FORM 27
Securities Act (Ontario)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE ACT

Item 1. **Reporting Issuer**

Advantex Marketing International Inc.
491 Eglinton Avenue West, Third Floor
Toronto, Ontario M5N 1A8

Item 2. **Date of Material Change**

A material change took place on May 27, 2002.

Item 3. **Press Release**

On May 27, 2002, a news release in respect of the material change was disseminated through Canada NewsWire, Canadian Disclosure Network..

Item 4. **Summary of Material Change**

The material change is fully described in the Company's press release attached hereto as Schedule "A", which press release is incorporated herein.

Item 5. **Full Description of Material Change**

No information other than that provided in Item 4 above is presently available.

Item 6. **Reliance on Section 75(3) of the Act**

The report is not being filed on a confidential basis.

Item 7. **Omitted Information**

No information has been omitted.

Item 8. **Senior Officer**

Allison L. Smith, President

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, in the Province of Ontario, this 31st day of May, 2002.

Advantex Marketing International Inc.

"Allison L. Smith"
Per:______________________________
Allison L. Smith, President

Schedule "A"

ADVANTEX

NEWS RELEASE

ADVANTEX ANNOUNCES Q3 RESULTS AND IMPROVED OPERATING RESULTS

Q1 and Q2 Results Restated to Reflect Discontinued Operations

For Immediate Release
ADX: TSX

Toronto, May 27, 2002, - Advantex Marketing International Inc. (TSX:ADX) today announced its financial results for the third quarter ended March 31, 2002. Revenue from continuing operations was $19,328,000, compared to revenue from continuing operations of $19,408,000 in the same quarter last year. The Company sustained its revenue base despite less favourable economic conditions.

The consolidated operating loss from continuing operations (EBITDA) for the quarter was $529,000, a 56% improvement compared to an operating loss of $1,193,000 for the same reporting quarter in 2001. The consolidated net loss from continuing operations for the quarter improved by 25% to $977,000 ($0.022 per share), from a net loss of $1,297,000 ($0.031 per share) for the same quarter in the previous year. The improvement in quarterly results was primarily due to the Company's continued focus on streamlining Advantex online operations, and the implementation of other corporate cost-efficiency initiatives.

"The period from January through March is historically our softest quarter, primarily due to declines in post-holiday consumer spending levels," said G. Randall Munger, Chairman and Chief Executive Officer of Advantex. "The Company's ongoing commitment to profitability is evidenced by the significant current year-over-year improvement in quarterly and nine-month operating results."

Consolidated revenue from continuing operations for the nine-month period ended March 31, 2002 was $69,967,000 or 10% greater than comparable nine-month revenue of $63,565,000 in the previous year. The Company decreased its year-to-date consolidated operating loss from continuing operations (EBITDA) to $283,000, an 85% or $1,559,000 improvement on an operating loss of $1,842,000 for the same period in the previous year. The Company is preparing to expand its loyalty marketing business into new areas and is expensing the costs associated with this planned expansion as incurred. Consolidated net results from continuing operations for the nine-month period in F2002 improved by $544,000 or 25% to $1,649,000 or $0.036 per share, compared to $2,193,000 or $0.052 per share for the same period in fiscal 2001.

"We are pleased to report that Samplex is undergoing a renaissance that should soon translate into profitable growth. Unprofitable packs have been discontinued and new programs added with promising results," said Mr. Munger. "I am pleased with the ongoing progress the Company has made and look forward to sharing news of other accomplishments in subsequent months."

- more -

Discontinued Operations

The Company discontinued its unprofitable Samplex operations in the United States at the beginning of the fiscal year. All amounts reported in this press release exclude discontinued operations except where specifically indicated. Financial statements for Q1 and Q2 of 2002 have been restated to reflect discontinued operations. Comparative year-over-year numbers and notes to the financial statements for these quarters reflect the impact from discontinued operations.

For the quarter ended March 31, 2002, the loss from discontinued operations was $496,000 compared to $339,000 for the same quarter last year. On a year-to-date basis, the loss from discontinued operations was $717,000 or $0.016 per share, compared to $523,000 or $0.012 per share for the same period in the previous year.

The Company should not incur additional costs related to the discontinued operations as sufficient reserves for future expenses have been accounted for in the present quarter.

Outlook

Advantex has successfully built its loyalty marketing business around the dining, golf and hospitality categories. The outlook for the Company is positive, including its plans to expand beyond its current focus to include retailers in many popular shopping categories. Retail is a $174 billion market in Canada (source: StatsCan, 2001), more than three times the size of the markets in which the Company currently operates. Advantex earns revenue as members of its loyalty programs make purchases at participating merchants.

“We are leveraging our program design and infrastructure to create programs for new and existing loyalty partners,” said Mr. Munger. “Advantex has established a reputation for quality loyalty marketing that is attracting the attention of many large institutions and marketers. Advantex is continuing to examine ways to hone its competitive edge through broader product offerings and extended analytical support.”

About Advantex Marketing International Inc.
Advantex Marketing International Inc. is a leading developer of coalition loyalty marketing programs. Advantex programs strengthen the relationships between major organizations and their valued customers, while building new and ongoing relationships between those customers and participating merchants. Advantex loyalty partners include Air Canada Aeroplan, US Airways, The Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, The New York Times, and other major North American corporations, as well as an extensive list of retailers, restaurants, golf courses, and resorts. Advantex is a public company, traded on the Toronto Stock Exchange under the symbol "ADX". For additional information on Advantex, please visit www.advantex.com.

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For further information please contact:

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ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS (unaudited) – Third Quarter

As at (in thousands)	March 31, 2002 ($)	June 30, 2001 ($)
ASSETS		
Current:		
Cash and cash equivalents	6,099	4,729
Accounts receivable	1,544	3,150
Purchased receivables	2,511	2,555
Inventory	634	1,169
Prepaid expenses and sundry assets	305	516
	11,093	12,119
Long term:		
Capital and other assets	2,200	2,992
Total Assets	**13,293**	**15,111**
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	3,238	4,669
Debentures payable (note 6)	5,000	5,000
	8,238	9,669
SHAREHOLDERS' EQUITY		
Capital stock:		
Class A preference shares	4	4
Common shares (note 2)	20,794	18,815
	20,798	18,819
Contributed surplus	60	60
Deficit	(15,803)	(13,437)
	5,055	5,442
Total Liabilities and Shareholders' Equity	**13,293**	**15,111**

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF LOSS (unaudited) – Third Quarter

	Three Months Ended March 31		Nine Months Ended March 31	
	2002	2001	2002	2001
(in thousands except income (loss) per common share)	($)	($)	($)	($)
REVENUE	19,328	19,408	69,967	63,565
OPERATING EXPENSES				
Product, production and distribution	17,445	17,513	62,581	56,900
Selling	1,188	1,626	3,950	4,715
General and administrative	1,224	1,462	3,719	3,792
Operating profit (loss)	(529)	(1,193)	(283)	(1,842)
Deferred pre-opening costs (note 3)	0	1,201	0	2,797
INCOME (LOSS) BEFORE AMORTIZATION AND INTEREST	(529)	8	(283)	955
Amortization	167	103	500	315
Interest	252	1	817	36
INCOME (LOSS) BEFORE INCOME TAXES – Continuing operations	(948)	(96)	(1,600)	604
Income taxes	29	0	49	0
NET INCOME (LOSS) – Continuing operations	**(977)**	**(96)**	**(1,649)**	**604**
NET INCOME (LOSS) – Discontinued operations (note 7)	**(496)**	**(339)**	**(717)**	**(523)**
NET INCOME (LOSS)	**(1,473)**	**(435)**	**(2,366)**	**81**
INCOME (LOSS) PER COMMON SHARE – Continuing operations	**(0.022)**	**(0.002)**	**(0.036)**	**0.014**

INCOME (LOSS) PER COMMON SHARE – Discontinued operations	**(0.011)**	**(0.008)**	**(0.016)**	**(0.012)**
INCOME (LOSS) PER COMMON SHARE – Total	**(0.033)**	**(0.010)**	**(0.052)**	**0.002**

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF DEFICIT (unaudited) – Third Quarter

Nine Months Ended March 31 (in thousands)	2002 ($)	2001 ($)
BALANCE AT THE BEGINNING OF THE YEAR	(13,437)	(8,554)
Net Income (Loss)	(2,366)	81
BALANCE AT THE END OF THE PERIOD	**(15,803)**	**(8,473)**

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited) – Third Quarter

	Three Months Ended March 31		**Nine Months Ended March 31**	
(in thousands)	2002 ($)	2001 ($)	2002 ($)	2001 ($)
CASH WAS PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss	(977)	(96)	(1,649)	604
Item not affecting cash:				
Amortization of capital assets	167	103	500	315
Amortization of deferred financing charges	115	0	347	0
	(695)	7	(802)	919
Changes in non-cash working capital items	(1,140)	640	192	1,923
Cash provided by (used in) continuing operations	(1,835)	647	(610)	2,842
Cash provided by (used in) discontinued operations	(3)	58	56	(157)
Cash provided by (used in) operating activities	(1,838)	705	(554)	2,685
FINANCING ACTIVITIES				
Loan payable	0	0	0	(2,335)
Exercise of warrants/options	0	31	0	189
Issue of capital stock	0	0	2,000	0
Issue costs	0	0	(20)	0
Cash provided by (used in) financing activities	0	31	1,980	(2,146)
INVESTING ACTIVITIES				
Purchase of capital assets	(16)	(223)	(56)	(906)
Pre-opening costs	0	(1,201)	0	(2,797)
Cash used in investing activities	(16)	(1,434)	(56)	(3,703)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,854)	(698)	1,370	(3,164)
Cash and Cash equivalents, beginning of the period	7,953	2,566	4,729	5,032
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	**6,099**	**1,868**	**6,099**	**1,868**
ADDITIONAL INFORMATION				
Interest paid	**153**	**1**	**504**	**36**

Note: Some of the comparative figures have been reclassified to conform to the presentation adopted in the current period.

Notes to the consolidated financial statements for the period ended March 31, 2002 (unaudited)

1. These interim consolidated financial statements for the period ended March 31, 2002 have been prepared on a consistent basis with the Company's annual consolidated financial statements for the year ended June 30, 2001 and should be read in conjunction with the accounting policies and other disclosures in those consolidated financial statements. The enclosed consolidated financial statements do not include all the disclosures required by generally accepted accounting principles applicable to annual financial statements.

2. In December 2001, the Company raised $2,000,000 through a private placement by issuing 8,000,000 common shares at $0.25 each.

3. For comparative purposes, all Q3 and year-to-date fiscal 2001 results have been reclassified to include $1,201,000 of online pre-opening costs that were deferred in the quarter. The year-to-date results include a total of $2,797,000 of online pre-opening costs that were previously deferred. Deferred online pre-opening costs were expensed in Q4 2001.

4. In December 2001, the Company and Aeroplan (Air Canada) signed an agreement for Advantex to develop an extensive merchant network offering Aeroplan Miles on purchases. Advantex will be able to increase the number and type of merchants it does business with in Canada to include establishments in many retail categories.

5. In March 2002, the Company issued 51,789 five-year incentive warrants to Air Canada (AC) and Canadian Imperial Bank of Commerce (CIBC) exercisable at $0.93 per share. Additional incentive warrants to purchase up to 54,948,211 Advantex common shares may be awarded to AC and CIBC based on their contribution to the growth of the Company from new programs over the period ending on December 31, 2005. The number of warrants issued each year will be based on the contribution from new programs that both AC and CIBC make to Advantex's annual revenue growth. The exercise price of the earned incentive warrants is based on prevailing market price. The exercise price of any incentive warrants issued with respect to the 2002 calendar year (2nd year) will be $0.32.

6. The company has a $5,000,000 convertible debenture issued in April 2001. The interest rate paid on the debenture is 8% over the Royal Bank prime rate. Subsequent to Q3 2002, the debenture was renewed for one year, the $400,000 extension fee was capitalized and the conversion price was reduced to $0.229. A maximum of 11,868,782 common shares may be issued upon conversion of the principal of the debenture without prior shareholder approval, which will be sought by July 31, 2002. The debenture is renewable for one additional one-year period upon similar terms and conditions.

7. The Company discontinued its unprofitable Samplex operations in the United States at the beginning of the fiscal year. To minimize the financial impact of the decision, the Company is honoring its agreements with suppliers and liquidating inventory through certificate redemptions, enabling the Company to collect its accounts receivable.

   The limited capital assets will be transferred to the Samplex Canada division. For the quarter ended March 31, 2002, the loss on discontinued operations was $496,000 compared to $339,000 for the same quarter last year. On a year-to-date basis, the loss on discontinued operations was $717,000 or $0.016 per share compared to $523,000 or

$0.012 per share for the same period in the previous year. All amounts reported in these financial statements exclude the discontinued operations except where specifically indicated.

Advantex Marketing International Inc.
(Third Quarter)

Assets & Liabilities

	March 31, 2002	June 30, 2001
Cash:	$338,000	$326,000
Accounts receivable:	282,000	764,000
Inventory:	73,000	187,000
Capital assets (net):	4,000	5,000
Liabilities:	3,041,000	2,908,000
Accumulated Deficit:	$2,344,000	$1,626,000

Statements of Loss from Discontinued Operations

	3 months March 31, 2002	3 months March 31, 2001	9 months March 31, 2002	9 months March 31, 2001
Revenue:	$55,000	($21,000)	$167,000	$309,000
Expenses:	551,000	318,000	884,000	832,000
Net loss:	$496,000	$339,000	$717,000	$523,000

The Company should not incur additional costs related to the discontinued operations as sufficient reserves for future expenses have been accounted for in the present quarter.

8. The segmented information is presented on the same basis as the information presented in the most recent annual financial statements (June 30, 2001) – see next page for chart.

Advantex Marketing International Inc.
(Third Quarter)

(A) By geographical distribution for continuing operations (in thousands)

	For the quarter ended March 31, 2002			Year-to-date		
	Canada	**U.S.**	**Consolidated**	**Canada**	**U.S.**	**Consolidated**
Revenue						
2002	18,893	435	19,328	68,843	1,124	69,967
2001	19,073	335	19,408	62,604	961	63,565
Capital Assets						
2002				2,157	4	2,161
2001				2,703	6	2,709

(B) By operating group for continuing operations (in thousands)

	For the quarter ended March 31, 2002			Year-to-date		
	Advantex	**Samplex**	**Consolidated**	**Advantex**	**Samplex**	**Consolidated**
Revenue						
2002	18,469	859	19,328	64,941	5,026	69,967
2001	18,309	1,099	19,408	59,215	4,350	63,565
Amortization of Capital Assets						
2002	153	14	167	459	41	500
2001	93	10	103	245	70	315
Interest and Financing charges						
2002	212	40	252	720	97	817
2001	-	1	1	35	1	36
Net Earnings (Loss)						
2002	(559)	(418)	(977)	(1,748)	99	(1,649)
2001	(73)	(23)	(96)	574	30	604
Total Assets						
2002				5,513	7,780	13,293
2001				10,329	4,513	14,842
Capital Asset Expenditures						
2002	13	3	16	43	12	55
2001	213	19	233	835	70	905

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS (unaudited – restated, note 1) – Second Quarter

As at (in thousands)	December 31, 2001 ($)	June 30, 2000 ($)
ASSETS		
Current:		
Cash and cash equivalents	7,953	4,729
Accounts receivable	2,680	3,150
Purchased receivables	1,050	2,555
Inventory	576	1,169
Prepaid expenses and sundry assets	265	516
	12,524	12,119
Long term:		
Capital and other assets	2,466	2,992
Total Assets	**14,990**	**15,111**
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	3,462	4,669
Debentures payable	5,000	5,000
	8,462	9,669
SHAREHOLDERS' EQUITY		
Capital stock:		
Class A preference shares	4	4
Common shares (note 2)	20,794	18,815
	20,798	18,819
Contributed surplus	60	60
Deficit	(14,330)	(13,437)
	6,528	5,442
Total Liabilities and Shareholders' Equity	**14,990**	**15,111**

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF LOSS (unaudited – restated, note 1) – Second Quarter

	Three Months Ended December 31		Six Months Ended December 31	
	2001	2000	2001	2000
(in thousands except income (loss) per common share)	($)	($)	($)	($)
REVENUE	24,247	22,777	50,639	44,157
OPERATING EXPENSES				
Product, production and distribution	21,722	20,730	45,136	39,387
Selling	1,445	1,491	2,762	3,089
General and administrative	1,196	1,164	2,495	2,330
Operating profit (loss)	(116)	(608)	246	(649)
Deferred pre-opening costs (note 3)	0	898	0	1,596
INCOME (LOSS) BEFORE AMORTIZATION AND INTEREST	(116)	290	246	947
Amortization	166	59	333	212
Interest	274	1	565	35
INCOME (LOSS) BEFORE INCOME TAXES – Continuing operations	(556)	230	(652)	700
Income taxes	20	0	20	0
NET INCOME (LOSS) – Continuing operations	**(576)**	**230**	**(672)**	**700**
NET INCOME (LOSS) – Discontinued operations (note 5)	**135**	**(85)**	**(221)**	**(184)**
NET INCOME (LOSS)	**(441)**	**145**	**(893)**	**516**

INCOME (LOSS) PER COMMON SHARE – Continuing operations	**(0.012)**	**0.005**	**(0.014)**	**0.016**
INCOME (LOSS) PER COMMON SHARE – Discontinued operations	**0.003**	**(0.002)**	**(0.005)**	**(0.004)**
INCOME (LOSS) PER COMMON SHARE – Total	**(0.009)**	**0.003**	**(0.019)**	**0.012**

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF DEFICIT (unaudited – restated, note 1) – Second Quarter

Nine Months Ended December 31	2001	2000
(in thousands)	($)	($)
BALANCE AT THE BEGINNING OF THE YEAR	(13,437)	(8,554)
Net Income (Loss)	(893)	516
BALANCE AT THE END OF THE PERIOD	**(14,330)**	**(8,038)**

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited – restated, note 1) – Second Quarter

	Three Months Ended December 31		**Six Months Ended December 31**	
	2001	2000	2001	2000
(in thousands)	($)	($)	($)	($)
CASH WAS PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss	(576)	230	(672)	700
Item not involving cash:				
Amortization of capital assets	166	59	333	212
Amortization of deferred financing charges	116	0	232	0
	(294)	289	(107)	912
Changes in non-cash working capital items	683	564	1,332	1,283
Cash provided by (used in) continuing operations	389	853	1,225	2,195
Cash provided by (used in) discontinued operations	(8)	(182)	59	(215)
Cash provided by (used in) operating activities	381	671	1,284	1,980
FINANCING ACTIVITIES				
Loan payable	0	0	0	(2,335)
Exercise of warrants/options	10	8	0	158
Issue of capital stock	2,000	0	2,000	0
Issue costs	(20)	0	(20)	0
Cash provided by (used in) financing activities	1,980	8	1,980	(2,177)
INVESTING ACTIVITIES				
Purchase of capital assets	(12)	(448)	(40)	(673)
Pre-opening costs	0	(896)	0	(1,596)
Cash used in investing activities	(12)	(1,344)	(40)	(2,269)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,349	(665)	3,224	(2,466)
Cash and Cash equivalents, beginning of period	5,604	3,231	4,729	5,032
CASH AND CASH EQUIVALENTS, END OF PERIOD	**7,953**	**2,566**	**7,953**	**2,566**
ADDITIONAL INFORMATION				
Interest paid	171	1	350	35

Note: Some of the comparative figures have been reclassified to conform to the presentation adopted in the current period.

Notes to the consolidated financial statements for the period ended December 31, 2001 (unaudited)

1. These interim consolidated financial statements for the period ended December 31, 2001 have been prepared on a consistent basis with the Company's annual consolidated financial statements for the year ended June 30, 2001 and should be read in conjunction with the accounting policies and other disclosures in those consolidated financial statements. The enclosed consolidated financial statements do not include all the disclosures required by generally accepted accounting principals applicable to annual financial statements. The financial statements have been restated to properly present the discontinued operations detailed in Note 5 below.

2. In December 2001, the Company raised $2,000,000 through a private placement by issuing 8,000,000 common shares at $0.25 each.

3. For comparative purposes, all Q2 and year-to-date fiscal 2001 results have been reclassified to include $898,000 of online pre-opening costs that were deferred in the quarter. The year-to-date results include a total of $1,596,000 of online pre-opening costs that were previously deferred. Deferred online pre-opening costs were expensed in Q4 2001.

4. In December 2001, the Company and Aeroplan (Air Canada) signed an agreement for Advantex to develop an extensive merchant network offering Aeroplan Miles on purchases. Advantex will be able to increase the number and type of merchants it does business with in Canada to include establishments in many retail categories.

5. The Company discontinued its unprofitable Samplex operations in the United States at the beginning of the fiscal year. To minimize the financial impact of the decision, the Company is honoring its agreements with suppliers and liquidating inventory through certificate redemptions, enabling the Company to collect its accounts receivable.

   The limited capital assets will be transferred to the Samplex Canada division. For the quarter ended December 31, 2002, the profit on discontinued operations of $135,000 was mainly related to the release of accrued expenses done in previous quarters. On a year-to-date basis, the loss on discontinued operations was $221,000 or $0.005 per share compared to $184,000 or $0.004 per share for the same period in the previous year. All amounts reported in these financial statements exclude the discontinued operations except where specifically indicated. For the quarter ending December 31, 2001, Samplex U.S. (the discontinued operations) had the following amounts on records (in Canadian funds):

	Dec. 31, 2001	June 30, 2001
Cash:	$386,000	$326,000
Accounts receivable:	343,000	764,000
Inventory:	112,000	187,000
Capital assets (net):	4,000	5,000
Liabilities:	2,693,000	2,908,000
Accumulated Deficit:	$1,848,000	$1,626,000

	3 months Dec. 31, 2001	3 months Dec. 31, 2000	6 months Dec. 31, 2001	6 months Dec. 31, 2000
Revenue:	$104,000	$147,000	$112,000	$330,000
Expenses:	(31,000)	232,000	333,000	514,000
Net income (loss):	$135,000	($85,000)	($221,000)	($184,000)

The company is currently expensing costs related to the discontinued operations as incurred.

6. The segmented information is presented on the same basis as the information presented in the most recent annual financial statements (June 30, 2001)

(A) By geographical distribution for continuing operations (in thousands)

	For the quarter ended December 31, 2001			Year-to-date		
	Canada	**U.S.**	**Consolidated**	**Canada**	**U.S.**	**Consolidated**
Revenue						
2002	24,002	245	24,247	49,950	689	50,639
2001	22,474	302	22,777	43,531	626	44,157
Capital Assets						
2002				2,307	4	2,311
2001				2,574	6	2,580

(B) By operating group for continuing operations (in thousands)

	For the quarter ended December 31, 2001			Year-to-date		
	Advantex	**Samplex**	**Consolidated**	**Advantex**	**Samplex**	**Consolidated**
Revenue						
2002	22,710	1,537	24,247	46,473	4,166	50,639
2001	21,733	1,044	22,777	40,906	3,251	44,157
Amortization of Capital Assets						
2002	153	13	166	306	27	333
2001	95	(36)	59	152	60	212
Interest and Financing charges						
2002	246	28	274	508	57	565
2001	-	-	-	35	-	35
Net Earnings (Loss)						
2002	(796)	(220)	(576)	(1,188)	516	(672)
2001	227	3	230	647	53	700
Total Assets						
2002				5,257	9,733	14,990
2001				9,963	4,515	14,478
Capital Asset Expenditures						
2002	8	3	11	30	9	39
2001	448	-	448	622	50	672

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS (unaudited – restated, note 1) – First Quarter

AS AT (in thousands)	SEPTEMBER 30, 2001 ($)	JUNE 30, 2001 ($)
ASSETS		
Current:		
Cash and cash equivalents	5,604	4,729
Accounts receivable	3,205	3,150
Purchased receivables	1,958	2,555
Inventory	680	1,169
Prepaid expenses and sundry assets	653	516
Deferred financial charges	270	386
	12,370	12,505
Long term:		
Capital and other assets	2,468	2,606
TOTAL ASSETS	14,838	15,111
LIABILITIES		
Current:		
Accounts payable and accrued liabilities	4,738	4,669
Deferred income	110	0
Debenture payable	5,000	5,000
	9,848	9,669
SHAREHOLDERS' EQUITY		
Class A preference shares	4	4
Common shares	18,815	18,815
	18,819	18,819
Contributed surplus	60	60
Deficit	(13,889)	(13,437)
	4,990	5,442
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14,838	15,111

CONSOLIDATED STATEMENTS OF LOSS (unaudited – restated, note 1) – First Quarter

(in thousands except income (loss) per common share)	THREE MONTHS ENDED SEPTEMBER 30 2001 ($)	2000 ($)
REVENUE	26,392	21,380
OPERATING EXPENSES		
Product, production and distribution	23,414	18,657
Selling	1,317	1,598
General and administrative	1,299	1,166
Operating profit (loss)	362	(41)
Deferred pre-opening costs (note 2)	0	698
INCOME (LOSS) BEFORE AMORTIZATION AND INTEREST	362	657
Amortization	167	153
Interest	291	34
NET INCOME (LOSS) - Continuing operations	(96)	470
NET INCOME (LOSS) - Discontinued operations (note 3)	(356)	(99)
NET INCOME (LOSS)	(452)	(371)

INCOME (LOSS) PER COMMON SHARE - Continuing operations	(0.002)	0.011
INCOME (LOSS) PER COMMON SHARE - Discontinued operations	(0.008)	(0.002)
INCOME (LOSS) PER COMMON SHARE - Total	(0.010)	0.009

CONSOLIDATED STATEMENTS OF DEFICIT (unaudited – restated, note 1) – First Quarter

THREE MONTHS ENDED SEPTEMBER 30	2001	2000
(in thousands)	($)	($)
BALANCE AT THE BEGINNING OF THE YEAR	(13,437)	(8,554)
Net Income (Loss)	(452)	371
BALANCE AT THE END OF THE PERIOD	(13,889)	(8,183)

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited – restated, note 1) – First Quarter

	THREE MONTHS ENDED SEPTEMBER 30	
(in thousands)		
	2001 ($)	2000 ($)
CASH WAS PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Net income (loss)	(96)	470
Item not involving cash: Amortization of capital assets	167	153
Item not involving cash: Amortization of deferred financing charges	116	0
	187	623
Net changes in non-cash working capital items	649	719
Cash provided by (used in) continuing operations	836	1,342
Cash provided by (used in) discontinued operations	67	(33)
	903	1309
FINANCING ACTIVITIES		
Loan payable	0	(2,335)
Exercise of warrants/options	0	150
Cash used in financing activities	0	(2,185)
INVESTING ACTIVITIES		
Purchase of capital assets	(28)	(225)
Pre-opening costs	0	(700)
Cash used in investing activities	(28)	(925)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	875	(1,801)
Cash and Cash equivalents at the beginning of period	4,729	5,032
CASH AND CASH EQUIVALENTS AT THE END OF PERIOD	5,604	3,231
ADDITIONAL INFORMATION		
Interest paid	179	34

Advantex Marketing International Inc.
(First Quarter)

Notes to the consolidated financial statements for the period ended September 30, 2001 (unaudited)

1. These interim consolidated financial statements for the period ended September 30, 2001 have been prepared on a consistent basis with the Company's annual consolidated financial statements for the year ended June 30, 2001 and should be read in conjunction with the accounting policies and other disclosures in those consolidated financial statements. The enclosed consolidated financial statements do not include all the disclosures required by generally accepted accounting principals applicable to annual financial statements.

   The financial statements have been restated to properly present the discontinued operations detailed in Note 3 below.

2. For comparative purposes, all Q1 fiscal 2001 results have been reclassified to include $698,000 of online pre-opening costs that were deferred in the quarter. Deferred online pre-opening costs were expensed in Q4 2001.

3. The Company discontinued its unprofitable Samplex operations in the United States at the beginning of the fiscal year. To minimize the financial impact of the decision, the Company is honoring its agreements with suppliers and liquidating inventory through certificate redemptions, enabling the Company to collect its accounts receivable.

   The limited capital assets will be transferred to the Samplex Canada division. For the quarter ended September 30, 2001, the loss on discontinued operations was $356,000 or $0.008 per share compared to $99,000 or $0.002 per share for the same quarter last year. All amounts reported in these financial statements exclude the discontinued operations except where specifically indicated. For the three months ended September 30, 2001, Samplex U.S. (the discontinued operations) had the following amounts on records (in Canadian funds):

	Sept. 30, 2001	June 30, 2001
Cash:	$712,000	$326,000
Accounts receivable:	356,000	764,000
Inventory:	171,000	187,000
Capital assets (net):	5,000	5,000
Liabilities:	3,227,000	2,908,000
Accumulated Deficit:	$1,983,000	$1,626,000

	Sept. 30, 2001	Sept. 30, 2000
Revenue:	$8,000	$183,000
Expenses:	364,000	282,000
Net loss:	$356,000	$99,000

The company is currently expensing costs related to the discontinued operations as incurred.

4. The segmented information is presented on the same basis as the information presented in the most recent annual financial statements (June 30, 2001).

(A) By geographical distribution for continuing operations (in thousands)

	For the quarter ended September 30, 2001			Year-to-date		
	Canada	**U.S.**	**Consolidated**	**Canada**	**U.S.**	**Consolidated**
Revenue						
2002	25,950	442	26,392	25,950	442	26,392
2001	21,057	323	21,380	21,057	323	21,380
Capital Assets						
2002				2,463	5	2,468
2001				2,184	5	2,189

(B) By operating group for continuing operations (in thousands)

	For the quarter ended September 30, 2001			Year-to-date		
	Advantex	**Samplex**	**Consolidated**	**Advantex**	**Samplex**	**Consolidated**
Revenue						
2002	23,763	2,629	26,392	23,763	2,629	26,392
2001	19,173	2,207	21,380	19,173	2,207	21,380
Amortization of Capital Assets						
2002	153	14	167	153	14	167
2001	56	97	153	56	97	153
Interest and Financing charges						
2002	262	29	291	262	29	291
2001	34	-	34	34	-	34
Net Earnings (Loss)						
2002	(392)	296	(96)	(392)	296	(96)
2001	420	50	470	420	50	470
Total Assets						
2002				7,037	7,801	14,838
2001				10,094	4,775	14,869
Capital Asset Expenditures						
2002	23	5	28	23	5	28
2001	172	51	223	172	51	223