

This is the form of material change report required under Section 85(1) of the Securities Act.

FORM 27

SECURITIES ACT

**MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT**

1. Reporting Issuer

Info Touch Technologies Corp.  
4660 Dawson Street  
Burnaby, BC  
V5C 4C3

2. Date of Material Change

July 4, 2000

3. Press Release

July 4, 2000

4. Summary of Material Change

The Company is pleased to announce Quarter 3 results.

5. Full Description of Material Change

See attached news release.

6. Reliance on Section 85(2) of the Act

N/A

7. Omitted Information

N/A

8. Senior Officers

Contact Person: Hamed Shahbazi  
Business Telephone: 298-4636

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Burnaby, B.C. this 5th day of July, 2000.

**INFO TOUCH TECHNOLOGIES CORP.**

Per: "Hamed Shahbazi"  
Hamed Shahbazi, Director & Chief Executive Officer  
(Name & Title of Signatory)

NEWS RELEASE

NEWS RELEASE

**INFO TOUCH  
ANNOUNCES 133% YTD REVENUE GROWTH IN  
QUARTER 3 1999-2000 VERSUS QUARTER 3 1998-1999**

BURNABY, BC, July 4, 2000. **Hamed Shahbazi, Chairman and CEO of Info Touch Technologies** [www.infotouch.net](http://www.infotouch.net) (CDNX: IFT) announces Quarter 3 results. Three Months and Nine Months Ended April 30, 2000 Compared With Three Months and Nine Months Ended April 30, 1999. Revenues increased by \$292,866 or 56% to \$813,181 for the three months ended January 31, 2000 from \$520,315 for the three months ended January 31, 1999. Revenues increased by \$1,753,232 or 133% to \$3,070,792 for the nine months ended April 30, 2000 from \$1,317,560 for the nine months ended April 30, 1999. This increase in revenue was due to the aggressive marketing program and developed business relations with larger multi-location clients such as MDS Laboratories, Street Connections, Chapters, and Circle Network. Software revenues have also increased due to the market's recognition of the robustness and value of the Company's proprietary Surfnet software. In addition, the Company has continued to develop its kiosk management and logistic services to enhance its recurring revenue streams.

In an effort to decrease the company's dependence on one-time margin garnered from the sale of its products, the Company has initiated a paradigm shift strongly focusing on recurring revenue streams.

A critical component of this new paradigm is the transitioning of larger multi-location clients from an outright sale of product to co-capitalization agreements that involve revenue sharing based on usage, advertising and affiliations. Management expected that such a transition would adversely affect revenues over the short-term. The impact of this "business model" transition is expected to lessen in the fourth quarter and is expected to improve the Company's cashflow as well as its overall net revenues. In an effort to effectively provision for the logistical requirements of becoming an "owner-operator" of leading edge public access technology, the Company has enhanced its reporting, diagnostics, management and logistics infrastructure.

The Company is currently in the midst of delivering and installing kiosks and terminals to 60 Chapters locations across Canada. The contract with Chapters involves kiosks and peripheral sales, as well as provisions for kiosk management services and a 25% share of kiosk pay-per-use revenues. Revenues generated from this contract are not included in this quarter but will be presented in the fourth quarter.

Direct costs consisting of direct wages and cost of goods and services, increased by \$491,073 or 241% to \$694,374 for the three months ended April 30, 2000 from \$203,301 for the three months ended April 30, 1999. For the nine months ended April 30, 2000, direct costs increased by \$1,545,487 or 201% from \$767,242 for the nine months ended April 30, 1999. This was due to the increase in sales for the period.

For the nine months ended April 30, 2000 net revenues increased by \$207,744 or 38% to \$758,062 from \$550,318 for the nine months ended April 30, 1999.

Net revenues decreased by \$198,208 or 62% to \$118,806 for the three months ended April 30, 2000 from \$317,014 for the three months ended April 30, 1999. The decrease in net revenues was due to lower margins from kiosk sales as the Company develops its business relationship with its larger multi-location clients and from its kiosk management and logistic services. As the Company continues to develop its kiosk management and logistic services, it expects lower margins until processes are streamlined and stabilized.

**Net revenues are affected due to delays in the release of the Company's newest software version, Surfnet Premier. Although a limited release of Surfnet Premier was made in April, certain clients have deferred product deployment until the final version is officially released in the following quarter.**

Other operating and administrative expenses increased by \$459,617 or 144% to \$777,794 for the three months ended April 30, 2000 from \$318,177 for the three months ended April 30, 1999. For the nine months ended April 30, 2000 other operating and administrative expenses increased by \$957,686 or 115% to \$1,788,170 from \$830,484 for the nine months ended April 30, 1999. The increase in operating and administrative expenses has been due to increased advertising and promotional costs, as well as providing the infrastructure to accommodate the Company's growth plans. In order for the company to attain its objectives, Infotouch has increased its head count from 23 employees as of April 30, 1999 to 53 employees as of April 30, 2000, with the addition of management, technology, marketing, and administrative staff. Infotouch, in this quarter, hired its Chief Operating Officer, additional Software/Hardware Specialists for product development, and is augmenting its Customer Service Department to provide quality support for its clients. Severance payments were also paid out to Management that left the company in this quarter. In addition, the Company recognized the need for provisioning for bad debts and warranty expenses and has maintained a standard provisional amount based on its sales for bad debts, and a per unit cost for warranty expenses.

**INFO TOUCH TECHNOLOGIES CORP.**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited – Prepared by Management)

**APRIL 30, 2000**

**INFO TOUCH TECHNOLOGIES CORP.**

**CONSOLIDATED BALANCE SHEETS**

(Unaudited – Prepared by Management)

AS AT APRIL 30

	2000	1999
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 1,689,493	\$ 762
Accounts receivable	721,943	215,888
Prepaid expenses and deposits	20,831	-
Inventory	<u>473,136</u>	<u>41,570</u>
	2,905,403	258,220
<b>Capital assets</b>	<u>199,142</u>	<u>57,126</u>
	\$ 3,104,545	\$ 315,346

**LIABILITIES AND SHAREHOLDERS'  
EQUITY**

**Current**

Accounts payable and accrued liabilities	\$ 496,427	\$ 577,058
Current portion of obligation under capital lease	19,238	10,403
Deposits	<u>222,708</u>	<u>114,444</u>
	738,373	701,905

<b>Obligation under capital lease</b>	<u>5,619</u>	<u>21,165</u>
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	<u>743,992</u>	<u>723,070</u>
<b>Shareholders' equity</b>		
Capital stock	4,323,518	280,002
Deficit	<u>(1,962,965)</u>	<u>(687,726)</u>
	<u>2,360,553</u>	<u>(407,724)</u>
	\$ 3,104,545	\$ 315,346

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**On behalf of the Board:**

\_\_\_\_\_ Director \_\_\_\_\_ Director

**INFO TOUCH TECHNOLOGIES CORP.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS AND DEFICIT**  
(Unaudited – Prepared by Management)  
**NINE MONTH PERIOD ENDED APRIL 30**

	2000	1999
<b>REVENUE</b>		
Kiosk systems	\$ 2,639,607	\$ 1,074,996
Software	153,279	115,830
Other	<u>277,905</u>	<u>126,734</u>
	3,070,791	1,317,560
<b>DIRECT COSTS</b>		
	<u>2,312,729</u>	<u>767,242</u>
	<u>758,062</u>	<u>550,318</u>
<b>EXPENSES</b>		
Advertising	104,993	90,275
Amortization	29,469	12,806
Automobile	12,347	6,552
Bad debts	52,422	11,241
Bank charges and interest	26,593	40,653
Commissions	-	51,789
Insurance	13,093	1,410
Office and miscellaneous	85,569	21,938
Product warranty	105,384	-
Professional fees	36,552	49,534
Rent	123,986	44,887
Repairs and maintenance	16,024	2,071
Telephone	51,303	44,833
Travel and promotion	83,238	41,049
Utilities	3,650	5,404
Wages and benefits	<u>1,043,547</u>	<u>406,042</u>
	<u>1,788,170</u>	<u>830,484</u>
<b>Income (Loss) for the period</b>	(1,030,108)	(280,166)
<b>Deficit, beginning of period</b>	<u>932,857</u>	<u>407,560</u>
<b>Deficit, end of period</b>	<u>\$ 1,962,965</u>	<u>\$ 687,726</u>

<b>Loss per share</b>	\$ (0.14)	\$ (0.06)
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**INFO TOUCH TECHNOLOGIES CORP.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Unaudited – Prepared by Management)  
**NINE MONTH PERIOD ENDED APRIL 30**

	2000	1999
<b>CASH PROVIDED BY (USED IN):</b>		
<b>OPERATING ACTIVITIES</b>		
Income (Loss) for the period	\$ (1,030,108)	\$ (280,166)
Items not affecting cash		
Amortization	29,469	12,806
Changes in non-cash working capital items:		
Increase in accounts receivable	(239,967)	(61,258)
Increase in prepaid expenses and deposits	(8,275)	2,114
Increase in inventory	(199,265)	(33,070)
Increase in accounts payable and accrued liabilities	(25,916)	275,732
Increase in deposits	<u>(72,221)</u>	<u>114,444</u>
Net cash used in operating activities	<u>(1,546,283)</u>	<u>30,602</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(117,493)	(1,884)
Net cash used in investing activities	<u>(117,493)</u>	<u>(1,884)</u>
<b>FINANCING ACTIVITIES</b>		
Capital stock issued	3,240,510	-
Capital lease	<u>(3,715)</u>	<u>(7,110)</u>
Net cash provided by financing activities	<u>3,236,795</u>	<u>(7,110)</u>

<b>Change in cash position for the period</b>	1,573,019	21,608
<b>Cash position, beginning of period</b>	<u>116,474</u>	<u>(20,846)</u>
<b><u>Cash position, end of period</u></b>	<u>\$ 1,689,493</u>	<u>\$ 762</u>

**Info Touch** is *the clicks n' mortar provider*, bringing the Internet to public domain in a secure environment. The Company has developed the world's premier kiosk security and management software package, **Surfnet™**. Info Touch partners with, and provisions Fortune 1000 companies with Public Internet/Intranet access through IFT designed middleware and clicks n' mortar solutions, including **Intertech Group Limited**, a Hong Kong based holding company, formed to identify, fund and grow leading Internet related solution providers. Interactive's focus is to provide public Internet access through Internet kiosk terminals. The company's core competency is leveraging from a depth of international and operational experience of the IGL founders, executives, and board members.

As "dot coms" and brick-based companies business models gyrate toward the Internet/Intranet, **Info Touch Technologies** becomes the sought-after **clicks n' mortar Convergence Company**.

On behalf of the Board of Directors,

"Hamed Shahbazi"  
Hamed Shahbazi,  
Chairman and CEO

For more information please contact:

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**The Canadian Venture Exchange has not reviewed this news release and does not accept responsibility for its adequacy and accuracy.**