

PRELIMINARY PROSPECTUS DATED JUNE 19, 2000

This prospectus constitutes a public offering of these securities only in the jurisdictions where they may be lawfully offered for sale, and therein only by persons permitted to sell such securities. No securities commission or similar authority in Canada has in any way passed upon the merits of the securities offered hereunder and any representation to the contrary is an offence. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and, subject to certain exceptions, may not be offered or sold within the United States or to U.S. persons. See "Plan of Distribution".

Distribution by way of Dividend in Kind

June 19, 2000

BRANCHEZ-VOUS! inc.

1,503,856 Common Shares

BRANCHEZ-VOUS! inc. (*BRANCHEZ-VOUS!* or the *Corporation*) is hereby qualifying for distribution 1,503,856 Common Shares in the capital of the Corporation (the *Common Shares*) previously issued to Fairstar Explorations Inc. (*Fairstar*) in connection with the proposed reorganisation of Invention Media Inc. (*Invention Media*) and BRANCHEZ-VOUS!.

Fairstar proposes to distribute the Common Shares, *pro rata*, to its own shareholders by way of a dividend in kind (the "Dividend").

Fairstar earned the Common Shares as consideration for its participation in facilitating the reorganisation of Invention Media and BRANCHEZ-VOUS!

The current activities of BRANCHEZ-VOUS! were commenced by the management of Invention Media in September 1996. Invention Media will amalgamate with BRANCHEZ-VOUS! under the terms of the Transaction. See "The Transaction".

This prospectus also qualifies the distribution of 23,560,405 Common Shares in the capital of the Corporation to be issued to the shareholders of Invention Media in connection with the amalgamation.

Unless the context otherwise indicates, the information provided herein regarding the operations of BRANCHEZ-VOUS! assumes the completion of the Transaction (see "The Transaction") as if all activities and operations of Invention Media are carried on or deemed carried on by BRANCHEZ-VOUS! on a combined basis.

There is presently no market for the Common Shares of BRANCHEZ-VOUS! Accordingly, the Common Shares may be considered as speculative. See "Risk Factors".

BRANCHEZ-VOUS! has applied to the Canadian Venture Exchange (*CDNX*) for listing of its Common Shares.

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THE TRANSACTION

Pursuant to the terms of the reorganization agreement entered into as of February 11, 2000 (the *Reorganisation Agreement*) between Fairstar, Invention Media and BRANCHEZ-VOUS!, the following steps have been or will be completed by the Effective Date:

- (1) Invention Media has caused BRANCHEZ-VOUS! to be incorporated;
- (2) BRANCHEZ-VOUS! has issued a number of Common Shares from its capital stock to Fairstar equal to the number of Common Shares of Fairstar issued and outstanding as at the date of declaration of the dividend (the “Dividend” as such term is defined in the Reorganization Agreement) (the “Effective Date”), with an aggregate stated capital of \$1.00;
- (3) BRANCHEZ-VOUS! will consolidate its capital stock in accordance with the ratio of 15 for 1 provided for in the Reorganization Agreement in anticipation of becoming a reporting issuer and in accordance with the transaction referred to in paragraph 5 below;
- (4) Fairstar will distribute to its shareholders, on a *pro rata* basis, the aforesaid BRANCHEZ-VOUS! Common Shares by way of a dividend in kind;
- (5) The Shareholders of Invention Media including Fairstar (see “Prior Sales”), will transfer to BRANCHEZ-VOUS! all the issued and outstanding common shares of Invention Media which they hold in exchange for Common Shares of BRANCHEZ-VOUS! on a rollover basis as provided pursuant to Section 85(1) of the *Income Tax Act* (Canada) and Section 518 of the *Québec Taxation Act* as consideration for the issuance of BRANCHEZ-VOUS! Common Shares;
- (6) BRANCHEZ-VOUS! and Invention Media will then amalgamate and the shares of BRANCHEZ-VOUS! to be issued will be on the basis of the ratio provided for in the Reorganization Agreement;
- (7) Subsequent to the amalgamation, Fairstar or its shareholders will own a total of 6% of the issued and outstanding Common Shares of BRANCHEZ-VOUS! and the Shareholders of Invention Media will own a total of 94% of the issued and outstanding Common Shares of BRANCHEZ-VOUS!;
- (8) BRANCHEZ-VOUS! will, after the amalgamation, have issued approximately 23,560,405 Common Shares pursuant to paragraphs 2 and 5 above at the fair market value of Invention Media, which, for the purpose of the Transaction, has been established at \$16,125,000 on the basis of the consideration negotiated in respect of the private placements referred to under sub-paragraph 3 under the heading “Prior Sales”;
- (9) BRANCHEZ-VOUS! has filed an application with the CDNX to list its Common Shares.

The current activities of BRANCHEZ-VOUS! were commenced by the management of Invention Media in September 1996. Invention Media will amalgamate with BRANCHEZ-VOUS under the terms of the Transaction. Unless the context otherwise indicates, the information provided herein regarding the operations of BRANCHEZ-VOUS! assumes the completion of the amalgamation as if all activities and operations of Invention Media are carried on or deemed carried on by BRANCHEZ-VOUS! on a combined basis.

FAIRSTAR EXPLORATIONS INC.

Corporate Information

Fairstar was incorporated pursuant to the *Canada Business Corporations Act* on April 15, 1985 under the name 141254 Canada Inc. On December 4, 1985, Fairstar changed its name to Fairfield Explorations Inc. By Certificate of Amendment dated May 29, 1987, Fairstar became a public company.

Fairstar changed its corporate name from Fairfield Explorations Inc. to Fairstar Explorations Inc. by Certificate of Amendment effective August 24, 1993. The registered and executive offices of Fairstar are located at 3883 boulevard St. Jean, Suite 502, Dollard des Ormeaux, Montreal, Québec, H9G 3B9.

Activities of Fairstar

Fairstar is a natural resource company engaged in the acquisition and exploration of mineral properties.

From 1985 to 1993, Fairstar was relatively inactive. Fairstar, until April, 1993, held a number of diverse interests in various exploration properties, most of which have been abandoned. Fairstar still retains interests in a few minor properties. Fairstar does not intend to incur any further expenses on these properties. The focus of Fairstar's activities shifted in 1993 and, in June of that year, after a change of senior management, Fairstar acquired an extensive interest in diamond exploration claims in Alberta, followed by an interest in a number of gold exploration claims in Nevada by the end of that year. Since December 1994, Fairstar has abandoned its activities in Alberta and Nevada, while acquiring interests in projects in the Fenelon, Campeau and Quévillon areas of northwestern Québec, the Voisey's Bay area in Newfoundland, and the Ashanti Gold Belt and Asankrangwa Gold Belt areas, Republic of Ghana.

At Fairstar's Campeau, Quévillon and Voisey's Bay properties, early stage exploration work carried out in the 1995-1997 period met with mixed results and Fairstar has either given up its interest in these properties (Campeau) or has allowed the claims to lapse as they have come due for renewal.

Currently, Fairstar's mineral property portfolio consists of a 100% interest in the 75 square kilometre Benso Concession and a 100% interest in the 215 square kilometre Abuakwa Prospecting License, both located in the Republic of Ghana, West Africa and an approximate 72% interest in the Fenelon Project in Québec, Canada. Fairstar's interest in its African properties is subject to a 10% net profits interest in favour of the Government of Ghana. The Benso Concession is subject to a further 15% net profits interest in favour of the previous Concession holder.

In May, 2000, Fairstar announced the closing of an option agreement with a third party for development of the Fenelon Project resulting in an immediate cash payment to Fairstar of \$400,000. In addition, by meeting certain conditions contained in the agreement, the third party has an option to acquire a 66 2/3% interest in the project, subject to certain royalty payments in favour of Fairstar from production.

Market for Securities

The authorized capital of Fairstar consists of an unlimited number of common shares of which 22,557,835 common shares are currently issued and outstanding.

Fairstar's common shares are listed for trading on the Toronto Stock Exchange under the symbol "FFR" and are currently held by over 3,000 shareholders.

THE CORPORATION

BRANCHEZ-VOUS! Inc. (*BRANCHEZ-VOUS!* or the *Corporation*) was incorporated under the *Canada Business Corporations Act* on April 7, 2000. The Corporation's registered office is currently located at 1, Place Ville-Marie, 37th Floor, Montreal, Québec, H3B 3P4, and its principal place of business is located at 4316, St-Laurent boulevard, Montreal, Québec, H2W 1Z3.

The current activities of BRANCHEZ-VOUS! were commenced by Invention Media in September 1996. Invention Media will amalgamate with BRANCHEZ-VOUS under the terms of the Transaction. See "The Transaction". Unless the context otherwise indicates, the information provided herein regarding the operations of BRANCHEZ-VOUS! assumes the completion of the amalgamation as if all activities and operations of Invention Media are carried on or deemed carried on by BRANCHEZ-VOUS! on a combined basis.

BUSINESS OF THE CORPORATION

The Corporation is a leader in the Internet industry in the province of Québec. The Corporation is the first and a diversified independent Web publisher and online advertising network in Canada's French language Internet industry.

The Corporation's two main products are: (i) the "Réseau BRANCHEZ-VOUS!" Network, a tightly integrated network of more than a dozen sites owned and operated by the Corporation, constituting a major full-fledged Portal (the "Portal"), and gathering a combined traffic of approximately 10 million page views per month and (ii) the Cible.Net network, the only Québec-only advertising network, grouping nine (9) sites, owned and operated by other publishers for which the Corporation acts as an advertising sales agent, and which gather a combined traffic of more than 10 million page views per month. The Corporation's advertising clients enjoy combined traffic of more than 20 million page views per month on more than twenty (20) Québec-based Web sites, with the Corporation capturing an estimated 9% share of Canada's French language online advertising revenues based on an estimate prepared by a leading national consulting firm at \$7 million for the French language Canadian Internet advertising market in 1999.

The BRANCHEZ-VOUS! Network was launched in 1995 by Patrick Pierra and Jean A. Sanche, President and Vice-President, Sales, of Invention Media, respectively. The Corporation publishes content and provides free applications to Internet users in the network, which consists of the following fourteen (14) sites:

- 1) *bénéfice.net* (*www.benefice.net*), a news and reference site for Internet professionals;
- 2) *ANNONCEZ!* (*www.annoncez.com*), a classified ads site;
- 3) *BRANCHEZ-VOUS!* (*www.branchez-vous.com*), a portal site;
- 4) *JOUEZ!* (*www.jouez.com*), a news and reference site for online gamers;
- 5) *MAGASINEZ!* (*www.magasinez.com*), an Internet shopping guide;
- 6) *RENCONTREZ!* (*www.rencontrez.com*), a chat and dating site;
- 7) *TROUVEZ!* (*www.trouvez.com*), a meta-search service;
- 8) *VOYAGEZ!* (*www.voyagez.com*), a travel site;

- 9) MesNouvelles.com (*www.mesnouvelles.com*), a news site;
- 10) MonCourrier.com (*www.MonCourrier.com*), a free web-based e-mail service;
- 11) MonEntreprise.com (*www.MonEntreprise.com*), a site for small and medium businesses;
- 12) Planète Webinette (*www.webinette.com*), an entertainment site;
- 13) ZoneDreamcast.com (*www.zonedreamcast.com*), a gaming site;
- 14) FemmeWeb.com (*www.femmeweb.com*), a portal site for women.

In the case of the Cible.Net Network, the Corporation represents the following sites:

- 1) Le Droit d'Ottawa (*www.ledroit.com*), the site of the only French-language daily newspaper in the Hull-Ottawa region;
- 2) Info Presse (*www.infopresse.com*), the site of the leading trade magazine for media, marketing and advertising professionals in Québec;
- 3) Match Économique (*www.matcheconomique.com*), a business site;
- 4) Grand Monde (*www.grandmonde.com*), a site for parents of young children and educators;
- 5) Le Quotidien de Chicoutimi (*www.lequotidien.com*), the site of the only daily newspaper in the Saguenay-Lac St-Jean region;
- 6) Radio-Énergie (*www.radioenergie.com*), the site of one of the leading radio networks in Québec;
- 7) Le Soleil de Québec (*www.lesoleil.com*), the site of the most respected daily newspaper in the Québec city region;
- 8) 55Net (*www.55net.com*), a site for French-speaking seniors;
- 9) Québec64 (*www.quebec64.com*), a news and reference site for console gamers.

Distinctive Advantages of the Corporation

1. *Leading Québec provider.* In Québec, the Corporation is a major success on the Internet. Its site BRANCHEZ-VOUS! was awarded the 1999 Boomerang award as the Best Overall Portal by a prominent jury of Québec Internet and media industry experts. Taking into account its in house BRANCHEZ-VOUS! Network of 14 Web sites together with its Cible.Net Network, the Corporation's advertising clients enjoy a combined traffic of more than 20 million page views per month over a total of twenty-three (23) Québec-based Web sites.

As a publisher, the Corporation has internally developed a unique portfolio of vertical sites integrated in a general-purpose Portal. This combination allows the Corporation to play both in the Portal market place and in the so-called “vortals” (or “vertical portals”) market place. As a sales organization, the Corporation has developed strong ties with advertising agencies for the past five years, allowing the advertising agencies to use a comprehensive range of sites and formats.

2. *Integration of its activities and revenue diversification.* The Corporation carries out Web site publishing over its fourteen (14) sites and sells advertising for these sites and for nine (9) other sites. The Corporation intends to exploit two (2) areas of the Internet: first, to continue expanding the number of sites published under the BRANCHEZ-VOUS! Network, providing a broader scope to its advertising clients and added features for its current audience and second, to continue expanding its Internet advertising representation business as a complementary solution for its advertising clients.

The business model of the Corporation is mainly dedicated to the development of advertising sales. The activities of the Corporation are highly integrated allowing an orderly and rational diversification in the following activities:

- Continued addition of new targeted sites which will be developed by the Corporation or through acquisitions;
- Increase of advertising sales, both in Canada and in French-speaking Europe.

The Corporation enjoys credibility through its expertise and experience, which should enable it to capture an important share of these markets and diversify its revenue base.

Principal Commercial Partners

The Corporation's advertising sales network comprises a total of the nine (9) Web publishers of the Cible.Net Network, including:

- Radio-Énergie, Astral Media radio network; and
- UniMédia, Hollinger Corp.'s Québec newspaper chain which includes Le Soleil and Le Droit.

In addition, the Corporation's major marketing, content and distribution partners include:

- AOL Canada and AOL France;
- Hi-Media, the largest independent advertising Network in France (and Invention Media's European partner);
- Lycos France, jointly owned by Lycos, Inc. and Bertelsmann AG;
- MSN Canada (Microsoft);
- Virtual Billboard Network (“VBN”), a subsidiary of Gallop & Gallop (Invention Media's Toronto partner, which has just been acquired by Engage, a CMGi subsidiary, to become Engage Canada);
- 1stUp.com, a US-based subsidiary of CMGi, to offer free Internet access under the BRANCHEZ-VOUS! brand throughout North America.

Strategic Initiatives and Objectives of the Corporation

The Corporation's key strategies for becoming Québec's most important independent Web publisher/media portal, vertical Web publisher and online advertising sales network are:

- 1) Expanding and developing its Web publishing business beyond its current fourteen (14) Web sites, via a combination of internal growth through the design and development of new sites on a continuing basis, together with external growth through selected acquisitions of independent Web publishers ;
- 2) Expanding and developing its Internet advertising sales business to achieve a market share exceeding 10% in French-speaking Canada, thereby strengthening its position in influencing Internet advertising rates; and
- 3) Exploring opportunities to license its content and brands and to enter the e-commerce market place.

Principal Services Offered by the Corporation

Advertising sales. The Corporation provides Québec-based advertisers and advertising agencies with a comprehensive media solution for reaching Internet users in Québec, Canada and France, through a selection of targeted sites. In this respect, the Corporation markets in Québec the BRANCHEZ-VOUS! Network (its own network of fourteen (14) sites published in-house), the Cible.Net Network (its own network of nine (9) Québec-based independent publishers' Web sites), the Virtual Billboard Network (a network of approximately 200 Canadian-based English language Web sites).

Advertising representation. Through the Cible.Net Network, the Corporation provides Québec-based independent Web publishers with a comprehensive solution for exposure to major Québec-based advertisers and advertising agencies, in order to be included in online media buys from these advertisers and agencies. In this respect, the Corporation provides Web publishers a purchase solution with a sales force, trade promotion tools, management tools and services, and invoicing services.

MANAGEMENT DISCUSSION AND ANALYSIS OF OPERATING RESULTS AND FINANCIAL CONDITION

The following discussion and analysis includes financial information from, and should be read in conjunction with, the Financial Statements of the Corporation appearing elsewhere in this prospectus.

Overview

BRANCHEZ-VOUS! is a leading Web publisher targeting a French-speaking audience and focusing on North America as its main market.

The Portal

The core site BRANCHEZ-VOUS! was launched in September 1995 by CorpoMedia Inc. (“CorpoMedia”), whose assets were rolled into Invention Media (“Invention Media”) in September 1996.

From inception of operations to March 31, 2000, Invention Media launched thirteen (13) other sites, either vertical portals (Travel, Games, Shopping, Internet Business, Small Business) or horizontal application

services (Search, free Web-based e-mail, Chat, Classified Ads). These sites are tightly integrated in a network called Réseau BRANCHEZ-VOUS! which, as a whole, constitute a full fledged Portal site.

Ad Representation Business

As advertising revenues account for the vast majority of revenues, the Corporation has profited from its leadership position to offer ad representation services to other Web publishers. It has developed its own advertising network of independent French language Quebec based sites. This helps the Corporation get a larger share of advertising revenues, while applying economies of scale on the sales force, trade promotion and advertising management.

To better promote this activity to independent Web publishers and advertising agencies, the Corporation has developed an umbrella brand, Cible.Net. The Corporation sells advertising on both the Réseau BRANCHEZ-VOUS! and the Cible.Net networks.

Content Distribution

Part of the content is developed in house, specifically news and reference-type content closely related to the Internet (Internet news, Web guides, etc.). The Corporation distributes part of its content to other general-audience portals in Canada (MSN.ca, AOL Canada) and Europe (AOL France, Lycos-France, Infonie). In general, these agreements do not generate direct revenues but help the Corporation promote its brands and attract traffic.

Presence in the European market

As a minority of the traffic on the Corporation's properties comes from Europe, the Corporation has developed European versions for two of its early sites: BRANCHEZ-VOUS! (Internet News) and JOUEZ! (Internet Games). While hosted in Montreal, these sites are marketed in Europe as niche-oriented news content vertical sites, leveraging distribution agreements with its Portal partner Hi-Media, a Paris-based Internet advertising network that handles advertising sales in Europe for the Corporation.

Discontinued operations

From October 1995 to April 1998, CorpoMedia and Invention Media were deeply involved in the development, maintenance and marketing of the French version of the Sympatico Web site, owned by Bell Canada. From September 1996 until December 1999, MediaLinx Interactive, a Bell subsidiary, owned a minority stake in Invention Media. During this period, the Corporation was performing editorial and service support for the Sympatico site. The Corporation no longer provides this kind of services.

From May 1996 to early 1999, Invention Media published a print magazine called Magazine BRANCHEZ-VOUS!. While this magazine helped the Corporation build its core product brand through traditional media, the lack of growth potential and the ongoing financial risk tied to print publishing led Invention Media's management to cease this activity.

Advertising revenues

To date, the Corporation has derived substantially all its revenues from the sale of advertisements on both the Réseau BRANCHEZ-VOUS! and the Cible.Net networks. These revenues are derived principally from:

- advertising arrangements under which the Corporation receives revenues based on a cost-per-thousand-impressions basis, commonly referred to as CPMs;

- sponsorship arrangements which allow advertisers to sponsor an area on the Corporation's network in exchange for a fixed payment.

Advertising and sponsorship rates depend on:

- whether the impressions are for general audiences or targeted audiences and the volume of impressions.

Advertising revenues are recognized in the period in which the advertisement services are rendered, provided that no significant obligations remain and collection of the resulting receivable is probable. Payments received from advertisers prior to displaying their advertisements on the network are recorded as deferred revenues. Revenues from sponsorship arrangements are recognized over the contract term, provided that no significant obligations remain. Under some of the content arrangements, it is agreed that a portion of the advertising revenue derived from the related content or application be paid to the content provider.

The Corporation has not earned profits to date and at March 31, 2000 had an accumulated deficit of \$322,879. The Corporation intends to continue to invest heavily in expanding and developing its Web publishing/media portal business beyond its current fourteen (14) Web sites, via a combination of internal growth through the design and development of new sites, together with external growth through selected acquisitions of independent Web publishers.

As a result, the Corporation may incur losses for the foreseeable future and there can be no reasonable assurance that the Corporation will ever achieve profitability. Operating results have varied on a quarterly basis in the past and may fluctuate significantly in the future as a result of a variety of factors, many of which are outside of the Corporation's control.

Results of Operations

Comparison of Three Months Ended March 31, 1999 and March 31, 2000

Revenues. Revenues increased to \$230,168 for the three months ended March 31, 2000 from \$141,014 for the three months ended March 31, 1999, an increase of 63.2%. The increase is the result of the Corporation's focus on a significant expansion into Internet advertising sales.

Operating Expenses. Operating expenses increased by 51.6% to \$110,362 in the quarter ended March 31, 2000 (47.9% of revenues), compared to \$72,779 (51.6% of revenues) in the quarter ended March 31, 1999. The increase in operating expenses reflects the significant growth of revenues and associated growth in the content providers' expenses as well as the outsourcing of editorial content during the three months ended March 31, 2000 as compared to the three months ended March 31, 1999.

Administrative Expenses. Administrative expenses include, primarily, all salaries and related expenses, facility costs, professional fees, insurance costs, travel and related costs of the Corporation. Administrative expenses increased to \$185,328 for the three months ended March 31, 2000 from \$125,274 for the three months ended March 31, 1999, an increase of 47.9%. As a percentage of revenues, administrative expenses amounted to 80.5% of revenues for the three months ended March 31, 2000 compared to 88.8% of revenues for the three months ended March 31, 1999. The increase in administrative expenses is attributable to an increase in salaries and related expenses resulting from staff hired to accommodate the growth in business during the first three months of 2000.

Comparison of Year Ended December 31, 1998 and December 31, 1999

Revenues. Revenues increased to \$645,358 for the year ended December 31, 1999 from \$456,444 for the year ended December 31, 1998, an increase of 41.4%. This increase is the result of a 43.9% growth of the Internet advertising representation under the Cible.Net network.

Operating expenses. Operating expenses increased by 69.1% to \$313,555 (48.5% of revenues) for the year ended December 31, 1999 as compared to \$185,309 (40.6% of revenues) for the same period ended December 31, 1998. The increase in operating expenses reflects the significant growth of revenues and associated content providers' expenses, and the increase of Internet advertising management fees.

Administrative expenses. Administrative expenses increased to \$573,122 during the year ended December 31, 1999 from \$570,966 in the year ended December 31, 1998, an increase of 0.38%. As a percentage of revenues, administrative expenses were 88.8% in 1999 and 125.1% in 1998. The reduction in administrative expenses as a percentage of sales reflects economies of scale achieved as a result of a significant growth of revenues during the year ended December 31, 1999.

Comparison of Year Ended December 31, 1997 and December 31, 1998

Revenues. Revenues increased to \$456,444 for the year ended December 31, 1998 from \$367,075 for the year ended December 31, 1997, an increase of 24.3%. This increase is the result of the strategic expansion of the advertising representation business with the Cible.Net network.

Operating expenses. Operating expenses declined by 29.7% to \$185,309 (40.6% of revenues) for the year ended December 31, 1998 as compared to \$263,400 (71.8% of revenues) for the year ended December 31, 1997. The decrease in operating expenses reflects mostly the loss of the advertising representation of the Sympatico Web site and the decrease of the content providers' rates during the year.

Administrative expenses. Administrative expenses increased to \$570,966 during the year ended December 31, 1998 from \$536,272 in the year ended December 31, 1997, an increase of 6.5%. As a percentage of revenues, administrative expenses were 125.1% in 1998 and 146.1% in 1997. The decrease in administrative expenses as a percentage of sales reflects economies of scales achieved as a result of a growth in revenues.

Liquidity and Capital Resources

The Corporation has been funded to date primarily through a series of private placements of equity and cash flow from operations.

As of March 31, 2000, the Corporation had cash on hand of \$170,805 and a short term deposit of \$250,000. Private placements of \$2.2 million were completed and received at the beginning of the month of April 2000.

The Corporation believes that its present capital, proceeds from the private placements and revenue from operations will be sufficient to finance its cash requirements for the next 12 months. Thereafter, the Corporation may need to raise additional funds. The exact amount of the Corporation's future capital requirements will depend on numerous factors, including, but not limited to, slower growth and adverse changes in the Internet advertising environment, delays in the growth of the Corporation's customer base, government regulations, failure or delays in executing marketing programs, failure or delays in connection with expansion to Europe and other French-speaking parts of the globe, growth that is more rapid than anticipated or competitive pressures. The Corporation may also be required to raise additional funds

sooner than anticipated in order to acquire businesses, technologies or products and other relationships the Corporation believes are strategic.

There can be no assurance that additional financing will be available when needed on commercially reasonable terms or at all. If adequate funds are not available or are not available on acceptable terms, the Corporation may not be able to fund its expansion, take advantage of strategic acquisitions, investment opportunities or respond to competitive pressures. Such inability to obtain additional financing when needed could have a material adverse effect on the Corporation's business, results of operations, financial condition and prospects. If additional funds are raised through the issuance of equity or convertible debt securities, the percentage ownership of the shareholders of the Corporation will be reduced, shareholders may experience additional dilution and such securities may have rights, preferences and privileges senior to those of the Corporation's common shares.

The Corporation has accumulated as of December 31, 1999 tax loss carry-forwards for income tax purposes totaling \$289,837 (Federal) and \$206,284 (Quebec) which are available to reduce future taxable income, the tax benefits of which have not been recognized in the financial statements. These loss carry-forwards expire in 2003 (\$14,219 Federal and \$18,768 Quebec), in 2004 (\$24,622 Federal), in 2005 (\$54,809 Federal), in 2006 (\$148,455 Federal and \$141,076 Quebec), in 2007 (\$47,732 Federal and \$46,440 Quebec).

Year 2000

The Corporation has conducted a comprehensive examination of its information technology and communications systems and software applications to determine Year 2000 compliance. Based on its examination, the Corporation believes that these systems and software applications are Year 2000 compliant.

Outlook

The Corporation operates in the Internet industry, which is growing at unprecedented rates.

Industry

The United States is generally considered to be the country leading the Internet industry, as well as its trends and applications. It is useful to consider figures from the US as both it and Canada have approximately the same percentage of the population on line, estimated to be in the vicinity of 35%. By comparison, France is estimated at about 10% and Japan at about 8%.

One of the revenue models for the Internet industry is advertising based. It is this model that applies to BRANCHEZ-VOUS!

According to the Internet Advertising Bureau's (IAB) Report, prepared by PricewaterhouseCoopers Inc., total advertising spent in the United States, across all mediums, was \$218 billion US in 1999. Subdivided into 11 categories, newspapers captured the largest portion (\$46.6 billion US) and outdoor advertising captured the smallest (\$1.7 billion US). In 1998 the Internet surpassed the latter of these mediums, capturing \$1.9 billion US of advertising. In 1999, Internet advertising in the United States grew by 141% to \$4.62 billion US. Since 1996, annual advertising growth in the US has ranged between 112% and 240%.

On an inflation adjusted basis, Internet advertising has surpassed the growth of advertising over television in its first five years of existence (\$4.62 billion vs \$3.7 billion US respectively).

Industry sources predict that this trend remains in its infancy. Jack Myers, a leading advertising economist and presenter of the official IAB study, at the Internet Advertising Bureau's annual conference, New York City, November 3, 1999, suggested that , by the year 2005, the Internet would be the third most important medium behind television and newspapers. In addition, it was suggested that the Internet medium would capture in excess of 11% of all advertising dollars and, globally, Internet advertising would exceed \$40 billion US.

According to the Television Advertising Bureau of Canada, total advertising spent in Canada, across all mediums, will exceed \$10 billion in 1999. According to the IAB of Canada's July 1999 Report, prepared by Ernst & Young LLP, advertising dollars going to the Internet will approximate \$55 million in Canada and \$7 million in Quebec. These figures are up 120% and 180%, respectively, from 1998. In addition, the report projects that the year 2000 will show Canadian Internet advertising at \$109 million of which \$16.5 million will come from Quebec, a growth of 98% and 135% respectively.

It is useful to note that in the United States, based on 1999, Internet advertising accounted for 2.12% of total advertising. In Canada, during the same period, the Internet will account for approximately 0.55% of all advertising and in Quebec, it will account for approximately 0.3%. Both countries share similar Internet penetration rates.

The Corporation

In the past several years, the Corporation has adjusted its business focus. Previously, activities of the Corporation included magazine publishing as well as Internet editorial and service maintenance. Beginning in 1998, the Corporation moved away from these activities to focus entirely on its own Internet activities.

As a result, revenue growth from continuing activities of the Corporation has grown at an increasing rate. In 1998 revenues were up 24.3% from 1997 and, in 1999 revenues were up 41.4% from 1998. This trend has continued in the first quarter of 2000 with a growth rate of 63.2% over the same period of the preceding year.

The industry in which the Corporation operates is expected to continue experiencing remarkable growth. Canada, and in particular Quebec, relative to the United States, appears to be only at the very early stages of the growth curve.

As one of the first players in the Internet industry in Quebec, the Corporation is positioned as a key player with critical mass. The Corporation is the only independent player remaining in this category. Based partially on figures derived from the Broadcast Bureau of Measurement, and the balance from internal software, the Corporation enjoys combined traffic of approximately 20 million page views per month. In addition, the Corporation has over 200,000 registered users on its MonCourrier.com free e-mail service.

The Corporation believes its revenue growth rate will continue to expand. The Corporation also believes it is uniquely positioned as Quebec's largest independent participant and one of the first participants in the Internet industry in French North America.

CAPITALIZATION

The following table sets forth the capitalization as at April 7, 2000, the pro-forma capitalization as at March 31, 2000 and April 30, 2000. The table should be read in conjunction with the financial statements of BRANCHEZ-VOUS! inc. and of Invention Media Inc. and the notes thereto appearing elsewhere in this Prospectus.

	Authorized	As at April 7, 2000	Pro-Forma (1) as at March 31, 2000	Pro-Forma (1) as at April 30, 2000
		\$ (audited)	\$ (unaudited)	\$ (unaudited)
SECURED DEBT (2)				
Bank indebtedness		—	—	—
Long-term debt		—	24,000	23,500
		—	24,000	23,500
SHAREHOLDERS' EQUITY				
Common shares (authorized and issued)	unlimited	1 (1,503,856 shares)	2,972,757 (25,064,261 shares)	2,972,757 (25,064,261 shares)
Preferred shares (authorized and issued)	unlimited	—	—	—
Deficit (3)		—	(322,879)	(322,879)
		1	2,649,878	2,649,878
TOTAL CAPITALIZATION		1	2,673,878	2,673,378

(1) After giving effect to the Transaction.

(2) The secured debt is collateralized as per notes 7 and 8 of Invention Media Inc. Financial Statements.

(3) As at March 31, 2000 per the Invention Media Inc. Financial Statements.

PRINCIPAL SHAREHOLDERS

The following table sets forth, upon completion of the Transaction, certain information with respect to persons who own of record, or who, to the Corporation's knowledge, beneficially own, directly or indirectly, 10 % or more of any class or series of securities of the Corporation:

Name and Municipality of Residence	Type of Ownership	Number of Securities	Percentage of Class or Series
Patrick Pierra Montreal (Québec)	owned of record and beneficially	11,639,315 ⁽¹⁾	46.43%
Nicholas Powell New York, New York	owned of record and beneficially	3,389,124	13.52%

Note:

(1) Directly or indirectly through a holding company.

DIRECTORS AND OFFICERS

The following table lists the names of the directors and officers of the Corporation, their municipalities of residence, titles and offices with the Corporation, principal occupations during the last five years and the number of Common Shares held by them:

Name and Municipality of Residence	Title and Office	Number of Common Shares held directly or indirectly	Principal Occupation During the Last Five Years
Patrick Pierra, Montreal, Québec	Chairman of the Board, Chief Executive Officer and Director	11,639,315 shares	President of CorpoMedia Inc. (Advertising company) from June 1994 to September 1996; from April 1996 to present, President and Secretary of Invention Media and since April 2000, President and Secretary of the Corporation
Jean A. Sanche, Town of Mount Royal, Québec	Vice-President, Sales and Director	1,454,915 shares	From August 1989 to October 1995 Vice-President, Advertising Sales, at the Gazette (English Daily Newspaper) and from April 1996 to present Vice-President, Sales, of Invention Media and since April 2000, Vice-President, Sales, of the Corporation
Denise Fleury, CA, CGA, CMA Montreal, Québec	Chief Financial Officer	—	From January 1995 to May 1995, Comptroller Collections Andrade (clothing importator); from May 1995 to June 1997 Senior Consultant with Telelobe Canada (Telecommunications company); from July 1997 to December 1998 accountant with Caisse de dépôt et placement du Québec (Fund Manager); from December 1998 to December 1999 Comptroller with the Régie de l'Énergie (regulatory agency) and from January 2000 to present, Chief Financial Officer of Invention Media and since April 2000, Chief Financial Officer of the Corporation
Bruno Gautier Outremont, Québec	Director	1,454,915 shares	From May 1987 to Present, President, Editions Info Presse Inc. (Publishing house)

Name and Municipality of Residence	Title and Office	Number of Common Shares held directly or indirectly	Principal Occupation During the Last Five Years
Nicholas Powell New York, New York	Director	3,389,124 shares	From January 1995 to May 1997, Director and Vice-President, CIBC Wood Gundy Securities Corp. (Securities Firm); from October 1997 to January 1999 Merrill Lynch / Midland Walwyn (Securities Firm); from September 1998 to present, Director, Tri-Vision International Ltd. [technology company]
André Bisson O.C. Baie d'Urfé, Québec	Director	219,112 shares	From 1990 to present, Chancellor, Université de Montréal; from 1995 to present, consultant to Opsis Communications Marketing Inc.

Patrick Pierra

Mr. Pierra has been a director of the Corporation since its incorporation in April 2000. He has served as the Chairman, Chief Executive Officer, and Secretary of the Corporation since April 2000. Mr. Pierra is also the founder and President of Invention Media from its incorporation in April 1996. Between June 1994 and September 1996, Mr. Pierra was President of Corpomedia Inc. From 1990 to 1994, Mr. Pierra has carried out various publication functions within Éditions Info Presse Inc. Mr. Pierra holds a D.E.S.S., specializing in journalism, from the l'Université de la Sorbonne Nouvelle, Paris. Mr. Pierra is the founding Chairman of the Bureau de la publicité sur Internet au Québec (the *BPIQ*).

Jean A. Sanche

Mr. Sanche has been a director of the Corporation since April 2000, and has served as Vice-president, Sales, from the same date. Mr. Sanche is also Vice-president, Sales of Invention Media from its incorporation in April 1996. Between August 1989 and October 1995, Mr. Sanche served as Vice-president, Advertising Sales at The Gazette. Mr. Sanche has studied in commerce and business administration at University of Ottawa, Écoles des Hautes Études Commerciales (HEC) of Montréal as well as advanced management at the University of Western Ontario of London.

Denise Fleury

Mrs. Fleury has served as Chief Financial Officer since April 2000. Mrs. Fleury has also served as Chief Financial Officer of Invention Media since January 2000. Between December 1998 and December 1999, Mrs. Fleury was a comptroller for the Régie de l'Énergie. From July 1997 to December 1998, Mrs. Fleury was an accountant with the Caisse de dépôt et placement du Québec. From May 1995 to June 1997, Mrs. Fleury was a consultant with Teleglobe Canada. Mrs. Fleury has been a Chartered Accountant, Certified General Accountant and Certified Management Accountant since 1982 and holds a Bachelor of Commerce degree from Hautes Études Commerciales, Montreal.

Bruno Gautier

Mr. Gautier has served as a director of the Corporation since April 2000. Mr. Gautier has also served as a director of Invention Media since September 1996. Mr. Gautier has been President of Éditions Info Presse Inc. since May 1987. Mr. Gautier holds a degree of the *Institut Supérieur des carrières artistiques*, Paris, France.

Nicholas Powell

Mr. Powell has been a director of the Corporation since April 2000. Mr. Powell has also served as a director of Invention Media since December 1999. From October 1997 to January 1999, Mr. Powell was a member of Merrill Lynch/Midland Walwyn, New York Institutional Equity department. From January 1995 to May 1997, Mr. Powell was Director of Canadian Institutional Equity Sales at CIBC Wood Gundy Securities Corp.. Mr. Powell sits on the Board of Directors of Tri-Vision International Ltd. He holds a Bachelor of Arts degree from Concordia University, Montreal.

André Bisson

Mr. Bisson has been a director of the Corporation since April 2000. Mr. Bisson has served as Chancellor of the l'Université de Montréal since 1990. Mr. Bisson is also an adviser to OPSIS Communications & Marketing Inc. Since 1995, Mr. Bisson sits on the Board of Directors of various public corporations, which, until very recently, included Donohue Inc., as well as, Power Financial Corporation and currently includes Transat A.T. Inc. Mr. Bisson holds a Bachelor of Arts degree from the l'Université Laval, Québec, a Masters in Commerce from l'Université Laval, Québec, as well as a Master of Business Administration from Harvard University, Cambridge, Massachusetts.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

Summary compensation table

<u>Name and principal position</u>	<u>Fiscal year</u>	<u>Annual Compensation</u>			<u>Long-term Compensation Awards</u>	
		<u>Salary</u>	<u>Bonus</u>	<u>Other Annual Compensation</u>	<u>Securities Under Options (#)</u>	<u>All other compensation</u>
Patrick Pierra President & Chief Executive Officer	1999	\$53,846	—	—	—	—
Jean A. Sanche Vice-president, Sales	1999	\$78,077	—	—	—	—

Executive Employment Contracts

On May 5, 2000, Invention Media entered into employment agreements with each of Patrick Pierra (the *Pierra Agreement*) and Jean A. Sanche (the *Sanche Agreement*). Each contract has a duration of five years, and is automatically renewed on a year to year basis, subject to a non-renewal notice from either party.

Mr. Pierra's compensation consists of a base salary of \$100,000 per year. In addition, in 2000, Mr. Pierra received options to purchase four hundred ninety-five thousand four hundred and ninety-eight (495,498) Common Shares. Future annual bonuses will be determined at the discretion of the Corporation's Board of Directors. In the event of Mr. Pierra's termination, he will be entitled in certain circumstances to severance indemnities equal to 50% or 200% of his total remuneration at the time of termination. In the event of Mr. Pierra's termination, any unvested and unexercised stock options held by

Mr. Pierra will immediately vest and become exercisable. Mr. Pierra has also agreed not to compete with the Corporation in the Province of Québec for the duration of his contract.

Mr. Sanche's compensation consists of a base salary of \$100,000 per year, plus 1% of Advertising revenues made throughout North America. In addition, in 2000, Mr. Sanche received options to purchase two hundred forty-seven thousand seven hundred forty-nine (247,749) Common Shares. Future annual bonuses will be determined at the discretion of the Corporation's Board of Directors. In the event of Mr. Sanche's termination, he will be entitled under certain circumstances to severance indemnities equal to 100% of his total remuneration or the remaining amount owing in the year of termination, at the time of termination. In the event of Mr. Sanche's termination, any previously granted, unvested and unexercised stock options held by Mr. Sanche, which would have otherwise become vested and exercisable during the 12 months following the termination, will immediately vest and become exercisable. Mr. Sanche has also agreed not to compete with the Corporation in the Province of Québec for the duration of his contract.

Compensation of Directors

The directors of the Corporation, who are also employees, are not presently paid any cash compensation in their capacity as directors. Directors who are not employees of the Corporation are entitled to a \$500 attendance fee for each Directors' meeting and a \$300 fee for each committee meeting they attend. All directors are reimbursed for any out-of-pocket expenses incurred in connection with their attendance at Board of Directors or Committee Meetings. Directors are eligible to participate in the Corporation's Stock Option Plan. See "*Stock Option Plan*".

STOCK OPTION PLAN

On April 17, 2000, Invention Media has established a stock option plan (the "Plan"), which has been assumed by BRANCHEZ-VOUS! for the issuance of options to purchase Common Shares to Directors, Officers and employees of the Corporation and its subsidiaries and persons providing ongoing services to the Corporation and its subsidiaries. The maximum number of stock options available under such Plan shall not, without the approval of the shareholders of the Corporation, exceed, after the Transaction, 2,506,426 Common Shares. In any event, Common Shares reserved for issuance pursuant to stock options granted under the Plan cannot exceed 10% of the issued and outstanding Common Shares (calculated on an undiluted basis) of the Corporation without shareholder approval.

At the time a stock option is granted, the Board of Directors determines the number of Common Shares purchasable under the option, the date when the option is to become effective and, subject to the provisions of the Plan, all other terms and conditions of the stock option. An optionee is entitled to hold more than one stock option at any time, however, no one optionee can receive stock options entitling the optionee to purchase more than 5% of the outstanding Common Shares of the Corporation (calculated on an undiluted basis).

The exercise price of each stock option is determined at the discretion of the Committee of Corporate Governance, who is also responsible for the directors' compensation of the Corporation at the time of granting stock options, provided that the exercise price will not be less than the closing trading price of the Common Shares on the principal Canadian stock exchange on which such shares are listed on the last trading day prior to the date of grant or, if the Common Shares are not so listed, the price determined by the Compensation Committee of the Board of Directors, acting in good faith. All stock options are for a term and exercisable from time to time as determined in the discretion of the Board of Directors of the Corporation at the time of grant, provided that no stock option shall have a term exceeding seven (7) years.

The following table sets forth the details of all option grants to date:

Name	Securities Under Options Granted (#)	% of Total Options Granted	Exercise Price ⁽¹⁾ (\$/Share)	Market Value of Securities Underlying Options on the Date of Grant (\$/Security)	Expiration Date
Directors ⁽²⁾	82,583	7.68%	\$0.6845	—	April 17, 2007
Executive Officers.....	776,280	72.20%	\$0.6845	—	April 17, 2007
Employees.....	216,367	20.12%	\$0.6845	—	April 17, 2007
Total.....	<u>1,075,230</u>	<u>100%</u>			

Notes:

- (1) The Exercise Price of the stock options was determined by reference to the price of \$0.6845 per share which was paid pursuant to the last Private Placements. (See "Prior Sales")
- (2) Only includes the Directors of the Corporation who are not also Executive Officers of the Corporation.

DESCRIPTION OF SHARE CAPITAL

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred shares issuable in series.

Common Shares

The Corporation is authorized to issue an unlimited number of Common Shares without nominal or par value, of which 1,503,856 are currently issued and 25,064,261 shall be issued and outstanding as at the Effective Date (as defined in the Reorganization Agreement). The holders of Common Shares are entitled to dividends, if as and when declared by the directors, to one vote per share at meetings of the holders of Common Shares and to participate rateably in any distribution of the assets of the Corporation upon liquidation, dissolution or winding-up, subject to the preferential rights of holders of any shares ranking in priority to the Common Shares.

Preferred Shares

The Corporation is authorized to issue an unlimited number of Preferred Shares. There are no Preferred Shares outstanding as at the date hereof. The Board of Directors may at any time and from time to time issue the Preferred Shares in one or more series, each series to consist of such number of shares as may be determined by the Board of Directors. The Board of Directors may from time to time fix, before issuance, the designation, rights, privileges, restrictions and conditions attaching to each series of Preferred Shares. The Preferred Shares of each series rank prior to the Common Shares and to all other shares ranking junior to the Preferred Shares with respect to payments of dividends and any other distribution of assets of the Corporation to its shareholders for the purpose of liquidating its affairs. Holders of Preferred Shares are not entitled to receive notice of shareholders' meetings of the Corporation nor attend or vote at such meetings except as provided by law.

PRIOR SALES

Distribution of Securities by the Corporation and Invention Media

1. Invention Media completed a distribution on December 30, 1999 of 1,932,442 Common Shares to Messrs. Andrew J. Powell and Nicholas Powell at a price of \$0.1034 per share, for aggregate proceeds of \$200,000. The Subscription Agreement also provided for an option, which was

exercised on March 21, 2000, to purchase 1,161,167 Common Shares, at a price of \$0.0861 per share, for an aggregate amount of \$100,000.

2. Invention Media completed another distribution on February 25, 2000 of 1,017,337 Common Shares to Mr. Tim Collings at a price of \$0.4914 per share, for aggregate proceeds of \$500,000.
3. On April 12, 2000, Invention Media completed the following distributions:
 - (i) 2,191,111 Common Shares, to Warburg Pincus Funds Management Inc. divided among three Funds at a price of \$0.6845 per share, for aggregate proceeds of \$1,500,000;
 - (ii) 365,190 Common Shares, to Fairstar at a price of \$0.6845 per share, for aggregate proceeds of \$250,000;
 - (iii) 219,112 Common Shares, to Mr. André Bisson, a director of the Corporation, at a price of \$0.6845 per share, for aggregate proceeds of \$150,000;
 - (iv) 219,112 Common Shares, to Mr. Benoît Pilon, at a price of \$0.6845 per share, for aggregate proceeds of \$150,000;
 - (v) 219,112 Common Shares, to Mr. Philippe Brilliant, at a price of \$0.6845 per share, for aggregate proceeds of \$150,000;

In the past 24 months, Invention Media has not issued securities for consideration other than cash except for 1,738,591 shares on February 25, 2000 which were issued proportionately to all shareholders, and 61,114 shares which were issued on March 21, 2000 in connection with anti-dilution provisions of the subscription agreement referred to in item 2 above.

BRANCHEZ-VOUS! has not issued any shares except as described in the Transaction (see “The Transaction”).

ELIGIBILITY FOR INVESTMENT

In the opinion of Lafleur Brown, Montreal, a general partnership, the Common Shares, if issued and listed on a recognized Canadian exchange, would be qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans under the *Income Tax Act* (Canada).

CANADIAN INCOME TAX CONSIDERATIONS

General

In the opinion of Lafleur Brown, a general partnership, the Corporation’s legal counsel, the following text is a fair summary of the tax considerations arising from the transactions described under the heading “The Transaction”, of this prospectus for a shareholder of the Corporation.

This summary applies only to a shareholder of the Corporation who personally holds shares of the Corporation as a fixed asset, who resides in Canada and in Québec and who deals at arm’s length with the Corporation for the purposes of the *Income Tax Act* (Canada) (hereinafter called the *Federal Act*) and the *Income Tax Act* (Québec) (hereinafter referred to as the *Québec Act*). These comments do not take into

account the tax laws of the provinces or territories of Canada other than Québec or any jurisdiction other than Canada.

This summary is based on the provisions of the *Federal Act*, the *Québec Act*, regulations passed under these laws, proposals aimed at amending these provisions announced by the Canadian Minister of Finance prior to the date of this prospectus and the interpretation given by the Corporation's legal counsel to the existing administrative policies of the Canada Customs and Revenue Agency (hereinafter referred to as *Revenue Canada*) and the Ministère du Revenu du Québec. It is assumed that the above-mentioned amendments will be adopted as tabled.

There is no assurance that the *Federal Act*, *Québec Act*, regulations passed under these laws, proposals aimed at amending these provisions and existing administrative practices and interpretations of the federal and provincial tax authorities will not be modified or interpreted in such a way as to fundamentally change the tax aspects of the proposed transactions for the shareholders of the Corporation, or that the tax treatment arising from all such operations of the Corporation will not be subject to a different interpretation.

This summary is general in scope and is neither a legal opinion nor a tax opinion given to an individual shareholder. Consequently, each shareholder is advised to obtain an independent opinion with regard to the tax liabilities arising from any tax laws applicable to the transactions contemplated by the Corporation, in light of their particular circumstances.

Unless otherwise indicated in this summary, the tax liabilities arising from the application of the Québec Act are the same as under the Federal Act. It should be noted that neither Revenue Canada nor the Ministère du Revenu du Québec has been asked to make an advanced tax ruling on the tax liabilities arising from the transactions contemplated by the Corporation.

Share consolidation

When all the shares of a class of shares of a company are replaced by a smaller number of shares of the same class of shares of the same company in the same proportions for all shareholders and there is no change in the stated capital represented by the issue, nor any of the interests, rights and privileges of the shareholders, nor any simultaneous change in the company's capital structure nor in the rights and privileges of the other shareholders, no disposition or acquisition is deemed to have taken place.

The cost of the new portfolio of shares of the company or each shareholder is the cost of the old portfolio of shares of the company divided by a different number of shares.

Thus, a shareholder of the Corporation should not incur any immediate tax liability as a result of the consolidation of the Common Shares of the Corporation.

Distribution of the Shares of BRANCHEZ-VOUS!

As described under "The Transaction" in this prospectus, Fairstar intends to distribute to holders of Common Shares of its capital stock, Common Shares of BRANCHEZ-VOUS! received pursuant to the Transaction.

A distribution by a company representing a dividend under the incorporating act governing the company is deemed to be a dividend under the *Federal Act*. The value assigned to a dividend other than a share dividend, paid out by a company in assets other than cash (a "dividend in kind") equals the fair market value of such assets at the date of the payment or transfer to the shareholders.

This amount is considered a taxable dividend received by the shareholder and is the fiscal cost (adjusted cost base of a fixed asset) of such elements, and is used to determine any taxable capital gain or allowable capital loss when the shareholder disposes of such assets.

For purposes of distribution of the Dividend by Fairstar of Common Shares of BRANCHEZ-VOUS!, the Board of Directors of Fairstar has determined that the fair market value of all common shares in the aggregate is one dollar (\$1.00).

For individual shareholders (including trusts), dividends received under the circumstances described above shall be included in the calculation of the beneficiary's income and are subject to the gross-up and tax credit rules for dividends normally applied to taxable dividends paid out by a taxable Canadian corporation.

A shareholder who is a "private corporation" or a "subject corporation" (within the meaning of the *Federal Act*) may be required to pay a 33 $\frac{1}{3}$ % refundable tax within the meaning of Part IV of the *Federal Act* on dividends received under the circumstances described above, insofar as such dividends are deductible in the calculation of his taxable income.

It should be noted that, in accordance with the administrative policy of Revenue Canada and the Ministère du Revenu du Québec, the Corporation will not issue information statements with regard to this dividend in kind to any shareholder if the total of the amounts distributed to him by the Corporation for the 2000 tax year does not exceed fifty dollars (\$50). However, notwithstanding the absence of such statement, each shareholder must include in his income the value of the dividend received from this distribution of shares of capital stock of BRANCHEZ-VOUS!.

DIVIDEND POLICY

No dividends have been paid on any shares of the Corporation since the date of its incorporation. The Corporation currently intends to retain its earnings to finance the growth and development of its business and therefore it is not expected that dividends will be paid on the Common Shares in the immediate or foreseeable future.

ESCROW AGREEMENT

In accordance with the Escrow provisions of CDNX and of the Proposed National Escrow Regime of the Canadian Securities Administrators, the Corporation will enter into an escrow agreement dated •, 2000 (the *Escrow Agreement*) among the Corporation, •, •, • and • and Montreal Trust Company of Canada (the *Escrow Agent*), pursuant to which an aggregate of • Common Shares (the *Escrowed Shares*) will be deposited in escrow with the Escrow Agent. The Escrow Agreement provides that the Escrowed Shares shall be released from escrow in stages within the time periods specified in the Escrow Agreement.

Pursuant to the Escrow Agreement, the Escrowed Shares which remain in escrow and the beneficial ownership or any interest in them cannot be sold, assigned, hypothecated, alienated, released from escrow, transferred within escrow or dealt with in any manner without the prior consent, order or direction in writing of the Commission des valeurs mobilières du Québec and CDNX except in accordance with the provisions of the Escrow Agreement.

RISK FACTORS

An investment in the shares of BRANCHEZ-VOUS! may be considered speculative based upon the following risks :

Operational Results. The business operates with few accumulated orders in any given quarter. In effect, the publication revenues of the operations result from coupon inserts which the advertisers send mainly through ongoing publicity campaigns; with respect to service revenues, they are generally completed within a given quarter. Electronic commerce revenues will greatly depend upon the level of Internet penetration in homes and businesses, as well as the level of market maturity for this new manner of offering products and services. Both present and future efforts are no guarantee of anticipated results.

Competition. In general, given that the Internet is an industry experiencing strong growth, the sector is highly competitive. In the publishing sector, however, competition has become less pronounced because after several years of existence, key attributes such as goodwill, notoriety and well established trade-marks render it more difficult to compete with those that have established themselves early on and possess these attributes. With its own sites which ensure publication sales, BRANCHEZ-VOUS! possesses the attributes of goodwill, notoriety and a well established trade-mark. The arrival of American and European enterprises with rich resources in Québec may locally alter the market share, therefore, no guarantee can be given that the Corporation will be able to maintain its current market share or notoriety.

Competition is more pronounced in the service sector because there are fewer barriers to entry. Also, in addition to businesses with origins exclusively in the multimedia and Internet sector, businesses originating from diverse sectors, such as advertising and communication agencies, graphic design agencies and information consulting services, have also begun to offer services in the conception, development and maintenance of Internet sites.

It is difficult to give an opinion on competition in the electronic commerce sector given that the Internet is still an emerging sector in both Québec and Canada.

Technological Evolution. The Internet sector benefits from numerous technological developments contributed from telephony, cable, as well as the eventual convergence of television and information technology. In this context it will be important for BRANCHEZ-VOUS! to develop its content in such a way as to integrate new technological developments with a view to keeping pace in its sector. If the business was not in the position to do so, it could subject itself to delays or jeopardize earnings, affecting its position in its sector.

Dependence on Essential Members of Management and Personnel. The success of BRANCHEZ-VOUS! depends a great deal upon members of upper management as well as certain key employees. The loss of one or more of these individuals could have adverse consequences to the success of the business. Nevertheless, it is important to mention that the success of BRANCHEZ-VOUS! is attributable to teamwork, with a founding director deeply involved in the business. Furthermore, the future success of BRANCHEZ-VOUS! will depend in part on its ability to attract and retain talented and competent personnel. The recruitment of highly qualified personnel in this sector is extremely competitive. There is no way to guarantee that BRANCHEZ-VOUS! will be in a position to find and retain such individuals. Nevertheless, the business relies upon a variety of incentives put in place, such as a stock option plan, to attract and retain its current and future personnel.

Dependence on advertising representation agreements with independent publishers. A large part of BRANCHEZ-VOUS!'s advertising revenues are for ad space sold on independent publishers' Web sites included in the Cible.Net Network. Should these publishers elect to terminate their agreements either to

contract out ad sales to other agents or to handle them in house, BRANCHEZ-VOUS!'s revenues could be adversely affected.

Dependence on growth of the Internet advertising market in Québec. As Québec-focused Internet advertising constitutes the main market of BRANCHEZ-VOUS!, its growth should be tightly tied to the growth of this market. Should the Internet encourage advertisers to develop international campaigns rather than national ones, English-only campaigns rather than multilingual ones, US-only or US and English Canada-only campaigns rather than Québec-specific campaigns, the Internet advertising market in Québec might not grow as fast or attain the size expected by the Corporation and the business of the Corporation could be adversely affected.

Intellectual Property Rights. BRANCHEZ-VOUS! is primarily based upon a combination of author rights, trade-marks, trade secrets, as well as procedures relating to confidentiality, exclusivity and non-competition agreements, designed to protect its intellectual property rights. Despite its efforts, non-authorized parties may attempt to reproduce certain elements of the products and services offered by BRANCHEZ-VOUS!, or obtain and use information which the Corporation considers to be its exclusive property. As such, there is no guarantee that the means employed by BRANCHEZ-VOUS! will be completely adequate to protect its exclusive rights or that similar competing business will not offer similar goods and services.

Regulation. The regulations in effect in the telecommunications industry do not apply to the Internet sector where BRANCHEZ-VOUS! is developing. Recently, following a series of public hearings, the Canadian Radio/Television and Telecommunications Commission (*CRTC*) has decided not to intervene in the regulation of the Internet sector. The Corporation cannot foresee the consequences to its business activities in the event of a future modification to the laws or regulations.

LITIGATION

The Corporation is not aware of any pending legal proceedings to which the Corporation is a party or to which any properties of the Corporation are subject nor are any such proceedings known to be contemplated, as of the date hereof.

MATERIAL CONTRACTS

Except for the agreements entered into in the ordinary course of business, the only agreements which are currently material to the Corporation are the following:

1. Unanimous Shareholder Agreement dated December 30, 1999 amongst the Shareholders of Invention Media Inc. (to be converted into a voting Trust Agreement upon the amalgamation of Invention Media Inc. into BRANCHEZ-VOUS! inc.);
2. Reorganisation Agreement between Invention Media Inc. and Fairstar Explorations Inc. dated as of February 11, 2000;
3. Sponsorship Agreement between Invention Media Inc. and Dundee Securities Corporation dated March 23, 2000; and
4. The Amalgamation Agreement dated • 2000 between Invention Media and BRANCHEZ-VOUS!.

PROMOTER

Mr. Patrick Pierra took the initiative in founding and organizing BRANCHEZ-VOUS!. Accordingly, Mr. Patrick Pierra may be considered to be the Promoter of the Corporation. See “The Transaction”, “Principal Shareholders”, “Directors and Officers” and “Compensation of Executive Officers and Directors”.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of the Corporation are Ernst & Young LLP, Chartered Accountants, 1, Place Ville-Marie, Suite 2400, Montreal, Québec, H3B 3M9.

The registrar and transfer agent of the Corporation is Montreal Trust Company at its principal offices in Montreal, Québec, Toronto, Ontario, Calgary, Alberta.

LEGAL MATTERS

Certain legal matters relating to this offering of Common Shares will be passed upon by Lafleur Brown, Montreal, on behalf of the Corporation and by Mc Cullough O’Connor Irwin, Vancouver, on behalf of Dundee Securities Corporation. At the present date, neither the Partners nor the employees of Lafleur Brown and of Mc Cullough O’Connor Irwin own any shares of the Corporation.

PURCHASERS’ STATUTORY RIGHTS

Securities legislation in certain of the provinces provides purchasers with the right to withdraw from an agreement to purchase securities within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, securities legislation further provides a purchaser with remedies for rescission or, in some provinces, damages where the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser provided that such remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of his or her province. The purchaser should refer to any applicable provisions of the securities legislation of his or her province for the particulars of these rights or consult with a legal advisor.

Opening Balance Sheet

BRANCHEZ-VOUS! inc.

April 7, 2000

AUDITORS' REPORT

To the Directors of
BRANCHEZ-VOUS! inc.

We have audited the opening balance sheet of **BRANCHEZ-VOUS! inc.** as at April 7, 2000. The opening balance sheet is the responsibility of the Corporation's management. Our responsibility is to express an opinion on the opening balance sheet based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. 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, this opening balance sheet present fairly, in all material respects, the financial position of the Corporation as at April 7, 2000 in accordance with accounting principles generally accepted in Canada.

Montréal, Canada,
June 7, 2000
[except for note 2, which is as of •, 2000]

Chartered Accountants

BRANCHEZ-VOUS! inc.

OPENING BALANCE SHEET

As at April 7, 2000

	\$
<hr/>	
ASSETS	
Current	
Cash	1
	<hr/>
	1
<hr/>	
SHAREHOLDER'S EQUITY	
Share capital <i>[note 1]</i>	1
	<hr/>
	1
<hr/>	

See accompanying notes

On behalf of the Board,

Director

BRANCHEZ-VOUS! inc.

NOTES TO OPENING BALANCE SHEET

April 7, 2000

1. SHARE CAPITAL

BRANCHEZ-VOUS! inc. was incorporated on April 7, 2000 under the *Canada Business Corporations Act*.

Authorized

Unlimited number of shares, without par value, as follows:

Common shares, voting and participating.

Preferred shares, issuable in one or more series, having the rights, privileges, restrictions and conditions as determined by the board of directors prior to their issuance.

Issued and outstanding

	\$
<hr/>	
1,503,856 Common shares	1

On April 7, 2000 the Corporation issued 1,503,856 common shares to Fairstar Explorations Inc. for a cash consideration of \$1.

2. SUBSEQUENT EVENTS

- [i] On •, 2000, the Corporation consolidated its then issued and outstanding common shares by issuing 1 new common share in exchange for fifteen old common shares. All numbers of shares in these financial statements reflect that share consolidation.

- [ii] On •, 2000, the Corporation acquired all issued and outstanding shares of Invention Media, Inc., pursuant to a Reorganization Agreement, dated February 11, 2000. As consideration the Corporation issued 23,560,405 common shares to the shareholders of Invention Media Inc. The continuity-of-interests accounting method has been used to account for the exchange as there is no substantive change in ownership of Invention Media whereby the assets and liabilities of the transferred business (Invention Media Inc.) have been recorded at their net book value as reported in the financial statements of the transferred business.

BRANCHEZ-VOUS! inc.

NOTES TO OPENING BALANCE SHEET

April 7, 2000

2. SUBSEQUENT EVENTS [Cont'd]

[iii] On •, 2000, the Corporation and Invention Media Inc. were amalgamated and the amalgamated entity will continue under the name BRANCHEZ-VOUS! inc. and its first fiscal year will end on December 31, 2000.

[iv] On April 17, 2000, the Corporation adopted a stock option plan in order to grant stock options to officers, directors, employees and persons providing ongoing services to the Corporation. Under the terms of the plan, which is administered by the Board of Directors, the maximum number of common shares which may be subject to stock options granted under the plan shall be 15,175. On •, 2000, 6,510 options were granted having an exercise price of \$113.06 vesting • and expiring on April 17, 2007.

Financial Statements

Invention Media Inc.

December 31, 1999

AUDITORS' REPORT

To the Directors of
Invention Media Inc.

We have audited the balance sheet of **Invention Media Inc.** as at December 31, 1999 and the statements of income and deficit and cash flows for the year then ended. 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 our audit in accordance with auditing standards generally accepted in Canada. 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 financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1999 and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in Canada.

Chartered Accountants
Montréal, Québec
January 24, 2000 [except note 16
which is as of ●, 2000]

Chartered Accountants
Montréal, Québec
January 24, 2000
[except note 16 which
is as of ●, 2000]

AUDITORS' REPORT

To the Directors of
Invention Media Inc.

We have audited the balance sheet of **Invention Media Inc.** as at December 31, 1998 and the statements of income and deficit and cash flows for each of the years in the two-year period then ended. 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 our audit in accordance with auditing standards generally accepted in Canada. 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 financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 1998 and the results of its operations and cash flows for each of the years in the two-year period then ended in accordance with accounting principles generally accepted in Canada.

Chartered Accountants
Montréal, Québec
January 29, 1999
[except note 16, which is as of •, 2000]

Invention Media Inc.

BALANCE SHEETS

As at

	March 31, 2000	December 31, 1999	December 31, 1998
	\$	\$	\$
	<i>[unaudited]</i>		
ASSETS			
Current			
Cash <i>[note 9]</i>	170,805	25,447	43,907
Term deposit	250,000	—	78,238
Accounts receivable	181,823	147,060	113,399
	602,628	172,507	235,544
Capital assets <i>[note 4]</i>	39,267	42,132	57,707
Long-term investment, at cost <i>[note 5]</i>	10,000	—	—
Deferred charges <i>[note 6]</i>	41,898	—	—
	693,793	214,639	293,251
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)			
Current liabilities			
Accounts payable	159,720	206,712	134,203
Deferred revenues	—	6,832	—
Current portion of long-term debt <i>[note 8]</i>	6,000	6,000	4,500
	165,720	219,544	138,703
Long-term debt <i>[note 8]</i>	18,000	19,500	25,500
	183,720	239,044	164,203
Shareholders' equity (deficiency)			
Share capital <i>[note 9]</i>	832,952	232,952	232,952
Deficit	(322,879)	(257,357)	(103,904)
	510,073	(24,405)	129,048
	693,793	214,639	293,251

See accompanying notes

On behalf of the Board,

Director

Invention Media Inc.

STATEMENTS OF INCOME AND DEFICIT

For the periods indicated

	Three-month period ended March 31,		Year ended December 31,		
	2000 \$	1999 \$	1999 \$	1998 \$	1997 \$
	<i>[unaudited]</i>				
Revenues	230,168	141,014	645,358	456,444	367,075
Operating expenses	110,362	72,779	313,555	185,309	263,400
Administration expenses	185,328	125,274	573,122	570,966	536,272
	295,690	198,053	886,677	756,275	799,672
Loss before income taxes and discontinued operations	(65,522)	(57,039)	(241,319)	(299,831)	(432,597)
Income taxes					
Recovered	—	(12,663)	(17,529)	(45,330)	(96,771)
Québec credit for loss	—	(2,598)	(3,597)	(2,542)	—
	—	(15,261)	(21,126)	(47,872)	(96,771)
Loss before discontinued operations	(65,522)	(41,778)	(220,193)	(251,959)	(335,826)
Discontinued operations <i>[note 12]</i>	—	47,277	66,740	193,255	307,146
Net earnings (loss)	(65,522)	5,499	(153,453)	(58,704)	(28,680)
Deficit, beginning of period	(257,357)	(103,904)	(103,904)	(45,200)	(16,520)
Deficit, end of period	(322,879)	(98,405)	(257,357)	(103,904)	(45,200)
Basic earnings (loss) per share	(0.58)	0.06	(1.58)	(0.60)	(0.34)

Additional information on results *[note 3]*

See accompanying notes

Invention Media Inc.

STATEMENTS OF CASH FLOWS

For the periods indicated

	Three-month period ended March 31,		Year ended December 31,		
	2000 \$	1999 \$	1999 \$	1998 \$	1997 \$
	<i>[unaudited]</i>				
OPERATING ACTIVITIES					
Net earnings (loss)	(65,522)	5,499	(153,453)	(58,704)	(28,680)
Items not affecting cash and cash equivalents					
Amortization of capital assets	2,865	3,894	15,575	19,128	14,934
	(62,657)	9,393	(137,878)	(39,576)	(13,746)
Net change in non-cash working capital <i>[note 10]</i>	(88,587)	(54,642)	45,680	91,353	18,418
	(151,244)	(45,249)	(92,198)	51,777	4,672
FINANCING ACTIVITIES					
Repayment of long-term debt	(1,500)	(1,500)	(4,500)	—	—
Share issue expenses	(41,898)	—	—	—	—
Issuance of Class B shares	600,000	—	200,000	—	—
Issuance of common shares	—	—	—	—	90,000
Reduction of paid-up capital – common shares	—	—	(200,000)	—	—
	556,602	(1,500)	(4,500)	—	90,000
INVESTING ACTIVITY					
Long-term investment	(10,000)	—	—	—	—
Acquisition of capital assets	—	—	—	(7,513)	(53,891)
	(10,000)	—	—	(7,513)	(53,891)
Increase (decrease) in cash and cash equivalents					
	395,358	(46,749)	(96,698)	44,264	40,781
Cash and cash equivalents, beginning of period	25,447	122,145	122,145	77,881	37,100
Cash and cash equivalents, end of period	420,805	75,396	25,447	122,145	77,881
Cash and cash equivalents					
Cash	170,805	75,396	25,447	43,907	2,229
Term deposit	250,000	—	—	78,238	75,652
	420,805	75,396	25,447	122,145	77,881

See accompanying notes

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

1. STATUS AND DESCRIPTION OF ACTIVITIES

Invention Media Inc. was incorporated on April 15, 1996 under the *Canada Business Corporations Act*. The Corporation derives all of its revenues from advertising related services on the Internet as follows:

	Three-month period ended March 31,		Year ended December 31,		
	2000 \$	1999 \$	1999 \$	1998 \$	1997 \$
Revenues					
Canada	209,252	141,014	581,144	425,445	367,075
France	16,187	—	54,651	30,999	—
USA	4,729	—	9,563	—	—
	230,168	141,014	645,358	456,444	367,075

All the assets of the Corporation are located in Canada.

To date the Corporation has financed its cash requirements primarily from operations and share issuances. It may be necessary for the Corporation to raise additional funds for the continuing development and marketing of its web sites.

2. SIGNIFICANT ACCOUNTING PRINCIPLES

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenues

Revenues are recorded in the period in which the advertisement services are rendered. According to this method, advertising revenues, including profits, are recognized with respect to progress made and payments received prior to rendering of services are recorded as deferred revenue. Losses are recognized as soon as they are determinable.

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

2. SIGNIFICANT ACCOUNTING PRINCIPLES [Cont'd]

Income taxes

Effective January 1, 2000, the Corporation changed its method of accounting for income taxes from the deferral method to the liability method with the adoption of Section 3465 of The Canadian Institute of Chartered Accountants' Handbook "Accounting for Income Taxes." The Corporation has applied the new recommendations retroactively. The adoption of the liability method of tax allocation had no significant effect on opening retained earnings as of January 1, 2000 or any other period presented.

Under the liability method of tax allocation, deferred income tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities, and are measured using the substantively enacted tax rates and laws that are expected to be in effect in the periods in which the deferred income tax assets or liabilities are expected to be settled or realized. A valuation allowance is provided to the extent that it is more likely than not that deferred income tax assets will not be realized.

Earnings per share

Basic earnings per share is calculated using the weighted average number of Class A and B common shares outstanding during the year.

Capital assets

Capital assets are recorded at cost and amortized based on their estimated useful life and according to the following methods, periods and rates:

	Methods	Period	Rate
Office equipment	Declining balance		20%
Computer equipment	Declining balance		30%
Software	Declining balance		30%
Leasehold improvements	Straight-line	5 years	

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

3. ADDITIONAL INFORMATION ON RESULTS

	Three-month period ended March 31,		Year ended December 31,		
	2000	1999	1999	1998	1997
	\$	\$	\$	\$	\$
Amortization of capital assets	2,865	3,894	15,575	19,128	14,934
Interest and bank charges	1,089	139	2,238	4,257	5,068
Interest on long-term debt	495	556	2,221	2,646	2,520

4. CAPITAL ASSETS

	Cost	Accumulated amortization	Net value
	\$	\$	\$
March 31, 2000			
Office equipment	24,158	11,873	12,285
Computer equipment	47,914	30,320	17,594
Software	10,619	6,642	3,977
Leasehold improvements	12,022	6,611	5,411
	94,713	55,446	39,267
December 31, 1999			
Office equipment	24,158	11,226	12,932
Computer equipment	47,914	29,025	18,889
Software	10,619	6,320	4,299
Leasehold improvements	12,022	6,010	6,012
	94,713	52,581	42,132
December 31, 1998			
Office equipment	24,158	7,994	16,164
Computer equipment	47,914	20,929	26,985
Software	10,619	4,477	6,142
Leasehold improvements	12,022	3,606	8,416
	94,713	37,006	57,707

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

5. LONG-TERM INVESTMENT, AT COST

On March 29, 2000, the Corporation signed a commitment to acquire conditionally, on or before October 15, 2000, a privately owned Internet related business by way of a share exchange. As consideration therefor, the Corporation paid the Vendor a revocable fee of \$10,000. The terms of the commitment to acquire provide that the Corporation will issue approximately \$550,000 of its common shares in payment thereof, the number of which is to be determined by reference to the weighted trading value thereof or to previous private placements, as the case may be. Subsequent to March 31, 2000, the Corporation recorded a provision of \$10,000 against the investment due to the uncertainty surrounding the completion of this transaction.

6. DEFERRED CHARGES

The deferred charges represent legal and other professional fees related to shares to be issued subsequent to March 31, 2000. These amounts will be charged directly to share capital at the time of the issuance of the shares.

7. CREDIT FACILITY

The Corporation has a \$30,000 authorized line of credit, which bears interest at prime rate plus 3%. This line of credit is collateralized by accounts receivable and was unused as at March 31, 2000.

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

8. LONG-TERM DEBT

	March 31, 2000	December 31, 1999	December 31, 1998
	\$	\$	\$
Loan, prime rate plus 1.75%, capital repayable by monthly instalments of \$500, beginning in April 1999, collateralized by a moveable hypothec on office equipment, computer equipment and accounts receivable, maturing in March 2004	24,000	25,500	30,000
Current portion	6,000	6,000	4,500
	18,000	19,500	25,500

The capital repayments to be made on the long-term debt over the next five years are as follows:

	\$
2000	4,500
2001	6,000
2002	6,000
2003	6,000
2004	1,500

9. SHARE CAPITAL

Authorized, unlimited and without par value

Common shares

According to the certificate of amendment dated December 30, 1999, the Corporation modified its share capital as follows:

Class A common shares

Class B common shares

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

9. SHARE CAPITAL [Cont'd]

Issued

		March 31, 2000	December 31, 1999	December 31, 1998
		\$	\$	\$
—	Common shares [1998: 123,077]	—	—	232,952
97,130	Class A common shares [1999: 88,300]	32,952	32,952	—
26,059	Class B common shares [1999: 11,700]	800,000	200,000	—
		832,952	232,952	232,952

Issuance

During the three-month period ended March 31, 2000, the Corporation issued 5,633 Class B common shares for a cash consideration of \$500,000. Also, the Corporation issued 8,830 Class A common shares and 1,696 Class B common shares for no consideration on a pro-rata of ownership to all shareholders.

During the year ended December 31, 1999, the Corporation issued 11,700 class B common shares for a cash consideration of \$200,000.

Conversion

During the year ended December 31, 1999, the Corporation converted 123,077 common shares to 88,300 class A common shares. The calculation of basic earnings per share reflects this conversion retroactively.

Reduction

During the year ended December 31, 1999, the Corporation reduced the legal paid-up capital of the class A common shares by cash payment of \$200,000, to the controlling shareholder.

Options

During the three-month period ended March 31, 2000, options to acquire 7,030 Class B common shares were exercised for a total consideration of \$100,000. The total consideration received with the issuance of the shares was held in trust by the Corporation's legal counsel on March 31, 2000 and was subsequently transferred to the Corporation. There were no options outstanding at March 31, 2000.

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

10. CASH FLOWS

	Three-month period ended March 31,		Year ended December 31,		
	2000	1999	1999	1998	1997
	\$	\$	\$	\$	\$
[a] Variation in working capital					
Reduction (increase) in current assets					
Accounts receivable	(34,763)	(43,699)	(33,661)	127,864	(67,409)
Increase (reduction) in current liabilities					
Accounts payable	(46,992)	(10,943)	72,509	(34,319)	92,213
Director advances	—	—	—	(2,192)	(6,386)
Deferred revenues	(6,832)	—	6,832	—	—
	(88,587)	(54,642)	45,680	91,353	18,418
[b] Interest and taxes paid (cash)					
Interest and bank charges	1,089	139	2,238	4,257	5,068
Interest on long-term debt	495	556	2,221	2,646	2,520
Québec tax credit for loss	—	(397)	(3,597)	(2,542)	—

11. INCOME TAXES

The reconciliation between statutory and effective rates for the Corporation from continuing operations are as follows:

	Three-month period ended March 31,		Year ended December 31,		
	2000	1999	1999	1998	1997
	\$	\$	\$	\$	\$
Recovery of income taxes based on the combined tax rate of 38%	(24,898)	(21,674)	(91,701)	(113,935)	(164,386)
Unrecognized tax benefits of losses and temporary differences	23,030	8,121	67,609	62,851	64,400
Other	1,868	(1,708)	2,966	3,212	3,215
Provision for income taxes	—	(15,261)	(21,126)	(47,872)	(96,771)

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

11. INCOME TAXES [Cont'd]

The tax effects of temporary differences and net operating losses that give rise to future income tax assets and liabilities are as follows:

	Three-month period ended March 31,		Year ended December 31,		
	2000 \$	1999 \$	1999 \$	1998 \$	1997 \$
Future income tax liability					
Carrying value of capital assets in excess of tax basis	1,855	3,061	2,351	2,365	1,608
Total future income tax liability	1,855	3,061	2,351	2,365	1,608
Future income tax assets					
Net operating losses carried forward	107,654	12,200	45,990	13,366	6,175
Carrying value of intellectual property below tax basis	2,646	—	1,560	—	—
Total future income tax assets	110,300	12,200	47,550	13,366	6,175
Net future income tax assets	108,445	9,139	45,199	11,001	4,567

None of these assets have been recognized in the financial statements.

The Corporation has accumulated loss carry-forwards for Federal and Quebec tax purposes, which are available to reduce future taxable income, the tax benefit of which have not been recognized in the financial statements. These loss carry-forwards expire as follows:

Expiry	Loss amounts	
	Federal \$	Provincial \$
2003	14,219	18,768
2004	24,622	—
2005	54,809	—
2006	148,455	141,076
2007	47,732	46,440
	289,837	206,284

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

12. DISCONTINUED OPERATIONS

In 1999, the Corporation terminated the production of its magazines and Web site-management services. The operations were discontinued without a disposition of assets and the operations were wound down.

	Three-month period ended March 31,		Year ended December 31,		
	2000	1999	1999	1998	1997
	\$	\$	\$	\$	\$
Revenues	—	59,940	87,645	562,911	938,814
Income taxes related to discontinued operations	—	(12,663)	(17,529)	(45,330)	(96,771)
Income from discontinued operations, net of taxes	—	47,277	66,740	193,255	307,146

13. RELATED PARTY TRANSACTIONS

The Corporation entered into transactions, in the normal course of business, with a corporate shareholder. The various operations are estimated at the exchange amount, which is the consideration established and accepted by the related parties. The transactions which are included in the discontinued operations described in note 12, can be summarized as follows:

	Three-month period ended March 31,		Year ended December 31,		
	2000	1999	1999	1998	1997
	\$	\$	\$	\$	\$
Revenues	—	—	—	197,731	423,518
Accounts receivable	1,438	1,438	1,438	1,438	85,830
Operating expenses	—	27,178	27,178	74,026	133,295
Accounts payable	7,815	31,260	15,630	40,332	81,692

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

14. COMMITMENTS

The Corporation has contract commitments under lease obligations as follows:

	\$
2000	28,028
2001	4,250
2002	2,284
2003	242
	<u>34,804</u>

15. FINANCIAL INSTRUMENTS

Credit risk

The Corporation grants credit to its clients in the normal course of business. On a continued basis, the Corporation carries out credit assessments on its clients and maintains provisions for potential bad debts, which, once realized, are in line with management's forecasts. The Corporation generally does not require a security.

A concentration of credit risk occurs when a group of clients share a common economic characteristic, which means that economic or other changes exert the same influence on their abilities to fulfill their obligations. This situation did not exist as at March 31, 2000.

Advertisers place advertisement through advertising agencies, thus an advertising agency may represent multiple customers. Concentration of credit risk can be summarized as follows:

	Three-month period ended March 31,				Year ended December 31,					
	2000		1999		1999		1998		1997	
	#	%	#	%	#	%	#	%	#	%
Number of customers and % of sales represented	4	63	3	63	3	60	4	92	1	13
Number of customers and % of accounts receivable at period end	4	60	3	60	1	31	2	42	1	22

The cash and term deposit are held at a Canadian chartered bank.

Invention Media Inc.

NOTES TO FINANCIAL STATEMENTS

Information as at March 31, 2000 and for the three-month periods ended March 31, 2000 and 1999 is unaudited

15. FINANCIAL INSTRUMENTS [Con'd]

Fair value

The fair value of cash, term deposit, accounts receivable and accounts payable approximates their book value due to their short-term maturities.

The value of the long-term debt approximates its fair value due to its floating interest rate.

16. SUBSEQUENT EVENTS

Subsequent to March 31, 2000, the following transactions took place:

- [i] On April 12, 2000, the Corporation issued 19,457 Class A common shares for total cash consideration of \$2,200,000 less share issuance costs of \$60,196 to seven arms length subscribers.
- [ii] As a result of a reorganization agreement dated February 11, 2000, the Corporation's shareholders agreed to transfer on •, 2000 their shareholdings to BRANCHEZ-VOUS! inc. in exchange for 23,560,405 common shares of BRANCHEZ-VOUS! inc. Subsequently, Invention Media Inc. and BRANCHEZ-VOUS! inc. were amalgamated and the new amalgamated entity will continue under the name BRANCHEZ-VOUS! inc. and its first fiscal year will be ending December 31, 2000. The continuity-of-interests accounting method has been used to account for the exchange as there is no substantial change in ownership of Invention Media Inc. whereby the assets and liabilities of the transferred business (Invention Media Inc.) have been recorded at their net book value as reported in the financial statements of the transferred business.
- [iii] On April 17, 2000, the Corporation adopted a stock option plan in order to grant stock options to officers, directors, employees and persons providing ongoing services to the Corporation. Under the terms of the plan, which is administered by the Board of Directors, the maximum number of common shares which may be subject to stock options granted under the plan shall be 15,175. On •,2000 , 6,510 options were granted having an exercise price of \$113.06 vesting • and expiring on April 17, 2007.

Pro-Forma Financial Statements

BRANCHEZ-VOUS! inc.

March 31, 2000

COMPILATION REPORT

To the Directors of
BRANCHEZ-VOUS! inc.

We have reviewed, as to compilation only, the accompanying unaudited pro-forma balance sheet of **BRANCHEZ-VOUS! inc.** as at March 31, 2000 and the unaudited pro-forma statement of loss for the three-month period then ended and for the year ended December 31, 1999. Each of these statements has been compiled, on the basis set forth in the notes to such statements, from the audited opening balance sheet of BRANCHEZ-VOUS! inc. as at April 7, 2000, the unaudited financial statements of Invention Media Inc. for the three-month period ended March 31, 2000 and the audited financial statements of Invention Media Inc. for the year ended December 31, 1999. In our opinion, the unaudited pro-forma financial statements have been properly compiled based on the completed transactions described in the notes thereto.

Montréal, Canada,
•, 2000.

Chartered Accountants

BRANCHEZ-VOUS! inc.**PRO-FORMA BALANCE SHEET**

As at March 31, 2000

Unaudited – See Compilation Report

	April 7, 2000 BRANCHEZ- VOUS! INC. \$	March 31, 2000 Invention Media Inc. \$	Pro-forma adjustments \$	Pro-forma BRANCHEZ- VOUS! inc. \$
ASSETS				
Current				
Cash	1	170,805	2,200,000 ⁽²⁾	2,370,806
Term deposit	—	250,000	—	250,000
Accounts receivable	—	181,823	—	181,823
	1	602,628	2,200,000	2,802,629
Capital assets				
Capital assets	—	39,267	—	39,267
Long-term investment, at cost	—	10,000	—	10,000
Deferred charges	—	41,898	(41,898) ⁽²⁾	—
	1	693,793	2,158,102	2,851,896
LIABILITIES AND SHAREHOLDERS' EQUITY (DEFICIENCY)				
Current liabilities				
Accounts payable	—	159,720	18,298 ⁽²⁾	178,018
Current portion of long-term debt	—	6,000	—	6,000
	—	165,720	18,298	184,018
Long-term debt	—	18,000	—	18,000
	—	183,720	18,298	202,018
Shareholders' equity (deficiency)				
Share capital	1	832,952	2,139,804 ⁽²⁾	2,972,757
Deficit	—	(322,879)	—	(322,879)
	1	510,073	2,139,804	2,649,878
	1	693,793	2,158,102	2,851,896

See accompanying notes

On behalf of the Board,

Director

BRANCHEZ-VOUS! inc.**PRO-FORMA STATEMENT OF LOSS**

For the three-month period ended March 31, 2000

Unaudited – See Compilation Report

	BRANCHEZ -VOUS! inc.	Invention Media Inc.	Pro-forma adjustments	Pro-forma BRANCHEZ- VOUS! inc.
	\$	\$	\$	\$
Revenues	—	230,168	—	230,168
Operating expenses	—	110,362	—	110,362
Administration expenses	—	185,328	—	185,328
	—	295,690	—	295,690
Net loss	—	(65,522)	—	(65,522)
Basic net loss per share <i>[note 3]</i>				(0.003)

See accompanying notes

BRANCHEZ-VOUS! inc.**PRO-FORMA STATEMENT OF LOSS**

For the year ended December 31, 1999

Unaudited – See Compilation Report

	BRANCHEZ -VOUS! inc.	Invention Media Inc.	Pro-forma adjustments	Pro-forma BRANCHEZ- VOUS! inc.
	\$	\$	\$	\$
Revenues	—	645,358	—	645,358
Operating expenses	—	313,555	—	313,555
Administration expenses	—	573,122	—	573,122
	—	886,677	—	886,677
Loss before income taxes and discontinued operations	—	(241,319)	—	(241,319)
Income taxes				
Recovered	—	(17,529)	—	(17,529)
Québec credit for loss	—	(3,597)	—	(3,597)
	—	(21,126)	—	(21,126)
Loss before discontinued operations	—	(220,193)	—	(220,193)
Discontinued operations	—	66,740	—	66,740
Net loss	—	(153,453)	—	(153,453)
Basic net loss per share <i>[note 3]</i>				(0.006)

See accompanying notes

BRANCHEZ-VOUS! inc.

NOTES TO PRO-FORMA FINANCIAL STATEMENTS

March 31, 2000

1. The pro-forma balance sheet as at March 31, 2000 and the pro-forma statement of loss for the three-month period then ended and for the year ended December 31, 1999, give effect to the acquisition, on •, 2000, of all the Class A and Class B common shares outstanding of Invention Media Inc. [142,646 shares] in exchange for 23,560,405 common shares of BRANCHEZ-VOUS! inc. and the subsequent amalgamation of BRANCHEZ-VOUS! inc. with Invention Media Inc. on •, 2000 as though it had occurred on January 1, 1999. The amalgamated entity will continue under the name BRANCHEZ-VOUS! inc. and its first fiscal year will be ending December 31, 2000. The continuity-of-interests accounting method has been used to account for the exchange as there is no substantial change in ownership of Invention Media Inc. whereby the assets and liabilities of the transferred business (Invention Media Inc.) have been recorded at their net book value as reported in the financial statements of the transferred business.

The pro-forma financial data may not be indicative of what the financial condition and results of the operations of BRANCHEZ-VOUS! inc. would have been, had the transactions to which such data gives effect been completed on the date assumed, nor are such data necessarily indicative of the financial condition and results of operations of BRANCHEZ-VOUS! inc. that may exist in the future. The pro-forma information should be read in conjunction with the notes thereto and the historical financial statements of BRANCHEZ-VOUS! inc. and Invention Media Inc. and notes thereto appearing elsewhere in this Prospectus.

2. Pro-forma adjustment to reflect the issuance of 19,457 Class A common shares of Invention Media Inc. for a cash consideration of \$2,200,000 less \$60,196 of issuance costs on April 12, 2000.
3. Basic earnings per share is calculated using the weighted average number of shares [25,064,261] outstanding of BRANCHEZ-VOUS! Inc. during each period as though the shares issued to effect the exchange were issued on January 1, 1999.

CERTIFICATE OF THE CORPORATION AND OF THE PROMOTER

Dated: June 19, 2000

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta) and by Part XV of the *Securities Act* (Ontario) and the respective regulations thereunder. This prospectus does not contain any misrepresentation likely to affect the value or market price of the securities to be distributed within the meaning of the *Securities Act* (Québec) and the regulations thereunder.

(Signed) PATRICK PIERRA
Chairman and Chief Executive Officer

(Signed) DENISE FLEURY
Chief Financial Officer

On behalf of the Board of Directors:

(Signed) ANDRÉ BISSON
Director

(Signed) NICHOLAS POWELL
Director

THE PROMOTER

(Signed) PATRICK PIERRA
President

CERTIFICATE OF DUNDEE SECURITIES CORPORATION

Dated: June 19, 2000

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part 8 of the *Securities Act* (Alberta) and by Part XV of the *Securities Act* (Ontario) and the respective regulations thereunder. For the purposes of the Province of Québec, to our knowledge, this prospectus does not contain any misrepresentation likely to affect the value or market price of the securities to be distributed within the meaning of the *Securities Act* (Québec) and the regulations thereunder.

DUNDEE SECURITIES CORPORATION

(Signed) ROBERT BOISJOLI

The following includes the name of every person or company having an interest, either directly or indirectly to the extent of not less than 5% in the capital of:

Dundee Securities Corporation: a wholly-owned subsidiary of Dundee Wealth Management Inc.