No securities commission or similar authority in Canada or in the United States of America has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence.

This document is important and requires your immediate attention. You are advised to consult your investment dealer, stockbroker, bank manager, lawyer or other professional adviser if you have any questions regarding this Offer.

Yes I.C. Technologies Inc. ("YTechnologies")

Offer to Purchase

All of the Issued and Outstanding Securities

of

Yes I.C. Smart Cards Inc. ("YCards")

on the basis of

One YTechnologies Common Share for each One YCards Common Share Tendered

Unless extended or withdrawn, the Offer will be open for acceptance until 1:00 p.m. (Calgary Time) on October 12, 2000.

The Offer is conditional upon, among other things, there being validly deposited under the Offer and not withdrawn 67% of the YCards Shares. The conditions of the Offer are fully described under Section 5 of the Offer, "Conditions".

The Offer is being made to Holders of YCards Shares who hold YCards Shares as at the Termination Date on October 12, 2000, even if YCards Shares were not issued at the commencement of the Offer Period on September 20, 2000.

Holders of YCards Shares wishing to accept the Offer must complete and execute the accompanying Letter of Acceptance and Transmittal or a facsimile thereof and forward it, together with the certificate or certificates representing YCards Shares and all other documents required by the Offer and Letter of Acceptance and Transmittal to the Depositary, all in accordance with the instructions in the Letter of Acceptance and Transmittal. Any certificates representing YCards Shares in the possession of YTechnologies or YCards will be deemed to be delivered upon the delivery of an acceptable Letter of Acceptance and Transmittal.

Persons whose YCards Shares are registered in the name of a nominee should contact their broker, investment dealer, bank, trust company or other nominee for assistance in depositing their YCards Shares.

Additional copies of this document, the Circular and the accompanying Letter of Acceptance and Transmittal, may be obtained upon request without charge from the Depositary at its office shown below.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer of solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of Holders of YCards Shares in any jurisdiction in which the making or acceptance thereof would not be in compliance with the laws of such jurisdiction. However, YTechnologies may, in it sole discretion, take such action it may deem necessary to extend the Offer to Holders of YCards Shares in any such jurisdiction.

The Depositary for the Offer is:

Yes I.C. Technologies Inc.
Suite 2600, 605 - 5th Avenue S.W., Calgary, Alberta, T2P 3H5
Attention: David M. Antony
Telephone Number: (403) 517-3300
Facsimile Number: (403) 517-3301

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GLOSSARY

In the Offer, Circular and Letter of Acceptance and Transmittal, the following terms shall have the following meanings:

"ABCA" means the *Business Corporations Act* (Alberta);

"Approval Date" means the date of the meeting of the shareholders of YTechnologies at which the acquisition of the YCards Shares is approved by the YTechnologies Shareholders;

"Business Day" means any day, other than Sunday, Saturday or a statutory holiday in the Province of Alberta;

"Circular" means the accompanying Take Over Bid Circular, dated September 20, 2000 which forms part of the Offer;

"Depositary" means Yes I.C. Technologies Inc.;

"Effective Date" means September 1, 2000;

"Eligible Institution" means a Canadian chartered bank, a trust company in Canada or a member firm of a recognized stock exchange in Canada;

"Exchange" means the Canadian Venture Exchange Inc.;

"Holder(s)" or "YCards Shareholders" means the registered holders of YCards Shares as indicated in the records of YCards as at October 12, 2000;

"Letter of Acceptance and Transmittal" means the Letter of Acceptance and Transmittal prepared by YTechnologies for use in connection with the Offer in the form enclosed herewith;

"Letter of Intent" means the agreement, as amended, dated April 20, 2000 between YTechnologies and YCards;

"Lock-Up Agreement" means the agreement, as amended, dated April 20, 2000 between YTechnologies and the YCards Lock-Up Shareholders;

"Offer Period" means the period commencing September 20, 2000 and ending on the Termination Date;

"Offer" means the offer by YTechnologies to purchase all of the issued and outstanding YCards Shares, the terms and conditions of which are set forth in this Offer to Purchase, the Circular and the Letter of Acceptance and Transmittal;

"Offer Date" means September 20, 2000;

"Policies" means the policies of the Exchange;

"Proposed Acquisition" or *"Qualifying Transaction"* means the proposed acquisition by YTechnologies of up to all of the issued and outstanding YCards Shares pursuant to the terms of the Offer;

"Subsequent Acquisition Transaction" means any transaction, or series of transactions, whereby YCards Shares that are not tendered under the Offer are acquired by YTechnologies;

"Termination Date" means October 12, 2000 unless the Offer is extended pursuant to Section 4 of the Offer, "Extension and Amendment of the Offer", in which case the Termination Date shall mean the latest date on which the Offer as so extended;

"Termination Time" means 1:00 p.m. (Calgary Time) on the Termination Date;

"YCards" means Yes I.C. Smart Cards Inc., a company incorporated pursuant to the ABCA;

"YCards Shares" means collectively all of the issued and outstanding common shares in the capital of YCards;

"YCards Lock-Up Shareholders" means the individuals who have entered into the Lock-Up Agreement and have indicated their intent to tender their YCards Shares. These individuals include: Harold M. Walker, David M. Antony, James B. Lout, Steve N. Christakis, Evelyn Main and Peter C. Wallis;

"YTechnologies" or "Offeror" or "Corporation" means Yes I.C. Technologies Inc., a corporation incorporated pursuant to ABCA;

"YTechnologies Common Shares" or "Common Shares" means common shares in the capital of YTechnologies; and

"YTechnologies Shareholders" means all registered shareholders of YTechnologies.

SUMMARY

The following is a summary only of the attached Offer and Circular (including the Exhibits hereto), and the Letter of Acceptance and Transmittal and is qualified in its entirety by the detailed provisions contained in those documents.

The Offer

The Offer is made by YTechnologies for all issued and outstanding (up to the Termination Date) common shares of YCards, (collectively the "YCards Shares"), as currently disclosed to YTechnologies. **The Offer is open for acceptance until, but not later than, the Termination Time unless withdrawn or extended by YTechnologies, and any YCards Shares deposited pursuant to the Offer may be withdrawn until taken up and paid for.**

The obligation of YTechnologies to take up and pay for YCards Shares pursuant to the Offer is subject to certain conditions. See Section 5 of the Offer, "Conditions".

The closing price of the YTechnologies Common Shares on the Exchange on September 1, 2000, was $1.15 share. Holders should obtain current price quotations for the YTechnologies Common Shares.

Basis of the Offer

The basis of the Offer consists of one YTechnologies Common Share for each 1 YCards Share deposited under the Offer, at a deemed price of $0.20 (Canadian) per share.

Yes I.C. Technologies Inc.

YTechnologies is an Alberta corporation incorporated on November 26, 1999, the Common Shares of which are listed and posted for trading on the Exchange. See "Information Concerning YTechnologies" in the Circular.

Yes I.C. Smart Cards Inc.

YCards is an Alberta corporation incorporated on September 22, 1999. YCards presently carries out operations in Calgary and Edmonton, Alberta. See Exhibit I, "Information Regarding YCards"

Purpose and Reasons for the Offer and Plans for YCards

The purpose of the Offer is to enable YTechnologies to acquire all of the issued and outstanding YCards Shares. If the takeover bid is successful, it is expected that YCards will continue to carry on business as a subsidiary of YTechnologies. Completion of the takeover bid will give YCards access to the public markets which is expected to advance YCards' growth objectives. See "Purpose of the Offer, Reasons for the Offer and Plans for YCards' in the Circular and "Information Regarding YCards" in Exhibit I.

Letter of Intent and Lock-Up Agreement

YTechnologies and YCards have entered into a Letter of Intent relating to the Offer. In addition, the YCards Lock-Up Shareholders have entered into the Lock-Up Agreement with YTechnologies. See "Commitments to Acquire Securities", "Arrangement, Agreements and Understandings" and "Letter of Intent and Lock-Up Agreement" in the Circular.

Time for Acceptance

The Offer is open for acceptance until, but not later than, the Termination Time unless extended or withdrawn by YTechnologies. See Section 7 of the Offer "Payment for Deposited YCards Shares" and Section 6 of the Offer, "Right to Withdraw".

Manner of Acceptance

YTechnologies reserves the right to withdraw the Offer and not take up and pay for any YCards Shares deposited under the Offer unless the conditions described in Section 5 of the Offer, "Conditions of the Offer", are satisfied or waived by YTechnologies.

Conditions of the Offer

YTechnologies reserves the right to withdraw the Offer and not to take up and pay for any YCards Shares deposited under the Offer unless all of the following conditions are satisfied or waived prior to the Termination Time:

(a) the depositing of 67% of the YCards Shares on a fully diluted basis, under the Offer;

(b) the receipt of YTechnologies Shareholder approval for the Proposed Acquisition. The Proposed Acquisition must be approved by holders of a simple majority of non-related YTechnologies Common Shares voted at the meeting held by YTechnologies Shareholders;

(c) the receipt of the required approvals of governmental or regulatory authorities having jurisdiction, and in particular, the approval from the Exchange of the Proposed Acquisition;

(d) there being no material adverse change in the financial position or affairs of YCards between March 31, 2000 to the completion of the Proposed Acquisition;

(e) there being no legal proceedings or regulatory actions or proceedings against YCards, other than as previously disclosed to YTechnologies;

(f) there being no prohibition at law against making the Offer or completing the Proposed Acquisition;

(g) all of the representations and warranties contained in the Lock-Up Agreement being materially true and correct in all material respects as at the date of the Lock-Up Agreement and as at the Termination Date; and

(h) the YCards Lock-Up Shareholders having complied with all terms and conditions required of each of them pursuant to the terms of the Lock-Up Agreement.

For a complete description of the conditions to the Offer, see Section 5 of the Offer, “Conditions of the Offer”.

Right to Withdraw

YCards Shares deposited pursuant to the Offer may be withdrawn until taken up and paid for by YTechnologies only in accordance with Section 6 of the Offer, “Right to Withdraw”.

Payment

If all of the conditions referred to in Section 5 of the Offer, “Conditions of the Offer”, are satisfied or waived, YTechnologies will be obligated to take up all YCards Shares validly deposited and not withdrawn pursuant to the Offer not later than 10 days after the Termination Time and to pay for the YCards Shares taken up as soon as possible but, in any event, not later than three days after taking up the YCards Shares, provided that the YCards Shares will not be taken up or paid for prior to 1:00 p.m. (Calgary Time) on October 12, 2000. See Section 7 of the Offer, “Payment for Deposited YCards Shares”.

Risk Factors

In considering the Offer, Holders should carefully consider the risk factors described under the heading “Risk Factors” in Exhibit I, in addition to any other information contained in this Offer and the Circular.

Acquisition of YCards Shares Not Deposited Under the Offer

In the event that less than 100%, but more than 90% of the YCards Shares are tendered pursuant the Offer, YTechnologies may seek to acquire, directly or indirectly, all of the YCards Shares not deposited under the Offer by a Subsequent Acquisition Transaction. If required, YTechnologies will cause the YCards Shares acquired under Offer to be voted in favour of such a transaction, or such series of transactions.

Holders Not Resident in Canada

The YTechnologies Common Shares issuable pursuant to the Offer are not registered under the laws of any jurisdiction outside of Canada, and in particular, are not registered under the applicable securities laws of the United States of America. Accordingly, no YTechnologies Common Shares will be delivered to any person who is, or who appears to YTechnologies to be a resident of any jurisdiction other than Alberta, unless YTechnologies is satisfied that the YTechnologies Common Shares may be lawfully delivered in such other jurisdiction without further action by YTechnologies. **Such YTechnologies Common Shares, if tendered, will be delivered to the Depositary for sale by the Depositary on behalf of citizens and residents of such other foreign jurisdictions or provinces. Such persons will receive their *pro rata* share of the cash proceeds from the sale of such YTechnologies Common Shares. See Section 11 of the Offer, “Holders Not Resident in Canada”.**

Stock Exchange Listings and Market Price of YTechnologies Common Shares

The YTechnologies Common Shares are listed for trading on the Exchange. As at the Effective Date, the Exchange has not conditionally approved the listing of the YTechnologies Common Shares issuable pursuant to the Offer. The Exchange's conditional approval of the listing of the YTechnologies Common Shares issuable pursuant to the Offer is a condition to the Offer.

Depositary

YTechnologies will act as the Depositary in respect of YCards Shares and Letter of Acceptance and Transmittal deposited under the Offer. See "Depositary" in the Circular.

No brokerage fees or commission will be payable by any Holder who deposits YCards Shares directly with the Depositary to accept the Offer. Holders should contact the Depositary or a broker or dealer for assistance in accepting the Offer and in depositing YCards Shares with the Depositary. See "Depositary" in the Circular.

Canadian Federal Income Tax Considerations

Holders of YCards Shares who dispose of YCards Shares pursuant to this Offer may incur certain Canadian federal income tax consequences as a result of the Offer. **Holders of YCards Shares therefore should consult their own income tax advisors to determine the income tax consequences applicable to them should they accept the Offer.**

OFFER TO PURCHASE

This Offer is made to all Holders of YCards Shares.

1. The Offer

YTechnologies hereby offers to purchase, upon the terms and subject to the conditions set forth in the Offer, all of the YCards Shares issued and outstanding at the Termination Date. YTechnologies has been advised by YCards that there are no outstanding convertible securities or other rights which require the issuance of shares outstanding. The basis of the Offer consists of 1 YTechnologies Common Share for each 1 YCards Share deposited under the Offer, at a deemed price of $0.20 per share.

There are currently 8,105,217 YCards Shares issued and outstanding and it is not anticipated that any further YCards Shares will be issued prior to the Termination Date.

The exchange ratios were negotiated on a non-arm's length basis.

A more detailed description of the YTechnologies Common Shares is provided under "Information Concerning YTechnologies - Description of Share Capital" in the Circular.

The Offer is subject to certain conditions as detailed under Section 5 of the Offer, "Conditions of the Offer". If such conditions are met, or waived by YTechnologies, YTechnologies will take up and pay for the YCards Shares duly deposited and not withdrawn under the Offer in accordance with the terms hereof. All of the terms and conditions of the Offer may be waived or modified (subject to applicable law) by YTechnologies without prejudice to any other right which YTechnologies may have by notice in writing delivered to the Depositary at its office in Calgary, Alberta.

The YTechnologies Common Shares issuable pursuant to the Offer are not registered under the laws of any jurisdiction outside of Canada and, in particular, are not registered under the applicable securities laws of the United States of America. Accordingly, no YTechnologies Common Shares will be delivered to any person who is a resident or citizen of the United States or any territory or possession thereof or to any person who is a resident of any such foreign jurisdiction unless such YTechnologies Common Shares may be lawfully delivered in such other foreign jurisdiction without further action by YTechnologies.

2. Definitions

Certain terms used in the Offer, the Circular and the Letter of Acceptance and Transmittal are defined in the Glossary. In the Offer, the Circular and the Letter of Acceptance and Transmittal, all dollar amounts are stated in Canadian dollars.

3. Manner and Time of Acceptance

The Offer is open for acceptance until, but not later than, the Termination Time unless withdrawn by YTechnologies, and any YCards Shares deposited pursuant to the Offer may be withdrawn until taken up and paid for only in accordance with Section 6 of the Offer, "Right to Withdraw". See also Section 7 of the Offer, "Payment for Deposited YCards Shares". **YCards Shares may be deposited pursuant to the Offer until 1:00 p.m. (Calgary Time) on October 12, 2000. The Offer may be extended at YTechnologies' sole discretion. See Section 4 of the Offer, "Extension and Amendment of Offer".**

To accept the Offer, certificates representing the YCards Shares, together with a properly completed and duly signed Letter of Acceptance and Transmittal or facsimile thereof and all other documents required by the Letter of Acceptance and Transmittal, must be received, or deemed to be received, at or prior to the Termination Time by the Depositary at the office listed in the Letter of Acceptance and Transmittal.

Any certificates representing YCards Shares in the possession of YTechnologies or YCards will be deemed to be delivered upon the delivery of an acceptable Letter of Acceptance and Transmittal.

If the Letter of Acceptance and Transmittal is signed by a person other than the registered Holder of the YCards Shares deposited therewith, then the certificates must be endorsed by the registered Holder or accompanied by appropriate transfer or stock powers of attorney duly and properly completed by the registered Holder. In such instances, the signature on the endorsement, transfer or stock power or attorney must be guaranteed by an Eligible Institution.

The deposit of YCards Shares pursuant to the delivery of an executed Letter of Acceptance and Transmittal pursuant to any of the procedures described above will constitute a binding agreement between the depositing Holders and the Offeror upon the terms and subject to the conditions of the Offer.

In all cases, payment for YCards Shares deposited and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of the certificates representing such YCards Shares, a properly completed and duly signed Letter of Acceptance and Transmittal or facsimile thereof covering such YCards Shares and all other required documents.

The method of delivery of the Letter of Acceptance and Transmittal, certificates representing YCards Shares and all other required documents is at the option and risk of each depositing Holder. The Offeror recommends that such documents be delivered by hand to the Depositary and a receipt obtained. However, if such documents are mailed, the Offeror recommends that insured mail with return receipt or acknowledgment of receipt be used and that proper insurance be obtained or if couriered, through a reputable courier which provides receipts.

Holders of YCards Shares registered in the name of a broker, investment dealer, bank, trust company or other nominee should contact the nominee for assistance in depositing YCards Shares. YTechnologies reserves the right to permit the Offer to be accepted in a manner other than as set out above.

4. Extension and Amendment of Offer

Unless extended, the Offer is open for acceptance at the place of deposit in the Letter of Acceptance and Transmittal until but not after the Termination Time.

YTechnologies may, in its sole discretion, at any time and from time to time during the Offer Period (or otherwise as permitted by law), extend the Termination Date or otherwise vary the terms of the Offer. Any such variation of the Offer or extension of the Termination Date may be made by YTechnologies giving notice or other communication confirmed in writing, to the Depositary at its office in Calgary, Alberta. Upon the giving of such notice, the Termination Date shall be deemed to be extended to the date specified in such notice or the Offer shall be deemed to be varied in the manner described therein, as the case may be, and YTechnologies will forthwith thereafter make a public announcement of the extension or amendment and, except as otherwise required or permitted by law, shall cause in its capacity as Depositary to give a written notice of variation to all Holders whose YCards Shares have not yet been taken up. YTechnologies shall, as soon as reasonably possible after giving notice of an extension or variation to the Depositary, make a public announcement of such extension or variation in the manner required by applicable law and provide a copy of the notice to the Exchange.

Any notice, extension or variation will be deemed to have been given and to be effective on the day on which it is delivered or otherwise communicated to the Depositary at its office in Calgary, Alberta.

If there is a variation in the terms of the Offer, other than a variation consisting solely of the waiver of a condition of the Offer, the period during which YCards Shares may be deposited pursuant to the Offer shall not expire before 10 days after the notice of variation has been delivered to the Holders unless otherwise permitted by applicable law.

An extension of the Termination Date shall not constitute a waiver by YTechnologies of any of its conditions under Section 5 of the Offer. Notwithstanding the foregoing, the Offer may not be extended by YTechnologies if all of the terms and conditions of the Offer have been complied with except those waived by YTechnologies, unless YTechnologies first takes up and pays for all YCards Shares deposited thereunder and not withdrawn.

During any such extension or in the event of any variation, all YCards Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be taken up and paid for by YTechnologies in accordance with the terms hereof. If, prior to the Termination Time, the consideration being offered for the YCards Shares under the Offer is increased, the increase will be paid to all depositing Holders whose YCards Shares are taken up under the Offer

5. Conditions of the Offer

(a) the depositing of 67% of the Common Shares on a fully diluted basis, under the Offer;

(b) the receipt of YTechnologies Shareholder approval for the Proposed Acquisition. The Proposed Acquisition must be approved by holders of a simple majority of non-related YTechnologies Common Shares voted at the meeting held by YTechnologies Shareholders;

(c) the receipt of the required approvals of governmental or regulatory authorities having jurisdiction, and in particular, the approval from the Exchange of the Proposed Acquisition;

(d) there being no material adverse change in the financial position or affairs of YCards between March 31, 2000 to the completion of the Proposed Acquisition;

(e) there being no legal proceedings or regulatory actions or proceedings against YCards, other than as previously disclosed to YTechnologies;

(f) there being no prohibition at law against making the Offer or completing the Proposed Acquisition;

(g) all of the representations and warranties contained in the Lock-Up Agreement being materially true and correct in all material respects as at the date of the Lock-Up Agreement and as at the Termination Date; and

(h) the YCards Lock-Up Shareholders having complied with all terms and conditions required of each of them pursuant to the terms of the Lock-Up Agreement.

YTechnologies reserves the right to withdraw the Offer and not to take up and pay for any YCards Shares deposited under the Offer unless all of the conditions are satisfied or waived prior to the Termination Time.

The foregoing conditions are for the exclusive benefit of YTechnologies and may be waived by it in whole or in part at its sole option at any time and from time to time, before the Termination Time, without prejudice to any other rights which YTechnologies may have.

The failure by YTechnologies at any time to exercise or assert any of the foregoing rights shall not be deemed a waiver of any such rights and each such right shall be deemed an ongoing right which may be exercised or asserted at any time. Any determination by YTechnologies concerning the events described in this Section 5 shall be final and binding upon all parties.

Any waiver of a condition or the withdrawal or termination of the Offer shall only be effective upon delivery of written notice by YTechnologies to the Depositary at its office in Calgary, Alberta. YTechnologies shall forthwith after giving any such notice, make a public announcement of such waiver or withdrawal and cause the Depositary as soon as practical thereafter to notify the Holders in the manner set forth in Section 9 of the Offer and shall provide a copy of the aforementioned notice to the Exchange. Any waiver of a condition will require an extension of the Offer, as described in Section 4 of the Offer. If the Offer is withdrawn, YTechnologies shall not be obligated to take up and pay for any YCards Shares deposited under the Offer and the Depositary shall return promptly all certificates for deposited YCards Shares and Letters of Acceptance and Transmittal to the persons by whom they were deposited.

Management of YTechnologies may at its sole discretion waive or vary any or all conditions to this Offer, or may rely on all the conditions of the Offer and not take up and pay for any YCards Shares.

6. Right to Withdraw

Except as otherwise stated in this Section 6, all deposits of YCards Shares pursuant to the Offer are irrevocable.

Any YCards Shares deposited in accordance with the Offer may be withdrawn by or on behalf of the depositing Holder(s) at any time prior to 1:00 p.m. (Calgary Time) on the Termination Date.

In addition, if a notice of change in respect of the information contained in the Offer and the Circular or in respect of any change or variation of the terms of the Offer is delivered to the Holders whose YCards Shares were not taken up at the date of the occurrence of the change or there is a variation of the terms of the Offer (other than a waiver of a condition of YTechnologies to YTechnologies by an increase in the consideration offered for the YCards Shares with any extension of the time for deposit being a period not greater than 10 days after the notice of variation is delivered), any deposited YCards Shares not then taken up and paid for may be withdrawn by or on behalf of the depositing Holder at their place of deposit at any time up to and including the 10th day after the day on which the Notice of Change or Variation is mailed, delivered or otherwise communicated, subject to abridgement of that period pursuant to such order or orders as may be granted by Canadian courts or securities regulatory authorities.

In addition to the foregoing rights of withdrawal, Holders in certain provinces of Canada are entitled to statutory rights of rescission in certain circumstances. See “Statutory Rights” in the Circular.

All questions as to the validity (including time of receipt) and form of notices of withdrawal shall be determined by YTechnologies in its sole discretion, acting reasonably, and such determination shall be final and binding.

7. Payment for Deposited YCards Shares

Upon fulfilment or waiver of the conditions of the Offer, YTechnologies may take up and pay for YCards Shares properly deposited under the Offer and not withdrawn, commencing on October 12, 2000 (at 1:00 p.m.), or forthwith after the expiration of any withdrawal period if the Offer is changed or varied so as to give rise to withdrawal rights. If the conditions have been fulfilled or waived at the Termination Date:

(a) YTechnologies will take up the YCards Shares validly deposited under the Offer as soon as practicable and, in any event, no later than 10 days following the Termination Date;

(b) YTechnologies will pay for YCards Shares taken up as soon as practicable and, in any event, not later than three days after taking up YCards Shares; and

(c) any YCards Shares deposited pursuant to the Offer after the first date on which YCards Shares have been taken up by YTechnologies will be taken up and paid for within 10 days of such deposit. If the conditions described in Section 5 of the Offer have been fulfilled or waived, YTechnologies may not extend the Offer unless all YCards Shares then validly deposited and not withdrawn are taken up and paid for.

YTechnologies will pay for YCards Shares validly deposited pursuant to the Offer and not withdrawn by providing the Depositary with YTechnologies Common Shares for transmittal to Holders whose YCards Shares are purchased. The Depositary will act as the agent of persons who have deposited YCards Shares in acceptance of the Offer for the purposes of receiving share certificates as payment from YTechnologies and transmitting such share certificates to such persons.

Settlement with Holders with respect to each YCards Share deposited by each such Holder and accepted by YTechnologies pursuant to the Offer will be effected (unless the person depositing the YCards Shares instructs the Depositary to hold the certificate representing payment of the consideration under the Offer for pick-up by checking the appropriate box in the Letter of Acceptance and Transmittal) by the Depositary, or an agent of the Depositary, forwarding by hand delivery or first class mail to each such Holder who is a resident in Canada or a resident in a country other than Canada in which the YTechnologies Common Shares may be lawfully delivered without further action by YTechnologies, a certificate for such number of YTechnologies Common Shares as each such Holder is entitled to receive.

The YTechnologies Common Shares issuable pursuant to the Offer are not registered under the laws of any country other than Canada and, in particular, are not registered under the applicable laws of the United States of America. No YTechnologies Common Shares will be delivered to any person who is a resident or citizen of the United States or any territory or possession thereof or to any person who is a resident of a country other than Canada, unless such YTechnologies Common Shares may be lawfully delivered to such other country other than Canada without further action by YTechnologies. If the YTechnologies Common Shares cannot be lawfully delivered to such other country without further action, such YTechnologies Common Shares will be delivered to the Depositary for sale by the Depositary on behalf of U.S. residents and citizens and residents of such other foreign jurisdictions. Such persons will receive their *pro rata* share of the cash proceeds from the sale of such YTechnologies Common Shares less commission and costs from such sale of YTechnologies Common Shares.

Certificates for fractional YTechnologies Common Shares will not be issued and fractions will be rounded to the nearest whole number as follows: i) fractions representing ½ of one share or greater shall be rounded up to the nearest whole number, and ii) fractions representing less than ½ of one share shall be rounded down to the nearest whole number. Unless otherwise directed in the Letter of Acceptance and Transmittal, the YTechnologies Common Shares will be forwarded by hand delivery or first class mail to such person at the address specified in the Letter of Acceptance and Transmittal. If no address is therein specified, the YTechnologies Common Shares will be forwarded to the address of the Holder as shown on the registers maintained by YCards.

If any deposited YCards Shares are not accepted for payment pursuant to the terms and conditions of the Offer for any reason whatsoever, the YCards Shares will be returned, without expense, to the depositing Holder promptly following the Termination Date or YTechnologies' withdrawal and early termination of the Offer.

Certificates for the YTechnologies Common Shares which are mailed in accordance with this Section shall be deemed to have been delivered at the time of delivery to the post office. In the event of an interruption of mail services, certificates and cheques will be made available in accordance with Section 8 of the Offer. Depositing Shareholders will not be obligated to pay brokerage commissions.

8. Mail Service Interruption

Notwithstanding the provisions of the Offer or the Letter of Acceptance and Transmittal, the share certificates representing the YTechnologies Common Shares issued for the YCards Shares purchased pursuant to the Offer and certificates for any YCards Shares and other relevant documents to be returned will not be mailed if YTechnologies determines that delivery thereof by mail may be delayed, until such time as YTechnologies has determined that delivery by mail will no longer be delayed. Persons entitled to certificates representing the YTechnologies Common Shares or other relevant documents which are not mailed for the foregoing reason may take delivery thereof at the office of the Depositary. Notwithstanding Section 7 of the Offer, certificates representing the YTechnologies Common Shares, cheques or other relevant documents not mailed for the foregoing reason will be conclusively deemed to have been delivered on the first day upon which they are available for delivery to the depositing Holders at the office of the Depositary. Notice of any determination regarding mail service delay or interruption made by YTechnologies shall be given in accordance with the last sentence of the first paragraph of Section 9 of the Offer.

9. Delivery of Notice

Any notice which YTechnologies (as Depositary or otherwise) may give or cause to be given under the Offer will be deemed to have been properly given to the Holders if:

(a) it is hand delivered or mailed by first class mail prepaid to the registered holders of such YCards Shares at their respective addresses appearing in the register for such YCards Shares maintained by YCards and will be deemed to have been received on the second Business Day following mailing; or

(b) it is given in such other manner as may be permitted by applicable law.

In the event of any interruption of mail service following mailing, YTechnologies intends to make reasonable efforts to disseminate the notice by other means such as publication. In the event that post offices in Canada are not open for the deposit of mail, any notice which YTechnologies or the Depositary may give or cause to be given under the Offer will be deemed to have been properly given and to have been received by the holders of YCards Shares, once such notice is published in the Calgary Herald, the Calgary Sun and any other publication required by applicable legislation.

10. Acquisition of YCards Shares Not Deposited

In the event that less than 100% of the YCards Shares are not tendered pursuant to the Offer, YTechnologies may, at its sole option, seek to acquire, directly or indirectly, all of the YCards Shares not deposited under the Offer by a Subsequent Acquisition Transaction. If required, YTechnologies will then cause the YCards Shares acquired under the Offer to be voted in favour of such a transaction.

11. Holders Not Resident in Canada

The YTechnologies Common Shares issuable pursuant to the Offer are not registered under the laws of any jurisdiction outside of Canada and, in particular, are not registered under the applicable securities laws of the United States of America. Accordingly, no YTechnologies Common Shares will be delivered to any person who is, or who appears to YTechnologies or the Depositary to be, a resident or citizen of the United States or any territory or possession thereof (a “U.S. Person”) or any person who is, or who appears to YTechnologies or the Depositary to be, a resident of any other foreign jurisdiction unless YTechnologies is satisfied that the YTechnologies Common Shares may be lawfully delivered in such other foreign jurisdiction without further action by YTechnologies. Persons submitting a Letter of Acceptance and Transmittal will be required to certify whether or not they are U.S. Persons.

All the YTechnologies Common Shares which would otherwise be issued to U.S. Persons and to

residents of other foreign jurisdictions in which the YTechnologies Common Shares may not be lawfully delivered without further action by YTechnologies, will be issued and delivered to the Depositary for sale by the Depositary on behalf of such persons. Such persons will receive their *pro rata* share of the cash proceeds from the sale of such YTechnologies Common Shares less commission and costs from the sale of this offering of YTechnologies Common Shares.

In addition, no YTechnologies Common Shares will be issued to parties who are not resident in Canada unless a certificate pursuant to section 116 of the *Income Tax Act* is tendered with the Letter of Acceptance and Transmittal.

12. Commitments to Acquire Securities of YCards

Pursuant to the Letter of Intent, YTechnologies has agreed to purchase all of the YCards Shares pursuant to this Offer. Further, pursuant to the Lock-Up Agreement, the YCards Lock-Up Shareholders have indicated their intent to sell all of their YCards Shares to YTechnologies on the basis of 1 YTechnologies Common Share for each 1 YCards Share tendered. Pursuant to the terms of the Letter Agreement YTechnologies has also agreed to prepare and mail this Offer, and conduct all further actions to acquire the YCards Shares under the Offer.

Other than the Lock-Up Agreement and Letter of Intent there are no arrangements, agreements, commitments or understandings made by YTechnologies, or by any Director of Officer of YTechnologies, to acquire YCards Shares. Further, to the knowledge of YTechnologies after reasonable inquiry, there are no other arrangements, agreements, commitments or understandings, to acquire YCards Shares by any associate of a Director or Senior Officer of YTechnologies, or by any person or company holding more than 10% of any class of securities of YTechnologies.

13. Arrangements Between YTechnologies and the Directors and Officers of YCards

Other than the Letter of Intent and the Lock-Up Agreement, and as further disclosed herein, there are no arrangements, agreements, commitments or understandings made between YTechnologies and any Directors and Officers of YCards.

14. Depositary

YTechnologies will act as Depositary for the receipt of certificates in respect of YCards Shares and related Letters of Acceptance and Transmittal deposited under the Offer and for the payment for YCards Shares purchased by YTechnologies pursuant to the Offer.

15. Other Terms

The provisions of the Offer, Circular, and Letter of Acceptance and Transmittal form part of the Offer and should be read carefully before making a decision with respect to the Offer.

No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of YTechnologies other than as contained in the Offer, and if any such information or representation is given or made, it must not be relied upon as having been authorized. No broker, dealer or other person shall be deemed to be the agent of YTechnologies or the Depositary for the purposes of the Offer. In any jurisdiction in which the Offer is required to be made by a licensed broker or dealer, the Offer shall be made on behalf of YTechnologies by brokers or dealers licensed under the laws of such jurisdiction.

The Offer and all contracts resulting from the acceptance of the Offer shall be governed by and construed in accordance with the laws of the Province of Alberta and all laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of this Offer unconditionally and irrevocably attorns to the jurisdiction of the courts of the Province of Alberta and the courts of appeal therefrom.

DATED this 20th day of September, 2000.

Yes I.C. Technologies Inc.

Per: *"Harold M. Walker"* (signed)
Harold M. Walker

HOLDERS OF YCARDS SHARES ARE URGED TO READ THE ACCOMPANYING CIRCULAR, AND LETTER OF ACCEPTANCE AND TRANSMITTAL FOR ADDITIONAL INFORMATION RELATING TO THIS OFFER.

TAKE OVER BID CIRCULAR

This Circular is provided in connection with the Offer made by YTechnologies to purchase all of the issued and outstanding YCards Shares, on the basis of 1 YTechnologies Common Share for each 1 YCards Share held, at a deemed price of $0.20 per share.

The terms, conditions and provisions of the accompanying Offer are incorporated into and form an integral part of this Circular. **Certain terms used in this Circular are defined in the Glossary contained in the Offer. Holders of YCards Shares should refer to the Offer for details of its terms and conditions, including details as to the manner of payment and withdrawal of rights.**

AVAILABLE INFORMATION

YCards is not a reporting issuer for the purposes of Canadian securities legislation. The information concerning YCards contained in the Offer and this Circular has been taken from or is based upon information received from management of YCards for inclusion herein, and with respect to such information YTechnologies and its Board of Directors and Officers have relied solely on the information provided.

BACKGROUND AND REASONS FOR THE OFFER

The issuance of the YTechnologies Common Shares to acquire the YCards Shares (the "Proposed Acquisition") is a Qualifying Transaction within the meaning of the Policies. **This Proposed Acquisition is a non-arm's length transaction.**

A Qualifying Transaction means a transaction whereby YTechnologies:

1. issues or proposes to issue, in consideration for the acquisition of Significant Assets (as hereinafter defined), common shares or securities convertible, exchangeable or exercisable into common shares which, if fully converted, exchanged or exercised would represent more than 25% of its common shares issued and outstanding immediately prior to the issuance;

2. enters into an arrangement, amalgamation, merger or reorganization with another issuer with Significant Assets, whereby the ratio of securities which are distributed to the security holders of YTechnologies and the security holders of the other issuer results in the security holders of the other issuer acquiring control of the resulting entity; or

3. otherwise acquires Significant Assets (other than for cash),

but excludes a transaction which consists solely of the issuance for cash by YTechnologies of Common Shares or securities convertible, exchangeable or exercisable into Common Shares, representing more than 25% of YTechnologies' Common Shares issued and outstanding immediately prior to the issuance.

"Significant Assets" means one or more assets or businesses which, when acquired by YTechnologies, together with any other concurrent transaction, results in YTechnologies meeting the minimum listing requirements under Policy 2.1 of the Exchange.

Notwithstanding that a transaction may meet the definition of a Qualifying Transaction, the Exchange may not approve a Qualifying Transaction:

1. if YTechnologies fails to meet the minimum listing requirements prescribed by Policy 2.1 of the Exchange upon completion of the Qualifying Transaction; or

2. for any other reason at the sole discretion of the Exchange.

The Exchange will not approve a Qualifying Transaction: if, following completion of the Qualifying Transaction, YTechnologies will be a finance company or a mutual fund as defined under the securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time in the Provinces of Alberta or British Columbia.

YTechnologies will submit the Qualifying Transaction to a meeting of the shareholders of YTechnologies for "Majority of the Minority Approval", being a vote at a properly constituted meeting of the common shareholders of YTechnologies passed by at least 50% plus one vote of the votes cast by the minority shareholders of YTechnologies. Minority shareholders are all shareholders of YTechnologies except those shareholders who are promoters, officers, directors, other insiders and control persons of YTechnologies and associates or affiliates of such persons (collectively, "Related Parties of YTechnologies"), and except those shareholders who are also beneficial owners of the Significant Assets which are to be acquired by YTechnologies, the promoters, officers, directors, other insiders or control persons of such beneficial owners of the Significant Assets and associates or affiliates of such persons and all other parties to or associated with the Qualifying Transaction and the associates or affiliates of all such other parties.

YTechnologies shall provide its shareholders with an information circular which must:

1. be prepared and mailed in accordance with applicable corporate law and securities law requirements;

2. contain prospectus level disclosure of the Qualifying Transaction and YTechnologies after the completion of the Qualifying Transaction and be prepared in accordance with the form prescribed by the Exchange; and

3. contain full, true and plain disclosure of all material facts relating to the securities of YTechnologies, assuming completion of the Qualifying Transaction.

However, the Exchange does not pass upon the merits of the transaction.

The information circular shall be submitted for review and approval by the Exchange prior to distribution to the shareholders of YTechnologies. A sponsor report shall also be submitted to the Exchange, as prepared by a member firm of the Exchange which has agreed with YTechnologies to undertake the responsibilities of sponsorship in accordance with Exchange rules and policies. YTechnologies will be considered to have completed its Qualifying Transaction on the date of the meeting of shareholders at which the Qualifying Transaction was approved, provided that all post-meeting documentation is subsequently filed with the Exchange and a notice is issued by the Exchange as to its final acceptance of the Qualifying Transaction (the "Final Exchange Notice").

Following completion of the Qualifying Transaction and the issuance by the Exchange of a Final Exchange Notice, YTechnologies will no longer be considered a capital pool company and the requirements of Policy 2.4 will no longer apply, with the exceptions of sections 11 and 14.10 of Policy 2.4.

The meeting of YTechnologies Shareholders to approve, among other things, the Proposed Acquisition, is scheduled for 10:00 a.m. (Calgary time) on October 12, 2000, or such other later date as YTechnologies may choose.

PURPOSE AND REASONS OF THE OFFER AND PLANS FOR YCARDS

The purpose of the Offer is to enable YTechnologies to acquire all of the issued and outstanding YCards Shares. If the takeover bid is successful, it is expected that YCards will continue to carry on business as a subsidiary of YTechnologies. Completion of the takeover bid will give YCards access to the public markets which is expected to advance YCards' growth objectives. Any Holders who do not tender their YCards Shares will continue to possess YCards Shares which do not trade on any public market. See Exhibit I, "Information Regarding YCards".

INFORMATION CONCERNING YTECHNOLOGIES

Yes I.C. Technologies Inc.

YTechnologies was incorporated as Yes I.C. Technologies Inc. by Certificate of Incorporation issued pursuant to the provisions of the ABCA on November 26, 1999. By a Certificate of Amendment dated March 29, 2000, YTechnologies removed its private company restrictions.

The head office is located at Suite 2600, 605 - 5th Avenue S.W., Calgary, Alberta, T2P 3H5. The registered and records office of YTechnologies is located at 1600, 407 - 2nd Street, S.W., Calgary, Alberta T2P 2Y3.

Business of YTechnologies

To date, YTechnologies has conducted no business operations except for the identification and evaluation of YCards with a view to its acquisition. Upon completion of the Proposed Acquisition, YTechnologies intends to be actively engaged in the business of YCards. See Exhibit I for particulars regarding the business of YCards.

Principal Holders of Voting Shares

The following table sets forth the shareholdings of those persons who own or will own of record, or are known to YTechnologies to own beneficially, directly or indirectly, or exercise control or direction over, more than 10% of the issued and outstanding YTechnologies Common Shares as of the date hereof and after giving effect to the Proposed Acquisition:

Name and Municipality of Residence	Type of Ownership	Number and Percentage of YTechnologies Common Shares Owned as of the Effective Date	Number and Percentage of YTechnologies Common Shares Owned After Giving Effect to the Proposed Acquisition(1)
Harold M. Walker Calgary, Alberta	Beneficial	230,000(2) (5.9%)	2,130,000 (17.8%)
David M. Antony Calgary, Alberta	Registered and Beneficial	310,000 (8.0%)	1,310,000 (10.9%)

Notes:

(1) Assuming that no exercise of options to purchase Common Shares, and that 11,980,217 Common Shares will be outstanding.

(2) These Common Shares are registered in the name of Yorkton Securities Inc. in trust for Harold M. Walker.

Directors and Officers

The following table sets forth the name, municipality of residence, date first elected, principal occupations for past five years and the number of YTechnologies Common Shares held by of each of the current Directors of YTechnologies. The number and percentage of voting securities of YTechnologies beneficially owned, directly or indirectly, or over which control is exercised, by each Director is also disclosed.

Name and Municipality of Residence	Year First Elected	Principal Occupation and Positions During Last Five Years	Voting Securities Held or Controlled as at the Effective Date	Voting Securities to be Held or Controlled After the Proposed Acquisition(2)
Harold M. Walker Calgary, Alberta	1999	From September, 1987 to present, Mr. Walker has been the president of the Meredith Michael Company Ltd., a private investment company. From March 1993, until September 1998, president and chairman of Stone Creek Properties Inc., a real estate development corporation.	230,000(3) (5.9%)	2,130,000 (17.8%)
David M. Antony(1) Calgary, Alberta	1999	From November 1999, Chief Financial Officer of Yes I.C. Smart Cards Inc. From October 1999, Chief Financial Officer of Fifth Era Knowledge Corporation, a private company providing technology training solutions. From 1993 to June 2000, partner Halpin Antony Owen Mayer, Chartered Accountants.	310,000 (8.0%)	1,310,000 (10.9%)
Thomas P. Keenan(1) Calgary, Alberta	1999	From 1993, Dean of The Faculty of Continuing Education, and Adjunct Professor of Computer Science at the University of Calgary.	230,000 (5.9%)	230,000 (1.9%)

Name and Municipality of Residence	Year First Elected	Principal Occupation and Positions During Last Five Years	Voting Securities Held or Controlled as at the Effective Date	Voting Securities to be Held or Controlled After the Proposed Acquisition[2]
Peter C. Wallis[1] Calgary, Alberta	1999	From February 1997 to present, president and chief executive officer of the Van Horne Institute a transportation, education/regulation oriented non-profit organization. From February 1995 to present, president and chief executive officer of Peter Wallis Consulting Ltd. a private consulting business. From January 1980 to February 1995, a vice president of Canadian Airlines.	230,000 (5.9%)	480,000 (4.0%)
Thomas R. Saunders Calgary, Alberta	1999	From 1990 to present, President and chief executive officer of Columbia Health Care and from 1998, President and Chief Executive Officer of Networc Health Care Inc. Since 1997, a director of Cell-Loc Inc., a public technology company.	250,000 (6.4%)	250,000 (2.1%)

Notes:

(1) Members of the Audit Committee.

(2) Assumes no exercise of options to purchase Common Shares, and that 11,980,217 Common Shares will be outstanding.

Pursuant to the provisions of the ABCA, YTechnologies is required to have an audit committee. The general function of the audit committee is to review the overall audit plan and YTechnologies' system of internal controls, to review the results of the external audit, and to resolve any potential dispute with YTechnologies' auditors. The audit committee of YTechnologies currently consists of David M. Antony, Thomas P. Keenan and Peter C. Wallis. It is anticipated that upon completion of the Proposed Acquisition, the audit committee will continue to consist of David M. Antony, Thomas P. Keenan and Peter C. Wallis.

Compensation of Directors

Since incorporation, YTechnologies has paid no cash compensation (including salaries, director's fees, commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned by the directors for services rendered) to any of the 5 directors for services rendered in their capacity as directors other than reimbursement of reasonable expenses.

On April 20, 2000, 375,000 options to acquire common shares of YTechnologies were issued to directors of YTechnologies.

Executive officers of YTechnologies who also act as directors of YTechnologies do not receive any additional compensation for services rendered in such capacity, other than as paid by YTechnologies to such executive officers in their capacity as executive officers. See "Compensation of Executive Officers".

Compensation of Executive Officers

During the most recently completed fiscal year, YTechnologies employed 2 executive officers, who continue to be employed and who are also directors. "Executive officer" means the chairman and any vice-chairman of the board of directors, president or any vice-president and any officer of YTechnologies or its subsidiary who performs a policy making function in respect of YTechnologies. The aggregate cash compensation, including salaries, fees (including director's fees), commissions, bonuses paid for services rendered, bonuses paid for services rendered in a previous year, and any compensation other than bonuses earned, paid to such executive officers, by YTechnologies and its subsidiaries for services rendered since incorporation was nil.

Summary Compensation Table

The following table sets forth all annual and long term compensation for services in all capacities to YTechnologies and its subsidiaries since incorporation in respect of Hal Walker the only individual who was acting in a capacity similar to a chief executive officer (the "Named Executive Officer"). No individual earned in excess of $100,000 per annum.

SUMMARY COMPENSATION TABLE								
		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	Fiscal Period	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Securities Under Options/ SARS (1) Granted (#)	Restricted Shares or Restricted Share Units ($)	LTIP (2) Payouts ($)	All Other Compensation ($)
Harold M. Walker, President	From Incorporation to Effective	Nil	Nil	Nil	150,000/Nil	Nil	Nil	Nil

Notes:

(1) "SARS" or "Stock appreciation right" means a right granted by YTechnologies as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly traded securities of YTechnologies.

(2) "LTIP " or "long term incentive plan" means any plan which provides compensation intended to serve as incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans or plans for compensation through restricted shares or restricted share units.

(3) On April 20, 2000, YTechnologies issued Mr. Walker stock options exercisable into 150,000 common shares at $0.20 per common share on or before April 20, 2005.

Stock Options

Harold M. Walker, President and Chief Executive Officer of YTechnologies was granted stock options to acquire 150,000 Common Shares effective April 20, 2000 The following table sets forth stock options granted since incorporation to the Named Executive Officer (no stock options have been repriced since incorporation):

OPTIONS GRANTED AND REPRICED SINCE INCORPORATION

Name of Optionee	Number of Common Shares Reserved Under Option	% of Total Options Granted in Fiscal Year	Market Price as at Date of Grant Cdn$(2)	Exercise Price Per Common Share Cdn$	Expiry Date
Harold M. Walker	150,000	40%	N/A	$0.20	April 20, 2005

Notes:

(1) The closing price of the Common Shares on the Effective Date was $1.15.

(2) These stock options were granted on April 20, 2000, which was prior to the commencement of trading of the Common Shares on the Exchange on May 2, 2000. The closing price of the Common Shares on May 2, 2000 was $1.30.

The following table sets forth details of the value of unexercised options on an aggregated basis held by the Named Executive Officer:

AGGREGATED OPTION EXERCISES AND VALUES

Name	Securities Acquired on Exercise (#)	Aggregate Value Realized ($)	Unexercised Options at the Effective Date (#) Exercisable/Unexercisable	Value of Unexercised In-the-Money Options at the Effective Date (Cdn$)(1)(2) Exercisable/Unexercisable
Harold M. Walker	0	0	150,000/0	$142,500/0

Notes:

(1) Value of unexercised in-the-money options calculated using the closing price of Common Shares on the Exchange on the Effective Date, less the exercise price of in-the-money stock options. The closing price of the Common Shares on the Effective Date was $1.15.

(2) These stock options were granted on April 20, 2000, which was prior to the commencement of trading of the Common Shares on the Exchange on May 2, 2000. The closing price of the Common Shares on May 2, 2000, was $1.30.

Long-term Incentive Plans

YTechnologies has not had and does not currently have any long term incentive plans, other than stock options to be granted from time to time by the board of directors.

Stock Appreciation Rights ("SAR") and Restricted Shares

No stock appreciation rights or restricted shares were granted by YTechnologies to, or exercised by, the Named Executive Officer of YTechnologies since incorporation. Furthermore, no stock appreciation rights have been exercised.

Stock Option and SAR Repricing

YTechnologies did not make any downward repricing of stock options or stock appreciation rights since incorporation.

Pension and Retirement Plans and Payments made upon Termination of Employment

YTechnologies does not have in place any pension or retirement plan. YTechnologies has not provided compensation, monetary or otherwise, during the preceding fiscal year, to any person who now acts or has previously acted as an officer of YTechnologies, in connection with or related to the retirement, termination or resignation of such person and YTechnologies has provided no compensation to such persons as a result of a change of control of YTechnologies, its subsidiaries or affiliates. YTechnologies is not party to any compensation plan or arrangement with the Named Executive Officer resulting from the resignation, retirement or the termination of employment of such person.

Employment and Management Contracts

YTechnologies has no employment or management contracts with its directors or officers.

Related Party Transactions

YTechnologies has not been party to any related party transactions except for as disclosed in “Business of YTechnologies” and “Interests of Management and Others in Material Transactions.

Indebtedness of Directors, Senior Officers, executive Officers and Other Management

No director, senior officer, executive officer, promoter, member of management, nominee for election as director of YTechnologies or any associates or affiliates thereof is or has been indebted to YTechnologies.

Directors’, Management and Employee Stock Options

As at the date hereof, YTechnologies has reserved an aggregate of 375,000 Common Shares for issuance upon exercise of stock options granted to directors and officers of YTechnologies. The options issued are as follows:

Name	Under Option Number of Shares[(1)]	Per Share Exercise Price	Expiry Date
Harold M. Walker	150,000	$0.20	April 20, 2005
David M. Antony	85,000	$0.20	April 20, 2005
Thomas P. Keenan	60,000	$0.20	April 20, 2005
Peter C. Wallis	30,000	$0.20	April 20, 2005
Thomas R. Saunders	50,000	$0.20	April 20, 2005
Total	375,000		

Note:

(1) These options to purchase common shares were granted on April 20, 2000, prior to the commencement of trading of the Common Shares on the Exchange.

These options are non-transferable and will terminate one year following the date the optionee ceases to be a director or hold an office of YTechnologies by reason of death, or 90 days after ceasing to be a director or officer for any reason other than death.

The Corporation intends to issue further stock options to acquire Common Shares at an exercise price $0.20 per Common Share in order to encourage the ongoing commitment and dedication of eligible individuals. A maximum of 744,000 Common Shares will be reserved for issuance under new stock options, which will be granted in conjunction with the closing of the Proposed Acquisition. These options will be issued to directors, officers, employees and consultants of YTechnologies and its subsidiaries.

There are no assurances the options described above will be exercised in whole or in part.

Prior Sales

Since the date of incorporation, 3,875,000 Common Shares have been issued as follows:

Date	Number of Shares	Issue Price Per Share	Total Issue Price	Nature of Consideration Received
November 28, 1999	1,000,000[(1)]	$0.10	$100,000	Cash
January 14, 2000	250,000[(1)]	$0.10	$25,000	Cash
April 20, 2000	2,500,000[(2)]	$0.20	$500,000	Cash
May 5, 2000	125,000[(3)]	$0.20	$25,000	Cash
TOTALS:	3,875,000		$650,000	

Notes:

(1) All of these Common Shares were placed in escrow pursuant to an escrow agreement, and are releasable as to 10% thereof

following issuance by the Exchange of the Final Exchange Notice and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the initial release. See “Escrowed Shares.”

(2) Issued pursuant to prospectus dated March 30, 2000.

(3) Exercise of Agent’s Option.

Trading History

The following table sets forth the monthly high and low closing prices and the volume of the trading of the Common Shares since commencement of trading on the Exchange on May 2, 2000.

Date	High	Low	Volume
May, 2000[(1)]	$1.40	$0.75	3,949,837
June, 2000	$1.25	$0.95	104,717
July, 2000	$1.15	$1.00	121,000
August 2000	$1.25	$1.00	86,230
September 2000 [(2)]	$1.15	$1.15	5,800

Notes:

(1) Commencing May 2, 2000.

(2) Up to and including the Effective Date.

Description of Share Capital

Common Shares

YTechnologies is authorized to issue an unlimited number of Common Shares without nominal or par value of which, as at the date hereof, 3,875,000 are issued and outstanding as fully paid and non-assessable, 375,000 are reserved under directors’ and management stock options (see “Directors’, Management and Employee Stock Options”) and 125,000 are reserved under an option granted to the Agent for YTechnologies’ initial public offering.

The holders of the Common Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of YTechnologies and, subject to the rights of the holders of any other class of shares of YTechnologies, upon liquidation, dissolution or winding up of YTechnologies, to receive such assets of YTechnologies as are distributable to the holders of the Common Shares.

Preferred Shares

YTechnologies is authorized to issue an unlimited number of preferred shares, none of which, as at the date hereof, are issued and outstanding. The preferred shares may be issued from time to time in one or more series, each consisting of a number of preferred shares as determined by the board of directors of YTechnologies who also may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of preferred shares. There are no preferred shares issued and outstanding. The preferred shares of each series shall, with respect to payment of dividends and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding-up of YTechnologies or any other distribution of the assets of YTechnologies among its shareholders for the purpose of winding-up its affairs, rank on a parity with the preferred shares of every other series and shall be entitled to preference over the common shares and the shares of any other class ranking junior to the preferred shares.

Capitalization

The following table states the capitalization of YTechnologies.

Capital	Amount Authorized	Outstanding as at the July 31, 2000 and the Effective Date[1] (unaudited)	Outstanding as at March 31, 2000[2] (audited)	Outstanding After Giving Effect to the Proposed Acquisition [3][4] (unaudited)
Common Shares	Unlimited	$565,000 (3,875,000 shares)	$125,000 (1,250,000 shares)	$1,732,565 (11,980,217 shares)
Preferred Shares	Unlimited	Nil	Nil	Nil
Long Term Debt	N/A	Nil	Nil	Nil

Notes:

(1) As at the Effective Date, YTechnologies has reserved an aggregate of 375,000 Common Shares at $0.20 per share for issuance pursuant to the exercise of stock options granted to directors and management, and a further 125,000 Common Shares at $0.20 per share pursuant to an option granted to Yorkton Securities Inc. under YTechnologies' capital pool company prospectus offering. See "Directors', Management and Employee Stock Options".

(2) This date is prior to the completion of the initial public offering of YTechnologies on April 20, 2000.

(3) Assumes the issuance of 8,105,217 Common Shares in exchange for the YCards Shares.

(4) As the transaction will be accounted for as a reverse take over, the stated capital for accounting purposes after giving effect to the Proposed Acquisition will be $1,732,565.

Escrowed Securities

The following table lists the securities of YTechnologies held in escrow pursuant to an escrow agreement dated March 30, 2000:

Designation of Class	Number of Securities Held in Escrow	Percentage of Class
Common Shares	1,250,000	32.2%

Upon YTechnologies completing a Qualifying Transaction, these Common Shares are releaseable as to 10% thereof following issuance by the Exchange of the Final Exchange Notice and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the initial release.

In addition, 5,690,065 of the Common Shares to be issued by YTechnologies to individuals who are principals of YTechnologies ("YCards Principal Shareholders") upon the completion of the Proposed Acquisition will be placed in escrow on terms to be set by the Exchange and agreed to by the YCards Principal Shareholders

(“Exchange Escrow”).

The terms of the Exchange Escrow are such that the first release of escrowed Common Shares issued in connection with Qualifying Transaction is on the date of the Exchange Notice confirming final acceptance of the transaction. For a Tier 2 Issuer, escrowed Common Shares in conjunction with a Qualifying Transaction will be released as to 10% thereof following issuance by the Exchange of the Final Exchange Notice, and as to 15% thereof on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release. For Tier 1 Issuers escrowed Common Shares in conjunction with a Qualifying Transaction will be released as to 25% thereof following issuance by the Exchange of the Final Exchange Notice, and as to 25% thereof on each of the 6, 12 and 18 month anniversaries of the initial release. Upon completion of the Proposed Acquisition YTechnologies will be a Tier 2 issuer.

Pursuant to the Exchange Escrow:

1. of the 1,900,000 Common Shares to be issued to Harold M. Walker upon completion of the Proposed Acquisition, 190,000 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 285,000 Common Shares will be released on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release;

2. of the 1,000,000 Common Shares to be issued to David M. Antony upon completion of the Proposed Acquisition, 100,000 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 150,000 Common Shares will be released on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release;

3. of the 1,000,000 Common Shares to be issued to James B. Lout upon completion of the Proposed Acquisition, 100,000 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 150,000 Common Shares will be released on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release;

4. of the 1,000,000 Common Shares to be issued to Steve N. Christakis upon completion of the Proposed Acquisition, 100,000 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 150,000 Common Shares will be released on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release;

5. of the 250,000 Common Shares to be issued to Peter C. Wallis upon completion of the Proposed Acquisition, 25,000 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 37,500 Common Shares will be released on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release;

6. of the 250,000 Common Shares to be issued to Evelyn Main upon completion of the Proposed Qualifying Transaction, 25,000 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 37,500 Common Shares will be released on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release;

7. of the 100,000 Common Shares to be issued to Christopher Walker upon completion of the Proposed Qualifying Transaction, 10,000 Common Shares will be released from escrow upon the issuance by

the Exchange of the Final Exchange Notice, and an additional 15,000 Common Shares will be released on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release;

8. of the 89,238 Common Shares to be issued to Neil Anderson upon completion of the Proposed Acquisition, 8,923 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 13,385 Common Shares will be released on each of the 6, 12, 18, 24, 30 month anniversaries of the initial release and the remaining Common Shares on the 36 month anniversary of the initial release;

9. of the 51,691 Common Shares to be issued to Greg Erickson upon completion of the Proposed Acquisition, 5,169 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 7,753 Common Shares will be released on each of the 6, 12, 18, 24, 30 month anniversaries of the initial release and the remaining Common Shares on the 36 month anniversary of the initial release;

10. of the 39,511 Common Shares to be issued to Trevor Federkiewicz upon completion of the Proposed Acquisition, 3,951 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 5,926 Common Shares will be released on each of the 6, 12, 18, 24, 30 month anniversaries of the initial release and the remaining Common Shares on the 36 month anniversary of the initial release; and

11. of the 9,625 Common Shares to be issued jointly to Trevor Federkiewicz and Kelly Federkiewicz upon completion of the Proposed Acquisition, 1,443 Common Shares will be released from escrow upon the issuance by the Exchange of the Final Exchange Notice, and an additional 5,926 Common Shares will be released on each of the 6, 12, 18, 24, 30 month anniversaries of the initial release and the remaining Common Shares on the 36 month anniversary of the initial release.

Material Contracts

YTechnologies has not entered into any contracts material to investors in the YTechnologies Common Shares within two years prior to the date hereof, other than the following:

1. Transfer Agency and Registrarship Agreement dated as of December 7, 1999 between YTechnologies and Computershare Investor Services (formerly Montreal Trust Company of Canada);

2. Escrow Agreement dated as of March 30, 2000 among YTechnologies, Computershare Investor Services (formerly Montreal Trust Company of Canada) and those shareholders that executed such Escrow Agreement;

3. Agency Agreement dated as of March 30, 2000 among YTechnologies, the Agent and Computershare Investor Services (formerly Montreal Trust Company of Canada);

4. Letter Agreement dated April 20, 2000, between YTechnologies and YCards; and

5. Lock-Up Agreement dated April 20, 2000, among YTechnologies and Harold M. Walker, David M.

Antony, James B. Lout, Steve N. Christakis and Evelyn Main and Peter C. Wallis;

6. Letter Agreement Amending Agreement dated July 15, 2000 between YTechnologies and YCards; and

7. Lock-Up Agreement Amending Agreement dated July 15, 2000 among YTechnologies and Harold M. Walker, David M. Antony, James B. Lout, Steve N. Christakis and Evelyn Main and Peter C. Wallis.

Copies of these agreements are available for inspection at the registered office of YTechnologies, at offices of Armstrong Perkins Hudson, Barristers and Solicitors, 1600, 407 - 2nd Street, S.W., Calgary, Alberta, T2P 2Y3, at any time prior to the Termination Date.

Promoters

Messrs. Walker, Antony, Keenan and Wallis may be considered to be the promoters of YTechnologies in that they took the initiative in founding and organizing YTechnologies. Collectively the promoters currently hold, directly and beneficially hold 1,000,000 (25.8%) YTechnologies Common Shares.

If the Proposed Acquisition is approved, Messrs. Walker, Antony and Lout may be considered to be the promoters of the post acquisition Corporation in that they will have taken the initiative in substantially reorganizing the business of YTechnologies. Collectively the new promoters will own 4,623,000 (38.5%) YTechnologies Common Shares after giving effect to the Proposed Acquisition.

Interests of Insiders in Material Transaction

Management is not aware of any other material interest in any matter to be acted upon or any material transaction, direct or indirect, of any Director or Senior Officer of YTechnologies, or of any person beneficially owning, directly or indirectly, more than 10% of YTechnologies' voting securities or any associate or affiliate thereof, except as set forth in this Circular or as disclosed in Exhibit I to this Circular or as follows:

1. Harold M. Walker and David M. Antony are directors, officers and shareholders of both YTechnologies and YCards; and

2. Peter C. Wallis is a director and shareholder of YTechnologies and a shareholder of YCards.

Conflicts of Interest

There are no conflicts of interest which any Director or Officer of YTechnologies will be subject to in connection with the operations of YTechnologies. Any conflicts which may arise are subject to the procedures and remedies under the ABCA.

Stock Exchange Listings

The YTechnologies Common Shares are listed for trading on the Exchange.

Dividend Policy

No dividends have been paid on any shares of YTechnologies since the date of its incorporation and it is not contemplated that any dividends will be paid in the immediate or foreseeable future.

Legal Matters

Certain legal matters relating to this offer to purchase will be passed upon by Armstrong Perkins Hudson, Barristers and Solicitors for YTechnologies. Management knows of no legal proceedings, contemplated or actual, involving YTechnologies which could materially affect YTechnologies, or YCards

Auditors, Transfer Agent and Registrar

The auditors of YTechnologies since incorporation have been Deloitte & Touche LLP, Chartered Accountants, of Calgary, Alberta. It is anticipated that, Deloitte & Touche LLP, Chartered Accountants will be the auditors of YTechnologies after giving effect to the Proposed Acquisition.

Computershare Investor Services (formerly Montreal Trust Company of Canada) through its office at 6th Floor, 530 - 8th Avenue, S.W. Calgary, Alberta, T2P 3S8, is the transfer agent and registrar for the Common Shares.

Financial Statements

Audited financial statements of YTechnologies as at March 31, 2000, and unaudited financial statements as at July 31, 2000 are attached to this Circular as Exhibit III. Audited financial statements of YCards for the period ended March 31, 2000, and the unaudited financial statements for the period ended July 31, 2000 are attached to this Circular as Exhibit II. A pro forma financial statements for YTechnologies and YCards as at July 31, 2000 is attached to this Circular as Exhibit IV.

OWNERSHIP OF SECURITIES

Ownership of YCards Shares

To the knowledge of the Board of Directors of YTechnologies, the following table sets forth the number, designation and percentage of outstanding securities of YCards that are owned or which control or direction is exercised by:

1. YTechnologies;

2. the Officers or Directors of YTechnologies; or

3. after reasonable inquiry, each associate of the Directors and Officers of YTechnologies, any person or company holding more than 10% of any class of securities of YTechnologies, and any person or company acting jointly or in concert with YTechnologies:

Name and Title with YTechnologies	Number of YCards Shares	Percentage YCards Shares as at the Offer Date
YTechnologies	Nil	Nil
Harold M. Walker Director and Officer	1,900,000	23.4%
David M. Antony Director and Officer	1,000,000	12.3%
Peter Wallis Director	250,000	0.3%

Other than as disclosed herein, neither YTechnologies, nor any other Director or Officer of YTechnologies, beneficially owns, directly or indirectly, or controls or exercises direction over, or has the right to acquire, any securities of YCards. To the knowledge of the Directors and Senior Officers of YTechnologies, after reasonable inquiry, no securities of YCards are owned by, directly or indirectly, nor is control or direction over any securities of YCards exercised by, any associate or affiliate of YTechnologies, by any associate of any Director or Officer of YTechnologies, by any person or company who beneficially owns, directly or indirectly, more than 10% of any class of equity securities of YTechnologies or by any person or company acting jointly or in concert with YTechnologies. No securities of YCards have been traded by the individuals referenced in this paragraph in the six month period preceding the Offer.

Ownership of Securities of YTechnologies

To the knowledge of the Board of Directors of YTechnologies, the following table sets forth the number, designation and percentage of outstanding securities of YTechnologies that are owned or which control or direction is exercised by:

1. YCards;
2. the Officers or Directors of YCards; or
3. after reasonable inquiry, each associate of the Directors and Officers of YCards, any person or company holding more than 10% of any class of securities of YCards, and any person or company acting jointly or in concert with YCards:

Name and Title with YCards	Number of YTechnologies Common Shares	Percentage of YTechnologies Common Shares as at the Offer Date
YCards	Nil	Nil
Harold M. Walker Director and Officer	230,000	5.9%
David M. Antony Director and Officer	310,000	8.0%
Heather Christakis[(1)] Associate	2,700	0.01%

Note:

(1) Heather Christakis and Steve N. Christakis are married.

Other than as disclosed in the preceding table, none of YCards, the Directors and Officers of YCards or, to the knowledge of the Directors and Officers of YCards, any person or company holding more than 10% of YCards Shares or any person or company acting jointly or in concert with YCards, own or exercise control or direction over any securities of YTechnologies.

Trading in YCards Shares

There is currently no market for the YCards Shares. Therefore, other than issuances from treasury, there have been no trades by Directors, Officers, or any person or company holding more than 10% of YCards Shares within the six months prior to the Offer Date. To date, the only activity in these shares has involved issuances from treasury (see “Prior Sales” in Exhibit I).

COMMITMENTS TO ACQUIRE SECURITIES

Letter of Intent and Lock-Up Agreement

Pursuant to the Letter of Intent, YTechnologies has agreed to purchase all of the YCards Shares pursuant to this Offer. Further, pursuant to the Lock-Up Agreement, the YCards Lock-Up Shareholders have indicated their intent to tender and deliver all of the YCards Shares held by them.

Pursuant to the terms of the Letter Agreement, YTechnologies has agreed to prepare this Offer, and conduct all further actions to acquire the YCards Shares under the Offer.

Other than the Letter of Intent and the Lock-Up Agreement there are no other arrangements, agreements, commitments or understandings made by YTechnologies, or by any Director of Officer of YTechnologies, to acquire YCards Shares. Further, to the knowledge of YTechnologies after reasonable inquiry, there are no arrangements, agreements, commitments or understandings, to acquire YCards Shares by any associate of a Director or Senior Officer of YTechnologies, or by any person or company holding more than 10% of any class of securities of YTechnologies to acquire YCards Shares.

ARRANGEMENTS, AGREEMENTS AND UNDERSTANDINGS

Other than the Lock-Up Agreement and Letter Agreement there are no arrangements, agreements, commitments or understandings made between YTechnologies and any Director of Officer of YCards. There are no arrangements, agreements, commitments or understandings made between YTechnologies and the Directors and Officer of YCards which involve compensation for loss of office with YCards.

ACQUISITION OF YCARDS SHARES NOT DEPOSITED

Subsequent Acquisition

YTechnologies may, at its sole option, seek to acquire, directly or indirectly, all of the YCards Shares not deposited under the Offer by a Subsequent Acquisition Transaction. If required, YTechnologies will then cause the YCards Shares acquired under the Offer to be voted in favour of such a transaction.

MATERIAL CHANGES AND OTHER INFORMATION

YTechnologies has no information which indicates any material change in the affairs of YCards since the date of the last audited financial statements of YCards other than as has been disclosed herein. YTechnologies has no knowledge of any other matter that has not previously been generally disclosed but which would reasonably be expected to affect the decision of the shareholders of YCards to accept or reject the Offer.

SOURCE OF FUNDS

As the Offer has been structured on a share exchange basis, YTechnologies has not been required to make financing arrangements in connection with the Offer.

NO SOLICITING DEALER

YTechnologies has not retained a soliciting dealer, and will not pay any fees or commissions to any broker, dealer or other person for soliciting tenders of YCards Shares pursuant to the Offer.

No fee or commission will be payable by any holder of YCards Shares who transmits his, her or its YCards Shares directly to the Depositary.

BENEFITS FROM THE OFFER

To the knowledge of YTechnologies, there are no direct or indirect benefits of accepting or refusing to accept the Offer which will accrue to any Director or Senior Officer of YCards, to any associate of the Directors and Senior Officers of YCards, to any person or company holding more than 10% of any class of equity securities of YCards or to any person or company acting jointly or in concert with YCards, other than the YTechnologies Common Shares issued to Harold M. Walker, David M. Antony and Peter C. Wallis. These individuals are receiving identical consideration for their YCards Shares as all YCards Shareholders.

VALUATION

Rick Buck ("Buck") has prepared an independent valuation report (the "Valuation Report") dated September 20, 2000 in respect of YCards. As disclosed in the Valuation Report, Buck has appraised the "en bloc" fair market value of YCards, as at September 15, 2000, (the "Valuation Date") at $315,000.

The valuation conclusion is based on the net tangible assets of YCards as at the Valuation Date. Due to factors considered by Buck, relating to the early stages of commercialization of the products and services of YCards, an appraisal using any other basis than net tangible assets is inappropriate. Determination of an upper value range at this time would be highly speculative.

In preparing the Valuation Report Buck has reviewed and relied upon:

1. a Business Summary dated April 2000 which contains the base elements of the business plan of YCards including descriptions of the technologies used, current products, strategic alliances, marketing plans as well as a corporate and management overview;
2. a draft of the Take Over Bid Circular and Offer to Purchase;
3. unaudited Consolidated Financial Statements of YCards as at July 31, 2000 and for the four months then ended as reviewed by Deloitte & Touche LLP (Review Engagement Report);
4. a working capital update to September 15, 2000, prepared by Management; and
5. financial projections prepared by management of YCards for the years ended July 2001 through 2003.

In addition to the foregoing Buck also:

1. visited the Calgary offices of YCards and observed certain of the products and applications;
2. had discussions with management of YCards including Hal Walker, Chairman and CEO, Jim Lout, President and COO and Dave Antony CFO and Treasurer (hereinafter described individually or as a group as "Management") ; and
3. obtained a representation letter from Management confirming in writing certain specific representations made to him as well as a general representation that to the best of their knowledge, information provided to him was true, complete and accurate in all material respects and that no change has occurred in the facts set out or referred to in any such information which would reasonably be expected to have a material effect on the conclusions.

During the course of Buck's work he did not undertake any review of underlying agreements or arrangements with customers, strategic alliances, contract developers or for custom applications designed for clients nor did Buck investigate measures taken by management to protect intellectual property. Due to the early nature of the development of the business and the resulting conclusions Buck is of the opinion that an in depth review of these matters was not required and would not impact the conclusion.

The board of directors of YTechnologies is satisfied that Buck is a qualified independent valuator.

Copies of the Valuation Report are available for inspection at the registered office of YTechnologies at 1600, 407 - 2nd St. S.W., Calgary, Alberta T2P 2Y3. A copy of the Valuation Report will be sent to any registered holder of YCards Common Shares upon payment of a change sufficient to cover copying and postage.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

YCards shareholders should consult with their own tax advisors to determine the particular tax consequences to them of the Offer, including the application and effect of income and other tax laws of any country, province, state or local authority.

YCards Shareholders are urged to consult their own personal advisors on the availability of the capital gains exemption on dispositions of YCards Shares and to determine the consequences to them of the recognition of a capital gain as a result of the exchange of YCards Shares for YTechnologies Common Shares.

STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides the YCards securityholders with, in addition to any other rights they may have at law, rights of rescission or to damages or both, if there is misrepresentation in a circular or notice that is required to be delivered to the YCards securityholder. However, such rights must be exercised within prescribed time limits. YCards securityholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

DATED: September 20, 2000

APPROVAL AND CERTIFICATE

The contents of the Offer and the Circular including all Exhibits thereto have been approved and the sending, communication or delivery thereof to the YCards Securityholders has been authorized by the Board of Directors of YTechnologies.

The foregoing, together with the documents incorporated herein by reference, contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in the light of the circumstances in which it was made.

"Harold M. Walker" (signed)	*"David M. Antony"* (signed)
Harold M. Walker **Chief Executive Officer**	**David M. Antony** **Chief Financial Officer**

ON BEHALF OF THE BOARD

"Thomas Keenan" (signed)	*"Peter Wallis"* (signed)
Thomas Keenan **Director**	**Peter Wallis** **Director**

EXHIBIT I

INFORMATION REGARDING YCARDS

Unless specified otherwise, information in this Exhibit I is effective September 1, 2000 (the "Effective Date").

AVAILABLE INFORMATION

YCards is not a reporting issuer for the purposes of Canadian securities legislation. The information concerning YCards contained in the Offer and this Circular has been taken from or is based upon information received from management of YCards for inclusion herein, and with respect to such information YTechnologies and its Board of Directors and Officers have relied solely on the information provided.

Yes I.C. Smart Cards Inc.

YCards was incorporated under the laws of Alberta, on September 22, 1999. Pursuant to a Certificate of Amendment dated February 22, 2000, YCards amended its articles and removed its private company restrictions.

The registered office of YCards is 1600, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3. The head office of YCards is located at Suite 2600, 605 - 5th Avenue S.W., Calgary, Alberta, T2P 2H5.

As of the Effective Date, YCards employs 8 full time employees, no part time employees and 1 consultant.

YCards has one wholly-owned subsidiary, Tee2Tee Scoring Systems Inc. ("T2T"). T2T was incorporated under the laws of Alberta, on May 27, 1996. The registered office of T2T is Suite 2600, 605 - 5th Avenue S.W., Calgary, Alberta, T2P 2H5 and the head office is located at Suite 2600, 605 - 5th Avenue S.W., Calgary, Alberta, T2P 2H5. T2T also has an office in Edmonton, Alberta, at #301 Bedford Square, 4209 - 99 Street, Edmonton, AB, T6E 5V7.

Introduction - Description and General Development of the Business of YCards

YCards is a private Alberta corporation based in Calgary and Edmonton. Utilizing e-business, smart card technology, and electronic data interchange, YCards provides turnkey solutions to clients with a focus in the following industries: health care, retail marketing and golf.

Health Care

YCards is developing, integrating and marketing three health care smart card applications:

1. Emergency Assistance;

2. Benefits Delivery; and

3. Patient Admission.

The Emergency Assistance System provides a user-friendly easily accessible reader infrastructure able to display important information from patient cards in critical situations. The card readers are small enough to be carried in the pocket of an ambulance driver yet contain the technology to retrieve all the stored data kept by a patient. The Benefits Delivery System allows governments and private insurers to establish an inexpensive paperless claims process. The system is expected by YCards Management to provide a private and secure method of processing health care claims. The Patient Admission System provides full patient admission information, including personal, medical and insurance data, to appropriate health care providers. This system allows patients to safely and accurately store their own information for use in the health care system.

Retail Marketing

YCards has a license agreement with Cyberpro Technologies Inc. ("Cyberpro"), which has developed a suite of smart card applications which is designed to provide retail companies with solutions that reward customers for their loyalty and purchases at retail sites. Both Cyberpro and YCards are working to bridge the gap between the physical and virtual retail worlds. The strategy utilizes smart card applications to propagate e-commerce and download points and coupons via the Internet; thus providing incentives to customers to return to the physical retail sites.

Golf

T2T Scoring Systems Inc.

T2T has developed a smart card system that allows golfers to track their handicap with ease as they move from course to course. The smart card system provides the golfers with simple access to reader devices. Scores can be entered on the card within seconds along with specific course information. YCards has also developed a scoring and statistics kiosk. The system involves a scan card for the score card, that allows golfers to easily keep track of their statistics per round and by course. The card is scanned at the kiosk to provide a printout of the information. The division's product offerings also include touch screen tee sheets, course handicap systems, an automated ballot system and a pro shop point-of-sale system.

GolfCanada.com

YCards owns the Web site GolfNet Canada (domain name "www.golfcanada.com") which provides course listings in Canada. The site currently lists over 1200 courses. Tee bookings and course information can be accessed through the site. YCards also owns the rights to the following domains: golfnet-usa.com, golfnet-canada.com and golfnetcanada.com.

Background

Smart Cards

Management of YCards plans to use its broad-based experience in smart card development and implementation to allow YCards to become a leading North American smart card system solutions provider in the areas of health care, retail marketing and golf. YCards management anticipates that within twenty-four months, YCards will have significant smart card projects implemented and will have partnered with leading technology providers in these implementations. Management of YCards believes these accomplishments will best position YCards to capitalize on a significant share of this emerging technology.

Golf Course Technology

YCards has a complete suite of golf management software. The suite of software products has been implemented in several courses in Western Canada. YCards plans to introduce its most unique product (the scoring / handicap kiosk, and its related Internet site) into golf courses throughout North America within the next twenty-four months. This objective will facilitate entry of other course products such as the touch screen tee sheet, ballot system and pro shop point-of-sale system.

Golf Course Listing Web Site

YCards plans on focusing its marketing efforts on the existing use of the GolfNet Canada web site and comprehensive listing of courses. YCards plans on adding accommodation booking and other revenue producing features to the site in the next six to twelve months.

Significant Milestones Reached by YCards to Date

YCards commenced operations in September, 1999. The following are some significant milestones reached by YCards since that date and anticipated future milestones.

Smart Cards

Health Care – YCards is negotiating to implement an emergency health care application within the next 12 months. Management of YCards intends to pursue its health care benefits delivery system for implementation. Product development for the emergency health care application will be completed for this implementation. The development of the benefits delivery system will occur as needed.

Retail Marketing – YCards plans on having two retail marketing smart card applications sold in the next twelve months. With an existing relationship with Frank Mayer and Associates, YCards is averaging new proposals to major U.S. retail companies at the rate of three per month.

Golf – YCards expects development of the newest version of the golf handicap smart card system to be finalized by the third quarter of 2000. YCards expects to install the first handicap card system by the end of 2000.

Golf Course Products

YCards has completed the development of the newest versions of the tee sheet, handicap, ballot and point-of-sale systems as of May of 2000. The completion of the scoring kiosk is expected by Fall 2000. The related Internet site and web-enabling tools for all of the products should be completed by Fall of 2000. Of the completed products, several have already been sold to local courses. Management of YCards believes that consistent sales will continue.

Golf Course Listing Web Site

The GolfNet Canada web site currently lists over 1200 golf courses and has approximately 100 subscribers to additional services. The site currently receives on the average of 300 to 400 visits per day. Management of YCards believes that it is already positioned well to accomplish YCards' objectives by the summer of 2001.

Acquisitions

All the issued and outstanding shares of T2T

Effective March 22, 2000, YCards acquired all of the issued and outstanding shares of T2T ("T2T Shares") pursuant to a share purchase agreement in an arm's length transaction with the shareholders of T2T. The consideration for the T2T Shares was the issuance of 575,000 YCards Shares. As a result of the T2T acquisition, T2T became a wholly owned subsidiary of YCards effective March 22, 2000.

Assets from Sirius Investments Ltd.

Effective March 31, 2000, YCards acquired all the assets from Sirius Investments Ltd. ("Sirius") pursuant to an asset purchase agreement. The acquisition of the assets from Sirius was an arm's length transaction. The assets of Sirius included, $73,967 in working capital and the domain names:

1. golfcanada.com
2. golfnet-canada.com
3. golfnetcanada.com
4. golfnet-usa.com

The consideration for the assets of Sirius was paid by YCards with the issuance of 173,967 YCards Shares to Sirius.

Products and Services

Health Care Smart Card Systems

The Emergency Medical Card system stores specific patient information on a smart card that can then be read with handheld readers by emergency personnel. The Emergency Medical Card can be updated by readers at specific health care points-of-entry. This product is currently in the design and development stage. It is expected that much of the development will be provided by strategic partners and outside contractors.

The health care benefits delivery system is currently in the design stage. It involves patient and health care provider smart cards to be utilized to provide paperless claim processing for health care procedures, as well as eligibility verification. The system will be designed and is expected, upon completion, to greatly reduce administrative costs and reduce fraud for private and government health care programs. The product is currently in the design stage.

Golf Course Products and Services

TeeTrax Reservation System

The TeeTrax Reservation System ("TeeTrax") is a flexible and easy to use tee time reservation system. It is the base system for two of T2T's other applications, TeeDraw Ballot system and TeePoint POS system. All of these systems are Microsoft Windows 98/2000 based and are designed for use with a touch screen monitor.

The single unit TeeTrax system is fully developed. Currently, T2T has implemented a networked version of the software for beta testing. The system is being monitored for performance targets and has performed above the course's expectations. A web-enabled component is currently being developed for TeeTrax. It is expected that the additional development will be completed by September 2000.

TeePix Ballot System

The TeePix Ballot system package ("TeePix") administers a fair, easy to use and fully accountable ballot system for tee times. Golfers are able to enter draws via a touch screen interface within membership parameters. TeePix is designed for use with the TeeTrax and is also available as a stand-alone system.

In response to the difficulties in placing a tee time at public golf courses via the telephone, the upcoming version of the software will allow the ability to run public draws over the Internet.

The newest version of TeePix was developed over a twelve month period. Its deployment occurred in 1999.

Version 2.0 has been working in several courses over the past golf season. The system is being monitored for performance targets and has been performing beyond the courses' expectations.

TeeCap Handicap System

TeeCap Handicap system ("Tee Cap") is a solution to golf course handicapping. Touch screen technology and optional magnetic strip cards make this system easy to use. TeeCap is designed for use with TeeTrax and is available as a stand-alone system. The newest release, Version 2.0, of TeeCap is combined with TeePix to provide golf courses a seamless interface to solving handicapping and ballot processing within the same touch screen system.

The newest version of TeeCap was developed over a twelve month period, before being deployed into the market in 1999 as Version 1.0. The TeeCap development phase was completed in 2000 with Version 2.0 being deployed. Several courses in Western Canada are using the Handicap/Ballot software in the 2000 season.

TeePOS (Point-of-Sale) System

The TeePOS system ("Tee POS") is a system designed to meet the needs of a golf course pro shop. It provides additional functionality to TeeTrax. The system operates under Windows 98/2000 and is designed for use with a touch screen monitor.

TeePOS is linked with TeeTrax to allow the combined payment of multiple transactions.

The TeePOS system has been developed and Version 1.0 is implemented.

The TeePOS system development phase was completed in late 1999. Version 2.0 of the software is completed and is currently implemented for beta testing.

TeeScoring / Handicap System

The TeeScoring system ("TeeScoring") allows golfers to record game information as quickly as they do on their traditional scorecard. At the end of the round they touch the screen to activate the system, insert their identification card and feed their scorecard through the kiosk. The kiosk accesses their personal database and prints a variety of statistics, incorporating the Royal Canadian Golf Association course slope rating and including their calculated handicap to date on a scoresheet. As the kiosks are networked, the golfer need only have their card to access the system at different courses.

At any time the golfer can use the touch screen to access information from their personal database, or summary information on other T2T software golfers. Via the Internet, TeeScoring will provide a summary of the golfer's information, detailing their best rounds, holes, drives, etc., among other pertinent information

TeeScoring collects a significant amount of information for a golfer, including his/her habits and capabilities. This information can be valuable to associations like the Royal Canadian Golf Association for a variety of reasons, including market assessment and program development.

Version 3.0 is fully Internet capable and will enable the users to access their information and statistics from their home or office via the Internet.

Handicap Smart Card System

The TeeCap Card system will store and transfer a golfer's handicap index from course to course, using smart cards and a reader infrastructure. The reader infrastructure will include the TeeScoring kiosk, point-of-sale stand-alone readers and portable handheld devices. The cards and readers will calculate the appropriate index based on the course, and store the score and history of scores on the card and reader network. Handicaps will be able to be read with a portable unit on the first tee box of a course, on a different device within the pro shop, and on the Internet via any web enabled computing device. The handicap index can be calculated on a hole-by-hole basis to provide a truer indication of play proficiency.

Golf Course Listing Website

The GolfNet Canada web site has been fully developed and in-place for over five years. Working from the domain address – golfcanada.com – the sight provides listings of golf courses throughout Canada. It currently lists over 1200 courses, and in 1999 had over 130 paid subscribers to additional services.

Future Developments

YCards looks to develop Internet-based retail marketing applications related to smart card interfaces. No set development timelines or budgets have been established.

Operations

YCards offers software licenses and related services.

The products of YCards are object-oriented programming computer applications. This methodology allows YCards engineers and programmers to create sets of reusable components, or building blocks, that may be combined to form a complex system. The developmental efforts of YCards have produced a library of reusable individual software components for a variety of personal computer and smart card devices.

Using this extensive collection of software components or building blocks provides:

1. a simpler system design, thus reducing system maintenance costs, as well as allowing for the reusability of these building blocks across a wide range of smart card systems;

2. the ability to respond rapidly to customers that have specialized smart card needs; and

3. the ability to seamlessly integrate YCards' software with all major operating systems, office-management and point-of-sale systems.

YCards continues to have a commitment to innovation and quality in the development of its products. YCards adheres to a stringent set of development standards in the development of its products. These standards include the following:

1. YCards designs its software products to be compatible with all major operating systems for the various system architectures. The compatibility of YCards products is key to market acceptance and provides a distinct advantage;

2. the product design and architecture provides flexibility and adaptability to emerging technologies; and

3. the development standards include adherence to industry standards as promulgated by the International Standards Organization. YCards also follows different operating systems standards and recommended configurations when developing each product for those operating systems.

Services include consultation, training, maintenance, support, sales and marketing.

Raw Material Supply

YCards relies on hardware manufacturers in three areas: computing systems, smart card reader/writer devices and smart cards. The market currently bears a sufficient number of vendors in each product area. The current abundant product supply and sufficient amount of vendors seems to provide for competitive pricing of necessary hardware items.

Marketing Plan

Market

The primary target market area for the products of YCards is North America. However, YCards considers the European and Asia/Pacific markets to be potential secondary markets.

The market segments for the products and services of YCards are generally health care, retail marketing and golf.

The health care sector is further subdivided as follows:

1. Public health systems;
2. Private insurers;
3. Hospital systems; and
4. Mobile emergency systems;

The retail marketing sector is further subdivided as follows:

1. Restaurant chains; and
2. Retail chains, including apparel, toys, automobiles, electronics, pharmaceutical, and hardware.

The golf sector is further subdivided as follows:

1. Single and multiple golf course owners and/or operators;
2. Retail golf chains; and
3. Target advertisers, including automobile brands, financial services, golf product manufacturers, and travel agencies, and hotel brands.

Sources of Revenue

It is anticipated that the predominant sources of revenue for YCards in the next 12 months will be as follows:

1. T2T software suite of products; and
2. health care implementations.

Proprietary Protection

YCards hold the proprietary right for the software code underlying its T2T software products.

In addition, YCards has the rights to the following domain names:

1. www.yesiccards.com;
2. www.yesictech.com;
3. www.earlyrain.com
4. www.t2tsoftware.com;

5. www.golfcanada.com;
6. www.golfnet-usa.com;
7. www.golfnet-canada.com; and
8. www.golfnetcanada.com.

Directors, Officers and Promoters

The following are the names, ages, municipalities of residence and descriptions of the principal occupations of Directors and Senior Officers of YCards, year of office, and their positions and offices with YCards:

Name, Age and Residence	Principal Occupations for the Previous Five Years	Served as a Director Since	Offices with YCards	Number and Percentage of YCards Shares Owned or Controlled
Harold M. Walker, 48 Calgary, Alberta	From September, 1987 to present, Mr. Walker has been the president of the Meredith Michael Company, a private investment company. From March 1993, until September 1998, president and chairman of Stone Creek Properties Inc., a real estate development corporation.	1999	Chairman and Chief Executive Officer	1,900,000 (23.4%)
David M. Antony, 37 Calgary, Alberta	From November 1999, Chief Financial Officer of Yes I.C. Smart Cards Inc. From October 1999, Chief Financial Officer of Fifth Era Knowledge Corporation, a private company providing technology training solutions. From 1993 to June 2000, partner Halpin Antony Owen Mayer, Chartered Accountants.	1999	Chief Financial Officer and Treasurer	1,000,000 (12.3%)
James B. Lout, 39 Calgary, Alberta	From November 1999 to present Mr. Lout has been the President of YCards. From 1994 to 1999, Mr. Lout was the President of Precis Smart Card Systems, Inc.	1999	President and Chief Operating Officer	1,000,000 (12.3%)
Steve N. Christakis, 45 Calgary, Alberta	From November 1999 to present, Mr. Christakis has been the Vice President Research and Development of YCards. From 1997 to 1999, Mr. Christakis was the Application Outsource Practice Manager for western Canada and Program Manager for Keane Canada. From 1994 to 1996, he was manager of Information Systems at SMED Manufacturing.	1999	Vice President, Research and Development	1,000,000 (12.3%)

EXECUTIVE COMPENSATION

YCards currently has four directors three of whom are also executive officers.

Compensation of Executive Officers

During the period ended March 31, 2000, Harold M. Walker was paid Nil in his capacity as Chairman and Chief Executive Officer of YCards and James B. Lout was paid $30,000 in his capacity as President and Chief Operating Officer of YCards. The total remuneration paid or accrued during the period ended March 31, 2000 for all members of management (all directors, executive officers and other such other key personnel) who are employed by YCards, or retained on a consulting basis, was $54,000.

Summary of Compensation

The following table sets forth a summary of the annual and long term compensation for services paid during the period ended March 31, 2000 to Harold M. Walker and James B. Lout, being the only executive officers of YCards acting in the capacity of Chief Executive Officer or being paid an annual salary over $100,000 (the "Named Executive Officers").

SUMMARY COMPENSATION TABLE

		Annual Compensation			Long Term Compensation			
					Awards		Payouts	
Name and Principal Position	**Period Ended March 31**	**Salary ($)**	**Bonus ($)**	**Other annual compensation ($)**	**Securities under options/ SARs Granted**	**Restricted Shares or Restricted Share Common Shares ($)**	**LTIP Payouts ($)**	**All other compensation ($)**
Harold M. Walker, Chairman and Chief Executive Officer	2000	Nil(3)	Nil	Nil	Nil	Nil	Nil	Nil
James B. Lout, President and Chief Operating Officer	2000	30,000(4)	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

(1) "SARS" or "Stock appreciation right" means a right granted by YCards, as compensation for services rendered, to receive a payment of cash or an issue or transfer of securities based wholly or in part on changes in the trading price of publicly

traded securities of YCards.

(2) "LTIP" or "long term incentive plan" means any plan which provides compensation intended to serve as incentive for performance to occur over a period longer than one financial year, but does not include option or stock appreciation right plans or plans for compensation through restricted shares or restricted share units.

(3) Subsequent to March 31, 2000, a fee of $50,000 was paid to the Meredith Michael Company Ltd., a company that is affiliated with Harold M. Walker and controlled by the Walker family trust.

(4) James B. Lout is paid an annual salary of $120,000.

Compensation of Directors

There has been no cash compensation (including salaries, director's fees, commissions and bonuses paid for services rendered) paid to outside directors (i.e., directors who are not also executive officers) or corporations controlled by them, by YCards since incorporation. Since incorporation, no compensation was paid to any director of YCards in his capacity as a director.

Executive officers of YCards who also act as directors of YCards do not receive any additional compensation for services rendered in their capacity as directors, other than as paid by YCards to such executive officers in their capacity as executive officers. See "Compensation of Executive Officers".

Option Grants and Options Outstanding

The Named Executive Officers received no stock options from YCards since incorporation.

There were no options exercised by the Named Executive Officer since incorporation.

Other Compensation Matters

There were no long-term incentive awards made to the Named Executive Officers of YCards since incorporation. There are no pension plan benefits in place for the Named Executive Officers and none of the Named Executive Officers, senior officers or directors of YCards are indebted to YCards.

Long-term Incentive Plans

YCards has not had and does not currently have any long term incentive plans.

Stock Appreciation Rights ("SAR") and Restricted Shares

Since incorporation, no stock appreciation rights or restricted shares were granted by YCards to, or exercised by, the Named Executive Officers of YCards. Furthermore, no stock appreciation rights have been exercised.

Stock Option and SAR Repricing

YCards does not have any options outstanding that are granted to employees, consultants, directors or officers. YCards has not made any downward repricing of stock options or stock appreciation rights.

Pension and Retirement Plans and Payments made upon Termination of Employment

YCards does not have in place any pension or retirement plan. YCards has not provided compensation, monetary or otherwise, to any person who now acts or has previously acted as an officer of YCards, in connection with or related to the retirement, termination or resignation of such person and YCards has provided no compensation to such persons as a result of a change of control of YCards, its subsidiaries or affiliates. YCards is not party to any compensation plan or arrangement with any of the Named Executive Officers resulting from the resignation, retirement or the termination of employment of such person.

Employment Contracts

There are no compensatory plan or arrangement with respect to the Named Executive Officers that results or will result from the resignation, retirement or any other termination of employment of such officers' employment with YCards from a change of control of YCards or a change in the Named Executive Officers' responsibilities following a change in control together with the amount involved.

Authorized Capital of YCards

Common Shares

YCards is authorized to issue an unlimited number of common shares without nominal or par value of which, as at the date hereof, 8,105,217 are issued and outstanding as fully paid and non-assessable.

The holders of the YCards Shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per share at meetings of the shareholders of YCards and, upon liquidation, to receive such assets of YCards as are distributable to the holders of the YCards Shares.

Preferred Shares

YCards is authorized to issue an unlimited number of preferred shares, none of which, as at the date hereof, are issued and outstanding. The preferred shares may be issued from time to time in one or more series, each consisting of a number of preferred shares as determined by the board of directors of YCards who also may fix the designations, rights, privileges, restrictions and conditions attaching to the shares of each series of preferred shares. There are no preferred shares issued and outstanding. The preferred shares of each series shall, with respect to payment of dividends and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding-up of YCards or any other distribution of the assets of YCards among its shareholders for the purpose of winding-up its affairs, rank on a parity with the preferred shares of every other series and shall be entitled to preference over the common shares and the shares of any other class ranking junior to the preferred shares.

Capitalization of YCards

Capital	Amount Authorized	Outstanding as at July 31, 2000 and the Effective Date (unaudited)	Outstanding as at March 31, 2000(1) (audited)	Outstanding After Giving Effect to the Proposed Acquisition (unaudited)
Common Shares	unlimited	$1,697,133 (8,105,217 shares)	$1,066,967 (7,448,967 shares)	$1,697,133 (8,105,217 shares)
Preferred Shares	unlimited	Nil	Nil	Nil
Long Term Debt	N/A	Nil	Nil	Nil

Note:
(1) YCards had a deficit of $311,484 as at March 31, 2000.

Prior Sale of YCards Shares

Since the date of incorporation of YCards, 8,105,217 Common Shares have been issued as follows:

Date	Number of Shares	Issue Price Per Share	Total Issue Price	Nature of Consideration Received
September 22, 1999	2,000,000	$0.001	$2,000	Cash
November 10, 1999	3,500,000	$0.001	$3,500	Cash
November 22, 1999	590,000	$0.50	$295,000	Cash
November 30, 1999	170,000	$0.50	$85,000	Cash
December 14, 1999	200,000	$0.50	$100,000	Cash
December 21, 1999	170,000	$0.50	$85,000	Cash
January 10, 2000	70,000	$0.50	$35,000	Cash
March 22, 2000	575,000	$0.50 (deemed)(1)	$287,500 (deemed)	Exchange for Tee2Tee Shares
March 31, 2000	173,967	$1.00 (deemed)(2)	$173,967 (deemed)	Assets
July 12, 2000	531,250	$0.80	$425,000	Cash
July 21, 2000	125,000	$0.80	$100,000	Cash
Total	8,105,217			

Notes:
(1) This price was determined by arm's length negotiation between the parties.
(2) This price was determined by arm's length negotiation between the parties.

Management Discussion and Analysis

The following selected financial information of YCards as at and for the period ending March 31, 2000 has been derived from the audited Financial Statements for the period from incorporation on September 22, 2000 to March 31, 2000, and for the unaudited financial statements for the 4 month period ending July 31, 2000.

The Financial Statements are included elsewhere in this Circular and are incorporated by reference hereto and should be read in conjunction herewith. The Financial Statements are prepared on the basis of Canadian GAAP and are expressed in Canadian dollars.

YCards continued to focus its resources on the development of its smart cards solutions. It's wholly owned subsidiary, T2T continued in its development of their complete suite of golf course management tools. These initiatives have begun to show results, as the revenue of the company was approximately $147,000 for the four-month period.

This revenue was generated through approximately $120,000 from smart card solutions for clients and approximately $27,000 from the distribution of T2T related software and services. Expense during the period related mainly to administration and professional fees. There was a loss of $227,000 recorded for the period.

Deferred development costs of approximately $188,000 were capitalized during the period. These costs will be amortized against future revenue from YCards service or products.

As the company was only formed in September of 1999 there are no comparative figures available. The resources committed to the development of our products and services have now begun to realize the potential of the company as can be seen from our revenue. The following table disclosed certain financial information regarding YCards.

Statements of Earnings and Retained Earnings

	Period Ending March 31, 2000	**Four Month Period Ending July 31, 2000**
Sales	$5,493	$147,210
Loss before taxes	($311,484)	($227,178)
Net loss after tax	($311,484)	($277,178)
Expenses	$316,977	$374,388

Balance Sheets

	March 31, 2000	**July 31,2000**
Current assets	$392,520	$545,398
Capital assets	$45,260	$45,345
Deferred research and development costs	$383,408	$564,928
Current liabilities	$65,705	$102,366
Shareholders' equity	$755,483	$1,053,305
Number of Shares Outstanding(1)(2)	7,448,967	8,105,217

Notes:

(1) There are 3,875,000 shares in the capital of YTechnologies issued and outstanding as of the Effective Date of which 1,250,000 are subject to an Escrow Agreement dated March 30, 2000, and are releaseable as to 10% thereof following

issuance by the Exchange of the Final Exchange Notice and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36 month anniversaries of the initial release. See "Escrowed Shares."

(2) In addition, 8,105,217 Common Shares are to be issued pursuant to the Proposed Acquisition, of which 5,690,065 Common Shares will be required to be escrowed to be escrowed pursuant to a Value Security Escrow Agreement with shares being released from escrow to 10% thereof following issuance by the Exchange of the Final Exchange Notice, and as to 15% thereof on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release.

Principal Shareholders

The following table lists all shareholders of YCards holding 10% or more of any class of YCards Shares as at the Effective Date.

Name and Municipality of Residence	**Type of Ownership**	**Number and Percentage of Class YCards Shares Held[1]**	**Number and Percentage of YTechnologies Common Shares Owned After Proposed Acquisition[1][2]**
Harold M. Walker Calgary, Alberta	Direct	1,900,000 (25.5%)	2,130,000 (17.7%)
David M. Antony Calgary, Alberta	Direct	1,000,000 (13.4%)	1,310,000 (10.9%)
James B. Lout Calgary, Alberta	Direct	1,000,000 (13.4%)	1,000,000 (8.3%)
Steve N. Christakis Calgary, Alberta	Direct	1,000,000[3] (13.4%)	1,000,000[3] (8.3%)

Notes:

(1) Assumes 11,980,217 Common Shares outstanding.

(2) All of these Common Shares will be subject to escrow. Of the total amount 4,900,00 Common Shares will be subject to the Exchange Escrow and will be eligible for release as to 10% thereof following issuance by the Exchange of the Final Exchange Notice, and as to 15% thereof on each of the 6, 12, 18, 24, 30, and 36 month anniversaries of the initial release. See "Escrowed Shares."

(3) Does not include 2,700 Common Shares owned by Mr. Christakis' wife.

Material Contracts

Except for contracts entered into in the ordinary course of business, the following are the material contracts which have been entered into by YCards:

1. Letter Agreement dated April 20, 2000, between YTechnologies and YCards relating to the Proposed Acquisition;

2. Letter Agreement Amending Agreement dated July 15, 2000 between YTechnologies and YCards;

3. Asset Purchase Agreement dated March 31, 2000, between Sirius and YCards relating to the acquisition of certain assets of Sirius;

4. Share Purchase Agreement dated February 17, 2000, relating to the acquisition of the shares of Tee2Tee; and

5. License Agreement dated January 27, 2000, between Cyberpro Technologies Inc. and YCards.

Copies of these agreements are available for inspection at the registered office of YCards, at 1600, 407 - 2nd Street, S.W., Calgary, Alberta, T2P 2Y3, at any time prior to the Termination Date.

Risk Factors

Dependence on Key Personnel

The success of YCards depends, to a significant extent, upon the efforts and abilities of its senior management team, including Harold M. Walker, David M. Antony and James B. Lout. The loss of any key personnel, or the inability to attract and retain additional skilled employees could have a material adverse effect on YCards' business, operating results and financial condition.

Stage of Development

Not all of YCards' products and services have been fully tested. There can be no assurance that the products offered by YCards will be able to meet the demands of YCards' customers. The commencement of YCards' operations may be delayed or halted as a result of the failure of the product to perform as described. Such delays or failure would seriously harm YCards' reputation and future operations.

Competition

There can be no assurance that competitors will not be able to duplicate any of YCards' technology, or provide services similar to YCards' more efficiently, which would erode any competitive advantage that YCards may possess. Many of YCards' potential competitors have greater financial, marketing, service, customer support and research and development resources than YCards. Competitors have longer operating histories, better name recognition, a reputation for reliability and an established customer base. These competitors may be able to respond more quickly to changes in customer requirements or to devote greater resources to the development, promotion and sale of their products and services than YCards. Further, there can be no assurance that YCards will be able to compete successfully in the future.

Web Domain Names

YCards may be unable to acquire or maintain Web domain names in the countries in which YCards may conduct business. The acquisition and maintenance of domain names generally is regulated by governmental agencies and their designees and is subject to change. The relationship between regulations governing domain names and laws protecting trademarks and similar proprietary rights is unclear. Therefore, YCards could be unable to prevent third parties from acquiring or using domain names that infringe or otherwise decrease the value of its brand name, trademarks and other proprietary rights.

Uncertain Markets; Unproved Acceptance of YCards' Products and Services

The proposed business of YCards is focused on a market niche that has never been fully addressed, and hence its operations are subject to a high level of uncertainty and risk. As the market for YCards is new and evolving, it is difficult to predict the size of the market, the future growth rate, if any, or the level of premiums the market will pay for YCards' products and services (i.e. the market's price elasticity). There can be no assurance that the market for YCards' and services will emerge to a profitable level or be sustainable. There can be no assurance that any increase in marketing and sales efforts will result in a larger market or increase in market acceptance for YCards' products and services. If the market fails to develop, develops more slowly than expected or becomes saturated with competitors, or if YCards' proposed products and services do not achieve or sustain market acceptance, YCards' proposed business, results of operations and financial condition will be materially and adversely affected.

Conflicts of Interest

Certain of YCards' directors and officers may serve as directors or officers of other companies, or have shareholdings in other companies, and to the extent that such other companies may participate in ventures in which YCards may participate, the directors of YCards may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation.

Additional Capital Requirements

YCards has and will continue to have capital requirements in excess of its currently available resources. In the event YCards' plans change, its assumptions change or prove inaccurate, or its capital resources in addition to projected cash flow, if any, prove to be insufficient to fund operations, YCards could be required to seek additional financing sooner than currently anticipated. To the extent that any such financing involves the sale of YCards' equity securities, the interests of YCards' then existing shareholders could be substantially diluted. Further, there can be no assurances as to the achievability of obtaining financing.

Control of YTechnologies

Upon completion of the Proposed Acquisition, the Principal Shareholders will own a majority of the issued and outstanding shares of Common Shares of YTechnologies.

YCards Has a Short History of Operations

YCards is a development stage company. YCards has a limited operating history upon which shareholders can base their evaluation of its prospects and the potential value of its common stock. YCards is engaged principally in research and development of its proprietary smart card, Internet and golf-related technology and software and the development of pilot programs for its products. YCards' operating activities have been focused on the development of the smart card technology, marketing channels and products. Accordingly, YCards has incurred operating losses. YCards' prospects and the potential value of its common stock must be considered risky. YCards face the uncertainties, expenses, delays and difficulties associated with establishing a new business in the rapidly evolving smart card industry, plus the risks of shifting from development to commercialization and marketing of its smart card products and technologies.

YCards Do Not Manufacture Smart Card Hardware or Hardware Required by its Golf Related Products

YCards obtain all of the hardware components utilized in conjunction with its smart card technology from manufacturers and suppliers. YCards believe that these components are generally available from several suppliers. YCards does not, however, have any long-term supply contracts with any vendors. Also, although a component may be available from more than one supplier, YCards could incur delays in switching suppliers, which could have a material adverse effect on its sales and results of operations. Accordingly, the inability or unwillingness of a vendor to continue to supply components to YCards whether because of labor unrest, natural disaster or the vendor's production constraints or desire to favor other customers, could have a material adverse effect on its results of operations.

As YCards Grows, YCards May Not Be Able to Successfully Manage its Growth

In the event YCards experience substantial growth, such growth will:

1. challenge its management and operating resources;

2. require YCards to hire more technical, sales and marketing, support and administrative personnel;

3. require YCards to expand customer service capabilities; and

4. require YCards to expand management information systems.

There can be no assurance that YCards will:

1. attract and retain the necessary personnel to accomplish its growth strategies; or

2. not experience constraints that will adversely affect its ability to satisfy customer demand in a timely fashion or to satisfactorily support its customers.

If YCards is unable to manage growth effectively, its business and results of operations could be materially and adversely affected.

The Competition for Qualified Employees Is Intense

YCards' success and growth will continue to depend in large part on its ability to attract and retain talented and qualified employees, including highly skilled management personnel. Competition in the recruiting of highly-qualified personnel is intense. YCards may experience difficulty in recruiting talented and qualified employees, particularly for further development of its smart card technology. Its inability to recruit additional qualified personnel could have a material adverse effect on its business, financial condition and results of operations. YCards provide no assurance that YCards will be able to attract, motivate and retain personnel with the skills and experience needed to successfully manage its business and operations.

The Competition Within the Smart Card Industry Is Intense

The smart card industry in North America is an emerging business characterized by an increasing and substantial number of new market entrants. These market entrants have introduced or are developing an array of new products and services relating to electronic transactions and information processing. Each of these entrants is positioning its products and services as the preferred method of effectuating highly individualized, easy-to-use electronic transaction and information processing.

This market is therefore characterized by intense competition. More specifically, YCards compete with numerous well-established companies. These companies include International Business Machines, Inc., ICL, 3GI, CyberMark, Touch Technology International, Inc., Sun MicroSystems, Inc., Bull, Card Europe, Gemplus, Innovatron, Philips Electronics, Aladdin Systems, Pathways Group, Inc., MONDEX, MasterCard, Microsoft, Motorola, Schlumberger, Siemens, DigiCash, Leapfrog, Inc., and Visa, which design, manufacture and/or market smart card systems. YCards believe that its smart card products compete on the basis of enhanced security, flexibility, cost-effectiveness and quality. Although, its smart card systems incorporate new concepts, they may be unsuccessfully marketed even if they are superior to those of its competitors.

Certain competitors may be developing technologies or products which YCards is unaware. These products may be functionally similar or superior to its products. Most of its competitors possess substantially greater financial, marketing, personnel and other resources than YCards. They may also have established reputations relating to the design, development, marketing and service of smart card systems.

As the market for smart card systems grows, new competitors are likely to emerge. Increased competition is likely to result in price reductions, reduced gross margins and loss of market share, any of which could materially adversely affect its business and results of operations. There can be no assurance that:

1. YCards will be able to compete successfully;

2. competitors will not develop technologies or products that render its systems obsolete or less marketable; or

3. YCards will be able to successfully enhance its products or develop new products when necessary.

The Market for Smart Card Technology Is Developing and YCards Is Not Sure of the Market Acceptance of Such Technology

The smart card industry in Canada is an emerging business. The use of smart cards in many other countries is much more progressed. The success of the smart card industry domestically depends, in large part, on the ability of market participants, including YCards, to convince governmental authorities, commercial enterprises and other potential system sponsors or users to adopt a smart card system. The smart card system would replace existing or alternative systems such as magnetic stripe card and paper-based systems, and would change the way certain transaction and information processing tasks are accomplished.

YCards Has Just Recently Begun to Market its Smart Card Technology; Therefore, YCards Has Limited Marketing Experience

YCards may rely on unrelated third parties to assist in marketing its smart card technology and applications. However, YCards anticipate that companies with smart card marketing experience are very limited. Following the offering, YCards will have limited financial, personnel and other resources to undertake extensive worldwide marketing activities. Potential system sponsors or users of its smart card systems must be persuaded that the costs of adopting and implementing smart card systems are justified by the benefits to be derived therefrom. Achieving market acceptance of its products and systems will require significant efforts and expenditures to create awareness, demand and interest by potential system sponsors and users, and others regarding the perceived benefits of its smart card technologies. There is no assurance that YCards will be able to:

1. meet its current objectives;

2. succeed in positioning its cards and systems as a preferred method of delivering electronic transaction and information processing; or

3. achieve significant market acceptance of its products.

Like Most Technology, Smart Card Technology Is Subject to Swift Change and Obsolescence

The computer application software market is subject to:

1. rapid technological change;

2. frequent new product introductions; and

3. evolving technologies and industry standards that may render existing products and services obsolete.

YCards cannot provide any assurance that its products and systems will not suffer such obsolescence. Furthermore, its research and development efforts are subject to all of the risks inherent in the development of new products and technology, including unanticipated delays, expenses and difficulties. There is no assurance:

1. that its products and systems will satisfactorily perform the functions for which they are designed;

2. that its products and systems will meet applicable price or performance objectives;

3. or that unanticipated technical or that other problems will not occur which would result in increased costs or material delays in development.

Because of the rapid pace of technological change in the application software industry, any developed market position in the smart card industry or other markets that YCards may enter could be eroded rapidly by product advancements. Its software applications rely primarily on internally developed software tools and applications. If alternative software development tools and applications were to be redesigned and generally accepted in the marketplace, YCards could be at a competitive disadvantage relative to companies employing such alternative developmental tools and applications. Its smart card products and systems must keep current with:

1. technological developments;

2. evolving technologies and standards; and

3. increasingly sophisticated client needs.

Such developments may require substantial additional capital investments by YCards in product development and testing. YCards can not provide any assurance that YCards will have sufficient resources to make the necessary research and development investments. Also, there can be no assurance that:

1. YCards will not experience difficulties that could delay or prevent the successful development, introduction and marketing of new products;

2. the new products and product enhancements will meet the requirements of the marketplace and achieve market acceptance; or

3. that its current or future products will conform to industry requirements.

YCards May Be Unable to Protect its Intellectual Property Rights, and YCards May Be Liable for Infringing the Intellectual Property Rights of Others.

YCards' success in the smart card industry is largely dependent upon its software technology. Its products and systems are licensed to customers and sponsors. These license agreements contain provisions protecting against the unauthorized use, copying and transfer of the licensed program. YCards also rely on a combination of trade secret, copyright and trademark laws, and non-disclosure agreements to protect its proprietary rights in its products and technology. There is no assurance that such measures are adequate to protect its proprietary technology. There is also no assurance that its competitors will not independently develop technologies that are substantially equivalent or superior to its software technologies.

YCards believe that its services and products do not infringe on the intellectual property rights of others and are not aware of any asserted claims. However, there is no assurance that a person will not assert a claim against YCards for violating such person's technology property rights. It is also possible that any such assertion may require YCards to enter into royalty arrangements, resulting in possible extensive and costly litigation, or possibly even prohibit YCards from marketing its products. Furthermore, the intellectual property issues relating to its products in general have not been addressed by judicial authorities in many instances. Such adverse actions or decisions made by such authorities could create uncertainty, and its business, financial condition and results of operations could be materially and adversely affected.

Promoters

Harold M. Walker, David M. Antony, James B. Lout and Steve N. Christakis may be considered to be the promoters of YCards as they took the initiative in founding and organizing YCards.

Auditors

The auditors of YCards since incorporation have been Deloitte & Touche LLP, Chartered Accountants, Calgary, Alberta.

Dividend Policy

No dividends have been paid on any shares of YCards since the date of its incorporation.

Legal Proceedings

Management of YCards is not aware of any legal proceedings, contemplated or actual, involving YCards, or its subsidiaries, which could materially affect YCards.

EXHIBIT II

FINANCIAL STATEMENTS OF
YES I.C. SMART CARDS INC.

Consolidated Financial Statements of

YES I.C. SMART CARDS INC.

(Unaudited)

July 31, 2000

Deloitte & Touche LLP
2400 Scotia Centre
700 Second Street SW
Calgary, Alberta T2P 0S7

Telephone: 403-267-1700
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Auditors' Report

To the Directors of
Yes I.C. Smart Cards Inc.:

We have audited the consolidated balance sheet of **Yes I.C. Smart Cards Inc.** as at March 31, 2000 and the consolidated statements of loss and deficit and cash flows for the period from date of incorporation, September 22, 1999 to March 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 March 31, 2000 and the results of its operations and its cash flow for the period from date of incorporation, September 22, 1999 to March 31, 2000 in accordance with Canadian generally accepted accounting principles.

(signed) Deloitte & Touche LLP

Chartered Accountants

Calgary, Alberta
July 28, 2000

YES I.C. SMART CARDS INC.

Consolidated Statement of Loss and Deficit

	Four month period ended July 31, 2000	Period of Incorporation on September 22, 1999 to March 31, 2000
	$	$
	(Unaudited)	(Audited)
REVENUE	**147,210**	5,493
EXPENSES		
Administrative	**49,834**	23,828
Advertising	**-**	1,730
Business promotion	**4,621**	7,089
Depreciation	**10,695**	16,937
Interest and bank charges	**739**	895
Professional fees	**70,150**	177,071
Rent	**21,197**	6,925
Salaries and benefits	**175,072**	53,642
Travel	**42,080**	28,860
	374,388	316,977
NET LOSS	**(227,178)**	(311,484)
DEFICIT, BEGINNING OF PERIOD	**(311,484)**	-
DEFICIT, END OF PERIOD	**(538,662)**	(311,484)

YES I.C. SMART CARDS INC.

Consolidated Balance Sheet

	July 31, 2000 $ (Unaudited)	March 31, 2000 $ (Audited)
ASSETS		
CURRENT		
Cash and short-term investments	**416,897**	100,654
Accounts receivable	**128,501**	280,493
Investment tax credit	**-**	11,373
	545,398	392,520
Capital assets (Note 4)	**45,345**	45,260
Deferred development costs (Note 5)	**564,928**	383,408
	1,155,671	821,188
LIABILITY		
CURRENT		
Accounts payable and accrued liabilities	**102,366**	65,705
SHAREHOLDERS' EQUITY		
Share capital (Note 6)	**1,591,967**	1,066,967
Deficit	**(538,662)**	(311,484)
	1,053,305	755,483
	1,155,671	821,188

APPROVED BY THE BOARD

(signed) Harold M. Walker, Director

(signed) David M. Antony, Director

YES I.C. SMART CARDS INC.

Consolidated Statement of Cash Flows

	Four month period ended July 31, 2000	Period of Incorporation on September 22, 1999 to March 31, 2000
	$	$
	(Unaudited)	(Audited)
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net loss	**(227,178)**	(311,484)
Adjustment for:		
Depreciation	**10,695**	16,937
	(216,483)	(294,547)
Changes in non-cash working capital		
Accounts receivable	**(117,128)**	-
Investment tax credits	**-**	(11,373)
Accounts payable and accrued liabilities	**36,661**	65,705
	(296,950)	(240,215)
INVESTING		
Issuance of share capital	**525,000**	679,467
Short-term investments	**-**	(280,493)
Purchase of capital assets	**(4,601)**	(44,580)
Deferred development costs	**(187,699)**	(13,525)
	332,700	340,869
NET INCREASE IN CASH	**35,750**	100,654
CASH, BEGINNING OF PERIOD	**381,147**	-
CASH, END OF PERIOD	**416,897**	100,654

Notes to the Consolidated Financial Statements
(Information as at and for the four month period ended July 31, 2000 is unaudited)

1. DESCRIPTION OF BUSINESS

Yes I.C. Smart Cards Inc. (the "Company") is a private Alberta corporation based in Calgary and Edmonton. The Company was incorporated under the laws of Alberta on September 22, 1999. Utilizing e-business, smart card technology, and electronic data interchange, the Company provides turnkey solutions to clients with a focus in the following industries: health care, retail marketing and golf.

The recoverability of the carried value of the deferred costs is dependent upon the establishment of a market for the Company's products and the ability of the Company to obtain financing for the continued development and marketing of its products.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared in accordance with Canadian generally accepted accounting principles, which require management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual results could differ from these amounts. Significant accounting policies are as follows:

Principles of consolidation

These consolidated financial statements include the accounts of the Company and its subsidiary. All material inter-company transactions have been eliminated upon consolidation.

Capital assets

Capital assets are recorded at cost and are depreciated on a diminishing balance basis at the following rates per annum:

Office furniture and equipment	20%
Computer equipment	30%
Computer software	100%

Deferred development costs

The Company defers costs related to the development of specific software until such time as the software can be utilized in a commercial application. Once revenue is derived from the specific software, the deferred development costs will be amortized on a straight-line basis over two years.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments

The Company records its financial instruments at cost which approximates fair value, unless otherwise disclosed elsewhere in the consolidated financial statements.

Use of estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

3. ACQUISITIONS

Effective March 22, 2000, the Company acquired all of the issued and outstanding shares of Tee2Tee Scoring Systems Inc. pursuant to a share purchase agreement in an arm's length transaction with the shareholder's of Tee2Tee Scoring Systems Inc. The Company issued 575,000 common shares at a deemed value of $287,500 in consideration for the Tee2Tee Scoring Systems Inc. shares. The purchase price was allocated $301,025 to deferred development costs and the assumption of a working capital deficit of $13,525. As a result of the acquisition, Tee2Tee Scoring Systems Inc. became a wholly-owned subsidiary of the Company.

Effective March 31, 2000, the Company acquired all the assets of Sirius Investments Ltd. ("Sirius") pursuant to an asset purchase agreement. The asset purchase agreement was an arm's length transaction. The assets of Sirius included $76,967 in working capital and the following domain names: golfcanada.com, golfnet-canada.com, golfnetcanada.com, golfnet-usa.com. The Company issued 173,967 common shares for deemed consideration of $173,967 consideration for the assets of Sirius. The purchase price was allocated $76,967 to working capital, $98,860 to deferred development costs and $1,140 to capital assets.

Notes to the Consolidated Financial Statements
(Information as at and for the four month period ended July 31, 2000 is unaudited)

4. CAPITAL ASSETS

	2000			1999
	Cost $	Accumulated Depreciation $	**Net Book Value $**	Net Book Value $
Office furniture and equipment	8,000	505	**7,495**	7,407
Computer equipment	39,907	4,174	**35,733**	37,259
Computer software	2,414	297	**2,117**	594
	50,321	4,976	**45,345**	45,260

5. DEFERRED DEVELOPMENT COSTS

Deferred development costs of $488,723 (March 31, 2000 - $301,025) relate to the development of specific software. As the development is not yet complete and there has been no commercial revenue arising from this software to date, there has been no amortization of these deferred costs.

	2000			1999
	Cost $	Accumulated Amortization $	**Net Book Value $**	Net Book Value $
T2T Software Suite	488,723	-	**488,723**	301,025
Golfnet Website	98,860	22,655	**76,205**	82,383
	587,583	22,655	**564,928**	383,408

6. SHARE CAPITAL

Authorized
Unlimited number of common shares
Unlimited number of preferred shares

	Number of Shares	**Amount $**
Issued		
Issued for cash on incorporation	2,000,000	**2,000**
Issued for cash	4,700,000	**603,500**
Issued on acquisition (Note 3)	575,000	**287,500**
Issued on acquisition (Note 3)	173,967	**173,967**
Balance March 31, 2000	7,448,967	**1,066,967**
Issued for cash	656,250	**525,000**
Balance July 31, 2000	8,105,217	**1,591,967**

7. LEASE COMMITTMENT

The Company is committed under an operating lease expiring January 30, 2002 for land and buildings. Annual lease payments over the next two years will be as follows:

	$
2001	33,929
2002	16,965
	50,894

8. SUBSEQUENT EVENTS

In May, 2000, the Company entered into a letter of agreement whereby it will acquire a controlling interest in YES I.C. Technologies Inc., a capital pool company whose shares are listed for trading on the Canadian Venture Exchange, through a reverse takeover transaction subject to the satisfactory completion of certain conditions, shareholder approval and regulatory approval. The shareholders’ meeting to approve this transaction will take place on October 11, 2000.

EXHIBIT III

FINANCIAL STATEMENTS OF YES I.C. TECHNOLOGIES INC.

Financial Statements of

YES I.C. TECHNOLOGIES INC.

(Unaudited)

July 31, 2000

Deloitte & Touche LLP
2400 Scotia Centre
700 Second Street SW
Calgary, Alberta T2P 0S7

Telephone: 403-267-1700
Facsimile: 403-264-2871

Auditors' Report

Director of
Yes I.C. Technologies Inc.:

We have audited the balance sheet of Yes I.C. Technologies Inc. as at March 31, 2000 and the statement of income and retained earnings for the period from incorporation on November 26, 1999 to March 31, 2000. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted the 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 balance sheet is free material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the balance sheet. 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, the financial statements presents fairly, in all material respects, the financial position of the Corporation as at March 31, 2000 and results of its operations for the period from date of incorporation November 26, 1999 to March 31, 2000 in accordance with Canadian generally accepted accounting principles.

(signed) Deloitte & Touche LLP

Chartered Accountants

Calgary, Alberta
July 24, 2000

YES I.C. TECHNOLOGIES INC.

Statement of Earnings and Retained Earnings

	Four month period ended July 31, 2000 **$** **(Unaudited)**	Period of Incorporation on November 26, 1999 to March 31, 2000 $ (Audited)
REVENUE		
Interest income	**6,639**	598
EXPENSES	**18**	-
NET EARNINGS	**6,621**	598
RETAINED EARNINGS, BEGINNING OF PERIOD	**598**	-
RETAINED EARNINGS, END OF PERIOD	**7,219**	598

YES I.C. TECHNOLOGIES INC.

Balance Sheet

	Four month period ended July 31, 2000	Period of Incorporation on November 26, 1999 to March 31, 2000
	$	$
	(Unaudited)	(Audited)
ASSETS		
CURRENT		
Cash and short-term investments	**529,218**	108,681
Deferred costs (Note 2)	**122,438**	16,917
Other Assets	**5,563**	-
	657,219	125,598
SHAREHOLDERS' EQUITY		
Share capital (Note 3)	**650,000**	125,000
Retained earnings	**7,219**	598
	657,219	125,598

APPROVED BY THE BOARD

(signed) Harold M. Walker, Director

(signed) David M. Antony, Director

YES I.C. TECHNOLOGIES INC.

Statement of Cash Flows

	Four month period ended July 31, 2000	Period of Incorporation on November 26, 1999 to March 31, 2000
	$	$
	(Unaudited)	(Audited)
CASH FLOWS RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Net income	**6,621**	598
Changes in non-cash working capital		
Other assets	**(5,563)**	-
	1,058	598
INVESTING		
Issuance of share capital	**525,000**	125,000
Deferred costs	**(105,521)**	(16,917)
	419,479	108,083
NET INCREASE IN CASH	**420,537**	108,681
CASH, BEGINNING OF PERIOD	**108,681**	-
CASH, END OF PERIOD	**529,218**	108,681

Notes to the Financial Statements
(Information as at and for the four month period ended July 31, 2000 is unaudited)

1. INCORPORATION

The Corporation was incorporated under the ABCA on November 26, 1999 and is classified as a Capital Pool Company as defined in Policy 2.4 of the Canadian Venture Exchange.

There is no assurance the Corporation will identify and complete a major transaction as defined in Alberta Securities Commission Rule 46-501 ("Major Transaction") within the time prescribed in the equity financing prospectus. Moreover, even if a potential acquisition or investment is identified, it may not meet the requirements of a Major Transaction. The net proceeds from the equity financing, if any, will only be sufficient to identify and evaluate a very limited number of business opportunities and, additional funds may be required to finance any acquisition or investment to which the Corporation may ultimately commit. Any subsequent acquisition or investment completed by the Corporation may not prove successful.

2. DEFERRED COSTS

Costs incurred for the public offering, business development valuation, and agency fees have been deferred. No amortization has been reflected for these charges in this financial statement.

3. SHARE CAPITAL

	Number of Shares	Amount $
Authorized		
Unlimited number of common shares		
Unlimited number of preferred shares, issuable in series		
Issued		
Issued for cash on incorporation	1,250,000	125,000
Balance March 31, 2000	1,250,000	125,000
Issued for cash	656,250	525,000
Balance July 31, 2000	1,906,250	650,000

The directors of the Corporation are authorized to determine the designation, rights, privileges, restrictions and conditions attached to all of the preferred shares.

3. SHARE CAPITAL (Continued)

Under the requirements of the Canadian Venture Exchange 1,250,000 common shares will be held in escrow and released as to 10% thereof on the completion of the Corporation's Qualifying Transaction and as to 15% thereof on each of the 6, 12, 18, 24, 30 and 36 months following the initial release.

The Corporation has established a stock option plan for its directors and officers and has reserved 375,000 common shares at a price of $0.20 per share for stock options to be granted to its directors and officers after the issuance of a receipt by the Alberta Securities Commission for this prospectus. The options will expire on the earlier of five years from the date of grant and one year following the date the optionee ceases to be a director or hold an office of the Corporation by reason of death, or 90 days after ceasing the be a director or officer for any reason other than death.

4. SUBSEQUENT EVENTS

In May, 2000, the Corporation entered into a letter of agreement whereby it will acquire YES I.C. Smart Cards Inc. which will be accounted for as a reverse takeover transaction. This agreement is subject to the satisfactory completion of certain conditions, shareholder approval and regulatory approval. The shareholders’ meeting to approve this transaction will take place on October 11, 2000.

EXHIBIT IV

PRO-FORMA FINANCIAL STATEMENTS

YES I.C. TECHNOLOGIES INC.

UNAUDITED CONSOLIDATED PRO-FORMA BALANCE SHEET

JULY 31, 2000

Deloitte & Touche LLP
2400 Scotia Centre
700 Second Street SW
Calgary, Alberta T2P 0S7

Telephone: 403-267-1700
Facsimile: 403-264-2871

COMPILATION REPORT

To the Directors of
Yes I.C. Technologies Inc.:

We have reviewed, as to compilation only, the accompanying unaudited consolidated pro forma balance sheet of Yes I.C. Techologies Inc. as at July 31, 2000. This unaudited consolidated pro forma financial statement has been prepared for inclusion in the offer to purchase takeover bid circular. In our opinion, the unaudited consolidated pro forma balance sheet as at July 31, 2000, has been properly compiled to give effect to the transactions and assumptions described in the notes thereto.

(signed) Deloitte & Touche LLP

Chartered Accountants

Calgary, Alberta
September 1 2000

YES I.C. TECHNOLOGIES INC.

UNAUDITED CONSOLIDATED PRO-FORMA BALANCE SHEET AS AT JULY 31, 2000

	YES I.C. TECHNOLOGIES INC.	YES IC. SMART CARDS INC.	ADJUST-MENTS	CONSOLIDATED PRO-FORMA
ASSETS				
CURRENT				
Cash and short-term investments	$529,218	$416,897		$946,115
Accounts receivable	-	128,501		128,501
Deferred costs	122,438	-		122,438
Other assets	5,563	-		5,563
	657,219	545,398		1,202,617
CAPITAL ASSETS	-	45,345		45,345
DEFERRED DEVELOPMENT COSTS	-	564,928		564,928
TOTAL ASSETS	**$657,219**	**$1,155,671**		**$1,812,890**
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	$ -	$ 102,366		$ 102,366
SHAREHOLDERS' EQUITY				
SHARE CAPITAL	650,000	1,591,967	657,219 (650,000)	2,249,186
DEFICIT	7,219	(538,662)	(7,219)	(538,662)
	657,219	1,053,305		1,710,524
TOTAL LIABILITIES AND EQUITY	**$657,219**	**$1,155,671**		**$1,812,890**

YES I.C. TECHNOLOGIES INC.

NOTE TO THE CONSOLIDATED PRO-FORMA BALANCE SHEET

JULY 31, 2000

BASIS OF PRESENTATION

On May 1, 2000, YES I.C. Technologies Inc. ("Technologies") and YES I.C. Smart Cards Inc. ("Smart Cards") entered into an agreement subject to conditions including the approval of Technologies shareholders pursuant to which Technologies would acquire all the issued and outstanding common shares of Smart Cards in exchange for common shares of YES I.C. Technologies Inc.

The unaudited consolidated pro-forma balance sheet reflects the acquisition of Technologies by Smart Cards by way of a "reverse takeover" pursuant to the acquisition agreement above. The issuance of 8,105,217 Technologies shares in exchange for the 8,105,217 Smart Card shares represents all the outstanding common shares of Smart Cards. Since control of the consolidated company will pass to the shareholders of Smart Cards, Smart Cards is deemed to be the acquirer. As a result, the unaudited combined pro-forma balance sheet reflects the fair value of the assets and liabilities, deemed to be the net book value of Technologies, while the assets and liabilities of Smart Cards continue to be carried at the book values.

The unaudited consolidated pro-forma balance sheet at July 31, 2000 has been prepared by management from the unaudited balance sheets of Technologies and Smart Cards as at July 31, 2000.

In the opinion of the management of the companies, the unaudited consolidated pro-forma balance sheet includes all adjustments necessary for fair presentation in accordance with Canadian generally accepted accounting principles. This unaudited consolidated pro-forma balance sheet may not be indicative of the financial position or the results of operations that would actually have occurred if the events reflected therein had been in effect on the dates indicated nor of the financial position or the results of operations which may be obtained in the future.

The unaudited consolidated pro-forma balance sheet should be read in conjunction with the financial statements of the companies included elsewhere in the offer to purchase takeover bid circular of Yes I.C. Technologies Inc.