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STRICTLY CONFIDENTIAL August 30, 2000

BY FACSIMILE
ORIGINAL BY COURIER

Commission des valeurs mobilières du Québec
Stock Exchange Tower
800, Square Victoria
C.P. 246, 22nd Floor
Montréal, Québec
H4Z 1G3

Attention: Mr. Fernand Lavigne, Director

Re: Notice of a Proposed Private Placement
Surefire Commerce Inc. –Acquisition of Site Sell.com Inc.
Our file: 104416-1005

Dear Mr. Lavigne,

We are acting as counsel to Surefire Commerce Inc. ("**Surefire**").

Surefire, either directly or through one or more of its subsidiaries or affiliates, is proposing to enter into a Share Purchase Agreement (the "**Agreement**") with Site Sell.com Inc. ("**Site Sell**") and the principal shareholders of Site Sell ("**Sellers**") pursuant to which Surefire will acquire all of the shares of Site Sell (the "**Transaction**"). In the context of the Transaction, there will be an exchange of securities. Surefire intends to provide and pay a number of common shares to the Sellers as more fully explained below.

As counsel of Surefire, we are presenting to the *Commission des valeurs mobilières du Québec* (the "**Commission**") a request for an exemption under Section 263 of the *Quebec Securities Act* (the "**Act**") in order to exempt Surefire from the obligation of preparation of a prospectus and of registration as a dealer in relation to the issuance of shares of Surefire to residents of the province of Québec in the context of an exchange of securities with the Sellers, the whole as provided in Section 50 of the Act.

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A. The Facts

Surefire

Surefire is a corporation which is providing internet-based electronic commerce solutions which are focused on transaction processing, merchant enablement, secure file management and on-line financial services.

Surefire is a corporation incorporated under the *Canada Business Corporations Act*. The common shares of Surefire are listed on The Toronto Stock Exchange (the "**TSE**").

Site Sell

Site Sell is a company that offers and provides fully integrated suite of e-commerce solutions that include merchant enabling solutions for small and medium size businesses, secure credit card transaction processing services and secure Web based file and document management services.

Site Sell is a corporation incorporated under the *Canada Business Corporations Act*. The outstanding shares of Site Sell are not posted or listed for trading on any exchange.

The parties intend to enter into the Agreement in the next few days and to close the Transaction by September 15, 2000 (the "**Closing**"). The Transaction is negotiated entirely at arm's length.

B. The Transaction and exchange of securities

Pursuant to the Agreement, each issued an outstanding share of the capital of Site Sell (the "**Acquired Shares**") will be acquired for the total consideration of $4,000,000 (the "**Purchase Price**").

The Purchase Price will be payable to the Sellers at Closing as follows and will be allocated among the Sellers pro rata to the number of Acquired Shares held by each Seller in the capital of the Corporation:

- an aggregate amount of $1,000,000 will be payable in cash; and
- the balance of the Purchase Price will be payable by the issuance to the Sellers of an aggregate number of common shares of Surefire (the "**Common Shares**") determined as follows:

  (i) by dividing $3,000,000 by the lesser of the closing price of the Common Shares of Surefire on the TSE on August 21, 2000, which was equal to $4.50, and the average closing price of Surefire for the three (3) trading days immediately preceding the Closing date;

The Sellers have agreed not to sell or otherwise dispose of their respective pro rata portions of the shares of Surefire in accordance with the following:

(ii) 100% of the Surefire during the period starting on the Closing Date and ending on the first year anniversary thereof;

(iii) 66 2/3% of the Surefire Shares during the period starting on the day after the first year anniversary of the Closing Date and ending fifteen months thereafter; and

(iv) 33 1/3% of the Surefire Shares during the period starting on the day after the fifteen month anniversary of the Closing Date and ending eighteen months after the Closing Date.

Pursuant to the Agreement, Surefire irrevocably undertakes to issue such number of shares as determined in accordance with the provisions described above and Surefire will deposit in escrow with an escrow agent twenty percent (20%) of the issued Common Shares for a period of eighteen (18) months in order to be assured there will be no claims and damages suffered as a result of a breach by Site Sell of representation, warranties and covenants contained in the Agreement and in the non-compete agreement to be entered into at the Closing date.

Surefire will issue to Ken Evoy, a shareholder and officer of Site Sell, at Closing 750,000 warrants or options to acquire one common share in the capital of Surefire in exchange for each warrant held (the "**Warrants**") or option held. The exercise of the right by Ken Evoy pursuant to the Warrants or options will be in accordance with the following time schedule:

- 250,000 Warrants (or options) may be exercised as of the day after the first year anniversary of the Closing date;

- 250,000 Warrants (or options) may be exercised as of the day after the second anniversary of the Closing date; and

- the remaining 250,000 Warrants (or options) may be exercised as of the day after the third anniversary of the Closing date.

The exercise price of the Warrants (or options) is determined as follows:

- the lesser of the closing price of the Common Shares of Surefire on the TSE on August 21, 2000, which was equal to $4.50, and the average closing price of Surefire for the three (3) trading days immediately preceding the Closing date.

The Surefire Common Shares to be issued pursuant to the Agreement will not be subject to any voting trust or any other arrangements with respect to the voting of such shares.

The closing price of the Surefire Common Shares on August 21, 2000, was $4.50 on the TSE. As of August 10, 2000, there were 102,964,653 Surefire Common Shares issued and outstanding.

C. Exemption request

In consideration of the foregoing, we are requesting on Surefire's behalf that the Commission under Section 263 of the Act and as provided in Section 50 of the Act to:

-exempt Surefire Commerce Inc. of the obligation of preparing a prospectus and from the registration requirement as a dealer for the issuance of Common Shares to shareholders of SiteSell.com Inc. and in accordance with the information provided to the Commission and provided that the securities will be traded outside of the province of Québec.

D. Motives

Common Shares are traded on TSE. In the context of the Transaction, Surefire may benefit from the exemption of the preparation of a prospectus and the requirement of being registered as a dealer as provided by Sections 50 and 155.1 of the Act. The information required by Section 106 of the Act is provided in Schedule 1 of the present letter.

We hereby submit that it would not be detrimental to the protection of investors or prejudicial to the public interest to grant the orders sought herein.

Please find attached a cheque in the amount of $500 as a payment of the fees prescribed for such exemption request.

We would like to thank you in advance for considering this request at your earliest convenience since the closing date of the Transaction is September 15, 2000.

Should you have any questions or comments, please do not hesitate to communicate with the undersigned at the above-mentioned number.

Yours truly,

(signed) Lily Germain
Lily Germain

CLG / sl

Encl.

c.c. Mark Krakower, *Surefire Commerce Inc.*
Peter Castiel, *Stikeman Elliott*