THIS IS A PRELIMINARY PROSPECTUS RELATING TO THESE SECURITIES, A COPY OF WHICH HAS BEEN FILED WITH THE SECURITIES COMMISSION IN THE PROVINCE OF ALBERTA BUT WHICH HAS NOT YET BECOME FINAL FOR THE PURPOSE OF A DISTRIBUTION OR A DISTRIBUTION TO THE PUBLIC. INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD TO, NOR MAY OFFERS TO BUY BE ACCEPTED FROM, RESIDENTS OF SUCH JURISDICTION PRIOR TO THE TIME A RECEIPT FOR THE FINAL PROSPECTUS IS OBTAINED FROM THE ALBERTA SECURITIES COMMISSION.

PRELIMINARY PROSPECTUS DATED JULY 5, 2000

This prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons authorized to sell such securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

MBASE.COM INC.

1,110,355 Common Shares Issuable upon the Exercise of 1,110,355 Special Warrants

mBase.com Inc. ("mBase.com" or the "Corporation") is hereby qualifying for distribution 1,110,355 common shares (the "Common Shares") of the Corporation issuable upon the exercise of 1,110,355 outstanding special warrants (the "Special Warrants"). The Special Warrants were previously issued, at a price of $3.15 per Special Warrant, pursuant to a warrant indenture dated March 21, 2000 (the "Special Warrant Indenture") between the Corporation and Montreal Trust Company of Canada (the "Trustee"). See "Plan of Distribution - Details of the Offering". Each Special Warrant entitles the holder thereof to acquire one Common Share, at no additional cost, at any time until 4:30 p.m. (Edmonton time) (the "Expiry Time") on the earlier of: (i) the fifth business day following the date upon which a receipt for this prospectus is issued by the securities commission in the province of Alberta (the "Filing Province"); and (ii) March 31, 2001. If a receipt for this prospectus dated on or before July 19, 2000 (the "Clearing Date") is not obtained from the securities commission or other regulatory authority in the Filing Province, each holder of Special Warrants will be entitled, upon exercise or deemed exercise of any Special Warrants, at any time after July 19, 2000, to acquire 1.1 Common Shares for each of such holder's Special Warrants without the payment of any additional consideration. Any Special Warrants not exercised prior to the Expiry Time shall be deemed to have been exercised immediately prior to the Expiry Time without any further action on the part of the holder.

	Price To Public	Agent's Commission	Net Proceeds to mBase.com (1)(2)
Per Special Warrant…………………...…….	$3.15	$0.22	$2.93
Total Offering of Special Warrants………….	$3,497,618	$244,833(3)	$3,252,785

Notes:

(1) Before deducting expenses of the issue estimated to be $100,000, which will be paid from the general funds of the Corporation.

(2) One-half of the gross proceeds received from the issuance of the Special Warrants were placed in trust with the Trustee pursuant to the terms of the Special Warrant Indenture and are releasable to the Corporation upon the earlier of and subject to: (i) the issuance of a receipt for this prospectus in the Filing Province; and (ii) March 31, 2001. See "Plan of Distribution - Details of the Offering". $1,474,350, representing one-half of the net proceeds, was released to the Corporation upon issuance of the Special Warrants.

(3) In addition to the Agent's commission, the Corporation has also issued certificates to the Agent (the "Agent's Certificates") entitling the Agent to acquire options (the "Agent's Options") exercisable to acquire in the aggregate 111,036 Common Shares of the Corporation at a price of $3.15 per Common Share until September 21, 2001. This prospectus also qualifies the distribution of the Agent's Options to be granted upon conversion of the Agent's Certificates. See "Plan of Distribution - Details of the Offering".

The Special Warrants were sold to investors pursuant to prospectus exemptions under applicable securities legislation through Emerging Equities Inc. (the "Agent"). A $15,000 corporate finance fee will be payable to the Agent by the Corporation in connection with the distribution of the Common Shares upon the exercise of Special Warrants. See "Plan of Distribution - Details of the Offering". The issue price of $3.15 per Special Warrant was determined by negotiation between the Corporation and the Agent.

There is no market through which the Special Warrants may be sold. The currently outstanding Common Shares are listed on The Canadian Venture Exchange under the symbol "MBM". On February 27, 2000, the date prior to the date on which the issue of the Special Warrants was announced, the closing price of the Common Shares on The Canadian Venture Exchange (as reported by such exchange) was $4.30. See "Price Range and Trading Volume of Common Shares".

An investment in the Common Shares should be considered highly speculative due to a number of risk factors. See "Risk Factors". The effective offering price of $3.15 per Common Share for the Special Warrants exceeds the net tangible book value per Common Share as at March 31, 2000, after giving effect to the issue of Common Shares upon exercise of the Special Warrants under this offering, by $2.67 per share or 85%. See "Dilution".

Certificates for the Common Shares will be available for delivery upon the exercise of the Special Warrants. Certain legal matters relating to the offering of the Special Warrants and the Common Shares issuable upon exercise thereof have been passed upon on behalf of the Corporation by Parlee McLaws of Edmonton, Alberta and on behalf of the Agent by Burnet, Duckworth & Palmer of Calgary, Alberta.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Parlee McLaws, counsel to the Corporation, the Common Shares, will, when listed on a prescribed stock exchange, be qualified investments for a trust governed by a registered retirement savings plan, a registered retirement income fund or a deferred profit sharing plan under the *Income Tax Act* (Canada) and the regulations thereunder.

SUMMARY

The following summary information must be read in conjunction with the detailed information appearing elsewhere in this prospectus.

THE CORPORATION

Corporate History and Office Location

The Corporation was incorporated under the *Business Corporations Act* (Alberta) as 590079 Alberta Ltd. on December 31, 1993 and amended its articles of incorporation to change its name to Virtual Dynamics Corp. on February 2, 1994. On April 18, 1994, the Corporation amended its articles to authorize the issuance of an unlimited number of Class “A”, “B” and “C” shares issuable in series. The Corporation then obtained its listing on The Alberta Stock Exchange, now The Canadian Venture Exchange (“CDNX”), on August 15, 1994 as a Junior Capital Pool Company. The articles were amended again on November 21, 1995 to re-designate the Class “A” shares to Common Shares. The Corporation proceeded to complete its major transaction on January 4, 1996 and became a regularly listed company on the CDNX on February 27, 1996. On October 28, 1997 the articles were further amended to consolidate the Corporation’s shares on a 2 for 1 basis (one new share for two old shares) and also changed its name to Las Western Entertainment Inc. On October 26, 1999 the Corporation amended it articles of incorporation to change its name to mBase.com Inc. The corporate head office is located at #1500 Merrill Lynch Tower, 10205 – 101 Street, Edmonton, Alberta, T5J-2Z2 and the principal place of business is located at #1530 Merrill Lynch Tower, 10205 – 101 Street, Edmonton, Alberta, T5J 2Z2. The registered office of the Corporation is #1500 Manulife Tower, 10180 – 101 Street, Edmonton, Alberta, T2P 1E4.

The Corporation has one majority-owned (75%) subsidiary company, mBase.com Systems Inc., through which the Corporation primarily conducts its operations. See "Business of the Corporation - Intercorporate Relationships".

SUMMARY OF THE OFFERING

Issue:	1,110,355 Common Shares issuable upon the exercise of the 1,110,355 Special Warrants.
Special Warrants:	A total of 1,110,355 Special Warrants have been issued pursuant to prospectus exemptions under applicable securities legislation at a price of $3.15 per Special Warrant, for an aggregate consideration of $3,497,618. The Special Warrants were issued pursuant to a warrant indenture (the "Special Warrant Indenture") dated as of March 21, 2000 between the Corporation and Montreal Trust Company of Canada (the "Trustee"). See "Plan of Distribution - Details of the Offering". Since the date of issue, no Special Warrants have been exercised.
Exercise Details:	Each Special Warrant entitles the holder thereof to acquire, at no additional cost to the holder, one Common Share at any time until 4:30 p.m. (Calgary time) (the "Expiry Time") on the earlier of: (i) the fifth business day following the date upon which a receipt for this prospectus is issued by the securities commission in the Province of Alberta (the "Filing Province"); and (ii) March 31, 2001. If a receipt for this prospectus dated on or before July 19, 2000 (the "Clearing Date") is not obtained from the securities commission in the Filing Province, each holder of Special Warrants will be entitled, upon exercise

or deemed exercise of any Special Warrants, at any time after July 19, 2000, to acquire 1.1 Common Shares for each of such holder's Special Warrants without the payment of any additional consideration. Any Special Warrants not exercised prior to the Expiry Time shall be deemed to have been exercised immediately prior to the Expiry Time without any further action on the part of the holder. See "Plan of Distribution - Details of the Offering".

Use of Proceeds: The net proceeds to the Corporation from the sale of Special Warrants were approximately $3,152,785 after deducting commissions in the amount of $244,833 paid by the Corporation to the Agent and offering expenses estimated at $100,000. The Corporation intends to use the net proceeds as follows: (i) $1,000,000 to fund sales and marketing programs; (ii) $1,000,000 for strategic acquisitions and alliances; (iii) $500,000 to fund product development; and (iv) the balance $652,785 for general corporate purposes including working capital. See "Use of Proceeds".

Risk Factors: An investment in the Common Shares should be considered speculative due to a number of risk factors, some of which include: competition within the industry, rapidly changing technology and evolving industry standards, dependence on proprietary technology and risk of third party claims for infringement, management of growth, dependence on key personnel, industry growth, the need for future financing, potential fluctuations in quarterly results, risks related to acquisitions, and dependence upon international sales. See "Risk Factors".

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following is a summary of selected financial information of the Corporation for the periods indicated.

	Three Months Ended March 31		Years Ended December 31		
	2000	1999	1999	1998	1997
	(unaudited)	(unaudited)			
	(in thousands of dollars, except per share data)				
Statement of Operations and Deficit Data					
Revenue	$ -	$ -	$ 30	$ -	$ -
Cost of sales	-	-	14	-	-
Gross margin	-	-	16	-	-
Expenses					
Amortization	14	12	48	38	44
Equipment rental	9	-	-	-	-
General and administration	15	-	3	1	3
Investor communications	18	1	5	1	-
Professional fees	20	7	60	40	58
Salaries and benefits	49	-	-	-	-
Transfer agent, company and listing fees	6	1	5	8	7
Travel and seminars	25	-	3	2	2
Total expenses	156	21	124	90	114
Operating loss	(156)	(21)	(108)	(90)	(114)
Net loss	(132)	(18)	(191)	(77)	(114)
Loss per share	(0.024)	(0.005)	(0.050)	(0.020)	(0.040)

	As at March 31	As at December 31	
	2000	1999	1998
	(unaudited)		
	(in thousands of dollars)		
Balance Sheet Data			
Current assets	$ 3,494	$ 8	$ 18
Working capital	3,306	(145)	(74)
Total assets	3,772	228	313
Long-term debt	34	-	-
Total shareholders' equity	3,537	40	170

THE CORPORATION

The Corporation was incorporated under the *Business Corporations Act* (Alberta) as 590079 Alberta Ltd. on December 31, 1993 and amended its articles of incorporation to change its name to Virtual Dynamics Corp. on February 2, 1994. On April 18, 1994, the Corporation amended its articles to authorize the issuance of an unlimited number of Class “A”, “B” and “C” shares issuable in series. The Corporation then obtained its listing on The Alberta Stock Exchange, now the Canadian Venture Exchange (“CDNX”), on August 15, 1994 as a Junior Capital Pool Company. The articles were amended again on November 21, 1995 to re-designate the Class “A” shares to Common Shares. The Corporation proceeded to complete its major transaction on January 4, 1996 and became a regularly listed company on the CDNX on February 27, 1996. On October 28, 1997 the articles were further amended to consolidate the Corporation’s shares on a 2 for 1 basis (one new share for two old shares) and also changed its name to Las Western Entertainment Inc. On October 26, 1999 the Corporation amended it articles of incorporation to change its name to mBase.com Inc. The corporate head office is located at #1500 Merrill Lynch Tower, 10205 – 101 Street, Edmonton, Alberta, T5J-2Z2 and the principal place of business is located at #1530 Merrill Lynch Tower, 10205 – 101 Street, Edmonton, Alberta, T5J-2Z2. The registered office of the Corporation is #1500 Manulife Tower, 10180 – 101 Street, Edmonton, Alberta, T2P-1E4.

The Corporation is a reporting issuer under the *Securities Act* (Alberta). The Common Shares are listed and posted for trading on the CDNX under the symbol MBM.

The Corporation has one majority-owned (75%) subsidiary company, mBase.com Systems Inc., through which the Corporation primarily conducts its operations. See "Business of the Corporation - Intercorporate Relationship."

BUSINESS OF THE CORPORATION

Over the last five years, the Corporation has been involved in the distribution of multimedia interactive CD-ROMS and had formerly intended to construct and operate a casino in Alberta. Due to certain issues in obtaining a gaming license the Corporation decided to shift its business direction and pursue other opportunities within the information technology, e-Business and multimedia Internet commerce industry.

Intercorporate Relationships

On December 21, 1998, and as amended on October 31, 1999, the Corporation and its subsidiary company, mBase.com Systems Inc., entered into an agreement (the “Technology and Asset Purchase Agreement”) to acquire a Catalog Conversion and Internet Distribution Software (the “Technology”) from Western America Technology Fund Inc. (“Western America”). In accordance with the agreement, as amended, mBase.com Systems Inc. acquired the Technology from Western America for consideration of $60,000 satisfied by the issuance of 60,000 common shares of mBase.com Systems Inc., representing 25% of its issued and outstanding shares, and a royalty fee of 2.5% of gross sales or $100,000 per annum, whichever is greater, commencing on December 21, 2000. The Corporation also transferred its existing CD-ROM technology assets to mBase.com Systems Inc. for consideration of $180,000 by way of 180,000 common shares of mBase.com Systems Inc., representing 75% of its issued and outstanding shares. See "Interests Of Management And Others In Material Transactions.”

On December 27, 1999, mBase.com Systems Inc. and the Corporation acquired assets and Internet software technology from Web Painter Communications for consideration of $60,000 which was paid by the Corporation issuing 300,000 Common Shares. See "Interests Of Management And Others In Material Transactions.”

The Corporation, operating through mBase.com Systems Inc., now licenses an innovative technology for automated catalog publishing solutions with seamless e-Commerce integration. The Corporation released version

1 of mBase*ONLINE* in January 2000 and completed the commercialization of the entire suite of products in April 2000. The new model of business of the Corporation is described as "Intelligent Catalogs with e-Commerce Integration (InteliCat)."

Technology

The InteliCat™ system is a software technology that provides catalog marketing companies an interactive electronic database designed to automate the print catalog production process. The same database seamlessly powers a real-time Internet e-Commerce system that facilitates secure and accurate on-line transactions, an e-Commerce enabled CD-ROM, a touch screen kiosk and an automated sales quote product.

This turnkey solution is offered to businesses that use catalogs as their primary selling tool. The Technology provides the customer a complete approach for real-time printed Catalog needs and for expansion into direct sales via Internet on-line stores and CD-ROM. The Corporation's focus is to provide industry specific marketing information to a client by transforming raw, disparate data into meaningful, marketable information.

The core of the Technology is the Multimedia Commerce Database Engine that is responsible for controlling the flow of the processes on the system.

Visually, the Technology of the Corporation is outlined in the following diagram:

The customer accesses the Technology through a secure Internet connection. The World Wide Web interface allows a client to upload their product data and images into the Multimedia Commerce Database Engine. Upon input of the data into the database, the Technology supplies the customer a complete electronic library consisting of all their product, prices, descriptions and photographs. Changes or edits, within the database, can be made from any computer that has an Internet connection. In addition, a change made in mBase*Merchant* dynamically updates all other applications.

The data can then be used in a number of electronic commerce applications without conversion. Print catalogs, CD-ROM catalogs, and Web catalogs can be published all from the central database.

The key benefit to the Technology is its ability to automate the process of print catalog production while allowing the opportunity to venture into the emerging technologies of electronic commerce.

Current Products

The following is a description of the Corporation's current products that have been extensively developed and are currently ready for marketing. As with all software related products, there is a constant process of updating and enhancing existing products and therefore, to a certain extent, all software products are constantly in a state of development.

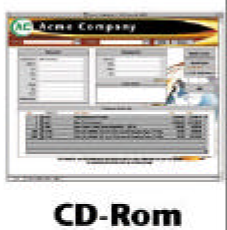
1. mBase*InteliCat* - Automated Catalog Production

Custom creation of print catalogs, flyers and price lists are automatically designed within the industry standard layout program QuarkXpress™. Using intelligent established business design principles, InteliCat will engineer a professional high quality catalog with standardized consistency. Complete design, layout and production of a catalog is processed on the Corporation's servers and submitted to the client, via the Internet, for proofing, editing and approval. The data can be maintained on a regular basis as opposed to only when the catalog is being produced.

2. mBase*Online* - Online e-Commerce enabled website

A sophisticated Internet e-Commerce on-line store features quantity pricing, photo zooming, multi currency, credit applications and secure on-line payment authorization. Accessible 24 hours a day and 7 days a week, mBase*Online* can handle thousands of products and hundreds of thousands of visitors daily. The system design offers a simple upgrade path and can integrate with client backend systems, including Oracle and SQL Server.

3. mBase*CD* - CD-ROM e-Commerce enabled



An up-to-date CD-ROM can be produced at any point with the latest prices, titles, descriptions and photographs. The CD is primarily a transitional tool, attached to the print catalog, to migrate users to the online store or to assist marketing in remote locations. The CD has the benefit over the print catalog in that it allows the user to easily search for products and place their orders via fax, mail or email. The cost of CD duplication is dramatically cheaper than print production, allowing for more frequent updates to be sent to customers.

4. mBase*Kiosk* – Touch screen Kiosk application

Acting as a virtual salesperson, this product allows users to interface with the central product database using touch screen technology. This marketing tool is a diversified product library for use at trade shows or company showrooms. Kiosks allow customers to research information rapidly with a very simple interface. Clientele can print out product specification sheets with real-time data.

5. mBase*Quote* - Quote builder for outside sales reps

mBase*Quote* provides company sales representatives support and product material without having to carry a briefcase of product literature. This uniquely designed product can instantly build a complete quote with detailed specification sheets and high-resolution images on site.

6. mBase*Merchant* - Central Data Management Application

mBase*Merchant* acts as the interface for user-friendly inventory management to enable real-time modifications of the database without special technical or programming knowledge. Product data can easily be imported into the database system from any spreadsheet, database or text file, so there is no need to retype or scan the information. Once in the database, the product data is interactively utilized throughout the entire mBase suite of products. Changes can be made in an online secure environment for immediate modifications.

Services

Data Management Consulting

The Corporation provides management consulting to help support new Internet commerce solutions. Issues such as inventory, asset management, customization, digital photography and target marketing are part of the day-to-day offerings. Internet commerce requires solutions that are both scalable and interoperable to integrate with existing corporate information.

Each project may include an element of service. These services will vary depending on what the client has in place for technology, media and technical expertise.

Design and development services offered by the Corporation may include:

(a) Professional product photography
(b) Photo editing and cataloging
(c) Data extraction, manipulation and cleanup
(d) Graphic design
(e) CD-ROM duplication
(f) Kiosk rentals

Web Site Development

Web site development has evolved beyond receiving fees for services. The Corporation does provide Web site design, development and implementation to create a complete solution for the expanding demands of Internet development.

e-Joint Ventures

Over time by building a number of mBase enabled e-commerce sites, management of the Corporation believes that it will have a network with which to sell business-to-business or business-to-consumer e-Commerce services. Access to a broadly established e-market position may assist in jump-starting new Internet sales ventures. Many businesses, however, may have the desirable products that can be effectively marketed on the Internet but lack the management and/or resources to develop the model required to execute. The Corporation intends to fill this void by entering into an e-joint venture with the client whereby the Corporation will develop and market the site in return for a percentage of gross profits.

Sales and Marketing Strategy

Selling Strategy

The Corporation's strategy is to offer businesses an innovative solution to fully capitalize on the opportunities offered by the Internet through the use of its Web-based automated publishing solutions. The Corporation will build its revenue base by selling long-term user licenses, from $25,000 and higher, for its products, provide services to integrate these solutions, storage and hosting fees and Web development and graphic design. The prime areas where the Corporation will focus its marketing efforts will be businesses that predominantly use print catalogs as their principal marketing tool, strategic partnerships and acquisitions that have established user-bases in the Corporation's target market.

The Corporation proposes to achieve market share through the following channels:

Direct Sales

The Corporation intends to recruit an initial marketing and sales force who will work on a salary and commission/bonus arrangement with an emphasis on performance. The Corporation's direct sales force will manage geographic territories, respond directly to requests through the Corporation's website, recruit dealers and distributors and identify major sales opportunities. When a direct sale occurs, the Corporation's application team will work with the customer to ensure successful system implementation. Additional sales representatives will be integrated based upon demand and market expansion.

Pay Per Application

The Corporation has created a stand-alone solution for existing manual catalog publishers. MBase*InteliCat* can be used independently of all the other products that the Corporation offers. This automated catalog publishing solution can be used on a per application basis. A publisher, designer or graphic artist can access mBase*Intelicat* via the Internet and layout a catalog using the Corporation's automated publishing solution.

Strategic Alliances

The Corporation believes that internal growth and market entry can be accelerated through forming strategic partnerships. The Corporation intends to form alliances with companies that have complementary products or services and or possess skills that would enhance the existing technology in the Corporation. By teaming up with a strategic partner, the Corporation can leverage their marketing channel and become exposed to their established user-base.

Value-Added Resellers (VARs)

In order to obtain critical mass and brand recognition the Corporation intends to establish a broad based reseller network that will include software development companies, accounting information technology firms, graphic designers, printing companies and a host of others that have direct contact with potential mBase product users.

Acquisitions

The Corporation intends to expand its operations through acquisitions of complementary businesses or technology. The Corporation's acquisition strategy will be to acquire technology, small to medium sized companies that retain an existing catalog production user base or provide services or possess skills and technology that will enhance or support the Corporation's existing business.

The Corporation currently has two assignments for catalog conversion and Technology licensing. Each of these projects involves the production of a print catalog, Web site, Internet on-line store, CD-ROM catalog, a touch screen kiosk and various data management-consulting functions. These projects will provide the Corporation with valuable technological insight, marketing information and advance future product development.

Market and Industry Background

Overview

The catalog industry has experienced overall growth in terms of advertising expenditures, sales and employment figures that remains ahead of total U.S. growth. This trend is expected to continue through the year 2004, according to a detailed forecast of the industry based on a report prepared for the Direct Marketing Association ("DMA") in cooperation with W.A. Dean & Associates. DMA, the world's oldest and largest association for direct and interactive marketers, has been doing extensive research in all aspects of direct and interactive marketing since 1917. In addition, catalogers' presence on the Internet continues to grow, with 85% having a presence as of January 1, 1999, up from 71% a year earlier. The three top activities for which catalogers use interactive marketing are: lead generation, sales generation and customer service. With the presence on the Internet growing, catalogers are updating their Web sites more frequently and are increasing their response time to customers' online requests.

The e-Business market segment exhibits many important characteristics including a sustained high growth rate, relatively low barriers to entry, increasing industry acceptance, the potential for rapid growth and significant profitability for well-positioned companies. Businesses are investing enormously in tools that will enable them to use the Internet to develop their markets and strengthen their relations with their business partners.

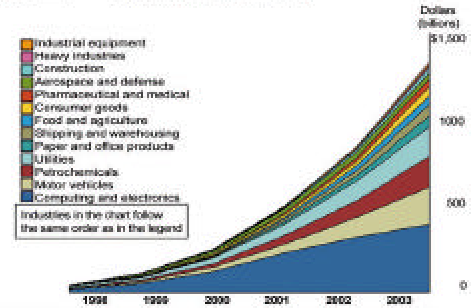
e-Business and Internet Services Industry

With the rapid growth of the Internet since 1994, the information technology industry has undergone profound changes. Internet services and solutions are now experiencing phenomenal growth due to the importance placed on businesses on setting up e-Business solutions based on Internet technologies. Electronic commerce is having a significant impact on many companies and on the priority they give to investment in Internet solutions.

Estimates and projections for the dollar size and growth of the eCommerce marketplace vary considerably depending on the research source. Even within a single research company, estimates can shift radically over time as analysts accumulate new information that forces them to recast their numbers.

Forrester Research Inc. projects that in the United States, inter-company trade of hard goods over the Internet will surpass $251 billion dollars in 2000 and will surge to $1.3 trillion by 2003.

Figure 1 U.S. Business eCommerce Revenue



	1998	1999	2000	2001	2002	2003
Total (billions)	$43.1	$109.3	$251.1	$499.0	$842.7	$1,330.8
Computing and Electronics	$19.7	$50.4	$121.4	$229.1	$319.1	$395.3
Motor vehicles	$3.7	$9.3	$22.7	$53.2	$114.3	$212.9
Petrochemicals	$4.7	$10.3	$22.6	$48.0	$96.8	$178.3
Utilities	$7.1	$15.4	$32.2	$82.9	$110.6	$160.5
Paper and Office products	$1.3	$2.9	$6.4	$14.3	$31.1	$65.2
Shipping and warehousing	$1.2	$2.9	$6.8	$15.4	$32.7	$61.6
Food and agriculture	$0.3	$3.0	$6.3	$13.1	$26.7	$53.6
Consumer goods	$1.4	$2.9	$6.1	$12.7	$26.0	$51.9
Pharmaceutical and medical	$0.6	$1.4	$3.5	$8.5	$20.0	$44.1
Aerospace and defense	$2.5	$6.8	$14.6	$25.6	$34.0	$38.2
Construction	$0.4	$1.6	$3.4	$7.0	$14.2	$28.6
Heavy industries	$0.1	$1.3	$2.5	$4.7	$8.7	$15.8
Industrial equipment	$0.1	$1.3	$2.4	$4.6	$8.5	$15.8

Source: Forrester Research Inc.

Catalog Business

Production of print catalogs is substantial business in North America and is expected to continue increasing in activity. Today, the United States boasts a US$1.5 trillion market for direct marketers. It is the largest single market in the world and growing at 8.6% per year. According to research conducted by the DMA, between now and 2004, catalog sales are projected to grow 6.1% a year; Internet sales are expected to soar 50.2% annually. By contrast, total retail sales are projected to rise a modest 3.6% a year. For 1999, Direct Marketing Association projected consumer catalog sales to reach nearly $57.12 billion, with business-to-business catalog revenue growing to nearly $36.16 billion, for a total of more than $93.27 billion, or 3.3% of overall retail revenue of $2.80 trillion.

By 2004, DMA expects total projected catalog sales of $125.13 billion, with consumer catalogers accounting for $75.47 billion, compared to $49.66 billion from business-to-business. These catalog sales, in turn, should account for 3.7% of total retail sales of $3.33 trillion.

Competition

The Internet solutions business of providing e-Commerce products is marked by a high degree of competition and the Corporation has a considerable number of competitors. These competitors vary in technological knowledge, number of employees and financial resources, but they are all subject to the same market factors. The Corporation believes it competes favorably with respect to these factors, however, companies which the

Corporation perceives as competitors have longer operating histories and greater financial, technical, sales, marketing resources than the Corporation. See “Risk Factors”.

The automated print catalog market segment is much less competitive, particularly when dealing with an e-Commerce integration tool. There are many established graphic design firms and multi-media production houses that will produce print catalogs using various forms of off-the-shelf technology. However, the ability to produce print material from a real-time database via the Internet is innovative and uncommon. Large organizations such as Quebecor World are developing solutions either directly or indirectly through affiliated companies. These solutions are designed for large industrial clients that demand heavy printing obligations on a regular basis.

Although the Corporation believes that its Technology holds a unique position in the market at this time, the copying of functional features developed by one software developer by another software developer occurs very quickly. Also, it is possible that other developers are working on competitive products which have not been announced publicly and are therefore unknown to the Corporation at this time.

Human Resources

The Corporation currently has a total of thirteen employees and consultants, all of whom are located in Edmonton, Alberta. Of the thirteen personnel, six are involved in product development, two are in marketing and business development, and five are in management, finance and administration. Cash compensation and the Corporation's stock option plan are complemented by internal recognition programs and career advancement opportunities. The Corporation believes its relationships with its employees are very good. In is the intention of the Corporation to hire additional programmers and sales and marketing representatives based upon demand and market expansion. In furtherance of good business practice, the Corporation has entered into non-disclosure and confidentiality agreements with its employees.

Finance and Administration

The Corporation will manage its growth by focusing on key financial performance indicators and management information. The Corporation's finance and administrative team has experience with financial accounting, public company disclosure and reporting processes.

Facilities

The Corporation’s has entered into a sublease providing for the use of the premises it occupies at #1530 Merrill Lynch Tower, 10205 –101 Street, Edmonton Alberta. The lease, which expires March 31, 2002, is for approximately 4,057 square feet with an annual rent of approximately $41,376.

Research and Development

The Corporation’s success depends on a number of factors that include its ability to identify and respond to emerging technological trends in its target markets, develop and maintain competitive products, enhance its existing products by adding features and functionality, that differentiate them from those of its competitors and bringing products to market on a timely basis and at competitive prices. As a result, the Corporation has invested and intends on continuing to invest in research and product development.

Intellectual Property Rights

The Corporation’s performance depends significantly on its ability to protect its proprietary rights to its Technology. The Corporation has filed trademark applications for “InteliCat” in Canada and “mBase” in Canada and the United States. The Corporation does not hold any patents and currently relies on a combination of copyright and trademark laws, trade secrets, confidentiality and non-disclosure agreements to protect its proprietary rights. However, although the Corporation intends to protect its proprietary rights vigorously, there can be no assurance that these measures will be successful.

MANAGEMENT'S DISCUSSION OF OPERATING RESULTS

Financial Condition and Results of Operations

The following discussion should be read in conjunction with the financial statements and notes thereto also contained in this prospectus. The financial statements included in this prospectus are the balance sheets as at March 31, 2000, December 31, 1999 and December 31, 1998 and the statement of loss and deficit and cash flows for the three years ended December 31, 1997, 1998 and 1999. Also included is the three-month period ended March 31, 2000 with comparative numbers for the period ended March 31, 1999. All statements have been prepared in accordance with accounting principles generally accepted in Canada and are expressed in Canadian dollars.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

Selected Results of Operations

	Three Months Ended March 31		Years Ended December 31		
	2000	**1999**	**1999**	**1998**	**1997**
	(unaudited)	**(unaudited)**			
	(in thousands of dollars, except per share data)				
Statement of Operations and Deficit Data					
Revenue	$ -	$ -	$ 30	$ -	-
Cost of sales	-	-	14	-	-
Gross margin	-	-	16	-	-
Expenses					
Amortization	14	12	48	38	44
Equipment rental	9	-	-	-	-
General and administration	15	-	3	1	3
Investor communications	18	1	5	1	-
Professional fees	20	7	60	40	58
Salaries and benefits	49	-	-	-	-
Transfer agent, company and listing fees	6	1	5	8	7
Travel and seminars	25	-	3	2	2
Total expenses	156	21	124	90	114
Operating loss	(156)	(21)	(108)	(90)	(114)
Net loss	(132)	(18)	(191)	(77)	(114)
Loss per share	(0.024)	(0.005)	(0.050)	(0.020)	(0.040)

Three Months Ended March 31, 2000 Compared with Three Months Ended March 31, 1999

Overall operating expenses increased by $134,778 over 1999. The increase is comprised of additional management services, office sharing costs, professional and compliance fees and investor communications costs totalling $58,079, all associated with the commencement of operations.

The addition of employees, computer equipment rentals and capital assets also contributed to the increase by $76,699 which includes $14,157 of amortization expense.

The consolidated net loss for the current period was $132,473, compared to a net loss of $18,383 in the prior period.

The minority interest share of loss, as well as interest revenue, decreased the operating loss by $23,602 in the current period resulting in an overall net loss of $132,473. This is an increase over the prior period's loss of $18,383 by $114,090.

Year Ended December 31, 1999 Compared with Year Ended December 31, 1998

During fiscal 1999, the Corporation derived its revenue entirely from development fees for designing and implementing an online store for a major resource equipment distributor in Canada. Since 1999 was essentially the first year of e-Business operations, there are no comparative figures in this respect. Direct costs on this contract in 1999 amounted to $13,730 resulting in a gross margin of $16,270 or 54%.

Operating expenses, excluding amortization, increased by a total of $24,660 or 48% over 1998. The increase is primarily comprised of additional management services and office sharing costs as a result of the commencement of operations. The bulk of the fixed general and administrative costs have effectively remained constant during the past two years.

Amortization expense is higher this year by $9,754 or 26% since this is the first year amortization has been claimed on software development costs (see attached consolidated financial statements).

In prior years, the Corporation had invested $93,462 to develop a casino facility, and for a casino gaming license application in Alberta. These costs have been written down to $1 for financial statement purposes since the Corporation is not proceeding with the project.

On December 21, 1998, the Company acquired 75% of the issued share capital of mBase.com Systems Inc. for $180,000. This acquisition was accounted for by the purchase method, whereby the 25% minority interest has been presented as a liability in the financial statements.

The current year's minority interest share of loss increased by $4,648 or 46% over last year as a result of the subsidiary company's higher operating loss in 1999.

The consolidated net loss for the current year was $190,625 compared to $77,301 from the prior year. This is an increase of $113,324 or 147%. The overall consolidated net loss relating to operations however, was an increase of only $18,144 or 20%.

Liquidity and Capital Resources

From the Corporation's inception in 1993 until March 31, 2000 the Corporation financed its operations and growth substantially by way of private placements of equity and advances provided by its majority shareholder, Western America Capital Inc.

During the current year there were $66,737 in capital assets expenditures for computer equipment and technology acquired.

Accounts payable increased by $58,737 or 79% over 1998. This was largely due to management services and office-sharing costs accrued throughout the year. To accommodate limited working capital resources this past year, these balances have been aged as much as possible.

On December 29, 1999, the Corporation acquired Internet software technology and other assets for $60,000. The purchase price was satisfied by the Corporation issuing 300,000 Common Shares, subject to obtaining regulatory approval. Regulatory approval was obtained on April 4, 2000.
During fiscal 1998, $175,895 of the above capital assets was transferred to the subsidiary company in exchange for common shares (see “Business of the Corporation - Intercorporate Relationships”).

For further detail of financial information please refer to the current and prior fiscal years’ financial statements included under the heading “Auditor’s Report”.

Outlook

The outlook for the remainder of the year is positive. The Corporation is experiencing internal growth to meet the increasing demands generated by the Corporation’s products demands. The Corporation’s primary focus will be on expanding the Corporation’s marketing and distribution activities and channels for the Corporation’s existing products. The Corporation will continue to invent and develop new technologies, as well as enhance current technology and products. Going forward, the Corporation faces a number of business risks, many of which result from the fact that the market for multi-media technology is highly competitive and rapidly changing. See “Risk Factors”

PLAN OF DISTRIBUTION

Details of the Offering

On March 31, 2000, the Corporation completed a private placement of an aggregate of 1,110,355 Special Warrants at a price of $3.15 per Special Warrant pursuant to prospectus exemptions under applicable securities legislation, pursuant to an agreement dated effective March 21, 2000 (the "Agency Agreement") between Emerging Equities Inc. (the “Agent”) and the Corporation. Pursuant to the Agency Agreement, the Agent agreed to use its best efforts to provide purchasers on a private placement basis for the 1,110,355 Special Warrants, at a price of $3.15 per Special Warrant. The Agency Agreement required the Corporation to pay to the Agent a commission of 7.0% of the gross proceeds from the offering for an aggregate fee of $244,833. In addition, the Agency Agreement required the Corporation to issue the Agents certificates (the "Agent’s Certificates") entitling the Agent to acquire options (the "Agent’s Options") exercisable to acquire in the aggregate 111,036 Common Shares of the Corporation at an exercise price of $3.15 per Common Share for a period of eighteen months from the Closing of the Private Placement. A $15,000 corporate finance fee will be payable to the Agent by the Corporation in connection with the distribution of Common Shares under this prospectus and no additional proceeds will be received by the Corporation from the issue of the Common Shares upon exercise of the Special Warrants.

This prospectus is being filed in the Province of Alberta to qualify the distribution of the Common Shares to be issued upon the exercise of the Special Warrants. All of the outstanding Common Shares are fully paid and non-assessable and the Common Shares issuable upon the exercise of the Special Warrants will, when issued, be fully paid and non-assessable. See "Structure of Share Capital". This prospectus is also being filed to qualify the distribution of the Agents’ Options to be granted upon the conversion of the Agent’s Certificates.

The Special Warrants were issued pursuant to a warrant indenture (the "Special Warrant Indenture") dated as of

March 21, 2000 between the Corporation and Montreal Trust Company of Canada (the "Trustee"). Since the date of issuance, no Special Warrants have been exercised. Each Special Warrant entitles the holder thereof to acquire, at no additional cost to the holder, one Common Share at any time until 4:30 p.m. (Calgary time) (the "Expiry Time") on the earlier of: (i) five business days following the date upon which a receipt for this prospectus is issued by the securities commission in the Province of Alberta (the "Filing Province"); and (ii) March 31, 2000.

If a receipt for this prospectus dated on or before July 19, 2000 (the "Clearing Date") is not obtained from the securities commission or other regulatory authority in the Filing Province, each holder of Special Warrants resident in a Filing Province in which such receipt has not been obtained will be entitled, upon exercise or deemed exercise of any Special Warrants, at any time after July 19, 2000, to acquire 1.1 Common Shares for each of such holder's Special Warrants without the payment of any additional consideration.

Any Special Warrants not exercised prior to the Expiry Time shall, by their terms, be deemed to have been exercised immediately prior to the Expiry Time without any further action on the part of the holder.

Common Shares obtained on the exercise of Special Warrants prior to the issuance of a receipt for this prospectus will be subject to applicable hold periods under applicable securities legislation.

USE OF PROCEEDS

The net proceeds to the Corporation from the sale of the Special Warrants were $3,152,785 after deducting fees in the amount of $244,833 paid by the Corporation to the Agent and offering expenses estimated at $100,000. $1,474,350 representing one-half of the net proceeds (the "Released Proceeds"), was released to the Corporation upon issuance of the Special Warrants. One-half of the aggregate proceeds received from the issuance of the Special Warrants were placed in trust with the Trustee pursuant to the terms of the Special Warrant Indenture. These proceeds are releasable to the Corporation upon the earlier of and subject to: (i) the issuance of (final) receipts for this prospectus in the Filing Province; and (ii) March 31, 2000.

The Corporation intends to use the net proceeds from the sale of the Special Warrants as follows:

1. $1,000,000 to fund sales and marketing programs for the mBase suite of software products including alliances and sales channel development; (1)
2. $1,000,000 for potential strategic acquisitions and alliances. (2)
3. $500,000 to fund product and technology development programs; and (3)
4. $652,785 for general corporate purposes including working capital.

Notes:

(1) Sales and marketing efforts by the Corporation will include direct sales, development and implementation of a value added resellers sales channel, software product line advertising, attending trade shows and conventions, public relations, advertising in trade publications, printing product brochures and general travel and promotional expenses. See " Business of the Corporation - Sales and Marketing Strategy".

(2) Potential strategic acquisitions and alliances may include direct acquisitions costs and costs related to the development of customized product links to enable the bundling of complementary software technologies with the Technology of the Corporation. See " Business of the Corporation - Sales and Marketing Strategy".

(3) Product and technology development includes existing product maintenance and support, technical quality assurance, future product development and internal research. See " Business of the Corporation – Research and Development".

The Corporation will spend the funds available to it upon completion of the Offering to further its stated business objectives. There may be circumstances where, for sound business reasons, a reallocation of funds may be necessary in order for the Corporation to achieve its stated business objectives.

Pending the use of the net proceeds from the sale of the Special Warrants, the Corporation intends to invest the net proceeds in marketable securities and short-term investments.

STRUCTURE OF SHARE CAPITAL

The authorized share capital of mBase.com consists of an unlimited number of Common Shares without nominal or par value. As of June 30, 2000 there were 6,102,502 Common Shares issued and outstanding with 452,000 Common Shares reserved for issuance pursuant to outstanding stock options (see "Stock Options"), 115,000 Common Shares reserved for issuance pursuant to an investor relations services agreement between the Corporation and Noble House Investments Inc., 111,036 Common Shares reserved for issuance pursuant to the Agent's Options and 1,110,355 Common Shares reserved for issuance upon the exercise of the Special Warrants. The Corporation is authorized to issue an unlimited number of Class B shares which may be issued in one or more series and an unlimited number of Class C shares which may be issued in one or more series. There are no Class B or Class C shares issued or outstanding.

Common Shares

The holders of Common Shares are entitled to notice of and to vote at all meetings of shareholders (except meetings at which only holders of a specified class or series of shares are entitled to vote) and are entitled to one vote per Common Share. Subject to the preferences accorded to holders of Class B and Class C shares of the Corporation ranking senior to the Common Shares from time to time with respect to the payment of dividends, holders of Common Shares are entitled to receive, if, as and when declared by the Board of Directors, such dividends as may be declared thereon by the Board of Directors from time to time. In the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, or any other distribution of assets among its shareholders for the purpose of winding-up its affairs holders of Common Shares, subject to the preferences accorded to holders of Class B and Class C shares of the Corporation ranking senior to the Common Shares from time to time with respect to payment on a distribution, shareholders are entitled to share equally, share for share, in the remaining property.

Special Warrants

See "Plan of Distribution – Details of the Offering" for a description of the Special Warrants.

CAPITALIZATION

The following table sets forth the capitalization of the Corporation as at December 31, 1999, March 31, 2000, and May 31, 2000 as adjusted to give effect to the exercise of the Special Warrants.

	As at December 31, 1999	As at March 31, 2000(3)	As at May 31, 2000 prior to giving effect to this issue(4)	As at May 31, 2000 after giving effect to this issue(2)
		(unaudited)	(unaudited)	(unaudited)
Long-Term Debt (including current portion)	$Nil	$51,000	$48,150	$48,150
Shareholders' Equity				
Special Warrants (net of offering costs)	$Nil	$3,223,160(2) (1,110,355 wts)	$3,223,160(2) (1,110,355 wts)	Nil
Class B shares (unlimited) (3)	$Nil	Nil	Nil	Nil
Class C shares (unlimited) (3)	$Nil	Nil	Nil	Nil
Common Shares (unlimited)	$813,642	$1,220,542(1)	$1,220,542(1)	$4,443,702
	(4,212,502 shs)	(6,102,502 shs)	(6,102,502 shs)	(7,212,857 shs)

Notes:

(1) As of the date hereof, the Corporation has reserved for issuance an additional 1,890,000 Common Shares issued pursuant to the exercise of 1,650,000 common share purchase warrants and 240,000 common shares issued for the exercise of directors stock options. This figure does not include 111,036 Common Shares issuable upon exercise of the Agent's Options, 452,000 Common Shares issuable upon exercise of directors', officers and employees' stock options, and 115,000 Common Shares options reserved for issuance pursuant to an investor relation's services agreement between the Corporation and Noble House Investments Inc. (see "Structure of Share Capital", "Current Issuances of Common Shares" and "Stock Options".

(2) Does not include the deduction of estimated offering expenses of $100,000.

(3) There are no Class B or Class C shares issued or outstanding.

(4) As at March 31, 2000, the Corporation had a deficit of $906,389.

DIRECTORS AND OFFICERS

The following are brief biographies of the Corporation's directors and officers including their principal occupations for the last five years:

Richard Caron, Chairman and Director (1)

Mr. R. Caron has more than fifteen years experience in the venture capital and investment management industry. He has managed three venture funds with assets exceeding $50 million. Mr. R. Caron was formerly President of Norac Technologies Inc., a Canadian-based bioscience company, and was responsible for the sale of the company to a Chicago-based conglomerate. Mr. Caron graduated from the University of Alberta with a Bachelor of

Commerce degree and soon after articled with a Chartered Accounting firm. Mr. R. Caron was a past board member of the Edmonton Council for Advanced Technology.

Don Caron, President, Chief Financial Officer and Director [(1)]

Mr. D. Caron, a resident of Edmonton, Alberta, has for eight years co-owned and operated Western America Capital Inc., a company specializing in corporate buyouts, technology financing and consolidations. Mr. Caron has extensive experience in operational management, public company compliance, financing and reorganization. He has successfully advised and participated in several mergers and acquisitions. Prior to his involvement with Western America Capital Inc., Mr. Caron articled with an international chartered accounting firm in public practice.

Dwayne Kushniruk, Business Development Officer and Director [(1)]

Mr. Kushniruk joined the Corporation in January 2000 as Business Development Officer. He has over twenty years experience in the information technology industry. His background includes successful careers in software development and marketing. Mr. Kushniruk was formerly Chairman and President of Opus Software Technologies Inc. and Chief Executive Officer of Exchequer Software Group. Mr. Kushniruk was directly involved in developing a foundation of a number of management and developmental teams that implemented and effectively executed software business plans.

Reg Cheramy, Chief Technology Officer

Mr. Cheramy of Edmonton Alberta is the Chief Technology Officer for the Corporation in charge of global product development and strategic alliances. Mr. Cheramy has, for over six years, been involved in the Internet industry under various capacities. He was previously Web Development Manager for Knowledge Alliance, an international firm, and prior thereto, President of Web Painter Communications.

Jack Morrison, Product Development Manager

Mr. Morrison is responsible for product development and project management for the Corporation. He leads a team of experienced programmers and graphic artists. He was previously Manager of Information Technology and Pre-press systems for three daily and five weekly newspapers. Mr. Morrison was instrumental in design and implementation of automated work-flow systems that ensured publications were produced on time using fewer resources.

[(1)] Member of the Audit Committee.

The Corporation has no Executive Committee at present.

EXECUTIVE COMPENSATION

Compensation of the Named Executive Officers

The following table sets out the aggregate remuneration paid by the Corporation to its senior officers for its three fiscal years ended December 31, 1999.

SUMMARY COMPENSATION TABLE

	ANNUAL COMPENSATION			LONG-TERM COMPENSATION			
				Awards		Payouts	
NAME, PRINCIPAL POSITION AND YEAR	SALARY ($)	BONUS ($)	OTHER ANNUAL COMPENSATION ($)	SECURITIES UNDER OPTION / SARS GRANTED (#)	RESTRICTED SHARES OR RESTRICTED SHARE UNITS ($)	LTIP PAYOUTS ($)	ALL OTHER COMPEN-SATION ($)
Richard Caron, Chairman and Director 1999	nil	nil	$nil(1)	100,000	nil	nil	nil
1998	nil	nil	$nil	nil	nil	nil	nil
1997	nil	nil	$nil	100,000	nil	nil	nil
Donald Caron, President, Chief Financial Officer and Director 1999	nil	nil	$nil(1)	100,000	nil	nil	nil
1998	nil	nil	$nil	nil	nil	nil	nil
1997	nil	nil	$nil	100,000	nil	nil	nil
Reg Cheramy, Chief Technology Officer 1999	nil	nil	$nil	150,000	nil	nil	nil

(1) The Corporation paid professional and advisory fees of $36,000 for the year ended 1999 and $27,000 for the year ended 1998 to a company over which Mr. Donald Caron and Mr. Richard Caron are directors and have significant influence.

Option Grants During The Most Recently Completed Financial Year

The following table sets forth the details with respect to all options of the Corporation granted to the Named Executive Officers during the year ended December 31, 1999.

Name	Securities Under Option	% of Total Options Granted to Employees in Financial Year	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options on the Date of Grant ($/Security)(1)	Expiration Date
Richard Caron	100,000	28.5%	$0.15	$5,000	Dec. 23, 2002
Donald Caron	100,000	28.5%	$0.15	$5,000	Dec. 23, 2002
Reg Cheramy	150,000	43.0%	$0.20	nil	August 1, 2004

(1) Value is determined by calculating the difference between the closing price of the Common Shares on the date of grant and the exercise price of the options and then multiply the difference by the number of Common Shares under the option granted.

Aggregated Option Exercises During The Most Recently Completed Financial Year and Year End Option Values

The following table sets forth information concerning the exercise of options during the fiscal year ended December 31, 1999 and the value at December 31, 1999 of unexercised in the money options held by the named Executive Officer.

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)(1)	Unexercised Options Exercisable/Unexercisable (#)	Value of Unexercised in-the-Money Options ($)(2)
Richard Caron	100,000	$5,000	100,000/nil	43,000/$nil
Donald Caron	100,000	$5,000	100,000/nil	43,000/$nil
Reg Cheramy	nil	nil	150,000/nil	57,000/$nil

Notes:
(1) Based on the closing price ($0.20) of the Common Shares on the date of exercise.
(2) Based on the closing price ($0.58) of the Common Shares on December 31, 1999.

Compensation of Directors

The Corporation does not pay fees to directors, but from time to time has granted stock options to directors. In addition, directors are reimbursed for their out-of-pocket expenses incurred in carrying out their duties as directors.

STOCK OPTIONS

The Corporation adopted a directors' and management stock option plan (the "Plan") on July 30, 1997 that affords the flexibility to the Board of Directors to grant options as an additional incentive for directors, officers, employees to invest in Common Shares of the Corporation and thereby increase their proprietary interest in the Corporation.

There are 452,000 Common Shares reserved under this plan as of June 30, 2000. The following table illustrates the number of options granted the exercise price, the expiry date and the options exercised as at the date herein:

Name	Number of Common Shares Under Option	Exercise Price per Common Share	Expiry Date
Donald Caron	100,000	$0.15	Dec 23, 2002
Richard Caron	100,000	$0.15	Dec 23, 2002
Dwayne Kushniruk	50,000	$3.48	Feb 25, 2005
Reg Cheramy	150,000	$0.20	August 1, 2004
Employees (4)	32,000	$3.48	Feb 25, 2005
Employees (2)	20,000	$2.71	April 18, 2005

Total	452,000		

Pursuant to the Plan, options may be granted to purchase Common Shares up to a number not exceeding the maximum number of shares permitted under the rules of any stock exchange or other regulatory body having jurisdiction (currently 10% of the common shares outstanding with a maximum number of common shares optioned to any one optionee not to exceed 5% of such outstanding common shares). The exercise price of such options cannot be less than the market price of the common shares on the stock exchange on which such shares are then traded less the permissible discount permitted by the rules of any stock exchange or other regulatory body having jurisdiction.

INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS

No director, executive officer or other senior officer of the Corporation, or any associate of any such director or officer is, or has been at any time since the beginning of the most recently completed financial year of the Corporation, indebted to mBase.com nor is, or at any time since the beginning of the most recently completed financial year of the Corporation has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

CONFLICTS OF INTEREST

There are potential conflicts of interest which directors and officers of the Corporation may be subject in connection with the operations of the Corporation. Some of the directors and officers of the Corporation are, or may be, directors or officers of other Corporations engaged in similar business ventures, and situations may arise where directors and officers will be in direct conflict with the Corporation. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (Alberta).

PRINCIPAL SHAREHOLDERS

As at •, 2000 the following table includes the only persons or companies who owned of record or, to the knowledge of the Corporation, owned beneficially, directly or indirectly, more than 10% of the Common Shares of the Corporation:

	Prior to giving effect to the issue of the Special Warrants		**After giving effect to the issue of the Special Warrants**	
Principal Shareholder	**Number of Shares**	**% of Class**	**Number of Shares**	**% of Class**
Western America Capital Inc.[(1)] Edmonton, Alberta	1,000,000	16.4%	1,000,000	13.9%

Note:

(1) A Canadian Controlled Private Corporation operating in Edmonton, Alberta, over which Don Caron and Richard Caron, directors of the Corporation, indirectly control.

DIVIDEND RECORD AND POLICY

The Corporation does not intend to pay dividends on the Common Shares in the foreseeable future, nor has the Corporation paid dividends within the last five years under its predecessor names. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund future growth, the financial condition of the Corporation and other factors the board of directors of the Corporation may consider appropriate in the circumstances.

PRIOR SALES

During the 12 months prior to the date hereof, the only Common Shares issued by the Corporation were as follows:

Date of Issuance	Number of Common Shares Issued	Issue Price Per Share
December, 1999	300,000[1]	$0.20
January, 2000	200,000[2]	$0.15
January, 2000	40,000[2]	$0.30
January, 2000	350,000[3]	$0.30
January, 2000	1,250,000 [3]	$0.20
March, 2000	50,000[3]	$0.30

Notes:

(1) Common Shares issued upon the acquisition of assets and Internet technology.

(2) Common Shares issued upon exercise of stock options.

(3) Common Shares issued upon exercise of warrants.

PRICE RANGE AND TRADING VOLUME OF COMMON SHARES

The Common Shares are listed and posted for trading on the Canadian Venture Exchange under the symbol "MBM". The following table sets forth the high and low prices and trading volume of the Common Shares for the periods indicated:

	High	Low	Volume
	($)	($)	
1999			
Feb	0.05	0.05	5,000
Mar	0.05	0.03	3,500
Apr	0.09	0.05	31,000
May	--[1]	--[1]	--[1]
Jun	0.13	0.05	6,000
Jul	0.50	0.31	8,000
Aug	0.15	0.15	10,000
Sep	0.15	0.08	35,750
Oct	0.20	0.09	23,000
Nov	0.15	0.13	13,333
Dec	0.65	0.10	22,083

2000			
Jan	4.75	0.35	2,858,785
Feb	5.50	3.30	1,489,496
March	6.30	3.50	1,173,567
April	4.20	1.55	400,895
May	2.89	1.40	300,299
June	4.10	1.55	544,605

(1) No trading of securities during this period.

The closing price of the Common Shares on the Canadian Venture Exchange on February 28, 2000, the date prior to the date on which the issue of the Special Warrants was announced, as reported by such exchange, was $4.30 per Common Share.

RISK FACTORS

Industry Risks

- The market for computer and software development products is characterized by rapid technological advances, evolving industry standards, changes in end-user requirements and frequent new product introductions and enhancements. The introduction of products embodying new technologies and the emergence of new industry standards could render the Corporation’s existing products and products currently under development obsolete. The Corporation’s success will depend upon its ability to enhance its current products and develop and successfully introduce new products that keep pace with technological developments and respond to evolving end-user requirements. Failure to anticipate or respond adequately to technological developments or end-user requirements, or any significant delays in product development or introduction, could damage the Corporation’s competitive position in the market place and reduce revenues. There can be no assurance that the Corporation will be successful in developing and marketing new products or product enhancements on a timely basis.

- The computer industry is intensely competitive and is characterized by rapid technological advances, evolving industry standards and technological obsolescence. Many of the companies which the Corporation perceives as competitors have longer operating histories and greater financial, technical, sales, marketing and other resources than the Corporation. There can be no assurance that the Corporation will be able to compete successfully against its competitors.

- The Corporation’s results of operation for any particular period may be adversely affected by numerous factors, such as price competition, problems encountered in managing receivables and the timing of expenditures in anticipation of increased sales and customer product delivery requirements. Price competition in the computer and software industry is intense and could result in gross margin declines, which could have an adverse impact on the Corporation’s financial performance.

Business Risks

- The Corporation has only a very recent and limited operating history and has no present intention to pay any dividends. There is no assurance that the Corporation will become profitable or successful.

- Acceptance of the Corporation’s products by the marketplace and resulting revenues from sales cannot be accurately predicted and there is no profitability predictable for any particular period of time.

- The Corporation has not yet fully developed a complete sales force or distribution channels. Failure to implement sales and distribution functions in a timely manner would adversely affect the prospects of the Corporation and delay realization of revenue streams.

- Ongoing technological development and rapid changes in customer requirements characterize the market for software. As a result, the Corporation's future success will depend upon its ability to continue to enhance its current products and to develop and introduce new products that take advantage of technological advances and respond to new customer requirements.

- The Corporation expects to derive a substantial majority of its future revenue from the InteliCat product and related products. Accordingly, the Corporation's future results depend on establishing and continuing market acceptance of InteliCat and any factor adversely affecting the market for the product could have a material adverse effect on the Corporation's business.

- Although the Corporation believes that its products hold a unique position in the market at this time, the copying of functional features developed by one software developer by other software developers occurs very quickly. Also, it is possible that other developers are working on competitive products which have not been announced publicly and are therefore unknown to the Corporation at this time.

- The market for multimedia technology is highly competitive. The Corporation may be required to compete directly with many multimedia commerce companies, a number of which may have greater financial, programming and other resources. There is no assurance that the Corporation will be able to compete successfully with competitors.

- The products and the business of the Corporation involve Internet technologies. This technology is constantly changing and often on a dramatic basis. The Corporation may be required to make substantial investments in its products in order to maintain the same level of functionality on new Internet technologies.

- Although the Corporation retains "copyright" protection of the system and programming code, which makes up the InteliCat product, there is always a threat of the functional characteristics of the products being "reverse engineered" by a competitor using their own "code".

- There may be various ideas and other "know-how" which are incorporated in or reflected in the Corporation's product. Such know-how may not be protected by copyright, patent or other similar legislation and therefore, if protection of such ideas/know-how is important, the Corporation may need to rely on common law duties of confidence or on contractual covenants from persons with access to such ideas/know-how.

- The loss of a critical manager, programmer or marketing person may negatively impact the ability of the Corporation to meet near term delivery deadlines.

- The Corporation has limited resources and may require future financing to complete its business, marketing and financing plan.

Other Risks

In addition to risks described elsewhere in this prospectus, prospective investors should carefully consider each, and the cumulative effect of all, of the following risk factors.

Potential Fluctuations in Quarterly Results

The Corporation's quarterly financial results will be impacted significantly by the timing of new releases of its products and the timing of substantial orders. The Corporation's operating expenses are based on anticipated revenue levels in the short term, are relatively fixed, and are incurred throughout the quarter. As a result, if expected revenues are not realized on a timely basis as anticipated, the Corporation's financial results could be materially adversely affected. Quarterly financial results in the future may be influenced by these or other factors, including possible delays in the shipment of new products. Accordingly, there may be significant variations in the Corporation's quarterly financial results.

The Corporation's results are reported in Canadian dollars. A substantial portion of the Corporation's future revenues may be in U.S. dollars. Any fluctuations in the value of the Canadian dollar relative to the U.S. dollar may result in variations in the sales and earnings of the Corporation expressed in Canadian dollars as a result of the geographic mix of the Corporation's customers, and may have a material effect on the Corporation's business, results of operations and financial condition.

Risks Related to Acquisitions

The Corporation may expand its operations and business by acquiring additional businesses, products or technologies. There can be no assurance that the Corporation will be able to identify, acquire or profitably manage additional businesses or successfully integrate any acquired businesses, products or technologies into the Corporation without substantial expenses, delays or other operational or financial problems. Furthermore, acquisitions may involve a number of special risks, including diversion of management's attention, failure to retain key personnel, unanticipated events or circumstances and legal liabilities, some or all of which could have a material adverse effect on the Corporation's business, results of operations and financial condition. In addition, there can be no assurance that acquired businesses, products or technologies, if any, will achieve anticipated revenues and income. Acquisitions could also result in potentially dilutive issuances of equity securities. The failure of the Corporation to manage its acquisition strategy successfully could have a material adverse effect on the Corporation's business, results of operations and financial condition.

International Sales

Sales outside of Canada may represent a significant portion of the Corporation's future total gross revenues. The Corporation believes that its continued growth and profitability will require additional expansion of its sales in foreign markets. Sales to international customers are subject to a number of risks and uncertainties including, but not limited to, changes in foreign government regulations and telecommunications standards, export license requirements, tariffs and taxes, other trade barriers, fluctuations in currency exchange rates, difficulty in collecting accounts receivable, difficulty in staffing and managing foreign operations, and potential political and economic instability. While international sales are typically denominated in U.S. dollars, fluctuations in currency exchange rates could cause the Corporation's products to become relatively more expensive to customers in a particular country, leading to a reduction in sales or profitability in that country. There can be no assurance that the Corporation will be successful in developing or increasing international market demand for the Corporation's products.

Conflicts of Interest

Mr. Richard Caron and Mr. Donald Caron, both directors of the Corporation, are also indirectly shareholders of Western America Capital Inc. ("Western America"). In connection with an agreement dated December 21, 1998, as amended on October 31, 1999, between the Corporation, the Corporation's subsidiary, mBase.com Systems Inc., and Western America, Western America is entitled to receive a royalty fee equal to the greater of 2.5% of gross sales or $100,000 per annum beginning on December 21, 2000.

DILUTION

The effective offering price of $3.15 per Common Share exceeds the net tangible book value per share as at March 31, 2000, by $2.68 (representing a dilution factor of 85%). Dilution is calculated, as set out below, with reference to the net tangible assets of the Corporation as disclosed in the financial statements of the Corporation as at March 31, 2000, after giving effect to the exercise of Special Warrants and after deduction of the estimated costs of this issue, but before giving effect to the issuance of Common Shares reserved for issuance pursuant to the Warrants or any subsequent offering or exercise of Warrants or Options.

Item	Offering
Net Tangible Assets per March 31, 2000 financial statements including net proceeds received from the offering of Special Warrants	$3,537,313(1)
Less additional estimated offering costs	$ (70,000)
Net Tangible Assets after offering of Special Warrants	$3,407,313
Shares outstanding after offering of Special Warrants	7,212,857(2)
Net Tangible Assets per share after exercise of Special Warrants	$0.48
Dilution per share	$2.67
Percentage dilution	85%

(1) Net proceeds from the offering of Special Warrants, as at March 31, 2000, is $3,223,160. This net figure is before deducting additional expenses of this offering and expenses related to the placement of the Special Warrants estimated at $70,000.

(2) This figure does not include 111,036 Common Shares issuable upon exercise of the Agent's Options, 452,000 Common Shares issuable upon exercise of directors', officers and employees' stock options, and 115,000 Common Shares options reserved for issuance pursuant to an investor relation's services agreement between the Corporation and Noble House Investments Inc. See "Structure of Share Capital" and "Stock Options".

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or officer of the Corporation, insider of the Corporation, or any associate or affiliate of any of the foregoing persons, has or had any material interest in any transaction within the last three years or any proposed transaction that has materially affected, or will materially affect, mBase.com or any of its affiliates except as disclosed elsewhere in this document including under "Business of the Corporation - Intercorporate Relationships", "Executive Compensation" and "Stock Options".

On December 21, 1998, and as amended on October 31, 1999, the Corporation and its subsidiary company, mBase.com Systems Inc., entered into an agreement to acquire a Catalog Conversion and Internet Distribution Software (the "Technology") from Western America Capital Inc., formerly Western America Technology Fund Inc. ("Western America"). Mr. Richard Caron and Mr. Don Caron, both directors of the Corporation, are indirectly shareholders of Western America. See "Principal Shareholders".

In accordance with the agreement, as amended, mBase.com Systems Inc. acquired the Technology from Western America for $60,000 in exchange for 60,000 common shares of mBase.com Systems Inc., representing 25% of the issued and outstanding shares and a royalty fee of 2.5% of gross sales or $100,000 per annum, whichever is greater, beginning on December 21, 2000. The Corporation also transferred its existing CD-ROM technology assets to mBase.com Systems Inc. for consideration of $180,000 by way of 180,000 common shares of mBase.com Systems Inc., representing 75% of its issued and outstanding shares.

On December 27, 1999, mBase.com Systems Inc. and the Corporation acquired assets and Internet software technology from Web Painter Communications for $60,000 in exchange for the Corporation issuing 300,000 common shares. Web Painter Communications is a sole proprietorship of Mr. Reg Cheramy, Chief Technology Officer of the Corporation.

The Corporation, mBase.com Systems Inc. and Mr. Reg Cheramy also entered into a Confidentiality Agreement and an Assignment and Invention Agreement pursuant to the December 27, 1999 agreement.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by the Corporation in the two years immediately prior to the date hereof, which can reasonably be regarded as presently material to the Corporation are the following:

1. Technology and Asset Purchase Agreement, dated December 21, 1998, between the Corporation, mBase.com Systems Inc. and Western America Capital Inc. – See “Interests of Management and Others in Material Transactions.”
2. Amending Agreement, dated October 31, 1999 between the Corporation, mBase.com Systems Inc. and Western America Capital Inc. – See “Interests of Management and Others in Material Transactions.”
3. Technology and Asset Purchase Agreement, dated December 29, 1999, between the Corporation, mBase.com Systems Inc., Reg Cheramy and Web Painter Communications. – See “Interests of Management and Others in Material Transactions.”
4. Confidentially Agreement, dated December 29, 1999, between the Corporation, mBase.com Systems Inc. and Reg Cheramy. – See “Interests of Management and Others in Material Transactions.”
5. Assignment and Invention Agreement, dated December 29, 1999, between the Corporation, mBase.com Systems Inc. and Reg Cheramy – See “Interests of Management and Others in Material Transactions.”
6. the Agency Agreement, dated March 21, 2000, referred to under "Plan of Distribution - Details of the Offering"; and
7. the Special Warrant Indenture, dated March 21, 2000, referred to under " Plan of Distribution - Details of the Offering".

Copies of these agreements will be available for inspection at the head office of the Corporation during normal business hours during the course of distribution and for a period of 30 days thereafter.

LEGAL PROCEEDINGS

The Corporation has been served with a statement of claim in the amount of $300,000 and has filed a statement of defence and counter claim in the amount of $1,900,000 related to its past casino development application. Management believes the lawsuit has no merit and has not recorded any losses, as none are anticipated.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are PricewaterhouseCoopers LLP, Chartered Accountants, Edmonton, Alberta.

Montreal Trust Company of Canada, at its principal office in Calgary, Alberta, is the transfer agent and registrar for the Common Shares and is the transfer agent and registrar of the Special Warrants.

PURCHASERS' STATUTORY RIGHTS

Sections 106, 168 and 175 of the *Securities Act* (Alberta) (the "Act") provide, in effect, that when a security is offered in the course of a distribution:

(a) a purchaser will not be bound by a contract for the purchase of such security if written notice of his intention not to be bound is received by the dealer from whom the purchaser purchased the security not later than midnight on the second business day after the latest Prospectus and any amendment to the Prospectus offering such security is received by the purchaser, and

(b) if a Prospectus together with any amendment to the Prospectus contains a misrepresentation, a purchaser who purchases a security offered thereby during the period of distribution shall be deemed to have relied on such misrepresentation and, subject to the limitations set forth in the Act,

(i) has a right of action for damages against:

(A) the issuer or a selling securityholder on whose behalf the distribution is made,

(B) each underwriter required to sign the certificate required by section 91 of the Act,

(C) every director of the issuer at the time the Prospectus or amendment was filed,

(D) every person or company whose consent has been filed pursuant to a requirement of the regulations under the Act, but only with respect to reports, opinions or statements made by them, and

(E) every other person or company who signed the Prospectus or the amendment,

but no action to enforce the right can be commenced by a purchaser more than the earlier of 180 days after the purchaser first had knowledge of the facts giving rise to the cause of action or one year after the date of the transaction that gave rise to the cause of action, or

(ii) where the purchaser purchased the security from a person or company referred to in (A) or (B) above or from another underwriter of the securities, he may elect to exercise a right of rescission against such person, company or underwriter, in which case he shall have no right of action for damages against such person, company or underwriter, but no action to enforce this right can be commenced by a purchaser more than 180 days after the date of the transaction that gave rise to the cause of action.

Reference is made to Act for the complete text of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provision thereof.

CONTRACTUAL RIGHT OF ACTION FOR RESCISSION

In the event that a holder of a Special Warrant, who acquires a Common Share upon the exercise of a Special Warrant as provided for in this prospectus, is or becomes entitled under applicable legislation to the remedy of rescission by reason of this prospectus or any amendment thereto containing a misrepresentation, the holder shall be entitled to rescission not only of the holder's exercise of its Special Warrant but also of the private placement transaction pursuant to which the Special Warrant was initially acquired and shall be entitled, in connection with such rescission, to a full refund of all consideration paid to the Corporation on the acquisition of the Special Warrant. In the event the holder is a permitted assignee of the interest of the original Special Warrant subscriber, that permitted assignee shall be entitled to exercise the rights of rescission and refund described herein as if the permitted assignee was the original subscriber. The foregoing is in addition to any other right or remedy available to a holder of a Special Warrant under Section 168 of the *Securities Act* (Alberta) and similar sections of other applicable securities legislation or otherwise at law.

mBase.com Inc.
(formerly Las Western Entertainment Inc.)

Consolidated Financial Statements
December 31, 1999 and 1998

April 30, 2000
(except for note 11, which is as of , 2000)

Auditors' Report

To the Directors of
mBase.com Inc.

We have audited the consolidated balance sheet of **mBase.com Inc.** as at December 31, 1999 and 1998 and the consolidated statements of operations and deficit and cash flows for the three years ended December 31, 1999, 1998 and 1997. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at December 31, 1999 and 1998 and the results of its operations and its cash flows for the three years ended December 31, 1999, 1998 and 1997 in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

mBase.com Inc.

Consolidated Balance Sheet

As at December 31, 1999 and 1998

	March 31, 2000 $ (Unaudited)	December 31, 1999 $	December 31, 1998 $
Assets			
Current assets			
Cash	1,733,681	3,417	10,872
Funds held in trust (note 11)	1,748,809	-	-
Accounts receivable	11,035	4,228	3,415
Inventory	-	-	4,105
	3,493,525	7,645	18,392
Capital assets (note 3)	278,453	220,144	294,502
	3,771,978	227,789	312,894
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	150,659	133,329	74,592
Advances from affiliated companies (note 4(a))	19,530	19,530	18,025
Current portion of long-term debt (note 5)	17,100	-	-
	187,289	152,859	92,617
Long-term debt (note 5)	33,900	-	-
Minority interest in mBase.com Systems Inc. (note 6)	13,476	35,204	49,926
	234,665	188,063	142,543
Commitment (note 6)			
Shareholders' Equity			
Share capital (note 7)	4,443,702	813,642	753,642
Deficit	(906,389)	(773,916)	(583,291)
	3,537,313	39,726	170,351
	3,771,978	227,789	312,894

Approved by the Board of Directors

"Donald Caron"
Director

"Richard Caron"
Director

mBase.com Inc.

Consolidated Statements of Operations and Deficit

	Three-month period ended March 31, 2000 $ (Unaudited)	Three-month period ended March 31, 1999 $ (Unaudited)	Year ended December 31, 1999 $	1998 $	1997 $
Revenue					
Developments	-	-	30,000	-	-
Cost of sales	-	-	13,730	-	-
	-	-	16,270	-	-
Expenses					
Amortization	14,157	11,656	47,634	37,880	43,714
Equipment rentals	8,671	-	-	-	-
General and administration	15,326	53	3,220	987	2,836
Investor communications	17,802	1,550	4,843	519	-
Professional fees	19,954	7,095	59,953	40,485	57,959
Salaries and benefits	48,961	-	-	-	-
Transfer agent , company and listing fees	5,967	943	5,279	7,649	7,437
Travel and seminars	25,237	-	3,122	2,117	1,682
	156,075	21,297	124,051	89,637	113,628
Loss before the undernoted	(156,075)	(21,297)	(107,781)	(89,637)	(113,628)
Other income (expenses)					
Interest	1,874	-	-	2,262	49
Deferred development costs written off	-	-	(93,461)	-	-
Inventory written off	-	-	(4,105)	-	-
Minority interest in mBase.com Systems Inc.	21,728	2,914	14,722	10,074	-
	23,602	2,914	(82,844)	12,336	49
Net loss for the period	(132,473)	(18,383)	(190,625)	(77,301)	(113,579)
Deficit – Beginning of period	(773,916)	(583,291)	(583,291)	(505,990)	(392,411)
Deficit – End of period	(906,389)	(601,674)	(773,916)	(583,291)	(505,990)
Basic loss per share	(0.024)	(0.005)	(0.050)	(0.020)	(0.040)
Weighted average number of shares outstanding	5,559,498	3,912,502	3,912,502	3,892,297	2,839,475

mBase.com Inc.

Consolidated Statements of Cash Flows

	Three-month period ended March 31, 2000 $ (Unaudited)	Three-month period ended March 31, 1999 $ (Unaudited)	Year ended December 31, 1999 $	1998 $	1997 $
Cash provided by (used in)					
Operating activities					
Net loss for the period	(132,473)	(18,383)	(190,625)	(77,301)	(113,579)
Items not affecting cash					
Amortization	14,157	-	47,634	37,880	43,714
Deferred development costs written off	-	-	93,461	-	-
Inventory written off	-	-	4,105	-	-
	(118,316)	(18,383)	(45,425)	(39,421)	(69,865)
Net change in non-cash working capital items	10,523	14,658	57,924	(7,779)	31,267
	(107,793)	(3,725)	12,499	(47,200)	(38,598)
Investing activities					
Acquisition of capital assets	(72,466)	-	(6,737)	(78,589)	(80,500)
Financing activities					
Repayment of bank indebtedness	-	-	-	-	(3,392)
Advances from (to) affiliated companies	-	-	1,505	(286,975)	294,950
Financial reorganization costs	-	-	-	-	(125,000)
Issuance of common shares	406,900	-	-	3,750	322,500
Issuance of special warrants – net	3,223,160	-	-	-	-
Minority interest in mBase.com Systems Inc.	(21,728)	(2,914)	(14,722)	49,926	-
Proceeds from long-term debt	51,000	-	-	-	-
	3,659,332	(2,914)	(13,217)	(233,299)	489,058
Increase (decrease) in cash	3,479,073	(6,639)	(7,455)	(359,088)	369,960
Cash – Beginning of period	3,417	10,872	10,872	369,960	-
Cash and Funds Held in Trust – End of period	3,482,490	4,233	3,417	10,872	369,960

1 Business operations

mBase.com Inc. (the Company) was incorporated under the Business Corporation Act (Alberta) as 590079 Alberta Ltd. on December 31, 1993 and amended its articles of incorporation to change its name to Virtual Dynamics Corp. on February 2, 1994. The company then obtained its listing on the Alberta Stock Exchange on August 15, 1994 as a Junior Capital Pool Company (as defined in the Alberta Securities Commission Policy 4.11). The Company completed its major transaction on January 4, 1996 and was listed on the main board of the Alberta Stock Exchange on February 27, 1996. On October 28, 1997, the Company changed its name to Las Western Entertainment Inc. and on October 26, 1999, subsequently changed its name to mBase.com Inc.

mBase.com Inc. is a business to business software Company, which has designed an innovative software technology that integrates traditional print marketing products with the world of internet e-commerce.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with accounting principles generally accepted in Canada. Because the precise determination of many assets, liabilities, revenues and expenses are dependent on future events, the preparation of financial statements for a period necessarily includes the use of estimates and approximations which have been made using careful judgement. Actual results could differ from those estimates. These financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

a) Basis of consolidation

These consolidated financial statements include the accounts of the Company and its 75% owned subsidiary Company, mBase.com Systems Inc. (formerly eCom Systems Inc.).

b) Inventory

Inventory is recorded at the lower of actual cost (specific item basis) and net realizable value.

c) Capital assets

Capital assets are recorded at cost. Amortization is provided annually using the following rates and methods:

Computer hardware	30% declining balance basis
Software development costs	30% declining balance basis
Office equipment	20% declining balance basis
Office furniture	20% declining balance basis
CD ROMS	20% declining balance basis
Deferred development costs	Straight-line over 5 years

d) Loss per share

Loss per share is calculated based on the weighted average number of shares outstanding during the year. Fully diluted loss per share has not been presented as the conversion of options and warrants is anti-dilutive.

e) Revenue recognition

Revenue from development fees is recorded on the percentage of completion method. The percentage of completion is determined by relating the actual cost of work performed to date to the current estimated total cost of the respective contracts. When the estimated total costs are in excess of the related revenue, the loss is recognized immediately in the financial statements.

3 Capital assets

			March 31, 2000 (Unaudited)
	Cost $	Accumulated amortization $	Net $
Computer hardware	67,557	9,504	58,053
Software development costs	118,794	22,385	96,409
Office equipment	5,394	327	5,067
Office furniture	15,533	484	15,049
CD ROMS	170,845	66,971	103,874
Deferred development costs	1	-	1
	378,124	99,671	278,453

			December 31, 1999
	Cost $	Accumulated amortization $	Net $
Computer hardware	16,213	6,734	9,479
Software development costs	118,094	17,057	101,037
Office equipment	245	125	120
Office furniture	260	94	166
CD ROMS	170,845	61,504	109,341
Deferred development costs	1	-	1
	305,658	85,514	220,144

	December 31, 1998		
	Cost **$**	**Accumulated amortization** **$**	**Net** **$**
Computer hardware	11,950	3,585	8,365
Software development costs	55,620	-	55,620
Office equipment	245	74	171
Office furniture	260	52	208
CD ROMS	170,845	34,169	136,676
Deferred development costs	93,462	-	93,462
	332,382	37,880	294,502

In prior years, the Company had invested $93,462 to develop a casino facility and for a casino gaming license application in Alberta. These costs have been written down to $1 for financial statement purposes since the Company is not proceeding with the project at the current time.

4 Related party transactions

a) Advances from affiliated companies, over which a director has significant influence, are non-interest bearing and due on demand.

b) During the year, the Company incurred expenses in the normal course of operations with an affiliated Company over which a director has significant influence. These transactions are recorded at the exchange amount.

	March 31, 2000 $ quarter (unandited)	**March 31, 1999 $ quarter (unaudited)**	**1999 $**	**1998 $**	**1997 $**
Professional and advisory fees	11,250	4,500	36,000	27,000	25,250
Office rent	5,250	1,500	15,000	9,000	6,750
	16,500	6,000	51,000	36,000	32,000

5 Long-term debt

	March 31, 2000 $ (Unaudited)
Amount due to HSBC Bank of Canada, bearing interest at prime plus 1.25%, repayable in monthly instalment of $1,425 plus interest, collateralized by specific capital assets with a net book value of $51,646	51,000
Less: Current portion	17,100
	33,900

6 Investment in mBase.com Systems Inc. (formerly eCom Systems Inc.)

On December 21, 1998, the Company acquired 75% of the issued share capital of mBase.com Systems Inc. in exchange for assets valued at $180,000. The assets transferred by the Company consisted primarily of computer and office equipment and software with a fair value of $175,895 and inventory in the amount of $4,105. No gain or loss was realized on this transaction. This acquisition was accounted for by the purchase method, whereby the 25% minority interest has been presented as a liability in the financial statements.

On the same date, an affiliated company, over which two directors of the Company are indirectly shareholders, acquired the other 25% of mBase.com Systems Inc. in exchange for technology valued at $60,000 and a commitment to pay a royalty fee of 2.5% of gross sales or $100,000 per annum, whichever is greater, beginning on December 21, 2000.

7 Share capital

Authorized
Unlimited number of common shares without nominal or par value
Unlimited number of Class B shares which may be issued in one or more series
Unlimited number of Class C shares which may be issued in one or more series

Issued

	Common shares		Special warrants		Total	
	#	$	#	$	#	$
Balance – December 31, 1997	3,887,502	749,892	-	-	3,887,502	749,892
Stock options exercised	25,000	3,750			25,000	3,750
Balance – December 31, 1998	3,912,502	753,642	-	-	3,912,502	753,642
Shares issued on acquisition of assets	300,000	60,000			300,000	60,000
Balance – December 31, 1999	4,212,502	813,642	-	-	4,212,502	813,642
Warrants exercised	1,650,000	364,900	-	-	1,650,000	364,900
Stock options exercised	240,000	42,000	-	-	240,000	42,000
Special warrants issued (note 11)	-	-	1,110,335	3,223,160	1,110,355	3,223,160
Balance – March 31, 1999 (unaudited)	6,102,502	1,220,542	1,110,335	3,223,160	7,212,857	4,443,702

On December 29, 1999, the Company acquired internet software technology and other assets for $60,000. The purchase price was paid by issuing 300,000 common shares subject to obtaining regulatory approval. Regulatory approval was obtained on April 4, 2000.

Stock options

On July 3, 1997 the Company established a stock option plan for its directors, officers and employees as follows:

	#	Weighted average $
Balance – December 31, 1997	100,000	0.17
Cancelled	(100,000)	0.17
Granted	265,000	0.17
Exercised	(25,000)	0.15
Balance – December 31, 1998	240,000	0.18
Granted	350,000	0.17
Balance – December 31, 1999	590,000	0.17
Granted	102,000	3.33
Exercised	(240,000)	0.18
Balance – March 31, 2000 (unaudited)	452,000	0.88

	Number of options #	Price of share $
Expiry date		
December 23, 2002	200,000	0.15
August 1, 2004	150,000	0.20
February 25, 2005	82,000	3.48
April 18, 2005	20,000	2.71

8 Contingent liability

The Company has been served with a statement of claim in the amount of $300,000 and has filed a statement of defence and counter claim in the amount of $1,900,000 related to its casino development application. Management believes the lawsuit has no merit and has not recorded any losses, as none are anticipated.

9 Financial instruments

Financial instruments consist of accounts receivable which will result in future cash receipts as well as accounts payable and accrued liabilities and advances from affiliated companies which will result in future cash outlays.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from financial instruments.

Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Accounts receivable, accounts payable and accrued liabilities, advances from affiliated companies

The fair value of accounts receivable, accounts payable and advances from affiliated companies approximate their carrying values due to the short-terms to maturities.

10 Income taxes

The provision for income taxes differs from the amount computed by applying the federal statutory income tax rates to the Company's loss for the years ended December 31, 1999 and 1998 as follows:

	March 31, 2000 $ quarter (Unaudited)	March 31, 1999 $ quarter (Unaudited)	1999 $	1998 $	1997 $
Net loss for the year	132,473	18,383	190,625	77,301	113,579
Income tax recovery at the statutory rate	(59,109)	(8,203)	(85,057)	(34,492)	(50,679)
Benefit of temporary differences not recognized for accounting	59,109	8,203	85,057	34,492	50,679
Total provision for income taxes	-	-	-	-	-

As of December 31, 1999, the Company has not recognized the benefit of non-capital losses and other temporary differences in the amount of $776,300. If not utilized, the non-capital losses will expire as follows:

	$
2001	29,600
2002	93,600
2003	79,400
2004	103,400
2005	190,800
2006	255,400
	752,200

11 Subsequent event

On March 21, 2000, the company entered into an agency agreement, resulting in the issue of 1,110,355 special warrants at a price of $3.15 per special warrant for proceeds of $3,252,785 net of agents commissions of $244,833. Each special warrant is exchangeable for one common share of the company at no additional cost. In addition, the agent has been granted Agent's Options that are exercisable to acquire 111,036 common shares of the corporation at a price of $3.15 per common share until September 21, 2001. Fifty percent of the gross proceeds from the special warrants are held in trust by the Montreal Trust Company of Canada and are releasable pursuant to the terms and conditions of the special warrant indenture.

A prospectus dated , 2000 was filed with the certain regulatory authorities to qualify the common shares to be issued on the exercise of the special warrants for public distribution.

CERTIFICATE OF THE CORPORATION

July 5, 2000

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta), and the respective regulations thereunder.

(signed) "Donald Caron"
Donald Caron,
Chief Executive Officer and Chief Financial Officer

On Behalf of the Directors:

(signed) "Richard Caron"
Richard Caron,
Director

(signed) "Dwayne Kushniruk"
Dwayne Kushniruk,
Director

CERTIFICATE OF AGENT

July 5, 2000

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta) and the respective regulations thereunder.

Emerging Equities Inc. .

By: (signed) "James B. Hartwell"

The following includes the name of every person or company having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Emerging Equities Inc.: James B. Hartwell and Darren J. Delcourt.