the U. S. first class mail, postage prepaid.

*9.2 Oral Notice.* The persons convening any meeting of the Board or a Committee may give oral notice of the meeting, which may be communicated in person or by telephone, wire, or wireless communication. Oral notice is effective when communicated if the notice is communicated in a comprehensible manner. Oral notice may be communicated either to the director or to a person who the person giving the notice has reason to believe will promptly communicate the notice to the director.

9.3 *Waiver of Notice.* A shareholder or director may waive notice of any meeting by submitting a written signed waiver of notice either before or after the time for holding the meeting, or by attending the meeting in person or by proxy without objecting to a lack of notice.

## ARTICLE X Corporate Records

10.1 *Maintenance of Corporate Records.* The corporation shall keep the corporation's minute books and all other official records of all meetings at its registered office or principal place of business. The corporation shall keep all minutes and records in written form, or in a form which may be easily converted to written form. The corporation shall maintain in its records the following items:

- (a) The Articles or restated Articles and all amendments to the Articles;
- (b) The current Bylaws or restated Bylaws and all amendments to the Bylaws;
- (c) The minutes of all shareholders', Board and Committee meetings and records of all actions taken by the shareholders, the Board, or a Committee without a meeting;
- (d) All financial statements for the past three (3) years;
- (e) All written communications made to the shareholders within the last three (3) years;
- (f) A register of names and business addresses of each shareholder, director and officer;
- (g) The last three (3) annual reports; and
- (h) The stock transfer books of the corporation, as described in Section 2.7.

### 10.2 *Shareholder's Right to Inspect and Copy Records.*

(a) *Inspection of Corporate Records.* A shareholder may inspect and copy, during regular business hours at the corporation's principal office, any of the records of the corporation described in Section 10.1 if the shareholder gives the corporation written notice of the shareholder's demand at least (5) five business days before the date on which the shareholder wishes to inspect and copy the records.

(b) *Inspection of Accounting and Shareholders' Records.* A shareholder may also inspect and copy the accounting records of the corporation and the record of shareholders during regular business hours at a reasonable location specified by the corporation, if the shareholder gives

the corporation written notice of the shareholder's demand at least five (5) business days before the date on which the shareholder wishes to inspect and copy the records and:

(1) The shareholder's demand is made in good faith and for a proper purpose;

(2) The shareholder describes with reasonable particularity the shareholder's purpose and the records the shareholder desires to inspect; and

(3) The records are directly connected with the shareholder's purpose.

#### 10.3 *Scope of Inspection Right.*

(a) *Shareholder's Agent.* A shareholder's agent or attorney has the same inspection and copying rights as the shareholder.

(b) *Copies.* A shareholder may obtain copies of the corporation's records made by photographic, xerographic, or other reasonable means, including copies in electronic or other nonwritten form if the shareholder so requests.

(c) *Charge for Copying.* The corporation may charge the shareholder for the reasonable costs of labor and materials used to produce copies of any records provided to the shareholder. The charges may not exceed the estimated cost of producing or reproducing the records.

(d) *Record of Shareholders.* The corporation may comply with a shareholder's demand to inspect the record of shareholders by providing the shareholder with a list of shareholders that was compiled no earlier than the date of the shareholder's demand.

10.4 *Annual Report.* The corporation shall prepare and file an annual report on the required form with the Secretary of State of Nevada. The corporation shall ensure that the information in the annual report is current as of the date the corporation executes the annual report.

### ARTICLE XI Financial Matters

11.1 *Books and Records of Account.* The corporation shall maintain correct and complete books, financial statements, and records of account. The corporation shall keep its books and records of account and prepare its financial statements in accordance with generally accepted accounting principles, which shall be applied on a consistent basis from period to period. The books, records of account, and financial statements shall be in written form or in any other form capable of being converted into written form within a reasonable time.

### 11.2 *Balance Sheet and Income Statement.*

(a) *Annual Balance Sheet and Income Statement.* The corporation shall prepare annually (1) a balance statement showing in reasonable detail the financial condition of the corporation as of the close of its fiscal year and (2) an income statement showing the results of the corporation's operations during its fiscal year. The corporation shall prepare these statements not later than four (4) months after the close of each fiscal year, and in any case before the annual shareholders' meeting. These statements shall be prepared in accordance with generally accepted accounting principles which shall be applied on a consistent basis from period to period. The President, or the person who prepared the financial statements, shall prepare a certificate to accompany the annual financial reports attesting to the fact that the preparer used generally accepted accounting principles in preparing the financial statements, and describing any respects in which the statements were prepared on a basis of accounting which was not consistent with statements prepared for the preceding year.

(b) *Copies to Shareholders.* The corporation shall mail promptly, upon written request, a copy of the most recent balance sheet and income statement to any shareholder. The corporation shall also furnish, upon written request, a statement of the sources and applications of the corporation's funds and a statement of any changes in the shareholders' equity for the most recent fiscal year, if such statements have been prepared for other purposes.

11.3 *Deposits.* The officers shall cause all funds of the corporation not otherwise employed to be deposited to the credit of the corporation in such banks, trust companies, or other depositories as the Treasurer may select.

11.4 *Loans.* The corporation may not borrow money or issue evidences of indebtedness unless the Board authorizes the action. The corporation shall make no loans which are secured by its own shares, except for indebtedness representing the unpaid purchase price of the corporation's shares.

11.5 *Fiscal Year.* The corporation shall use a calendar year fiscal year unless the Board expressly determines otherwise.

## ARTICLE XII Amendment of Articles and Bylaws

12.1 *Amendment of Articles.* The Board may submit to the shareholders for approval one or more proposed amendments to the Articles. Following notice to all shareholders of a shareholders' meeting in accordance with the provisions of Paragraph 3.6(c) and Article IX, the shareholders may adopt the proposed amendment if a majority of the votes in each voting group entitled to vote on each amendment approve. In the alternative, action may be taken by shareholders without a meeting in accordance with the provisions of Paragraph 3.15.

12.2 *Amendment of Bylaws by the Shareholders.* The shareholders may amend, alter, or repeal the Bylaws at any meeting of the shareholders, or by unanimous written consent. The shareholders may amend the Bylaws at a special shareholders' meeting only if a copy of the proposed amendments accompanies the notice of the meeting.

12.3 *Amendment of Bylaws by the Board.* The Board may amend, alter, or repeal the Bylaws by vote of a majority of the Board at any meeting of the Board, or by unanimous written consent of the Board. The Bylaws may be amended at a special meeting of the Board only if notice of the proposed amendment was contained in the notice of the meeting. The shareholders may repeal, by majority vote, any amendment to or alteration of the Bylaws adopted by the Board.

### ARTICLE XIII Corporate Seal

The Board of Directors may adopt a corporate seal in a form and with an inscription to be determined by the Board. The seal shall be in the form of a circle and shall contain the name of the corporation and the year of incorporation. The application of, or failure to apply the seal to any document or instrument, shall not affect the validity of the document or instrument.

### ARTICLE XIV Miscellany

14.1 *Inspector of Elections.* Before any annual meeting of shareholders, the Board may appoint an inspector of elections. If the Board does not appoint an inspector of elections, then the chairman of the meeting may appoint an inspector of elections to act at the meeting. If the person appointed as inspector of elections fails to act, the chairman of the meeting may appoint a person to act in the place of the appointed inspector of elections. The chairman of the meeting shall appoint an inspector of elections if requested to do so by any shareholder or shareholder's proxy.

14.2 *Duties of Inspector of Elections.* The inspector of elections shall:

(a) Determine the number of shares outstanding and the voting power of each, the number of shares represented at the meeting, whether a quorum is present, and, with the advice of legal counsel to the corporation, the authenticity, validity, and effect of proxies;

(b) Receive votes, ballots, or consents;

(c) Hear and determine all challenges and questions in any way arising in connection with the right to vote;

(d) Count and tabulate all votes or consents;

(e) Determine the result of any vote; and



(f) Do any other acts that may be necessary to conduct the election or vote with fairness to all shareholders.

#### 14.3 *Rules of Order.*

(a) *Robert's Rules Govern.* The rules contained in the most recent edition of Robert's Rules of Order, Revised, shall govern all meetings of shareholders and directors where those rules do not conflict with the Articles or the Bylaws.

(b) *Chairman of Meeting.* The chairman of the meeting shall have absolute authority over matters of procedure. There shall be no appeal from a procedural ruling by the chairman of the meeting. The chairman of the meeting may dispense with the rules of parliamentary procedure for any meeting or any part of a meeting. The chairman shall clearly state the rules under which any meeting or part of a meeting will be conducted.

(c) *Adjournment Due to Disorder.* If disorder should arise which prevents continuation of the legitimate business of any meeting, the chairman of the meeting may adjourn the meeting. Any meeting so adjourned may be reconvened in accordance with Sections 3.3 and 4. 10 of these Bylaws.

(d) *Removal of Persons Not Shareholders.* The chairman may require anyone who is not a bona fide shareholder of record or the proxy of a shareholder of record to leave any shareholders' meeting.

(e) *Matters the Proper Subject of Action.* The shareholders may consider and vote on a resolution or motion at a shareholders' meeting only if:

(1) The resolution or motion was proposed by a shareholder or the duly authorized proxy of a shareholder; and

(2) The resolution or motion was seconded by an individual who is a shareholder or the duly authorized proxy of a shareholder other than the person who proposed the resolution or motion.

#### 14.4 *Number and Gender.* When required by the context:

(a) The word "it" will include the plural and the word "its" will include the singular;

(b) The masculine will include the feminine gender and the neuter, and vice versa; and

(c) The word "person" will include corporation, firm, partnership or any other form of association.

14.5 *Severability*. If any provision of these Bylaws or any application of any provision is found to be unenforceable, the remainder of the Bylaws shall be unaffected. If the provision is found to be unenforceable when applied to particular persons or circumstances, the application of the provision to other persons or circumstances shall be unaffected.

ARTICLE XV  
Authentication

The foregoing Bylaws were read, approved, and duly adopted by the Board on the 24<sup>th</sup> day of June, 2002. The President and Secretary were empowered to authenticate these Bylaws by their signatures below.

Robert W. O'Brien, President

ATTEST:

Martyn A. Powell, Secretary

## EXHIBIT 4.a

### FORM OF GRID PROMISSORY NOTE

November 13, 2003

For value received, DataJungle Software Inc. (hereinafter referred to as the "Borrower") promises to pay to the order of \_\_\_\_\_ (hereinafter referred to as the "Lender") in the City of \_\_\_\_\_, \_\_\_\_\_ or at such other place as the holder hereof may, from time to time designate in writing, the outstanding principal amount of all advances (collectively the "Loan") made by the Lender to the Borrower as recorded by the Lender on the Schedule annexed hereto, in legal and lawful money of United States of America, with interest on the principal outstanding from time to time until paid, both before and after maturity, at the rate of twelve percent (12%) per annum. This Note evidences the advances made by the Lender to the Borrower from time to time and repayments made by the Borrower to the Lender from time to time.

The principal of this Note is due and payable on demand. The accrued interest is due and payable annually in arrears on the anniversary date. The Borrower may pay all or part of any of principal and/or interest before any due date. Any prepayment may be made without notice, penalty or bonus and any subsequent interest shall be calculated only on any remaining outstanding balance.

In the event this Note, or any part hereof, is collected through Bankruptcy or other judicial proceedings by an attorney or is placed in the hands of an attorney for collection after maturity, then the Borrower agrees and promises to pay a reasonable attorney's fee for collection.

The Borrower expressly requires notice of all demands for payment, presentation for payment, protest and notice of protest, as to this Note but the Lender, payee or other holder of this Note may at any time, from time to time and upon notice in writing to the Borrower, extend the terms of payment or date of maturity hereof.

This Note may be assigned, pledged or hypothecated by the Lender or holder upon notice to the Borrower and is made without recourse to any director, officer or employee of the Borrower.

Any notice, demand or request relating to any matter set forth in this Note shall be given in writing.

This Note shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_, \_\_\_\_\_.

IN WITNESS WHEREOF, DataJungle Software Inc. has caused this Note to be duly executed on its behalf by its officer duly authorized thereunto.

**DataJungle Software Inc.**

**Per:** \_\_\_\_\_

**12% Note Holder**

<b>Note Holder</b>	<b>Amount Outstanding</b>	
	<b>as of December 31, 2003</b>	<b>as of March 31, 2004</b>
Metro International Mortgage, Inc.	\$42,000	\$72,000

**EXHIBIT 4.b****GRID PROMISSORY NOTE**

**FOR VALUE RECEIVED**, the undersigned, DataJungle, Inc. (the "Company"), hereby acknowledges itself indebted and promises to pay to \_\_\_\_\_ (the "Lender"), within 30 days of demand, the outstanding principal amount of all loans (the "Loans") made by the Lender to the Company as recorded by the Lender on the Schedule annexed hereto, and to pay interest (including interest on overdue interest) in like money as well after as before maturity, default and judgment on the outstanding amount thereof at Ottawa, Ontario, at the rate of interest of 10 percent per annum compounded and payable semi annually.

Provided however, the Lender may, at any time and from time to time, upon written notice by the Lender to the Company, and compliance with applicable securities laws, convert all or part of the amount outstanding hereunder at the time of delivery of such notice, into common shares in the capital of the Company in the ratio of either 1.67 common shares in the capital of the Company for each CDN\$1.00 of obligation converted or at such ratio of shares at a value which would be the equivalent to the price per share at which common shares in the capital of the Company have last been issued to a third party dealing at arms length with the Company (collectively the "Conversion Rate"), whichever is less. Such shares shall be issued to the Lender or to such person or persons as the Lender may in writing direct.

Provided further that if the Company has amalgamated with 3853021 Canada Inc. (or such other corporation as the Lender and the Company may in writing agree) and the obligations have neither been converted in full nor repaid by the Company out of the proceeds of the New Equity (as hereinafter defined) on or before December 31, 2001, the Company may at any time and from time to time on written notice to the Lender, either repay the whole or any portion of the amount of the obligations hereof or require that all or any portion of the obligations hereof be converted to common shares in the capital of the Company (the "Conversion Notice") at the Conversion Rate applicable at the date of the Conversion Notice to the Lender.

For the purposes of this promissory note, the term "New Equity" means common shares in the capital of the Company issued for an aggregate subscription price in the amount of up to CDN\$1 million priced at CDN\$0.60 per common share (or such other amount as the Lender and Company may in writing agree at the time of issuance of such equity) issued on or before December 31, 2001 to subscribers introduced to the Company with the assistance of the Lender.

This Note evidences the advances made by the Lender to the Company from time to time and repayments made by the Company to the Lender from time to time.

The Company shall have the right to repay the Loans at any time without penalty or bonus.

**Dated at Ottawa, Ontario this 30<sup>th</sup> day of July, 2001**

**DataJungle, Inc.**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_

Name:  
Title:

## AMENDMENT TO GRID PROMISSORY NOTE

This **AMENDMENT TO GRID PROMISSORY NOTE** is made effective as of the 11th day of December, 2001.

### BETWEEN:

**DataJungle Ltd.** a company incorporated under the laws of Canada, having an office at 1431 Merivale Road, Suite 201, Ottawa, Ontario, K2E 1B9

(hereinafter the "Company")

### AND:

\_\_\_\_\_, a company incorporated under the laws of Canada, having an office at \_\_\_\_\_

(hereinafter the "Lender")

**WHEREAS** DataJungle, Inc., a company incorporated under the laws of Delaware, was continued in Canada pursuant to a Certificate of Continuance dated August 15, 2001; and

**WHEREAS** DataJungle, Inc. executed a Grid Promissory Note (the "Note") in favour of \_\_\_\_\_ dated the 30<sup>th</sup> day of July, 2001; and

**WHEREAS** DataJungle, Inc. entered into a General Security Agreement in favour of \_\_\_\_\_ dated the 30<sup>th</sup> day of July, 2001 as security for the Note; and

**WHEREAS** DataJungle, Inc. amalgamated with 3853021 Canada Inc. pursuant to a Certificate of Amalgamation dated August 15, 2001 to form the Company; and

**WHEREAS** the Company has assumed all of the liabilities of the Company and is therefore liable for the principal and interest under the Note; and

**WHEREAS**, the Company and the Lender desire to amend the terms and conditions of the Note;

**NOW THEREFORE**, for good and valuable consideration including the advancement by the Lender to the Company of additional amounts under the Note, the receipt and sufficiency of which is acknowledged by the Parties hereto, the Company and the Lender hereto agree to amend the Note as follows:

1. DataJungle Ltd. confirms that it has assumed the liability under the Note including for any and all amounts advanced to DataJungle Inc. and to the Company, including accrued interest;
2. The following paragraph is deleted from the Note in its entirety:

Provided further that if the Company has amalgamated with 3853021 Canada Inc. (or such other corporation as the Lender and the Company may in writing agree) and the obligations have neither been converted in full nor repaid by the Company out of the proceeds of the New Equity (as hereinafter defined) on or before December 31, 2001, the Company may at any time and from time to time on written notice to the Lender, either repay the whole or any portion of the amount of the obligations hereof or require that all or any portion of the obligations hereof be converted to common shares in the capital of the Company (the "Conversion Notice") at the Conversion Rate applicable at the date of the Conversion Notice to the Lender.

3. The following paragraph is deleted from the Note in its entirety:

For the purposes of this promissory note, the term "New Equity" means common shares in the capital of the Company issued for an aggregate subscription price in the amount of up to CDN\$1 million priced at CDN\$0.60 per common share (or such other amount as the Lender and Company may in writing agree at the time of issuance of such equity) issued on or before December 31, 2001 to subscribers introduced to the Company with the assistance of the Lender.

4. The right of Lender to demand payment under the terms of the Note is amended by the addition of the following paragraph in its entirety to the Note:

This Note shall be payable 7 days after written demand made by the Lender or its assignee, if any, to the Company at the Company's principal place of business. Notwithstanding the foregoing and irrespective of any demand notice having been given, the principal and any accrued interest under this Note shall be deemed to have become due and payable immediately prior to such time as (A) the Company (i) commits an act of bankruptcy, (ii) proposes a compromise or arrangement to its creditors generally, (iii) makes a voluntary assignment in bankruptcy or (iv) takes any other proceeding with respect to making a compromise or arrangement with its creditors or to have itself declared bankrupt or wound up; (B) any other person files a bankruptcy or similar petition or proceeding against the Company; (C) a receiver is appointed over all or any part of the Company's assets, or (D) any execution or distress order becomes enforceable against the Company or its assets.

5. With the exception of the amendments to the Note referred to above, all other terms and conditions of the Note shall remain the same.

**Dated at Ottawa, Ontario this 11th day of December, 2001**

By: \_\_\_\_\_  
Name:  
Title: Director

By: \_\_\_\_\_  
Name: Denes Bartakovich  
Title: President & CEO

By: \_\_\_\_\_  
Name:  
Title: Director

By: \_\_\_\_\_  
Name: Robert Poole  
Title: Vice President

**DataJungle Ltd.**

By: \_\_\_\_\_

Name: Larry Bruce  
Title: Vice President

## **SECOND AMENDMENT TO GRID PROMISSORY NOTE**

Between

Quad Metals Corporation, a Nevada corporation ("Quad")

And

\_\_\_\_\_, a company incorporated under the laws of Canada (the "Lender").

And

DataJungle Ltd., a company incorporated under the laws of Canada and successor by amalgamation to DataJungle, Inc. (the "Borrower")

Whereas:

- (a) The Borrower and the Lender are parties to a Grid Promissory Note dated the 30th day of July, 2001 (as amended to the date hereof, the "Note");
- (b) Borrower and Lender have amended the Note pursuant to an amending agreement dated December 11, 2001 and the Note so amended is herein referred to as the Amended Note;
- (c) Borrower and Lender entered into a memorandum of agreement dated February 21, 2003 by which the Company was to have effected a reverse split of its common stock as a result of which the effective Conversion Rate under the Amended Note would have been 6.6667 shares for each C\$1.00 of Note obligation so converted;
- (d) Quad and The Company are proposing to enter into a Share Exchange Agreement by which all the issued and outstanding shares of the Company will be exchanged at the rate of 0.6 shares of Quad common stock for each share of Company common stock (the Quad Transaction);
- (e) Lender is prepared to consent to the Quad Transaction subject to Quad agreeing to guarantee the Amended Note as amended by this agreement.

Accordingly, the parties agree to enter into this agreement which shall hereafter become known as SECOND AMENDMENT dated as of September 16, 2003 (herein the "Second Amendment") upon the following terms::

1. The first paragraph of the Amended Note is hereby amended and restated to read as follows:

FOR VALUE RECEIVED, the undersigned, DataJungle Ltd. (the "Company"), hereby acknowledges itself indebted and promises to pay to \_\_\_\_\_ (the "Lender"), within 7 days of written demand, the outstanding principal amount of all loans (the "Loans") made by the Lender to the Company as recorded by the Lender on the Schedule annexed hereto, and to pay interest (including interest on overdue interest ) in like money as well after as before maturity, default and judgment on the outstanding amount thereof at Ottawa, Ontario, at the rate of interest of 10 percent per annum compounded and payable semi-annually; provided however, that the outstanding amount shall no longer accrue interest immediately after the consummation of the transactions contemplated by the Share Exchange Agreement made and entered into September 16, 2003 by and between Quad Metals Corporation and the Company.



2. The second paragraph of the Amended Note is hereby amended and restated to read as follows:

Provided, however, the Lender may, at any time and from time to time, upon written notice by the Lender to the Company, and in compliance with applicable securities laws, convert all or part of the amount outstanding hereunder at the time of delivery of such notice, into common shares in the capital of the Company in the ratio of either 6.6667 common shares in the capital of the Company for each CDN\$1.00 of obligation converted or at such ratio of shares at a value which would be the equivalent to the price per share at which common shares in the capital of the Company have last been issued to a third party dealing at arms length with the Company (collectively the "Conversion Rate"), whichever is less; provided further however, if any capital reorganization or reclassification of the capital of the Company or any Sale or Merger (as defined below) of the Company shall be effected in such a way that holders of common shares in the capital of the Company shall be entitled to receive capital stock, securities or assets with respect to or in exchange for their common shares in the capital of the Company (such capital stock, securities or assets per share of Common Stock are referred to herein as the "Per Share Consideration"), then, as a condition of such reorganization, reclassification, Sale or Merger, lawful and adequate provisions shall be made whereby the Lender shall thereafter, upon conversion, have the right to receive the Per Share Consideration as may be issued or payable with respect to or in exchange for each common share into which the outstanding amount of principal and interest held at the time of such capital reorganization, reclassification, Sale or Merger is convertible. Such shares shall be issued to the Lender or to such person or persons as the Lender may in writing direct. For purposes hereof, a "Sale or Merger" of the Company shall mean (i) the sale, lease or other disposition of all or substantially all of the Company's assets or (ii) the acquisition of the Company by another entity by way of merger or consolidation resulting in the exchange of the outstanding shares of the Corporation for securities or other consideration issued, or caused to be issued, by the acquiring corporation or its parent or subsidiary.

3. This Second Amendment is limited as specified and shall not constitute a modification, acceptance, forbearance or waiver of any provision of the Note beyond the specific amendments granted hereby, and none of the provisions of this Second Amendment shall serve to cure any default which may exist under the Note. This Second Amendment is not intended by any of the parties hereto to be interpreted as a course of dealing which would in any way impair the rights or remedies of the Lender except as expressly stated herein, and the Lender shall have no obligation to extend credit to the Borrower.

4. Within 30 days of the consummation of the transactions contemplated by the Quad Transaction and in consideration for the Lenders' consent thereto, Quad shall execute and deliver to the Lender a guarantee of the Borrower's obligations under the Amended Note as further amended by the Second Amendment, in form and substance satisfactory to the Lender.

5. Lender hereby consents to the Quad Transaction.

6. Notwithstanding anything herein to the contrary, this Second Amendment shall only become effective and is conditional upon the closing of the Quad Transaction.

7. This Second Amendment may be executed in any number of counterparts and by the different parties hereto on separate counterparts, each of which counterparts when executed and delivered shall be an original, but all of which together shall constitute one and the same instrument.

\* \* \* \* \*

IN WITNESS WHEREOF, each of the parties hereto has caused a counterpart of this Amendment to be duly executed and delivered as of the date first written above.

DATAJUNGLE LTD.

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title:

\_\_\_\_\_

By: \_\_\_\_\_  
Name:  
Title:

QUAD METALS CORPORATION

By: \_\_\_\_\_  
Name:  
Title:

Grid Promissory Note Holder

Grid Promissory Note Holder	Amount Outstanding as at December 31, 2003	Amount Outstanding as at March 31, 2004
Capital House Corporation	\$549,200.00 CAD	\$549,200.00 CAD

**DATAJUNGLE SOFTWARE INC.**

**SHARE OPTION PLAN**

The name of the plan is the SHARE OPTION PLAN (the "Plan") of DataJungle Software Inc., a Nevada corporation (the "Company").

Effective April 16th, 2004, the Company's Board of Directors approved, subject to stockholder approval, this Plan.

**ARTICLE 1**

**PURPOSE**

The purpose of the Plan is to attract and to retain the services of Employees and Consultants of the Company and its Subsidiaries and to provide such persons with a proprietary interest in the Company through the granting of incentive stock options, non-qualified stock options, stock appreciation rights, or whether granted singly, or in combination, or in tandem, that will

- (a) increase the interest of such persons in the Company's welfare and success;
- (b) furnish an incentive to such persons to continue their services for the Company; and
- (c) provide a means through which the Company may attract able persons as Employees and Consultants.

With respect to Reporting Participants, the Plan and all transactions under the Plan are intended to comply with all applicable conditions of Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (the "1934 Act"). To the extent any provision of the Plan or action by the Committee fails to so comply, it shall be deemed null and void ab initio, to the extent permitted by law and deemed advisable by the Committee.

**ARTICLE 2**

**DEFINITIONS**

Unless the context requires otherwise, the following terms shall have the meanings indicated:

"Award" means the grant of any Incentive Stock Option, Non-qualified Stock Option, or Stock Appreciation Right whether granted singly, in combination or in tandem (each individually referred to herein as an "Incentive").

"Award Agreement" means a written agreement between a Participant and the Company, which sets out the terms of the grant of an Award.

"Award Period" means the period during which one or more Incentives granted under an Award may be exercised.

"Board" means the board of directors of the Company.

"Change of Control" means any of the following: (i) any consolidation, merger or share exchange of the Company in which the Company is not the continuing or surviving corporation or pursuant to which shares of the Company's Common Stock would be converted into cash, securities or other property of another entity, other than a consolidation, merger or share exchange of the Company in which the holders of the Company's Common Stock immediately prior to such transaction have the same proportionate ownership of Common Stock of the surviving entity immediately after such transaction; (ii) any sale, lease, exchange or other transfer (excluding transfer by way

of pledge or hypothecation) in one transaction or a series of related transactions, of all or substantially all of the assets of the Company; (iii) the stockholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; (iv) the cessation of control (by virtue of their not constituting a majority of directors) of the Board by the individuals (the "Continuing Directors") who (x) at the date of this Plan were directors or (y) become directors after the date of this Plan and whose election or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors (1) then in office who were directors at the date of this Plan or (2) whose election or nomination for election was previously so approved; (v) the acquisition of beneficial ownership (within the meaning of Rule 13d-3 under the 1934 Act) of an aggregate of twenty percent (20%) of the voting power of the Company's outstanding voting securities by any person or group (as such term is used in Rule 13d-5 under the 1934 Act) who beneficially owned less than fifteen percent (15%) of the voting power of the Company's outstanding voting securities on the date of this Plan, or the acquisition of beneficial ownership of an additional five percent (5%) of the voting power of the Company's outstanding voting securities by any person or group who beneficially owned at least fifteen percent (15%) of the voting power of the Company's outstanding voting securities on the date of this Plan, provided, however, that notwithstanding the foregoing, an acquisition shall not constitute a Change of Control hereunder if the acquiror is (x) a trustee or other fiduciary holding securities under an employee benefit plan of the Company and acting in such capacity, (y) a Subsidiary of the Company or a corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of voting securities of the Company or (z) any other person whose acquisition of shares of voting securities is approved in advance by a majority of the Continuing Directors; or (vi) in a Title 11 bankruptcy proceeding, the appointment of a trustee or the conversion of a case involving the Company to a case under Chapter 7.

"Code" means the Internal Revenue Code, as amended, or any successor legislation.

"Committee" means the committee appointed or designated by the Board to serve as the Compensation Committee (or a similarly named Committee generally intended to administer and oversee employee compensation plans such as the Plan) of the Board to administer the Plan in accordance with Article 3 of this Plan.

"Common Stock" means the common stock, par value \$0.001 per share, which the Company is currently authorized to issue or may in the future be authorized to issue.

"Company" means DataJungle Software Inc., a Nevada corporation, and any successor entity.

"Consultant" means any person performing advisory or consulting services for the Company or a Subsidiary, with or without compensation, to whom the Company chooses to grant an Award in accordance with the Plan, provided that bona fide services must be rendered by such person and such services shall not be rendered in connection with the offer or sale of securities in a capital raising transaction.

"Date of Grant" means the effective date on which an Award is made to a Participant as set forth in the applicable Award Agreement; provided, however, that solely for purposes of Section 16 of the 1934 Act and the rules and regulations promulgated thereunder, the Date of Grant of an Award shall be the date of stockholder approval of the Plan if such date is later than the effective date of such Award as set forth in the Award Agreement.

"Employee" means common law employee (as defined in accordance with the Regulations and Revenue Rulings then applicable under Section 3401(c) of the Code) of the Company or any Subsidiary of the Company.

"Fair Market Value" of a share of Common Stock is the mean of the highest and lowest prices per share on any exchange or stock quotation system that reports daily high and low sales prices, or in the absence of reported sales on such day, the most recent previous day for which sales were reported.

"Incentive Stock Option" or "ISO" means an incentive stock option within the meaning of Section 422 of the Code, granted pursuant to this Plan.

"Non-qualified Stock Option" or "NQSO" means a non-qualified stock option, granted pursuant to this Plan.

"Option Price" means the price, which must be paid by a Participant upon exercise of a Stock Option to purchase a share of Common Stock.

"Participant" shall mean an Employee or a Consultant of the Company or a Subsidiary to whom an Award is granted under this Plan.

"Plan" means this DataJungle Software Inc. SHARE OPTION PLAN, as amended from time to time.

"Reporting Participant" means a Participant who is subject to the reporting requirements of Section 16 of the 1934 Act.

"Retirement" means any Termination of Service solely due to retirement upon attainment of age 65, or permitted early retirement as determined by the Committee.

"SAR" means a Stock Appreciation Right or the right to receive a payment, in cash and/or Common Stock, equal to the excess of the Fair Market Value of a specified number of shares of Common Stock on the date the SAR is exercised over the SAR Price for such shares.

"SAR Price" means the Fair Market Value of each share of Common Stock covered by a Stock Appreciation Right (SAR), determined on the Date of Grant of the SAR.

"Stock Option" means a Non-qualified Stock Option or an Incentive Stock Option.

"Subsidiary" means (i) any corporation in an unbroken chain of corporations beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing a majority of the total combined voting power of all classes of stock in one of the other corporations in the chain, (ii) any limited partnership, if the Company or any corporation described in item (i) above owns a majority of the general partnership interest and a majority of the limited partnership interests entitled to vote on the removal and replacement of the general partner, and (iii) any partnership or limited liability company, if the partners or members thereof are composed only of the Company, any corporation listed in item (i) above or any limited partnership listed in item (ii) above. "Subsidiaries" means more than one of any such corporations, limited partnerships, partnerships or limited liability companies.

"Termination of Service" occurs when a Participant who is an Employee or a Consultant of the Company or any Subsidiary shall cease to serve as an Employee or a Consultant of the Company and its Subsidiaries, for any reason.

"Total and Permanent Disability" means a Participant is qualified for long-term disability benefits under the Company's or a Subsidiary's disability plan or insurance policy; or, if no such plan or policy is then in existence, that the Participant, because of ill health, physical or mental disability or any other reason beyond his or her control, is unable to perform his or her duties of employment for a period of six (6) continuous months, as determined in good faith by the Committee; provided that, with respect to any Incentive Stock Option, Total and Permanent Disability shall have the meaning given it under the rules governing Incentive Stock Options under the Code.

## **ARTICLE 3**

### **ADMINISTRATION**

The Plan shall be administered by a committee appointed by the Board (the "Committee"). The Committee shall consist of the number of members as determined by the Board. Any member of the Committee may be removed at any time, with or without cause, by resolution of the Board. Any vacancy occurring in the membership of the Committee may be filled by appointment by the Board.

The Committee shall select one of its members to act as its Chairman. A majority of the Committee shall constitute a quorum, and the act of a majority of the members of the Committee present at a meeting at which a quorum is present shall be the act of the Committee.

The Committee shall determine and designate from time to time the eligible persons to whom Awards will be granted and shall set forth in each related Award Agreement the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance requirements, as approved by the Committee, but not inconsistent with the Plan. The Committee shall determine whether an Award shall include one type of Incentive, two or more Incentives granted in combination, or two or more Incentives granted in tandem (that is, a joint grant where exercise of one Incentive results in cancellation of all or a portion of the other Incentive).

The Committee, in its discretion, shall (i) interpret the Plan, (ii) prescribe, amend, and rescind any rules and regulations necessary or appropriate for the administration of the Plan, and (iii) make such other determinations and take such other action as it deems necessary or advisable in the administration of the Plan. Any interpretation, determination, or other action made or taken by the Committee shall be final, binding, and conclusive on all interested parties.

With respect to restrictions in the Plan that are based on the requirements of Rule 16b-3 promulgated under the 1934 Act, Section 422 of the Code, Section 162(m) of the Code, the rules of any exchange or inter-dealer quotation system upon which the Company's securities are listed or quoted, or any other applicable law, rule or restriction (collectively, "applicable law"), to the extent that any such restrictions are no longer required by applicable law, the Committee shall have the sole discretion and authority to grant Awards that are not subject to such mandated restrictions and/or to waive any such mandated restrictions with respect to outstanding Awards.

## **ARTICLE 4**

### **ELIGIBILITY**

Any Employee (including an Employee who is also a director or an officer) or Consultant whose judgment, initiative, and efforts contributed or may be expected to contribute to the successful performance of the Company is eligible to participate in the Plan; provided that only Employees shall be eligible to receive Incentive Stock Options. The Committee, upon its own action, may grant, but shall not be required to grant, an Award to any Employee or Consultant of the Company or any Subsidiary. Awards may be granted by the Committee at any time and from time to time to new Participants, or to then Participants, or to a greater or lesser number of Participants, and may include or exclude previous Participants, as the Committee shall determine. Except as required by this Plan, Awards granted at different times need not contain similar provisions. The Committee's determinations under the Plan (including without limitation determinations of which Employees or Consultants, if any, are to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the agreements evidencing same) need not be uniform and may be made by it selectively among Employees and Consultants who receive, or are eligible to receive, Awards under the Plan.

## **ARTICLE 5**

### **SHARES SUBJECT TO PLAN**

Subject to adjustment as provided in Articles 13 and 14, the maximum number of shares of Common Stock that may be delivered pursuant to Awards granted under the Plan is (a) five million (5,000,000) shares; plus (b) shares of Common Stock previously subject to Awards which are forfeited, terminated, settled in cash in lieu of Common Stock, or exchanged for Awards that do not involve Common Stock, or expired unexercised; plus (c) without duplication for shares counted under the immediately preceding clause, a number of shares of Common Stock equal to the number of shares repurchased by the Company in the open market or otherwise and having an aggregate repurchase price no greater than the amount of cash proceeds received by the Company from the sale of shares of Common Stock under the Plan; plus (d) any shares of Common Stock surrendered to the Company in payment of the exercise price of options issued under the Plan.

Shares to be issued may be made available from authorized but unissued Common Stock, Common Stock held by the Company in its treasury, or Common Stock purchased by the Company on the open market or otherwise. During the term of this Plan, the Company will at all times reserve and keep available the number of shares of Common Stock that shall be sufficient to satisfy the requirements of this Plan.

## **ARTICLE 6**

### **GRANT OF AWARDS**

6.1 In General. The grant of an Award shall be authorized by the Committee and shall be evidenced by an Award Agreement setting forth the Incentive or Incentives being granted, the total number of shares of Common Stock subject to the Incentive(s), the Option Price (if applicable), the Award Period, the Date of Grant, and such other terms, provisions, limitations, and performance objectives, as are approved by the Committee, but not inconsistent with the Plan. The Company shall execute an Award Agreement with a Participant after the Committee approves the issuance of an Award. Any Award granted pursuant to this Plan must be granted within five (5) years of the date of adoption of this Plan. The Plan shall be submitted to the Company's stockholders for approval; however, the Committee may grant Awards under the Plan prior to the time of stockholder approval. Any such Award granted prior to such stockholder approval shall be made subject to such stockholder approval. The grant of an Award to a Participant shall not be deemed either to entitle the Participant to, or to disqualify the Participant from, receipt of any other Award under the Plan.

6.2 Maximum ISO Grants. The Committee may not grant Incentive Stock Options under the Plan to any Employee which would permit the aggregate Fair Market Value (determined on the Date of Grant) of the Common Stock with respect to which Incentive Stock Options (under this and any other plan of the Company and its Subsidiaries) are exercisable for the first time by such Employee during any calendar year to exceed \$200,000. To the extent any Stock Option granted under this Plan, which is designated as an Incentive Stock Option exceeds this limit or otherwise fails to qualify as an Incentive Stock Option, such Stock Option shall be a Non-qualified Stock Option.

6.3 SAR. An SAR shall entitle the Participant at his election to surrender to the Company the SAR, or portion thereof, as the Participant shall choose, and to receive from the Company in exchange therefor cash in an amount equal to the excess (if any) of the Fair Market Value (as of the date of the exercise of the SAR) per share over the SAR Price per share specified in such SAR, multiplied by the total number of shares of the SAR being surrendered. In the discretion of the Committee, the Company may satisfy its obligation upon exercise of an SAR by the distribution of that number of shares of Common Stock having an aggregate Fair Market Value (as of the date of the exercise of the SAR) equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional share interests, or the Company may settle such obligation in part with shares of Common Stock and in part with cash.



6.4 Maximum Individual Grants. No participant may receive during any calendar year of the Company Awards covering an aggregate of more than five hundred thousand (500,000) shares of Common Stock.

6.5 Tandem Awards. The Committee may grant two or more Incentives in one Award in the form of a "tandem award," so that the right of the Participant to exercise one Incentive shall be canceled if, and to the extent, the other Incentive is exercised. For example, if a Stock Option and an SAR are issued in a tandem Award, and the Participant exercises the SAR with respect to one hundred (100) shares of Common Stock, the right of the Participant to exercise the related Stock Option shall be canceled to the extent of one hundred (100) shares of Common Stock.

## **ARTICLE 7**

### **OPTION PRICE; SAR PRICE**

The Option Price for a Non-qualified Stock Option shall be such price as determined by the Committee; provided, however, such Option Price shall not be less than the par value per share of the Common Stock. The Option Price for an Incentive Stock Option and the SAR Price for any share of Common Stock subject to an SAR shall be at least one hundred percent (100%) of the Fair Market Value of the share on the Date of Grant. If an Incentive Stock Option is granted to an Employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary), the Option Price shall be at least one hundred and ten percent (110%) of the Fair Market Value of the Common Stock on the Date of Grant.

## **ARTICLE 8**

### **AWARD PERIOD; VESTING**

8.1 Award Period. Subject to the other provisions of this Plan, the Committee may, in its discretion, provide that an Incentive may not be exercised in whole or in part for any period or periods of time or beyond any date specified in the Award Agreement. Except as provided in the Award Agreement, an Incentive may be exercised in whole or in part at any time during its term. The Award Period for an Incentive shall be reduced or terminated upon Termination of Service in accordance with this Article 8 and Article 9. No Incentive granted under the Plan may be exercised at any time after the end of its Award Period. No portion of any Incentive may be exercised after the expiration of ten (10) years from its Date of Vesting. However, if an Employee owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than ten percent (10%) of the combined voting power of all classes of stock of the Company (or any parent or Subsidiary) and an Incentive Stock Option is granted to such Employee, the term of such Incentive Stock Option (to the extent required by the Code at the time of grant) shall be no more than ten (10) years from the Date of Vesting.

8.2 Vesting. The Committee, in its sole discretion, may determine that an Incentive will be immediately exercisable, in whole or in part, or that all or any portion may not be exercised until a date, or dates, subsequent to its Date of Grant, or until the occurrence of one or more specified events, subject in any case to the terms of the Plan. If the Committee imposes conditions upon exercise, then subsequent to the Date of Grant, the Committee may, in its sole discretion, accelerate the date on which all or any portion of the Incentive may be exercised.

## **ARTICLE 9**

### **TERMINATION OF SERVICE**

In the event of Termination of Service of a Participant, an Incentive may only be exercised as determined by the Committee and provided in the Award Agreement.

## ARTICLE 10

### EXERCISE OF INCENTIVE

10.1 In General, A vested Incentive may be exercised during its Award Period, subject to limitations and restrictions set forth therein and in Article 9. A vested Incentive may be exercised at such times and in such amounts as provided in this Plan and the applicable Award Agreement, subject to the terms, conditions, and restrictions of the Plan. In no event may an Incentive be exercised or shares of Common Stock be issued pursuant to an Award if a necessary listing or quotation of the shares of Common Stock on a stock exchange or inter-dealer quotation system or any registration under state or federal securities laws required under the circumstances has not been accomplished. No Incentive may be exercised for a fractional share of Common Stock. The granting of an Incentive shall impose no obligation upon the Participant to exercise that Incentive.

(a) **Stock Options.** Subject to such administrative regulations as the Committee may from time to time adopt, a Stock Option may be exercised by the delivery of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the Stock Option is to be exercised and the date of exercise thereof (the "Exercise Date") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall deliver to the Company consideration with a value equal to the total Option Price of the shares to be purchased, payable as follows: (a) cash check, bank draft, or money order payable to the order of the Company, (b) Common Stock owned by the Participant on the Exercise Date, valued at its Fair Market Value on the Exercise Date and which the Participant has not acquired from the Company within six (6) months prior to the Exercise Date, (c) by delivery (including by FAX) to the Company or its designated agent of an executed irrevocable option exercise form together with irrevocable instructions from the Participant to a broker or dealer, reasonably acceptable to the Company, to sell certain of the shares of Common Stock purchased upon exercise of the Stock Option or to pledge such shares as collateral for a loan and promptly deliver to the Company the amount of sale or loan proceeds necessary to pay such purchase price, and/or (d) in any other form of valid consideration that is acceptable to the Committee in its sole discretion. Upon payment of all amounts due from the Participant, the Company shall cause certificates for the Common Stock then being purchased to be delivered as directed by the Participant (or the person exercising the Participant's Stock Option in the event of his death) at its principal business office promptly after the Exercise Date; provided that if the Participant has exercised an Incentive Stock Option, the Company may at its option retain physical possession of the certificate evidencing the shares acquired upon exercise until the expiration of the holding periods described in Section 422(a)(1) of the Code. The obligation of the Company to deliver shares of Common Stock shall, however, be subject to the condition that if at any time the Committee shall determine in its discretion that the listing, registration, or qualification of the Stock Option or the Common Stock upon any securities exchange or inter-dealer quotation system or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with, the Stock Option or the issuance or purchase of shares of Common Stock thereunder, the Stock Option may not be exercised in whole or in part unless such listing, registration, qualification, consent, or approval shall have been effected or obtained free of any conditions not acceptable to the Committee. If the Participant fails to pay for any of the Common Stock specified in such notice or fails to accept delivery thereof, the Participant's right to purchase such Common Stock may be terminated by the Company.

(b) **SARs.** Subject to the conditions of this Section 10.1(b) and such administrative regulations as the Committee may from time to time adopt, an SAR may be exercised by the delivery (including by FAX) of written notice to the Committee setting forth the number of shares of Common Stock with respect to which the SAR is to be exercised and the date of exercise thereof (the "Exercise Date") which shall be at least three (3) days after giving such notice unless an earlier time shall have been mutually agreed upon. On the Exercise Date, the Participant shall receive from the Company in exchange therefor cash in an amount equal to the excess (if any) of the Fair Market Value (as of the date of the exercise of the SAR) per share of Common Stock over the SAR Price per share specified in such SAR, multiplied by the total number of shares of Common Stock of the SAR being surrendered. In the discretion of the Committee, the Company may satisfy its obligation upon exercise of an SAR by the distribution of that number of shares of Common Stock having an aggregate Fair Market Value (as of the date of the exercise of the SAR)

equal to the amount of cash otherwise payable to the Participant, with a cash settlement to be made for any fractional share interests, or the Company may settle such obligation in part with shares of Common Stock and in part with cash.

10.2 Disqualifying Disposition of ISO. If shares of Common Stock acquired upon exercise of an Incentive Stock Option are disposed of by a Participant prior to the expiration of either two (2) years from the Date of Grant of such Stock Option or one (1) year from the transfer of shares of Common Stock to the Participant pursuant to the exercise of such Stock Option, or in any other disqualifying disposition within the meaning of Section 422 of the Code, such Participant shall notify the Company in writing of the date and terms of such disposition. A disqualifying disposition by a Participant shall not affect the status of any other Stock Option granted under the Plan as an Incentive Stock Option within the meaning of Section 422 of the Code.

## **ARTICLE 11**

### **AMENDMENT OR DISCONTINUANCE**

Subject to the limitations set forth in this Article 11, the Board may at any time and from time to time, without the consent of the Participants, alter, amend, revise, suspend, or discontinue the Plan in whole or in part; provided, however, that no amendment which requires stockholder approval in order for the Plan and Incentives awarded under the Plan to continue to comply with Section 162(m) of the Code, including any successors to such Section, shall be effective unless such amendment shall be approved by the requisite vote of the stockholders of the Company entitled to vote thereon. Any such amendment shall, to the extent deemed necessary or advisable by the committee, be applicable to any outstanding Incentives theretofore granted under the Plan, notwithstanding any contrary provisions contained in any stock option agreement. In the event of any such amendment to the Plan, the holder of any Incentive outstanding under the Plan shall, upon request of the Committee and as a condition to the exercisability thereof, execute a conforming amendment in the form prescribed by the Committee to any Award Agreement relating thereto. Notwithstanding anything contained in this Plan to the contrary, unless required by law, no action contemplated or permitted by this Article 11 shall adversely affect any rights of Participants or obligations of the Company to Participants with respect to any Incentive theretofore granted under the Plan without the consent of the affected Participant.

## **ARTICLE 12**

### **TERM**

The Plan shall be effective from the date that this Plan is approved by the Board. Unless sooner terminated by action of the Board, the Plan will terminate on December 31, 2011, but Incentives granted before that date will continue to be effective in accordance with their terms and conditions.

## **ARTICLE 13**

### **CAPITAL ADJUSTMENTS**

If at any time while the Plan is in effect, or Incentives are outstanding, there shall be any increase or decrease in the number of issued and outstanding shares of Common Stock resulting from (1) the declaration or payment of a stock dividend, (2) any recapitalization resulting in a stock split-up, combination, or exchange of shares of Common Stock, or (3) other increase or decrease in such shares of Common Stock effected without receipt of consideration by the Company, then and in such event:

(i) An appropriate adjustment shall be made in the maximum number of shares of Common Stock then subject to being awarded under the Plan and in the maximum number of shares of Common Stock that may be awarded to a Participant to the end that the same proportion of the Company's issued and outstanding shares of Common Stock shall continue to be subject to being so awarded.

(ii) Appropriate adjustments shall be made in the number of shares of Common Stock and the Option Price thereof then subject to purchase pursuant to each such Stock Option previously granted and unexercised, to the end that the same proportion of the Company's issued and outstanding shares of Common Stock in each such instance shall remain subject to purchase at the same aggregate Option Price.

(iii) Appropriate adjustments shall be made in the number of SARs and the SAR Price thereof then subject to exercise pursuant to each such SAR previously granted and unexercised, to the end that the same proportion of the Company's issued and outstanding shares of Common Stock in each instance shall remain subject to exercise at the same aggregate SAR Price.

Except as otherwise expressly provided herein, the issuance by the Company of shares of its capital stock of any class, or securities convertible into shares of capital stock of any class, either in connection with direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to (i) the number of or Option Price of shares of Common Stock then subject to outstanding Stock Options granted under the Plan, or (ii) the number of or SAR Price or SARs then subject to outstanding SARs granted under the Plan.

Upon the occurrence of each event requiring an adjustment with respect to any Incentive, the Company shall mail to each affected Participant its computation of such adjustment which shall be conclusive and shall be binding upon each such Participant.

## **ARTICLE 14**

### **RECAPITALIZATION, MERGER AND CONSOLIDATION**

The existence of this Plan and Incentives granted hereunder shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations, or other changes in the Company's capital structure and its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or preference stocks ranking prior to or otherwise affecting the Common Stock or the rights thereof (or any rights, options, or warrants to purchase same), or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise. Subject to any required action by the stockholders, if the Company shall be the surviving or resulting corporation in any reorganization, merger, consolidation or share exchange, any Incentive granted hereunder shall pertain to and apply to the securities or rights (including cash, property, or assets) to which a holder of the number of shares of Common Stock subject to the Incentive would have been entitled. Notwithstanding the foregoing, however, all such Incentives may be canceled by the Company as of the effective date of any such reorganization, merger, consolidation or share exchange by giving notice to each holder thereof or his personal representative of its intention to do so and by permitting the purchase during the thirty (30) day period next preceding such effective date of all of the shares of Common Stock subject to such outstanding Incentives.

In the event of any reorganization, merger, consolidation or share exchange pursuant to which the Company is not the surviving or resulting corporation, there shall be substituted for each share of Common Stock subject to the unexercised portions of such outstanding Incentives, that number of shares of each class of stock or other securities or that amount of cash, property, or assets of the surviving, resulting or consolidated company which were distributed or distributable to the stockholders of the Company in respect to each share of Common Stock held by them, such outstanding Incentives to be thereafter exercisable for such stock, securities, cash, or property in accordance with their terms.

## **ARTICLE 15**

### **LIQUIDATION OR DISSOLUTION**

In case the Company shall, at any time while any Incentive under this Plan shall be in force and remain unexpired, (i) sell all or substantially all of its property, or (ii) dissolve, liquidate, or wind up its affairs, then each Participant shall be thereafter entitled to receive, in lieu of each share of Common Stock of the Company which such Participant would have been entitled to receive under the Incentive, the same kind and amount of any securities or assets as may be issuable, distributable, or payable upon any such sale, dissolution, liquidation, or winding up with respect to each share of Common Stock of the Company. If the Company shall, at any time prior to the expiration of any Incentive, make any partial distribution of its assets, in the nature of a partial liquidation, whether payable in cash or in kind (but excluding the distribution of a cash dividend payable out of earned surplus and designated as such) then in such event the Option Prices or SAR Prices then in effect with respect to each Stock Option or SAR shall be reduced, on the payment date of such distribution, in proportion to the percentage reduction in the tangible book value of the shares of the Company's Common Stock (determined in accordance with generally accepted accounting principles) resulting by reason of such distribution.

## **ARTICLE 16**

### **INCENTIVES IN SUBSTITUTION FOR INCENTIVES GRANTED BY OTHER CORPORATIONS**

Incentives may be granted under the Plan from time to time in substitution for similar instruments held by employees of a corporation who become or are about to become management Employees of the Company or any Subsidiary as a result of a merger or consolidation of the employing corporation with the Company or the acquisition by the Company of stock of the employing corporation. The terms and conditions of the substitute Incentives so granted may vary from the terms and conditions set forth in this Plan to such extent as the Board at the time of grant may deem appropriate to conform, in whole or in part, to the provisions of the Incentives in substitution for which they are granted.

## **ARTICLE 17**

### **MISCELLANEOUS PROVISIONS**

17.1 Investment Intent. The Company may require that there be presented to and filed with it by any Participant under the Plan, such evidence as it may deem necessary to establish that the Incentives granted or the shares of Common Stock to be purchased or transferred are being acquired for investment and not with a view to their distribution.

17.2 No Right to Continued Employment. Neither the Plan nor any Incentive granted under the Plan shall confer upon any Participant any right with respect to continuance of employment by the Company or any Subsidiary.

17.3 Indemnification of Board and Committee. No member of the Board or the Committee, nor any officer or Employee of the Company acting on behalf of the Board or the Committee, shall be personally liable for any action, determination, or interpretation taken or made in good faith with respect to the Plan, and all members of the Board or the Committee and each and any officer or employee of the Company acting on their behalf shall, to the extent permitted by law, be fully indemnified and protected by the Company in respect of any such action, determination, or interpretation.

17.4 Effect of the Plan. Neither the adoption of this Plan nor any action of the Board or the Committee shall be deemed to give any person any right to be granted an Award or any other rights except as may be evidenced by an Award Agreement, or any amendment thereto, duly authorized by the Committee and executed on behalf of the Company, and then only to the extent and upon the terms and conditions expressly set forth therein.

17.5 Compliance With Other Laws and Regulations. Notwithstanding anything contained herein to the contrary, the Company shall not be required to sell or issue shares of Common Stock under any Incentive if the issuance thereof would constitute a violation by the Participant or the Company of any provisions of any law or regulation of any governmental authority or any national securities exchange or inter-dealer quotation system or other forum in which shares of Common Stock are quoted or traded (including without limitation Section 16 of the 1934 Act and Section 162(m) of the Code); and, as a condition of any sale or issuance of shares of Common Stock under an Incentive, the Committee may require such agreements or undertakings, if any, as the Committee may deem necessary or advisable to assure compliance with any such law or regulation. The Plan, the grant and exercise of Incentives hereunder, and the obligation of the Company to sell and deliver shares of Common Stock, shall be subject to all applicable federal and state laws, rules and regulations and to such approvals by any government or regulatory agency as may be required.

17.6 Tax Requirements. The Company shall have the right to deduct from all amounts hereunder paid in cash or other form, any Federal, state, provincial or local taxes required by law to be withheld with respect to such payments. The Participant receiving shares of Common Stock issued under the Plan shall be required to pay the Company the amount of any taxes which the Company is required to withhold with respect to such shares of Common Stock. Notwithstanding the foregoing, in the event of an assignment of a Non-qualified Stock Option or SAR pursuant to Section 17.7, the Participant who assigns the Non-qualified Stock Option or SAR shall remain subject to withholding taxes upon exercise of the Non-qualified Stock Option or SAR by the transferee to the extent required by the Code or the rules and regulations promulgated thereunder. Such payments shall be required to be made prior to the delivery of any certificate representing such shares of Common Stock. Such payment may be made in cash, by check, or through the delivery of shares of Common Stock owned by the Participant (which may be effected by the actual delivery of shares of Common Stock by the Participant that the Participant has not acquired from the Company within six (6) months prior to the Exercise Date, or by the Company's withholding a number of shares to be issued upon the exercise of a Stock Option, if applicable), which shares have an aggregate Fair Market Value equal to the required minimum withholding payment, or any combination thereof.

17.7 The Participant who assigns the Non-qualified Stock Option or SAR shall remain subject to withholding taxes upon exercise of the Non-qualified Stock Option or SAR by the transferee to the extent required by the Code or the rules and regulations promulgated thereunder. Such payments shall be required to be made prior to the delivery of any certificate representing such shares of Common Stock. Such payment may be made in cash, by check, or through the delivery of shares of Common Stock owned by the Participant (which may be effected by the actual delivery of shares of Common Stock by the Participant that the Participant has not acquired from the Company within six (6) months prior to the Exercise Date, or by the Company's withholding a number of shares to be issued upon the exercise of a Stock Option, if applicable), which shares have an aggregate Fair Market Value equal to the required minimum withholding payment, or any combination thereof.

17.7 Assignability. Incentive Stock Options may not be transferred or assigned other than by will or the laws of descent and distribution and may be exercised during the lifetime of the Participant only by the Participant or the Participant's legally authorized representative, and each Award Agreement in respect of an Incentive Stock Option shall so provide. The designation by a Participant of a beneficiary will not constitute a transfer of the Stock Option. The Committee may waive or modify any limitation contained in the preceding sentences of this Section 17.7 that is not required for compliance with Section 422 of the Code. The Committee may, in its discretion, authorize all or a portion of a Non-qualified Stock Option or SAR to be granted to a Participant to be on terms which permit transfer by such Participant to (i) the spouse, children or grandchildren of the Participant ("Immediate Family Members"), (ii) a trust or trusts for the exclusive benefit of such Immediate Family Members, or (iii) a partnership in which such Immediate Family Members are the only partners, (iv) an entity exempt from federal income tax pursuant to Section 501(c)(3) of the Code or any successor provision, or (v) a split interest trust or pooled income fund described in Section 2522(c)(2) of the Code or any successor provision, provided that (x) there shall be no consideration for any such transfer, (y) the Award Agreement pursuant to which such Non-qualified Stock Option or SAR is granted must be approved by the Committee and must expressly provided for transferability in a manner

consistent with this Section, and (z) subsequent transfers of transferred Non-qualified Stock Options or SARs shall be prohibited except those by will or the laws of descent and distribution or pursuant to a qualified domestic relations order as defined in the Code or Title I of the Employee Retirement Income Security Act of 1974, as amended. Following transfer, any such Non-qualified Stock Option and SAR shall continue to be subject to the same terms and conditions as were applicable immediately prior to transfer, provided that for purposes of Articles 10, 11, 13, 15 and 17 hereof the term "Participant" shall be deemed to include the transferee. The events of Termination of Service shall continue to be applied with respect to the original Participant, following which the Non-qualified Stock Options and SARs shall be exercisable by the transferee only to the extent and for the periods specified in the Award Agreement. The Committee and the Company shall have no obligation to inform any transferee of a Non-qualified Stock Option or SAR of any expiration, termination, lapse or acceleration of such Option. The Company shall have no obligation to register with any federal or state securities commission or agency any Common Stock issuable or issued under a Non-qualified Stock Option or SAR that has been transferred by a Participant under this Section 17.7.

17.8 Use of Proceeds. Proceeds from the sale of shares of Common Stock pursuant to Incentives granted under this Plan shall constitute general funds of the Company.

A copy of this Plan shall be kept on file in the office of the Company at 1 Hines Road, Suite 202, Ottawa, Ontario, K2K 3C7 or any successor location of the Company's principal executive offices.

**IN WITNESS WHEREOF**, the Company has caused this instrument to be executed by its duly authorized representative pursuant to prior action taken by the Board.

**DataJungle Software Inc.**

\_\_\_\_\_  
\_\_\_\_\_

Date: \_\_\_\_\_

## EXHIBIT 10.b

### SHARE EXCHANGE AGREEMENT

This Share Exchange Agreement (the "Agreement") is made and entered into this 16th day of September, 2003, by and between Quad Metals Corporation, a Nevada corporation (the "Purchaser") and DataJungle Ltd., a Canadian corporation (the "Company"), the shareholders of the Company listed on Schedule 1.4 (collectively, the "Vendors") and the holders of certain instruments of debt of the Company listed in Schedule 1.5 (collectively, the "Debtors").

#### RECITALS

A. Purchaser is a corporation organized and existing under the laws of the State of Nevada and has authorized capital consisting of 300,000,000 shares of \$.001 par value common stock ("Purchaser Common Stock"), of which 1,909,493 shares are issued and outstanding and 10,000,000 shares of preferred stock of which none are issued and outstanding.

B. Company is a corporation organized and existing under the laws of Canada and has unlimited authorized no par value common stock ("Company Common Stock"), of which 12,922,859 shares are issued and outstanding.

C. Company is indebted to the Debtors in the aggregate of C\$787,391.95 which debt is convertible or that the Company has deemed to be convertible into shares of Company Common Stock at the rate of 6.6667 shares (i.e. C\$0.15 per Company Common Stock) of Company Common Stock for each C\$1.00 of debt so converted (the "Convertible Debt");

D. The Boards of Directors of Purchaser and Company deem it in the best interests of the shareholders of their respective corporations that Purchaser will acquire all or substantially all of the outstanding shares of Company Common Stock in exchange for authorized but as yet unissued shares of Purchaser Common Stock (the "Share Exchange") in accordance with the following terms.

#### ARTICLE 1 Share Exchange

1.1 *Share Exchange.* Each of the Vendors severally agree to sell, assign and transfer to the Purchaser and the Purchaser hereby agrees to purchase from each such Vendor, all of their respective shares of the Company Common Stock for shares of newly issued Purchaser Common Stock in the ratio of 0.6 shares of Purchaser Common Stock for each share of Company Common Stock so sold (in total, assuming all shares of Company Common Stock are sold and exchanged, 7,753,719 shares of Purchaser Common Stock plus the amount in respect of any Company Common Stock issued in respect of the conversion of any Convertible Debt on or before the Closing Date).

1.2 *Treasury Shares.* Any shares of Company Common Stock held in the treasury of Company on the Closing Date will not be deemed to be issued or outstanding for purposes of the Share Exchange. All such treasury shares shall automatically be cancelled, and no shares of the Purchaser Common Stock will be issued in respect of such treasury shares or options.



1.3 *Fractional Shares.* No fractional shares of Purchaser Common Stock will be issued in respect of the exchange. In lieu of any fractional share that would otherwise be required to satisfy the exchange ratio, Purchaser shall pay the surrendering holder of Company Common Stock one share of Purchaser Common Stock.

1.4 *Exchange of Shares.* On the Closing Date, each Vendor shall deliver any and all certificates representing Company Common Stock owned by such Vendor to Purchaser, or its appointed agent, in such manner as Purchaser shall reasonably require. Upon receipt of any such certificates, Purchaser will issue in payment and exchange therefore a certificate representing the number of shares of Purchaser Common Stock the particular Vendor is entitled to receive pursuant to the provisions of Section 1.1, as is set out beside the name of such Vendor in Schedule 1.4. By execution of this Agreement each of the Vendors hereby appoints Larry Bruce, Vice President Finance of the Company, as their lawful attorney for the purpose of effecting the transfer of the Company Common Stock held by them and otherwise executing such documents and doing such things as shall be necessary to give full effect to this Agreement (including, without limitation, the ability to grant any extensions or modifications necessary to affect the closing of this Agreement; provided however that such modifications shall not effect the number of shares of Purchaser Common Stock such Vendor is entitled to receive pursuant to the Share Exchange).

1.5 *Debt Exchange.* Each of the Debtors severally agree to sell, assign and transfer to the Purchaser and the Purchaser hereby agrees to purchase from each such Debtor, all of their respective portion of the Convertible Debt, which shall be converted on the Closing Date into shares of Purchaser Common Stock at an exchange ratio of 6.6667 shares of Purchaser Common Stock for each Canadian dollar of Convertible Debt so converted. On the Closing Date, each Debtor shall deliver any and all written instruments evidencing such Convertible Debt owned by such Debtor to Purchaser, or its appointed agent, in such manner as Purchaser shall reasonably require. Upon receipt of any such written instruments, Purchaser will issue in payment therefore a certificate representing the number of shares of Purchaser Common Stock the particular Debtor is entitled to receive pursuant to the provisions of this Section 1.5, as is set out beside the name of such Debtor in Schedule 1.5.

1.5 *Options.* Effective immediately upon closing and without further action by the Company or the Vendor each option as listed in Schedule 1.6 to purchase Company Common Stock outstanding as of the Closing Date and whether or not vested in the holder of the options shall be exchangeable for 0.6 options to purchase Purchaser Common Stock at the same exercise price.

## ARTICLE 2

### Representations and Warranties of Purchaser

Purchaser makes the following covenants, representations and warranties in favor of the Company and each of the Debtors and Vendors which representations and warranties shall be true as of the date hereof and as of the Closing Date:

2.1 *Organization and Qualification.* Purchaser is a corporation duly organized, validly existing and in good standing under the laws of Nevada and has the requisite corporate power and authority to carry on its business as it is now being conducted. Purchaser is duly qualified to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a material adverse effect on the business, financial condition or results of operations of Purchaser taken as a whole (a "Material Adverse Effect").

2.2 *Corporate Records.* The corporate records and minute books of the Purchaser contain complete and accurate minutes of all meetings of the directors and shareholders of the Purchaser held since the inception of the Purchaser; all such meetings were duly called and held; the Articles of Incorporation and By-Laws and the shareholder, transfer and director registers, are complete and accurate.

2.3 *Capitalization.* As of the date hereof, the authorized capital stock of Purchaser consists of 300,000,000 shares of \$0.001 par value common stock, of which 1,909,493 Shares are issued and outstanding, and 10,000,000 shares of preferred stock, of which none are issued and outstanding. Except as set forth in Schedule 2.3, there are no options, warrants, puts, calls or other rights, agreements or commitments of any character whatsoever whether by law, or pre-emptive or contractual right or that are capable of becoming a legally enforceable agreement requiring the issuance, sale, transfer or repurchase by Purchaser of any shares of capital stock of Purchaser or any securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of capital stock of Purchaser. All of the outstanding shares of capital stock of Purchaser have been duly authorized, validly issued and are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any preemptive rights. Each of the shares of Purchaser Common Stock to be issued pursuant to Section 1.4 and Section 1.5 shall be newly issued, duly authorized, validly issued and entered on the books of the Purchaser as fully paid and non-assessable shares of Purchaser Common Stock.

2.4 *Authority.* Purchaser has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by Purchaser's Board of Directors, no other corporate proceedings on the part of Purchaser are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Purchaser and constitutes the valid and legally binding obligation of Purchaser enforceable against Purchaser in accordance with its terms.

2.5 *Financial Statements.* The audited financial statements of Purchaser for the fiscal years ended December 31, 2001 and 2002, and the unaudited quarterly financial statements for the periods ending March 31, 2003 and June 30, 2003, which have been previously delivered to Company, present fairly in all material respects the financial position, results of operations and changes in cash flow of Purchaser as of the dates thereof and for the periods indicated therein in conformity with United States generally accepted accounting principles (except as otherwise indicated in such financial statements and the notes thereto) on a basis consistent with prior periods.

2.6 *Assets.* The Purchaser has good and marketable title to its assets free and clear of all mortgages, security interests, charges, liens, encumbrances and claims or demands of any nature whatsoever or howsoever arising, excepting only those matters disclosed in the Financial Statements, including without limiting the generality of the foregoing, the books of account, cash on hand and in the bank, accounts receivable, trademarks, copyrights, securities, goods, tools, furniture, fixtures, equipment, vehicles and supplies of the Purchaser. Except as disclosed in Schedule 2.6 hereto, the Purchaser does not own or lease any real property and each of the leases so disclosed is in good standing and in full force and effect without amendment thereto and the Purchaser is not in breach of any of the covenants, conditions or agreements contained in such leases.

2.7 *Liabilities.* Other than as set out in Schedule 2.7, there are no amounts due and owing or that may become due and owing at any time hereafter by Purchaser under any current or former fee agreement, employment contract, termination agreement, severance package, profit sharing plan or deferred compensation plan or similar arrangement with any of its current or former officers, directors, shareholders or employees or to any person or company not dealing at arm's length with any of the Purchaser. Except as disclosed in the Financial Statements, the Purchaser is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities, contingent or otherwise, or indebtedness of any other person and does not have any other liabilities or obligations, direct, or indirect, whether accrued, absolute, contingent or otherwise ("Liabilities"), except for Liabilities that will not have a Material Adverse Effect and that will not have a material adverse effect on the ability of Purchaser to consummate the transactions contemplated hereby.

2.8 *Employees.* The Purchaser has no employees and has had none since 1992.

2.9 *No Violations; Consents.*

- (a) Neither the execution and delivery of this Agreement by Purchaser nor the consummation of the transactions contemplated hereby, nor compliance with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under any of the terms, conditions or provisions of (x) its charter or by-laws or (y) any material note, bond, mortgage, indenture, deed of trust, agreement, lien, contract or other instrument or obligation to which Purchaser or any of its shareholders is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Purchaser is bound; or (ii) subject to compliance with the statutes and regulations referred to in Section 2. 9(b), violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Purchaser or any of its shareholders or any of their respective properties or assets (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations or accelerations, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on the business, financial condition or results of operations of Purchaser taken as a whole or on the ability of Purchaser to consummate the transactions contemplated hereby).
- (b) There is (i) no legal impediment to Purchaser's consummation of the transactions contemplated by this Agreement, and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary for the consummation by Purchaser of the transactions contemplated by this Agreement; except (i) for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not have any Material Adverse Effect on the business, financial condition or results of operations of Purchaser taken as a whole or on the ability of Purchaser to consummate the transactions contemplated hereby, and (ii) for such filings, registration, authorization, consent or approvals as may be required by the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "Hart-Scott-Rodino Act"), and the Nevada Business Corporations Act.

2.10 *Litigation.* Except as disclosed on Schedule 2.10, there are no actions, suits or administrative proceedings of any nature pending or threatened by or against the Purchaser or its officers or directors in their capacity as such, whether at law or in equity, and Purchaser is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success and which are reasonably likely to have a Material Adverse Effect on the Purchaser.

2.11 *Taxes.* Except as set forth on Schedule 2.11, Purchaser has timely filed or caused to be timely filed with the appropriate Federal, state, local and foreign governmental agencies, all material tax returns, information returns, forms and reports required to be filed and have timely paid in full all taxes shown to be due on or before the date hereof in respect of such tax returns. For purposes of this Agreement, the term "Tax" shall include all employee source deductions, customs duties, income, sales, capital and property taxes of any kind that are leviable on or relate to any income, profits, business, assets, transactions or activities of Purchaser. Except as set forth in Schedule 2.11, there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing by the Purchaser, of any report or return with respect to Taxes or with respect to the payment by the Purchaser of any Taxes, or penalties, interest and fines in respect thereof. There are no actions, suits, proceedings, investigations, audits or claims now pending or, to the best of the knowledge, information and belief of the Purchaser (after due inquiry), threatened against the Purchaser, in respect of any Taxes or any penalties, interest and fines in respect thereof and there are no matters under discussion with any taxation or other governmental authority relating to any such Taxes, penalties, interest and fines. The Purchaser has withheld from all payments made by it to any person, including its officers, directors and employees and any non-resident persons to whom any payment has been made, the amount of all Taxes and other deductions required to be withheld therefrom and has paid the same when due to the proper taxation or other governmental authority. The Federal and state income tax returns of Purchaser have been examined for all taxable years through the fiscal year ended December 31, 2002. The Federal income tax returns of Purchaser are not being audited as of the date of the execution of this Agreement. Purchaser has not made any consent under Section 341(f) of the Code. Any accrued current liability for Taxes (which shall not include an accrual for the current portion of and deferred tax assets or liabilities) in the balance sheet of Purchaser at December 31, 2002 adequately provides for all unpaid Taxes for periods ending on or prior to the date thereof.

2.12 *Insolvency.* There are no petitions for a receiving order in bankruptcy filed against it, nor has any voluntary assignment in bankruptcy been made by the Purchaser, nor has any proposal been made by or in respect of the Purchaser, under the provisions of any U.S. Federal or State bankruptcy acts or regulations;

2.13 *Insurance.* The Purchaser will maintain up to the Closing Date insurance on all of its physical assets in form and coverage amount consistent with its practices of the last two (2) fiscal years;

2.14 *Intellectual Property.* The conduct of the business of the Purchaser does not infringe upon the patents, trade marks, trade names or copyrights, domestic or foreign, of any other person, firm or Purchaser.

2.15 *Brokerage Fees.* Except as set forth in Schedules 2.15, Purchaser has not retained any financial adviser, broker, agent or finder or paid or agreed to pay any financial adviser, broker, agent or finder on account of this Agreement or any transaction contemplated hereby.

2.16 *Absence of Certain Changes.* Except as contemplated herein or set forth on Schedule 2.16, since December 31, 2002, there has not occurred (i) any material adverse change in the business, financial condition or results of operations of Purchaser or (ii) any loss or damage to any of the properties of Purchaser (whether or not covered by insurance) which has had or would be likely to have a Material Adverse Effect. Except as set forth on Schedule 2.16, Purchaser has not since December 31, 2002:

- (a) paid or declared any dividends or other distributions upon its stock or redeemed, purchased or otherwise acquired any of its shares of stock, except as specifically contemplated by this Agreement;
- (b) sold, assigned, transferred, mortgaged, pledged, subjected to any material lien, adverse claim or other encumbrance or suffered any material lien, adverse claim or other encumbrance on any of its material tangible or intangible assets, including material copyrights, trademarks trade names, patents and licenses, except in the ordinary course of business;
- (c) made any material changes in employee compensation or benefit plans and programs, except in the ordinary course of business and consistent with past employment practices or as required by agreement or law;
- (d) entered into any other material transaction, except in the ordinary course of business or as specifically contemplated by this Agreement;
- (e) paid or incurred any material obligation or liability (absolute or contingent), except obligations or liabilities incurred in the ordinary course of the operation of its business as carried on at and prior to the date of this Agreement;
- (f) canceled without payment in full or compromised any material claim, notes, loans or obligations or other rights of value receivable from any person, except in the ordinary course of business;
- (g) issued or authorized the issuance of additional shares of stock or any options, warrants or rights to acquire any shares of its stock, as the case may be, or made any contribution to the equity capital of any entity.
- (h) terminated or made any material amendment to any material contract, lease, license or any other material agreement, except in the ordinary course of business; or
- (i) entered into any agreement or understanding to do any of the foregoing.

2.17 *Compliance with Laws.* Except as previously disclosed in writing to Company, Purchaser is in compliance with all federal, state, local and foreign laws, ordinances, rules, regulations and orders currently applicable to the current or former businesses or properties of Purchaser including, without limitation, all rules, regulations and administrative orders relating to anti-competitive practices, discrimination, employment, health, and safety, except for such matters of non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect. Schedule 2.17 contains a list of all judicial consents, orders or decrees under which Purchaser is operating or by which it is bound, copies of which have been furnished to Company.

2.18 *SEC Filings.* Except as previously disclosed in writing to Company, Purchaser is current with all filings required by the United States Securities Act of 1933, as amended (the "1933 Act") and the Securities and Exchange Act of 1934.

2.19 *OTCBB.* Purchaser is approved for trading on the National Association of Securities Dealers Over-the-Counter Bulletin Board (the "OTCBB") and shall remain eligible for such quotation as of the Closing Date.

2.20 *Accuracy of Information Furnished.* No statement by Purchaser contained in this Agreement or furnished in writing to Company contains any untrue statement of a material fact, or omits to state any material fact which is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

### ARTICLE 3 Representations and Warranties of Company

Company makes the following representations and warranties in favor of the Purchaser which representations and warranties shall be true as of the date hereof and as of the Closing Date:

3.1 *Organization and Qualification.* Company is a corporation duly organized, validly existing and in good standing under the laws of Canada and has the requisite corporate power and authority to carry on its business as it is now being conducted. Company is duly qualified to do business and is in good standing in each jurisdiction in which the character of its properties, owned or leased, or the nature of its activities makes such qualification necessary, except where the failure to be so qualified or in good standing would not have a Material Adverse Effect.

3.2 *Corporate Records.* The corporate records and minute books of the Company contain complete and accurate minutes of all meetings of the directors and shareholders of the Company held since the inception of the Company; all such meetings were duly called and held; the Articles of Incorporation and By-Laws and the shareholder, transfer and director registers, are complete and accurate.

3.3 *Capitalization.* The authorized capital stock of Company consists of an unlimited number of shares of no par value common stock, of which there are 12,922,859 shares issued and outstanding. As of the Closing Date the number of issued and outstanding shares of Company Common Stock shall be not more than 12,922,859 plus the number of shares that will have been issued or may be issuable pursuant to the conversion of Convertible Debt on or before the Closing Date. All of the outstanding shares of capital stock of Company have been duly authorized, validly issued and are fully paid and non-assessable and are not subject to, nor were they issued in violation of, any preemptive rights.

3.4 *Rights to Issue.* As of the date hereof the Company has an aggregate of C\$1,388,787.26 of debt. Of this debt, C\$787,391.95 is Convertible Debt. Except as set forth in this paragraph or otherwise as in Schedule 3.4, there are no options, warrants, puts, calls or other rights, agreements or commitments of any character whatsoever whether by law, or pre-emptive or contractual right or that are capable of becoming a legally enforceable agreement requiring the issuance, sale, transfer or repurchase by Company of any shares of capital stock of Company or any securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any shares of capital stock of Company.

3.5 *Authority.* Company has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder. The execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by Company's Board of Directors, no other corporate proceedings on the part of Company are necessary to authorize this Agreement and the transactions contemplated hereby. This Agreement has been duly executed and delivered by Company and constitutes the valid and legally binding obligation of Company enforceable against Company in accordance with its terms.

3.6 *Financial Statements.* Subject to final edits which shall not differ materially from the draft version, the draft of the audited financial statements of Company for the fiscal years ended June 30, 2002 and June 30, 2003 (the "Draft Statements"), which have been previously delivered to Purchaser, present fairly in all material respects the financial position, results of operations and changes in cash flow of Company as of the dates thereof and for the periods indicated therein in conformity with generally accepted accounting principles (except as otherwise indicated in such financial statements and the notes thereto) on a basis consistent with prior periods. Company covenants with Purchaser to deliver, within thirty days of the Closing Date, copies of the final audited financial statements of Company for the fiscal years ended June 30, 2002 and June 30, 2003 which shall not differ materially from the Draft Statements.

3.7 *Assets.* The Company has good and marketable title to its assets free and clear of all mortgages, security interests, charges, liens, encumbrances and claims or demands of any nature whatsoever or howsoever arising, excepting only those matters disclosed in the Financial Statements, including without limiting the generality of the foregoing, the books of account, cash on hand and in the bank, accounts receivable, trademarks, copyrights, securities, goods, tools, furniture, fixtures, equipment, vehicles and supplies of the Company. Except as disclosed in Schedule 3.7 hereto, the Company does not own or lease any real property and each of the leases so disclosed is in good standing and in full force and effect without amendment thereto and the Company is not in breach of any of the covenants, conditions or agreements contained in such leases.

3.8 *Liabilities.* Other than as set out in Schedule 3.8 there are no amounts due and owing or that may become due and owing at any time hereafter by Company under any current or former fee agreement, employment contract, termination agreement, severance package, profit sharing plan or deferred compensation plan or similar arrangement with any of its current or former officers, directors, shareholders or employees or to any person or company not dealing at arm's length with any of the Company. Except as disclosed in the Financial Statements, the Company is not a party to or bound by any agreement of guarantee, indemnification, assumption or endorsement or any other like commitment of the obligations, liabilities, contingent or otherwise, or indebtedness of any other person and does not have any other liabilities or obligations, direct, or indirect, whether accrued, absolute, contingent or otherwise ("Liabilities"), except for Liabilities that will not have a Material Adverse Effect and that will not have a material adverse effect on the ability of Company to consummate the transactions contemplated hereby.

3.9 *Employees.* Schedule 3.9 sets out a list of all the employees of the Company.

3.10 *No Violations; Consents.*

- (a) Neither the execution and delivery of this Agreement by Company nor the consummation of the transactions contemplated hereby, nor compliance with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under any of the terms, conditions or

provisions of (x) its charter or by-laws or (y) any material note, bond, mortgage, indenture, deed of trust, agreement, lien, contract or other instrument or obligation to which Company or any of its shareholders is a party or to which any of them, or any of their respective properties or assets, may be subject or by which Company is bound; or (ii) subject to compliance with the statutes and regulations referred to in Section 3.10(b), violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Company or any of its shareholders or any of their respective properties or assets (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations or accelerations, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on the business, financial condition or results of operations of Company taken as a whole or on the ability of Company to consummate the transactions contemplated hereby).

- (b) There is (i) no legal impediment to Company's consummation of the transactions contemplated by this Agreement, and (ii) no filing or registration with, or authorization, consent or approval of, any domestic or foreign public body or authority is necessary for the consummation by Company of the transactions contemplated by this Agreement; except (i) for such filings or registrations which, if not made, or for such authorizations, consents or approvals which, if not received, would not have any Material Adverse Effect on the business, financial condition or results of operations of Company taken as a whole or on the ability of Company to consummate the transactions contemplated hereby, and (ii) for such filings, registration, authorization, consent or approvals as may be required by the provisions of the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder (the "Hart-Scott-Rodino Act"), and the Nevada Business Corporations Act.

3.11 *Litigation.* Except as disclosed on Schedule 3.11, there are no actions, suits or administrative proceedings of any nature pending or threatened by or against the Company or its officers or directors in their capacity as such, whether at law or in equity, and Company is not aware of any existing ground on which any such action, suit or proceeding might be commenced with any reasonable likelihood of success and which are reasonably likely to have a Material Adverse Effect on the Company.

3.12 *Taxes.* Except as set forth on Schedule 3.12, Company has timely filed or caused to be timely filed with the appropriate Federal, provincial, local and foreign governmental agencies, all material tax returns, information returns, forms and reports required to be filed and have timely paid in full all taxes shown to be due on or before the date hereof in respect of such tax returns. For purposes of this Agreement, the term "Tax" shall include all employee source deductions, customs duties, income, sales and property taxes of any kind that are leviable on or relate to any income, profits, business, assets, transactions or activities of Company. Except as set forth in Schedule 3.12, there are no agreements, waivers or other arrangements providing for an extension of time with respect to the filing by the Company, of any report or return with respect to Taxes or with respect to the payment by the Company of any Taxes, or penalties, interest and fines in respect thereof. There are no actions, suits, proceedings, investigations, audits or claims now pending or, to the best of the knowledge, information and belief of the Company (after due enquiry), threatened against the Company, in respect of any Taxes or any penalties, interest and fines in respect thereof and there are no matters under discussion with any taxation or other governmental



authority relating to any such Taxes, penalties, interest and fines. The Company has withheld from all payments made by it to any person, including its officers, directors and employees and any non-resident persons to whom any payment has been made, the amount of all Taxes and other deductions required to be withheld therefrom and has paid the same when due to the proper taxation or other governmental authority. The Federal income tax returns of Company have been examined for all taxable years through the fiscal year ended June 30, 2002. The Federal income tax returns of Company are not being audited as of the date of the execution of this Agreement. The balance sheet of Company at June 30, 2003 adequately provides for all unpaid Taxes for periods ending on or prior to the date thereof.

3.13 *Insolvency.* There are no petitions for a receiving order in bankruptcy filed against it, nor has any voluntary assignment in bankruptcy been made by the Company, nor has any proposal been made by or in respect of the Company, under the provisions of the *Bankruptcy Act of Canada*;

3.14 *Insurance.* The Company will maintain up to the Closing Date insurance on all of its physical assets in form and coverage amount consistent with its practices of the last two (2) fiscal years;

3.15 *Brokerage Fees.* Except as set forth in Schedule 3.15 Company has not retained any financial adviser, broker, agent or finder or paid or agreed to pay any financial adviser, broker, agent or finder on account of this Agreement or any transaction contemplated hereby.

3.16 *Absence of Certain Changes.* Except as contemplated herein or set forth on Schedule 3.16, since June 30, 2003, there has not occurred (i) any material adverse change in the business, financial condition or results of operations of Company or (ii) any loss or damage to any of the properties of Company (whether or not covered by insurance) which has had or would be likely to have a Material Adverse Effect. Except as set forth on Schedule 3.16, Company has not since June 30, 2003:

- (a) paid or declared any dividends or other distributions upon its stock or redeemed, purchased or otherwise acquired any of its shares of stock, except as specifically contemplated by this Agreement;
- (b) sold, assigned, transferred, mortgaged, pledged, subjected to any material lien, adverse claim or other encumbrance or suffered any material lien, adverse claim or other encumbrance on any of its material tangible or intangible assets, including material copyrights, trademarks trade names, patents and licenses, except in the ordinary course of business;
- (c) made any material changes in employee compensation or benefit plans and programs, except in the ordinary course of business and consistent with past employment practices or as required by agreement or law;
- (d) entered into any other material transaction, except in the ordinary course of business or as specifically contemplated by this Agreement;
- (e) paid or incurred any material obligation or liability (absolute or contingent), except obligations or liabilities incurred in the ordinary course of the operation of its business as carried on at and prior to the date of this Agreement;

- (f) canceled without payment in full or compromised any material claim, notes, loans or obligations or other rights of value receivable from any person, except in the ordinary course of business;
- (g) issued or authorized the issuance of additional shares of stock or any options, warrants or rights to acquire any shares of its stock, as the case may be, or made any contribution to the equity capital of any entity.
- (h) terminated or made any material amendment to any material contract, lease, license or any other material agreement, except in the ordinary course of business; or

entered into any agreement or understanding to do any of the foregoing.

3.17 *Licenses.* Company (the "License Holder") duly holds all licenses, franchises, authorizations, permits, ordinances, certificates, consents and approvals (collectively, the "Licenses") of all governmental or regulatory agencies, whether Federal, provincial or local, necessary or appropriate to enable it to continue to conduct its business in all material respects as presently conducted. Schedule 3.17 reasonably identifies each material License in effect on the date of this Agreement. Each of the foregoing Licenses is in full force and effect and there are no pending modifications, amendments or revocation proceedings that would have a Material Adverse Effect. All material fees, including material franchise fees, due and payable to governmental authorities pursuant to the Licenses have been paid and no event has occurred which, individually or in the aggregate, and with or without the giving of notice or the lapse of time or both, would constitute grounds for revocation thereof and would have a Material Adverse Effect. The License Holder is in compliance with all of the terms of the Licenses and the operation of its business has been and is being conducted in accordance with all applicable provisions of such Licenses, except in each case for such matters of non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect. The License Holder is not in material default under any License, and there is no material condition, event or occurrence existing, or, to the best of Company's knowledge after due investigation, any proceeding threatened or being conducted, which would cause the termination, suspension, cancellation or non-renewal of any of the Licenses and which termination, suspension, cancellation or non-renewal would have a Material Adverse Effect.

3.18 *Intellectual Properties.* Schedule 3.18 sets forth a list of all trademarks, trade names, service marks, copyrights or patents that Company has registered with the United States or Canada Patent and Trademark Office and the United States or Canada Copyright Office (collectively, "Intellectual Properties"). Except as set forth on Schedule 3.18 no proceedings have been instituted, or, to the knowledge of Company, are threatened which challenge the validity or the ownership of the Intellectual Properties. The Intellectual Properties owned by Company are in full force and effect and, to the knowledge of Company, are valid.

3.19 *Compliance with Laws.* Except as previously disclosed to Purchaser, Company is in compliance with all federal, state, local and foreign laws, ordinances, rules, regulations and orders currently applicable to the businesses or properties of Company including, without limitation, all rules, regulations and administrative orders relating to anti-competitive practices, discrimination, employment, health, and safety, except for such matters of non-compliance which, individually or in the aggregate, would not have a Material Adverse Effect. Schedule 3.19 contains a list of all judicial consents, orders or decrees under which Company is operating or by which it is bound, copies of which have been furnished to Purchaser.

3.20 *Accuracy of Information Furnished.* No statement by Company contained in this Agreement or provided to Purchaser in writing contains any untrue statement of a material fact, or omits to state any material fact which is necessary to make the statements contained herein, in light of the circumstances under which they were made, not misleading.

#### ARTICLE 4 Representations and Warranties of Vendors and Debtors

Each of the Vendors and the Debtors, as the case may be, and as to the Vendors severally and only in respect of and proportional with that number of Company Common Shares set out beside their respective names on Schedule 1.4 covenants, represents and warrants to the Purchaser as follows:

4.1 With respect to the Vendors, each Vendor has good and marketable title to its Company Common Shares free and clear of all mortgages, security interests, charges, liens, encumbrances and claims or demands of any nature whatsoever or howsoever arising.

4.2 With respect to the Debtors, each Debtor has good and marketable title to its portion of the Convertible Debt, free and clear of all mortgages, security interests, charges, liens, encumbrances and claims or demands of any nature whatsoever or howsoever arising.

4.3 Each of the Vendors and Debtors has full power and authority to enter into this agreement.

4.4 Each of the Vendors and Debtors has received all the information it considers necessary or appropriate for deciding whether to complete the Share Exchange. Each of the Vendors and Debtors has had an opportunity to ask questions and receive answers from the Company and the Purchaser regarding the terms and conditions of the Share Exchange and the business, properties, prospects and financial condition of the Purchaser, and the Purchaser has not refused any reasonable request made by any of the Vendors or the Debtors to provide such information. The foregoing, however, does not limit or modify the representations and warranties of the Purchaser in Section 2 or the right of the Vendors, the Debtors or the Company to rely thereon.

4.5 Each of the Vendors and Debtors is an investor in securities and acknowledges that it is able to fend for itself, can bear the economic risk of its investment, and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment in the Share Exchange.

4.6 This Agreement is made with such Vendor or Debtors in reliance upon such Vendor's or Debtor's representation that the Purchaser Common Stock will be acquired for investment for such Vendor's or Debtor's own account, not as a nominee or agent, and not with a view to the resale or distribution of any part thereof, and that such Vendor or Debtor has no present intention of selling, granting any participation in or otherwise distributing the same. By executing this Agreement, such Vendor or Debtor further represents that such Vendor or Debtor does not have any contract, undertaking, agreement or arrangement with any person to sell, transfer or grant participations to such person or to any third person, with respect to any of the Purchased Shares.

4.7 Except for those of the Vendors and Debtors listed on Schedule 4.7, each of the Vendors and Debtors is (i) a Canadian Resident as defined in the Income Tax Act of Canada and is not a United States person (as that term is defined by Regulation S under the 1933 Act, as presently in effect) or (ii) an "accredited investor" within the meaning of Rule 501 of the General Rules and Regulations promulgated under the 1933 Act, as presently in effect.

ARTICLE 5  
Conduct of Business Pending the Share Exchange

5.1 *Conduct of Business Prior to the Closing Date.* Except as set forth on Schedule 5.1, Company and Purchaser each covenant and agree that, prior to the Closing Date, unless the other party shall otherwise agree in writing (which agreement shall not be unreasonably withheld or delayed) or as otherwise expressly permitted or specifically contemplated by this Agreement:

- (a) The business of Company shall be conducted only in, and Company shall not take any action except in, the ordinary course of business, and Company shall use its best efforts to maintain and preserve its business organization, assets, employees and business relationships; and
- (b) The business of Purchaser shall be conducted only in, and Purchaser shall not take any action except in, the ordinary course of business, and Purchaser shall use its best efforts to maintain and preserve its business organization, assets, employees and business relationships.

ARTICLE 6  
Access to Information

6.1 *Access to Information; Confidentiality.* From the date hereof until the Closing Date, each party hereto shall cause its officers, directors, employees and agents to afford to the other party and to the officers, employees, agents and financing sources of the other party reasonable access during normal business hours to their officers, employees, agents, properties, books records and contracts, and shall furnish the other party all existing financial, operating and other data and information as may be reasonably requested; provided, however, that all such requests shall initially be directed to Company's executive officers. Purchaser shall give Company at least two business days' notice prior to any visit to Company's facilities.

ARTICLE 7  
Conditions to the Share Exchange

7.1 *Conditions Precedent to the Obligation of Each Party to Effect the Share Exchange.* The respective obligations of each party to effect the Share Exchange shall be subject to the fulfillment at or prior to the Closing Date of each of the following conditions:

- (a) This Agreement shall have been approved by Vendors who collectively hold not less than 50.1% of the outstanding Company Common Stock as of the date hereof as evidenced by their signatures hereon.
- (b) The Directors of Purchaser shall have serially resigned and the vacancies filled by appointment of a Board of Directors consisting of Edward Munden as Chairman of the Board and those persons approved by him.

- (c) No preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a governmental, regulatory or administrative agency or commission nor any statute, rule, regulation or executive order promulgated or enacted by any governmental authority shall be in effect which would (i) make the acquisition or holding by Purchaser or its affiliates of the shares of Company Common Stock illegal or (ii) otherwise prevent the consummation of the Share Exchange.

7.2 *Conditions Precedent to the Obligation of Company, the Vendors and the Debtors.* The obligation of Company, the Vendors and the Debtors to effect the Share Exchange is also subject to each of the following conditions:

- (a) Purchaser shall have delivered irrevocable instructions to its transfer agent to issue those number of shares of Purchaser Common Stock to (i) each Vendor respectively as is set out beside its name in Schedule 1.4 and (ii) each Debtor respectively as is set out beside its name in Schedule 1.5.
- (b) Purchaser shall have performed in all material respects each material obligation to be performed by it hereunder on or prior to the Closing.
- (c) The representations and warranties of Purchaser set forth in this Agreement shall be true and correct in all material respects at and as of the Closing Date as if made at and as of such time, except as affected by transactions contemplated or permitted by this Agreement and except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date; provided, however, that the representations and warranties shall be true and correct only to the extent that neither individually nor in the aggregate do the facts underlying the breaches thereof have a Material Adverse Effect on the financial condition, business or results of operations of Purchaser taken as a whole.
- (d) Purchaser shall have delivered a certificate from the state of Nevada certifying that Purchaser is a corporation duly organized, validly existing and in good standing under the laws of the state of Nevada.
- (e) Purchaser shall have provided evidence that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by Purchaser's Board of Directors and that no other shareholder or corporate proceedings on the part of Purchaser are necessary to authorize this Agreement and the transactions contemplated hereby.

7.3 *Conditions Precedent to the Obligations of Purchaser.* The obligations of Purchaser to effect the Share Exchange are also subject to each of the following conditions:

- (a) The Vendors, or their authorized representative, shall have delivered their respective shares of Company Common Stock duly endorsed for transfer to the Purchaser together with such other documentation as the Purchaser may reasonably require to effect such transfer;
- (b) Company shall have performed in all material respects each material obligation to be performed by it hereunder on or prior to the Closing Date.

- (c) The representations and warranties of Company and the Vendors set forth in this Agreement shall be true and correct in all material respects at and as of the Closing Date as if made at and as of such time, except as affected by transactions contemplated or permitted by this Agreement and except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct as of such date; provided, however, that the representations and warranties shall be true and correct only to the extent that neither individually nor in the aggregate do the facts underlying the breaches thereof have a Material Adverse Effect.
- (d) Company shall have delivered a certificate from the government of Canada certifying that Company is a corporation duly organized, validly existing and in good standing under the laws of Canada.
- (e) Company shall have provided evidence that the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby have been duly authorized by Company's Board of Directors and that no other corporate proceedings on the part of Purchaser are necessary to authorize this Agreement and the transactions contemplated hereby.

## ARTICLE 8

### Other matters of Particular Concern to the Vendors AND DEBTORS

8.1 *Restricted Shares.* Each of the Vendors and Debtors acknowledges that the Purchaser Common Stock to be issued in exchange for the shares of Company Common Stock or conversion of the Convertible Debt have not been registered pursuant to the securities laws of any jurisdiction and are being issued pursuant to exemptions from registration contained in the Securities Act (Ontario) (the "Ontario Securities Act") and the 1933 Act, and the Purchaser Common Stock may only be sold in a jurisdiction in accordance with the restrictions on resale prescribed under the laws of the jurisdiction in which such shares are sold, all of which may vary depending on the jurisdiction. The shares of Purchaser Common Stock to be issued in connection with the Share Exchange are "restricted securities," as defined in Rule 144 of the General Rules and Regulations promulgated under the 1933 Act. All certificates representing the Purchaser Common Stock and any and all securities issued in replacement thereof or in exchange therefor shall bear the following legend, or one substantially similar thereto:

"The securities represented by this certificate have not been registered under the Securities Act of 1933. The securities have been acquired for investment and may not be sold, transferred or assigned in the absence of an effective registration statement for these securities under the Securities Act of 1933 or an opinion of the Company's counsel that registration is not required under said Act."

Each of the Vendors and Debtors is aware that the Company is not a "reporting issuer" as defined in the Ontario Securities Act and as a consequence the shares of Purchaser Common Stock are restricted from transfer within the province of Ontario indefinitely or for an applicable hold period or seasoning period has passed after the Company becomes a "reporting issuer." Further, each of the Vendors and Debtors is aware that the Company has no obligation or present intention of becoming a "reporting issuer" in the Province of Ontario.

8.2 *Other matters.* Each of the Vendors and Debtors acknowledges that he, she or it as the case may be, has been advised by the Company to seek independent legal and tax advice in respect of this Agreement and the transactions contemplated thereby and each has had full and sufficient opportunity to seek such advice and ask and received answers to any questions that he, she or it may have had as a result.

## ARTICLE 9 Debtor Approval

9.1 *Debtor Approval.* Each of the Debtors set out in Schedule 1.5 consents to the Share Exchange and as evidenced by their signatures hereon. Prior to the Closing Date, the Company covenants and agrees with each of the Debtors not to transfer or encumber the assets of the Company or do anything that would have a Material Adverse Effect on the security of the loans held by such Debtors.

## ARTICLE 10 Closing Date

10.1 *Closing Date.* The Share Exchange shall be close on September 16, 2003 unless otherwise extended by the parties hereto (the "Closing Date").

## ARTICLE 11 Miscellaneous

11.1 *Facsimile Signature; Counterparts.* This Agreement may be executed by facsimile signature and in any number of counterparts and all of such counterparts and copies shall be and constitute an original instrument.

11.2 *Governing Law.* This Agreement shall be governed and construed in accordance with the laws of the State of Nevada.

11.3 *Amendment.* Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the parties hereto.

11.4 *Invalid Provisions.* If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision shall be fully severable, this Agreement shall be construed and enforced as if such illegal, invalid or unenforceable provision had never comprised a part of this Agreement, and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement. Furthermore, the parties hereto shall negotiate in good faith to duly amend this Agreement by replacing such illegal, invalid or unenforceable provision with a legal, valid and enforceable provision, the economic effect of which comes as close as possible to that of such illegal, invalid or unenforceable provision.

11.5 *Entire Agreement.* This Agreement constitutes the entire agreement of the parties hereto with respect to the subject matter hereof and supercedes all prior agreements, written or oral, with respect thereto.

[next page is signature page]

IN WITNESS WHEREOF, this Share Exchange Agreement has been adopted by the undersigned corporations as of this 16th day of September, 2003.

DataJungle Ltd.

By: \_\_\_\_\_  
Denes Bartakovich, President

By: \_\_\_\_\_  
Larry Bruce, Vice President Finance

Quad Metals Corporation

By: \_\_\_\_\_  
Robert W. O'Brien, President

By: \_\_\_\_\_  
Martyn Powell, Secretary & Treasurer

[next page is Vendor and Debtor signature page]



Vendor and Debtor Signature Page

The undersigned hereby agrees to be bound by and to observe all of the terms and conditions of this Agreement and all of the benefits of the Agreement shall inure to the undersigned as a Vendor or Debtor, as the case may be, thereunder. The undersigned hereby authorizes the Company to attach this counterpart signature page to the Agreement. Capitalized terms used but not defined herein shall have the meanings ascribed thereto in the Agreement.

Dated as of September \_\_, 2003

DEBTORS

\_\_\_\_\_  
Utopia Investment Holdings, Inc.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Frank Snape

\_\_\_\_\_  
Robert Lendvai

\_\_\_\_\_  
Robert Lewis

\_\_\_\_\_  
Renny Ponvert

VENDORS

\_\_\_\_\_  
228 Holding BV

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Denes Bartakovich in Trust

\_\_\_\_\_  
George Beckerman

\_\_\_\_\_  
Linda Benn

\_\_\_\_\_  
Lawrence Bruce in Trust

\_\_\_\_\_  
Laurie Mulvagh

\_\_\_\_\_  
The Carter Family Trust

\_\_\_\_\_  
Tasso Coin

\_\_\_\_\_  
Timothy Dorgan

VENDORS (continued)

\_\_\_\_\_  
Robert Evans

\_\_\_\_\_  
Isosceles Capital Management Inc.

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Andre Maisonneuve

\_\_\_\_\_  
Kevin McGovern

\_\_\_\_\_  
James Wesley Moore

\_\_\_\_\_  
Dorothy Munden

\_\_\_\_\_  
Andrew Parkinson

\_\_\_\_\_  
Warren Ponvert

\_\_\_\_\_  
Robert Poole in Trust

\_\_\_\_\_  
Alan Turem

\_\_\_\_\_  
Alan Yarbro

\_\_\_\_\_  
C. Marshall Graham

\_\_\_\_\_  
Theresa Lindsay

\_\_\_\_\_  
Robin Mateosian

\_\_\_\_\_  
Metro International LLC

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Sandra Poole Moore

\_\_\_\_\_  
Thomas & Jennifer Parkinson

\_\_\_\_\_  
Renny Ponvert

\_\_\_\_\_  
Kenneth Poole

\_\_\_\_\_  
Mark Van Stekelenburg

\_\_\_\_\_  
Terry White

## SCHEDULES

### **1.4 Shareholders of Company**

Name	Address	Company Common Stock	Purchaser Common Stock
228 Holding BV	3260 AH Oud-Beijerland Box 1341 The Netherlands	125,000	75,000
Denes Bartakovich in Trust	23 Wycliffe Nepean, Ontario K2G 5M1	3,195,805	1,917,483
George Beckerman	1229 Nineteenth St.,N.W. Washington, D.C., USA, 20036	12,500	7,500
Linda Benn	30 Metcalfe, Suite 620 Ottawa, Ontario, K1P 5L4	157,167	94,301
Lawrence Bruce in Trust	75 Stinson Avenue Nepean, Ontario, K2H 6N6	759,355	455,613
Laurie Mulvagh	30 Metcalfe, Suite 620, Ottawa, Ontario, K1P	63,000	37,800
The Carter Family Trust	37 Marble Arch Crescent Nepean, Ontario, K2G	1,261,955	757,173
Tasso Coin	55 West Monroe, Suite 500 Chicago, Illinois USA, 60603	50,000	30,000
Timothy Dorgan	350 May Glen Ellyn, Illinois USA, 60137	62,500	37,500
Robert Evans	Box 546, Fishers Island NY, USA, 06390	62,500	37,500
C. Marshall Graham	1229 Nineteenth St.,N.W. Washington, D.C. USA, 20036	3,125	1,875

Name	Address	Company Common Stock	Purchaser Common Stock
Isosceles Capital Management Inc.	30 Metcalfe, Suite 620 Ottawa, Ontario, K1P 5L4	115,499	69,300
Theresa Lindsay	3004 Destin Lane Denton, Texas USA, 76205	62,500	37,500
Andre Maisonneuve	30 Metcalfe, Suite 620 Ottawa, Ontario, K1P 5L4	100,000	60,000
Robin Mateosian	137 Fifth Avenue 7th Floor New York, NY USA, 10010	62,500	37,500
Kevin McGovern	11356 Homewood Ellicott City, MD, USA, 21042	125,000	75,000
Metro International Mortgage LLC	P. O. Box 770246 Memphis, TN USA, 38177	62,500	37,500
James Wesley Moore	1276 Tintern Greely, Ontario, K4P 1B3	16,778	10,067
Sandra Poole Moore	1276 Tintern Greely, Ontario, K4P 1B3	16,778	10,067
Dorothy Munden	30 Metcalfe, Suite 620 Ottawa, Ontario, K1P 5L4	157,167	94,301
Thomas & Jennifer Parkinson	1128 Cherry Winnetka, Illinois, USA, 60093	137,500	82,500
Andrew Parkinson	280 Forest Winnetka, Illinois, USA, 60093	62,500	37,500
Renny Ponvert	5704 Gloster Road Bethesda, MD USA, 20816	2,562,250	1,537,350

Name	Address	Company Common Stock	Purchaser Common Stock
Warren Ponvert	1355 N.Lake Palm Beach FL, USA, 33480	25,000	15,000
Kenneth Poole	941 Black Road Oxford Station, Ontario K0G 1T0	33,558	20,135
Robert Poole in Trust	941 Black Road Oxford Station, Ontario, K0G 1T0	3,173,255	1,903,953
Mark Van Stekelenburg	1101 Neils Fort Greensboro, GA, USA, 30642	175,000	105,000
Alan Turem	4651 Roswell Road, N.E. Suite 105-B Atlanta, Georgia USA, 30342-3048	62,500	37,500
Terry White	30 Metcalfe, Suite 620 Ottawa, Ontario, K1P 5L4	157,167	94,301
Alan Yarbrow	6606 Darnall Ruxton, MD, USA, 21204	62,500	37,500
<b>Total common shares</b>		<b>12,922,859</b>	<b>7,753,719</b>

## 1.5 Debtors of Company – as at September 15, 2003

<b>Name</b>	<b>Address</b>	<b>Convertible Debt (\$CAD)</b>	<b>Purchaser Common Stock (at C\$0.15)</b>
Utopia Investment Holdings, Inc.	c/o Alan Turem 4651 Roswell Road Suite 105-B Atlanta, Georgia 30342	667,893.50	4,452,624
Frank Snape	20 Devlin Place Aurora, Ontario L4G 5W6	22,780.20	151,868
Robert Lendvai	VisualPlant 140 Fullarton Street 9 <sup>th</sup> Floor London, Ontario N6A 5P2	11,039.09	73,594
Robert Lewis	1901 Camborne Cres. Ottawa, Ontario K1H 7B6	11,158.19	74,388
Renny Ponvert	5704 Gloster Road Bethesda, Maryland 20816	74,520.97	496,807
Total		787,391.95	5,249,281

## 1.6 Options of Company – as at September 15, 2003

Name	Company Options	Purchaser Options
Abowd, Stephen		
Balchin, Paul		
Bruce, Larry		
Charboneau, Don		
Corrigan, Robb		
Dunlop, Mike		
Ganti, Sri		
Gunner, Mark		
Johnston, Sue		
Leong, Kenneth		
Lendvai, Robert		
Sotelo, Cas		
Synowski, John		
Scherbinsky, Albert		
Van Stekelenberg, Mark		
Total	1,398,075	838,848

## **PURCHASER**

- 2.3 Capitalization – nothing to report**
- 2.6 Assets – nothing to report**
- 2.7 Liabilities – nothing to report**
- 2.10 Litigation – nothing to report**
- 2.11 Taxes – nothing to report**
- 2.15 Brokerage Fees – nothing to report**
- 2.16 Absence of Certain Changes – nothing to report**
- 2.17 Compliance with Laws – nothing to report**



## **COMPANY**

### **3.4 Rights to Issue**

Options listed in Schedule 1.6

Convertible promissory note in favor of Capital House Corporation in the amount of C\$601,395.31 including accrued interest as at September 15, 2003. Provides for conversion into Purchaser Common Stock on or after the Closing Date at the rate of 6.6667 shares of Purchaser Common Stock for each C\$1.00 of the note so converted.

### **3.7 Assets**

Lease for office space at 1 Hines Road, Suite 202, Kanata, Ontario, Canada, K2K 3C7. Monthly rent of \$9,451 CAD (approximately \$6,895 USD).

### **3.8 Liabilities**

Amounts due as at June 30, 2003 with respect to former fee agreements - \$16,663 CAD (approximately \$12,157 USD)

Amounts due as at June 30, 2003 to former employees - \$23,076 CAD (approximately \$16,835 USD)

Amounts due as at June 30, 2003 to current employees - \$34,207 CAD (approximately \$24,956 USD)

Amounts accrued as at June 30, 2003 relating to vacation pay to current employees - \$55,891 CAD (approximately \$40,776 USD)

### **3.9 Employees**

Name

Balchin, Paul  
Bartakovich, Denes  
Bruce, Larry  
Carter, Don  
Charboneau, Don  
Leong, Kenneth  
Ganti, Sri  
Johnston, Sue  
Poole, Robert  
Synowski, John  
Scherbinsky, Albert

### **3.11 Litigation**

Potential action by a creditor of the company with respect to a \$43,885 CAD (approximately \$32,016 USD) repayable contribution as disclosed in the Financial Statements

### **3.12 Taxes**

Company has complied with paragraph 3.12 with the exception of \$23,686 (approximately \$17,000 USD) in source deductions due on September 15, 2003. One annual filing outstanding with the Government of Canada relating to notification of annual meeting for the year-ended June 30, 2002.

### **3.15 Brokerage Fees**

**None**

### **3.16 Absence of Certain Changes**

Granted 40,000 options (exercise price of \$0.15 CAD) to a current employee of the Company in accordance with Company practice.

### **3.17 Licenses**

No material licenses

### **3.18 Intellectual Properties**

No trademarks, trade names, service marks, copyrights or patents registered in Canada or the U.S.

### **3.19 Compliance with Laws**

No judicial consents, orders or decrees. No proceeding against the Company.

## **VENDORS AND DEBTORS**

**4.7** All are accredited investors in accordance with Rule 501 of the 1933 Act or not a U.S. person as defined by Regulation S of the 1933 Act.

## **CONDUCT OF BUSINESS**

### **5.1 Conduct of Business Prior to the Closing Date**

**Company** – not applicable

**Purchaser** – not applicable



October 30, 2003

Securities and Exchange Commission  
450 Fifth Street N.W.  
Washington D.C. 20549

Gentlemen:

We have read the statements of QUAD METALS CORPORATION Form 8-K dated October 30, 2003, and agree with the registrant's comments made in the first four paragraphs of Item 4, as reported. With respect to the information in the fifth paragraph of Item 4, we have no information to agree or disagree with the comments made.

Sincerely,

*/s/DeCoria, Maichel & Teague P.S.*

DeCoria, Maichel & Teague P.S.

**EXHIBIT 21.a**

## SUBSIDIARIES OF DATAJUNGLE SOFTWARE INC.

<u>Entity Name</u>	<u>State or Province of Incorporation</u>
DataJungle Ltd.	Canada

**Exhibit 31.a**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Edward Munden, President & Chief Executive Officer of DataJungle Software Inc., certify that:

- (1) I have reviewed this report on Form 10-KSB of DataJungle Software Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operation and cash flows of the small business issuer as of, and for, the periods represented in this report;
- (4) The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

/s/Edward Munden

Edward Munden

President & Chief Executive Officer

April 29, 2004

**Exhibit 31.b**

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Larry Bruce, Vice President Finance of DataJungle Software Inc., certify that:

- (1) I have reviewed this report on Form 10-KSB of DataJungle Software Inc.;
- (2) Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
- (3) Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operation and cash flows of the small business issuer as of, and for, the periods represented in this report;
- (4) The small business issuer's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the small business issuer and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the small business issuer, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the small business issuer's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the small business issuer's internal control over financial reporting that occurred during the small business issuer's most recent fiscal quarter (the small business issuer's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the small business issuer's internal control over financial reporting; and
- (5) The small business issuer's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the small business issuer's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the small business issuer's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the small business issuer's internal controls over financial reporting.

/s/Larry Bruce

Larry Bruce

Vice President Finance

April 29, 2004



**Exhibit 32.a**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of DataJungle Software Inc. (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Annual Report on Form 10-KSB for the six months ended December 31, 2003 (the “Form 10-KSB”) of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-KSB fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-KSB.

Dated: April 29, 2004

/s/Edward Munden  
Edward Munden  
President & Chief Executive Officer

The foregoing certification is being furnished as an exhibit to the Form 10-KSB pursuant to Item 601(b)(32) of Regulation S-B and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-KSB for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**Exhibit 32.b**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of DataJungle Software Inc. (the “Company”), does hereby certify, to such officer’s knowledge, that:

The Report on Form 10-KSB for the six months ended December 31, 2003 (the “Form 10-KSB”) of the Company fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934 and the information contained in the Form 10-KSB fairly presents, in all material respects, the financial condition and results of operations of the Company as of, and for, the periods presented in the Form 10-KSB.

Dated: April 29, 2004

/s/Larry Bruce

Larry Bruce

Vice President Finance

The foregoing certification is being furnished as an exhibit to the Form 10-KSB pursuant to Item 601(b)(32) of Regulation S-B and Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code) and, accordingly, is not being filed as part of the Form 10-KSB for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not incorporated by reference into any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such filing.