ECROW AGREEMENT

THIS AGREEMENT made this 25th day of October, 1999

AMONG:

QFG HOLDINGS LIMITED, GARY R. BARTHOLOMEW, JASON SMITH, DAVID W. CAMPBELL and PETER ROSS

(hereinafter jointly and severally called the "Security Holders" of the first part) and

EQUITY TRANSFER SERVICES INC

(hereinafter called the "Depositary of the second part) and

BASIS 100 INC.

(hereinafter after called the "Issuer" of the third part) and

THE TORONTO STOCK EXCHANGE

(hereinafter called the "Exchange" of the fourth part)

WHEREAS the Security Holders presently own or are about to receive securities of the Issuer;

AND WHEREAS in furtherance of complying with the requirements of the Exchange, the security holders are desirous of depositing in escrow certain securities of the Issuer owned or to b received by them as more fully described in Schedule "A" hereto;

NOW THEREFORE this Agreement witnesseth that in consideration of the aforesaid agreements, and of the sum of one dollar ($1.00) now paid by the parties hereto, each to the other (receipt of which sum the parties do hereby respectively acknowledge each to the other) each of the Security Holders individually and not on a joint and several basis covenant and agree with the Issuer and with the Depositary and the Issuer and the Depositary covenant and agree each with the other and with each of the Security Holders as follows:

1. Each of the Security Holders hereby agrees to place and deposit in escrow share certificate(s) representing those securities of the Issuer set out in Schedule "A" hereto opposite each such Security Holders' name under the column entitled "Number of Shares") herein referred to as the "Deposited Securities") with the Depositary and hereby undertakes and agrees forthwith to deliver those certificates (including any replacement securities or certificates if and when such

are issued or allotted) to the Depositary for deposit in escrow.

2. The parties hereby agree that except as provided in section 5 below, the Deposited Securities of the Securities Holders and the beneficial ownership of or any interest in them and the certificates representing them (including any replacement certificates) shall not be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow, or otherwise in any manner dealt with, except in accordance with the terms hereof or, alternatively without the express consent, order or direction in writing of the Exchange being first had and obtained or except as may be required by reason of the death or bankruptcy of any Security Holder, in which cases the Depositary shall hold the Deposited Securities of the applicable Security Holder subject to this agreement, for whatever person, firm or corporation shall be legally entitled to be or become the registered owner thereof. It is understood that where the Exchange consent to release from escrow is required for releases not specified herein, such consent will be based upon the rules of the Exchange, as promulgated from time to time.

3. Each of the Security Holders hereby direct the Depositary to retain their respective Deposited Securities and the certificates (including any replacement securities or certificates) representing the same and not to do or cause anything to be done to release the same from escrow or to allow any transfer, hypothecation or alienation thereof except as provided in section 5 hereof or with and as directed by the written consent, order or direction of the Exchange. The Depositary hereby accepts the responsibilities placed on it hereby and agrees to perform the same in accordance with the terms hereof and the written consents, orders or directions of the Exchange.

4. (a) The Depository shall automatically release the Deposited Securities from escrow to each of the Security Holders on a pro rata basis on the following schedule:

   (i) 33 1/3% of the Deposited Securities on each of the first, second and third anniversaries of October 25, 1999.

   (b) In the event that a take-over bid as defined in Part XX of the *Securities Act* (Ontario) is made to all or substantially all the holders of common shares of the Issuer by a person, firm or corporation which deals at arm's length with the Security Holders, to acquire shares of the Issuer such that upon completion of such take-over bid that person, firm or corporation will control directly or indirectly greater than 50% of the votes attaching to all of the outstanding common shares, any of the Security Holders may direct the Depository to tender any or all of his Deposited Securities to the offeror under the take-over bid by delivery of a signed acceptance to the take-over bid to the Depository in respect of any or all of the Security Holders' Deposited Securities. The Depository shall thereupon tender certificates for the specified number of the Security Holders' Deposited Shares to the offeror under the bid together with such signed acceptances to such take-over bid.

5. Each of the Security Holders shall not sell, assign, transfer, mortgage, hypothecate, charge,

pledge or otherwise encumber his Deposited Securities except:

(a) as may be required by reason of the bankruptcy of such Security Holder, in which case the Depository shall hold the Deposited Securities to which such Security Holder is entitled for such person, firm or corporation as shall be legally entitled to be or become the registered owner thereof;

(b) with the consent of the Exchange; or

(c) in order to secure the bona fide indebtedness of such Security Holder to a bank, trust company, other financial institution or other entity loaning money to the Security Holder (a "Lender"), in which case, upon receipt by the Depository of:

(i) a certificate of the Lender or an authorized signing officer of the Lender to the effect that such Security Holder has pledged his Deposited Securities to the Lender to secure the bona fide indebtedness of such Security Holder to the Lender; and

(ii) an agreement by the Lender to be bound by the provisions of this agreement.

The Depository shall hold the Deposited Securities so given as security for the Lender, subject to the terms of this agreement.

6. So long as any Deposited Shares remaining deposit with the Escrow Agent pursuant to this Agreement, upon receipt by the Depository of any warrant or other document evidencing the right to subscribe for shares of the same class as the Deposited Securities of any other security to Issuer, the Depository shall give timely notice of such receipt to each Security Holder and shall carry out instructions from him in connection with such warrant or rights.

7. If during the period in which any of the said securities are retained in escrow pursuant hereto, any dividend is received by the Depositary in respect of the escrowed securities, any such dividend shall be forthwith paid or transferred to the respective Security Holders entitled thereto.

8. All voting rights attached to the Deposited Securities shall at all times be exercised by the respective registered owners thereof.

9. The Security Holders hereby individually, and not jointly and severally, agree to and do hereby release and indemnify and save harmless the Depositary from and against all claims, suits, demands, costs, damages and expenses which may be occasioned by reason of the Depositary's compliance in good faith with the terms hereof.

10. The Issuer hereby acknowledges the terms and conditions of this agreement and agrees to take all reasonable steps to facilitate its performance. The Issuer shall be responsible for paying any fees and expenses of the Depository for the performance of its obligations hereunder.

11. If the Depositary should wish to resign, it shall give at least six months notice to the Issuer, which may, with the written consent of the Exchange, by writing appoint another Depositary in its place and such appointment shall be binding on the Security Holders and the new Depositary shall assume and be bound by the obligations of the Depositary hereunder.

12. The release of Deposited Securities in accordance with the terms of this agreement or, where required for releases not specified herein, the written consent, order or direction of the Exchange as to a release from escrow of all or part of the Deposited Securities, shall terminate this agreement only in respect to those of the Deposited Securities so released. For greater certainty, this clause does not apply to Deposited Securities transferred within escrow.

13. If the Issuer is delisted by the Exchange, the Depository shall forthwith release all Deposited Securities from the provisions of this agreement and deliver the same to the respective Security Holder and this agreement shall cease to be of any further force and effect.

14. This agreement may be executed in several parts in the same form and such parts as so executed shall together form one original agreement, and such parts if more than one shall be read together and construed as if all the signing parties hereto had executed one copy this agreement.

15. Wherever the singular or masculine are used throughout this agreement, the same shall be construed as being the plural or feminine or neuter where the context so requires.

16. This agreement shall enure to the benefit of and be binding upon the parties hereto, their and each of their heirs, executors, administrators, successors and assigns.

IN WITNESS whereof the parties hereto have executed these presents the day and year first above written.

Signed , Sealed and Delivered)
in the presence of:)

	)	(Signed) *Gary R. Bartholomew*
	)	GARY R. BARTHOLOMEW
	)	
	)	
	)	(Signed) *Jason Smith*
	)	JASON SMITH
	)	
	)	
	)	(Signed) *David W. Campbell*
	)	DAVID W. CAMPBELL
	)	
	)	(Signed) *Peter D. Ross*
	)	PETER ROSS

QFG HOLDINGS LIMITED

by: (Signed) *D. M. Ballantine*
Authorized Signing Officer

Name: David Ballantine

BASIS100 INC.

by: (Signed) *David Campbell*
Authorized Signing Officer

Name: David Campbell

EQUITY TRANSFER SERVICES INC.

by: (Signed)
Authorized Signing Officer

Name:

THE TORONTO STOCK EXCHANGE

by:
Authorized Signing Officer

Name:

SCHEDULE “A”
LIST OF ESCROWED SECURITY HOLDERS

Name & Address	Number of Shares	Cert No.
QFG HOLDINGS LIMITED 181 Bay Street Suite 3730 Toronto, Ontario M5J 2T3	815,000	00261 (271,666); 00263 (271,667); 00264 (271,667)
GARY R. BARTHOLOMEW 6925 The Eighth Line Pilkington Township, R.R. #1 Elora, Ontario N0B 1S0	310,870	00029 (103,670); 00030 (103,600); 00031 (103,600)
JASON SMITH 23 Devins Drive Aurora, Ontario L2G 2Z3	525,000	00035 (155,000); 00036 (155,000); 00037 (155,000); 00257 (20,000); 00258 (20,000); 00259 (20,000)
DAVID W. CAMPBELL 90 Jopling Avenue North Etobicoke, Ontario M9B 4G4	62,175	00023 (20,725); 00024 (20,725); 00025 (20,725)
PETER ROSS 50 Park Avenue Oakville, Ontario L6J 3X8	35,000	00042 (11,800); 00043 (11,600); and 00044 (11,600)
	1,748,045	