This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and subject to certain exemptions, may not be offered, sold or delivered, directly or indirectly, in the United States of America or for the account or benefit of U.S. persons. See "Special Warrant Financing and Plan of Distribution".

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Nstein Technologies Inc. at 75 Queen Street, Suite 4400, Montreal, Québec, H3C 2N6 (Telephone: (514) 908-5406), and are also available electronically at www.sedar.com. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Corporate Secretary of Nstein Technologies Inc. at the above-mentioned address and telephone number and is also available electronically at www.sedar.com.*

SHORT FORM PROSPECTUS

New Issue February 6, 2008

NSTEIN TECHNOLOGIES INC.

$8,000,000

8,000,000 Common Shares Issuable Upon the Exercise of Previously Issued Special Warrants

This short form prospectus qualifies the distribution of 8,000,000 common shares (the "Special Warrant Shares") of Nstein Technologies Inc. ("Nstein" or the "Company") issuable by the Company, without additional consideration, upon the exercise or deemed exercise of 8,000,000 special warrants (the "Special Warrants") of the Company issued on November 30, 2007 (the "Closing Date") at a price of $1.00 (the "Subscription Price") per Special Warrant, for gross proceeds to Nstein of $8,000,000 (the "Special Warrant Financing"). See "Special Warrant Financing and Plan of Distribution".

The Special Warrants were sold on a private placement basis in reliance upon applicable exemptions from prospectus requirements in the provinces of Québec, Ontario, Alberta and British Columbia, pursuant to an underwriting agreement (the "Underwriting Agreement") dated November 30, 2007 between Desjardins Securities Inc., TD Securities Inc., Jennings Capital Inc. (collectively, the "Underwriters") and the Company.

The common shares of Nstein (the "Common Shares") are listed and posted for trading on the TSX Venture Exchange (the "TSXV") under the symbol "EIN". On November 29, 2007, the last trading day prior to the announcement of the Special Warrant Financing, the closing price of the Common Shares on the TSXV was $0.98. On February 5, 2008, the last trading day prior to the date of this short form prospectus, the closing price of the Common Shares on the TSXV was $0.94.

An investment in the Common Shares is subject to certain risks. See the "Risk Factors" section of this short form prospectus.

	Price to the Public (1)	Underwriters' Fee(2)	Net Proceeds to the Company (3) (4)
Per Special Warrant	$1.00	$0.04425	$0.95575
Total	$8,000,000	$354,000	$7,646,000

Notes:

(1) The Subscription Price was determined by negotiation between the Company and the Underwriters. See "Special Warrant Financing and Plan of Distribution".

(2) The Underwriters have received compensation comprised of a cash fee equal to $354,000 and 354,000 options, each entitling its holder to acquire one Special Warrant or one Common Share at the price of $1.00 for a period of 24 months from the Closing Date (the "Compensation Options"). The common shares issuable upon the exercise of the Compensation Options (the "Compensation Option Shares") are qualified by this short form prospectus. See "Special Warrant Financing and Plan of Distribution".

(3) Before deducting the expenses of the Special Warrant Financing and the distribution of the Special Warrant Shares estimated at $321,000, which will be paid by the Company from the net proceeds of the Special Warrant Financing.

(4) The distribution of the Special Warrant Shares on exercise or deemed exercised of the Special Warrants will not result in any additional proceeds being realized by the Company, as all the funds were received by the Company on the Closing Date. See "Special Warrant Financing and Plan of Distribution".

The TSXV has approved the listing of the Special Warrant Shares and the Compensation Option Shares to be issued by the Company under this short form prospectus upon the exercise of the Special Warrants and the Compensation Options respectively. See "Special Warrant Financing and Plan of Distribution."

The Special Warrants were created and issued pursuant to a special warrant indenture dated November 30, 2007 entered into between CIBC Mellon Trust Company and the Company (the "Special Warrant Indenture"). Subject to the terms, conditions, and adjustments of the Special Warrant Indenture, each Special Warrant entitles the holder thereof to receive one Common Share of the Company on the exercise or deemed exercise of the Special Warrant. The Special Warrants are exercisable by the holder in whole or in part at any time after the Closing Date for no additional consideration and all unexercised Special Warrants will be deemed to be exercised on the earlier of (a) four (4) months and a day following the Closing Date, and (b) that day which is three (3) business days after a receipt is issued by the securities regulatory authorities in Canada for a final prospectus qualifying the Common Shares to be issued upon the exercise of the Special Warrants. The Company shall use its reasonable best efforts to obtain such receipt for a final prospectus within 90 days following the Closing Date, otherwise, each Special Warrant will entitle its holder to acquire one Common Share and an additional 0.1 of a Common Share without further payment. Until the receipt is issued for the final prospectus, the Special Warrants, the Special Warrant Shares, the Compensation Options and the Compensation Option Shares are subject to a 4-month hold period under applicable Canadian securities laws.

Underwriters' Position	Maximum size or Number of Securities Held	Exercise Period/ Acquisition Date	Exercise Price
Compensation Options	354,000 Special Warrants or Common Shares	24 months from November 30, 2007	$ 1.00

Definitive certificates for the Special Warrant Shares and the Compensation Option Shares will be available for delivery upon exercise or deemed exercise of the Special Warrants.

Certain legal matters in connection with the Special Warrant Financing have been examined for the Company by Ogilvy Renault LLP, and for the Underwriters by Osler, Hoskin & Harcourt LLP. See "Legal Matters".

The head office and principal place of business of Nstein are located at 75 Queen Street, Suite 4400, Montreal, Québec, H3C 2N6, Canada.

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Unless otherwise indicated, all references to "$" or "Dollars" in this short form prospectus refer to Canadian dollars.

The website of the Company is www.nstein.com. Information contained on this website shall not be deemed to be part of this short form prospectus or incorporated by reference herein and should not be relied upon for the purposes of the Special Warrant Financing.

On June 13, 2006, the Company consolidated its Commons Shares on the basis of one new Common Share issued for every 10 issued prior to the consolidation. The figures pertaining to the number of issued and outstanding securities of the Company and dollar amounts related thereto reflect the consolidation.

CAUTION REGARDING FORWARD-LOOKING INFORMATION

In this document and in other documents filed with Canadian regulatory authorities or in other communications, the Company may from time to time make written or oral forward-looking statements within the meaning of applicable securities legislation, including statements regarding the Company's business plan and financial objectives. These statements typically use the conditional, as well as words such as "prospects", "believe", "estimate", "forecast", "project", "expect", "anticipate", "plan", "may", "should", "could", "would" or the negative of these terms or variations of them or similar terminology.

By their very nature, forward-looking statements are based on certain factors and assumptions including expected growth, results of operations, performance and business prospects and opportunities which the Company believes are reasonable as of the current date. While the Company considers these assumptions to be reasonable based on information currently available, they may prove to be incorrect.

Forward-looking statements are also subject to certain factors, including risks and uncertainties, both general and specific in nature. It is therefore possible that the forecasts, projections and other forward-looking statements will not be achieved or will prove inaccurate. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that these expectations will prove to have been correct.

The Company cautions readers against placing undue reliance on forward-looking statements when making decisions, as the actual results could differ materially from the opinions, plans, objectives, expectations, forecasts, estimates and intentions expressed in such forward-looking statements due to various material factors. Among other things, these factors include length of sales cycle, operating losses, potential fluctuations in quarterly results, cash position and access to financing sources, reliance on key personnel, competition, protection of the proprietary technology, dependence on certain licensed intellectual property, use of open source software, infringement of intellectual property rights, possible product liability, credit risk, currency risk, growth management, market for securities, acquisitions, possible negative tax consequences. The Company cautions that the foregoing list of factors is not exhaustive. See "Risk Factors". For more information on the risks, uncertainties and assumptions that would cause the Company actual results to differ from current expectations, please also refer the Company's public filings available at www.sedar.com.

The Company does not undertake to update any forward-looking statements, whether oral or written, made by itself or on its behalf, except to the extent required by securities regulations.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this short form prospectus from documents filed with the securities regulatory authorities in each of the provinces of Québec, Ontario, Alberta and British Columbia. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of the Company at 75 Queen Street, Suite 4400, Montreal, Québec, H3C 2N6 (telephone: (514) 908-5406) or by accessing the disclosure documents available through the Internet on the Canadian System for Electronic Document Analysis And Retrieval (SEDAR) at www.sedar.com. For the purpose of the Province of Québec, this simplified prospectus contains information to be completed by consulting the permanent information record. A copy of the permanent information record may be obtained without charge from the Corporate Secretary of the Company at the above-mentioned address and telephone number and is also available electronically at www.sedar.com.

The following documents of the Company, which have been filed with the securities regulatory authorities in Québec, Ontario, Alberta and British Columbia, are specifically incorporated by reference into and form an integral part of this short form prospectus:

(a) the Annual Information Form of Nstein dated January 15, 2008 for the fiscal year ended December 31, 2006;

(b) the Management Proxy Circular dated April 20, 2006, in connection with the Company's annual meeting of shareholders held on May 23, 2006 as amended on May 1st, 2006;

(c) the Management Proxy Circular dated April 12, 2007, in connection with the Company's annual meeting of shareholders held on May 23, 2007;

(d) the Audited Consolidated Financial Statements of the Company for the fiscal year ended December 31, 2006, together with the notes thereto and the auditors' report thereon;

(e) the Management's Discussion and Analysis of Financial Condition and Results of Operations for the fiscal year ended December 31, 2006;

(f) the Unaudited Consolidated Quarterly Financial Statements of the Company for the three- and nine-month periods ended September 30, 2007;

(g) the Management's Discussion and Analysis of Financial Condition and Results of Operations for the three- and nine-month periods ended September 30, 2007;

(h) the Material Change Report dated May 11, 2007 regarding Nstein's conclusion of a private placement of $1.9 million;

(i) the Material Change Report dated September 14, 2007 regarding Nstein's announcement that Gesca Digital Investments Ltd has the firm intention of making a $2-million private placement in the Company;

(j) the Material Change Report dated October 5, 2007 regarding Nstein's announcement of the closing of $3-million private placement;

(k) the Material Change Report dated November 23, 2007 regarding Nstein's announcement of the Special Warrant Financing; and

(l) the Material Change Report dated December 7, 2007 regarding Nstein's confirmation of the closing of the Special Warrant Financing.

Any documents of the type referred to above as well as any business acquisition reports and any material change reports (excluding confidential material change reports) filed by the Company with securities commissions or regulatory authorities in Canada subsequent to the date of this short form prospectus and prior to the exercise or deemed exercise of the Special Warrants shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this short form prospectus.

THE COMPANY

The Company was incorporated on February 8, 2000 pursuant to Part IA of the *Companies Act* (Québec) ("QCA") as 9087-2540 Quebec Inc. At that time, the Company was a wholly-owned subsidiary of Boreal Exploration Inc., a publicly held mining company whose stock was listed on the Montreal Exchange ("MX"). The Company then completed a reverse-takeover of Nstein R&D Inc. on June 13, 2000, whereby, the Company purchased all the issued and outstanding shares of Nstein R&D Inc. in exchange for an aggregate of 6,884,551 Common Shares and 192,423 Common Share purchase warrants.

On June 27, 2000, the Company's Common Shares were listed on the MX under the symbol "EIN". On October 1, 2001, due to the changes in the business nature of the MX, the stock of the Company was listed on the TSXV.

The Company obtained articles of amendment on the following dates for the following purposes:

1) on June 13, 2000, to change its name to Nstein Technologies Inc.;

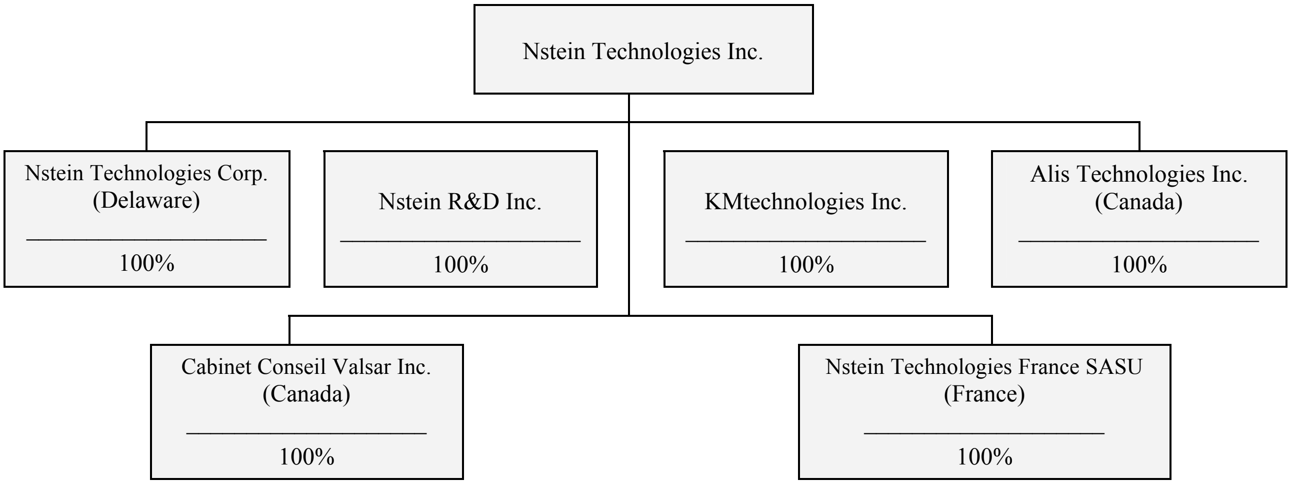
2) on June 5, 2001, to increase the authorized share capital of the Company by creating an unlimited number of preferred shares;

3) on May 16, 2002, to change the district where the head office must be located; and

4) on June 14, 2006, to amend the rights, privileges, conditions and restrictions pertaining to the preferred shares issuable in series.

ORGANIZATIONAL STRUCTURE

The following corporate chart set out the organizational structure of Nstein as at January 15, 2008 , other than holding companies and non-principal subsidiaries that are not wholly-owned. Unless otherwise indicated each of the entities identified in the chart has been incorporated or constituted under the QCA :



GENERAL DEVELOPMENT OF THE BUSINESS

Over the course of the past few years, Nstein has evolved from a text mining software company with a horizontal market focus to a content management software company with a vertical focus on the e-publishing market. The Company has demonstrated significant growth over the last 3 years, with revenues of $10.7 million in 2006 compared to $4.9 million in 2004, a compounded annual growth rate of 30%. Nstein has accomplished this rate of growth through both acquisitions and internal growth. This trend has accelerated in 2007, with revenues of $11.9 million after only three quarters (September 30, 2007).

BUSINESS OF NSTEIN

General Business Overview

Nstein develops and markets multilingual software solutions that power online publishing for newspapers, magazines, and content-driven organizations. Nstein's solutions generate new revenue opportunities and reduce operational costs by enabling the centralization, management and automated indexing of digital assets. Nstein designs a complete online success strategy for its clients, using publishing industry best practices for the implementation of its Web Content Management ("WCM"), Digital Asset Management ("DAM") and Text Mining Engine ("TME") products.

Products and Services

Nstein powers online publishing for newspapers, magazines and online content providers worldwide. Using our best-of-breed solutions, publishers and other content-driven organizations increase online revenue and decrease operational costs by centralizing and managing all their digital assets. Nstein's content management solutions are backed by powerful linguistic technology that enables intelligent and lucrative content linking and repurposing.

Web Content Management (WCM)

Nstein's WCM is a content-centric development framework that facilitates the management, enrichment and publication of content in a variety of online formats, including web pages, newsletters and RSS feeds.

Built to unleash multichannel content delivery to the fullest, Nstein's WCM helps publishers to attract more unique visitors, to increase the amount of time spent by each, and to increase the number of pages viewed by each visitor ("stickiness"). Additional page views and time spent raise advertising revenues and open the door to new profit streams.

Simultaneously streamlining workflows and lowering operational costs, Nstein's WCM also helps publishers migrate from paper-centric to digitally dynamic models, drawing readers with more engaging and community-based content.

Digital Asset Management (DAM)

Nstein's DAM is a robust and fully customizable platform for the automatic storing, repurposing and syndication of textual and rich media digital assets.

Carefully designed to meet all of the needs for management of multimedia content assets, it enables publishers to syndicate content automatically over multiple channels while increasing editorial team productivity and permitting better control over operating costs.

Featuring a centralized Extensible Markup Language repository that automates the normalization, metatagging and archiving of digital assets, Nstein's DAM interfaces easily with existing sources to simplify workflow, accelerate content management and deliver a higher return on investment.

Text Mining Engine (TME)

Nstein's TME is a powerful, multilingual solution that enables publishers to offer a more engaging experience to online readers by automatically providing users with links to conceptually related content. By extracting the relevant "Who, What, and Where" from each story and linking them together, publishers create deep, wide websites that both attract more unique visitors and enhance site stickiness, rapidly increasing their advertising revenues and generating new online revenue opportunities.

Nstein's TME creates links between conceptually related content assets and surrounds them with rich and relevant information, making it quick and easy for readers to find similar articles or learn more about related topics, people and places. It also achieves this without manual labour, using intelligent linguistic-based and statistics-backed technology that is the result of several years of intensive research and development.

Professional Services

Nstein provides a full range of professional services for companies seeking leading edge content management solutions. To address business norms in the industry, Nstein has spent many years perfecting a unique software customization methodology. Its main phases are: project definition, analysis and design, development, test and acceptance and go live. With the ultimate goal of building client self-sufficiency, Nstein provides a variety of training services throughout the implementation process and beyond. Nstein also offers top-of-the-line linguistic services. Built on the principle that information access is critical to all providers of online content, Nstein's linguistics services notably include:

- Comprehensive linguistic services such as the creation of taxonomy or authority files
- Guidance from language experts during the formation of content classification strategy.

The Company also provides information technology services to large private and public sector organizations. It notably offers project management services, technological studies, technological and functional architecture services and implementation of information technology solutions. In addition, Nstein also offers a wide range of globalization services to its clients, including professional translation and software localization.

RECENT DEVELOPMENTS

On November 30, 2007, the Company announced the closing of the Special Warrant Financing. See “Special Warrant Financing and Plan of Distribution”.

On September 27, 2007, the Company concluded a $3,000,000 private placement. The Company issued 3,529,412 units at a price of $0.85 per unit. Each unit consisted of one Common Share, one-half of one A-tranche share purchase warrant and one-half of one B-tranche share purchase warrant. One whole A-tranche share purchase warrant entitles its holder to purchase one additional Common Share at a price of $1.50 and one whole B-tranche share purchase warrant entitles its holder to purchase one additional Common Share at a price of $2.00. These share purchase warrants are valid for three (3) years from the date of issue. The subscribers were Gesca Digital Investments Ltd, a subsidiary of Gesca Ltd, for an amount of $2,000,000, and a group of employees of the Company, along with other investors including insiders, for a total amount of $1,000,000. Among the group, certain insiders of Nstein contributed $316,551. The proceeds of the investments were used to ramp up Nstein’s marketing efforts within the North American and European e-publishing markets.

On August 31, 2007, the Company completed the repayment of convertible notes held by JGB Capital and al. contracted on October 12, 2005.

On May 4, 2007, the Company concluded a $1,900,000 private placement. The Company issued 2,923,074 Common Shares at a price of $0.65 per share. The subscribers included certain members of the Board of Directors of the Company, certain members of the Company’s management team, and other investors. The proceeds of the placement were used for general corporate purposes.

On April 23, 2007, Luc Filiatreault, President and Chief Executive Officer joined the Company, replacing Mario Girard.

USE OF PROCEEDS

Nstein has used or will use the net proceeds from the Special Warrant Financing of $7,646,000 in order to accelerate the deployment of the required infrastructure to better serve its fast growing number of clients and develop the channel partner network to continue its growth, for working capital purposes and for potential acquisitions in approximately the following proportions:

Infrastructure deployment:	$1,274,334
Working capital:	$1,274,333
Acquisitions:	$5,097,333

DESCRIPTION OF SHARE CAPITAL

Authorized share capital

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of preferred shares issuable in series (the “Preferred Shares”), all without par value.

The following is a summary of the material features of the Company's authorized capital and is qualified in its entirety by reference to the full text of the rights, privileges, restrictions and conditions of such shares in the articles of the Company.

Common Shares

Holders of Common Shares are entitled to one vote for each Common Share held at all meeting of the shareholders of the Company, and to receive dividends if, as and when declared by the Board of Directors of the Company. In case of liquidation, dissolution or winding-up of the Company, after repayment of outstanding liabilities, the residual assets of the Company eligible for distribution will be distributed to the holders of Common Shares.

Preferred Shares

The Preferred Shares may be issued at all times in one or more series, each series consisting in such number and having such designation, rights, privileges, conditions and restrictions as the directors of the Company may determine prior to the issuance of each series, subject to the restrictions set forth in the constating documents of the Company if any. Preferred Shares are non-voting and they entitle holders to preference and priority over the Common Shares and any other class of shares ranking junior to the Preferred Shares with respect to the payment of dividends and distributions in the event of the dissolution, liquidation, winding-up or other distribution of the Company's assets.

Issued and outstanding share capital

As of the date hereof, 41,155,749 Common Shares and no Preferred Shares are issued and outstanding. In addition, the Company has outstanding: (i) warrants to purchase an aggregate of 4,896,277 Common Shares at prices ranging from $1.00 to $2.00 per Common Share; (ii) the Special Warrants; (iii) the Compensation Options; (iv) broker warrants to purchase an aggregate of 352,941 Common Shares, each such broker warrant entitling its holder to acquire one (1) Common Share at the price of $0.85 per share and exercisable for a period of two (2) years from June 13, 2006 and (iv) stock options to purchase an aggregate of 2,899,203 Common Shares at prices ranging from $0.37 to $29.70 per share granted under the Company's Stock Option Plan. To the extent that outstanding warrants, Special Warrants, Compensation Options, broker warrants and stock options are exercised, dilution to the interests of the Company's shareholders will occur.

CONSOLIDATED CAPITALIZATION

The following table sets out the Company's consolidated capitalization (i) on an actual basis as at December 31, 2006; (ii) on an actual basis as at September 30, 2007; and (iii) on a pro forma basis as at September 30, 2007 to reflect the issuance of 8,000,000 Common Shares related to the exercise of all of the outstanding Special Warrants and the issuance of 3,529,412 Common Shares and of 2,923,074 Common Shares, included in the units, in connection with recent private placements of the Company. See "Recent Developments". The table should be read in conjunction with the Company's Audited Consolidated Financial Statements for the fiscal year ended December 31, 2006 and the Company's Unaudited Consolidated Quarterly Financial Statements for the three- and nine-month periods ended September 30, 2007, both incorporated by reference in this short form prospectus.

	As at December 31, 2006	As at September 30, 2007	As at September 30, 2007 After Giving Effect to the Special Warrant Financing [1]
Share capital	$40,178,085	$45,246,907	$53,246,907
Other equity components	$2,269,836	$2,974,491	$2,974,491
Contributed surplus	$532,143	$813,921	$813,921
Deficit	$(32,511,593)	$(34,451,387)	$(34,451,387)
Total	$10,468,471	$14,583,932	$22,583,932
Number of Common Shares	33,303,337	41,085,336	49,085,336

Notes:

(1) Before deducting Underwriters' fee and expenses of the Special Warrant Financing, estimated to be $675,000.

SPECIAL WARRANT FINANCING AND PLAN OF DISTRIBUTION

Pursuant to the terms and conditions of the Underwriting Agreement, the Company sold and the Underwriters purchased, on the Closing Date, 8,000,000 Special Warrants at the Subscription Price for aggregate gross proceeds of $8,000,000.

The Subscription Price of the Special Warrants was determined by negotiation between the Company and the Underwriters.

The Underwriters have received compensation comprised of a cash fee equal to $354,000 and 354,000 Compensation Options, each entitling its holder to acquire one Special Warrant or one Common Share at the price of $1.00 for a period of two (2) years from the Closing date. Nstein will reimburse the legal costs and expenses of the Underwriters and is responsible for the additional fees and expenses incurred in connection with the issuance and distribution of the Special Warrants and of the Special Warrant Shares. The total amount of the expenses is estimated at $321,000. The Special Warrant Shares and the Compensation Option Shares are qualified by this short form prospectus.

Pursuant to the Underwriting Agreement, Nstein has agreed to indemnify the Underwriters and their respective affiliates, associates, directors, officers, employees and agents against certain liabilities or to contribute to payments that the Underwriters may be required to make in respect of those liabilities. The Company has agreed that it will not, during the period commencing on the date of the Underwriting Agreement and ending 120 days following the Closing date, except with the prior written consent of Desjardins Securities Inc., on behalf of the Underwriters, acting reasonably, directly or indirectly issue or sell any Common Shares or financial instruments convertible or exercisable into Common Shares, except for the Common Shares issued pursuant to the conversion of outstanding securities and in certain other circumstances set out in the Underwriting Agreement.

Each of the directors and senior officers of the Company, and each shareholder of the Company holding in excess of 10% of the outstanding share capital of the Company have agreed that they will not, during the period commencing on the date of the Underwriting Agreement and ending 120 days following the Closing date, sell or otherwise dispose of any securities of the Company held by them (except stock options and Common Shares acquired upon exercise thereof), except with the consent of Desjardins Securities Inc., on behalf of the Underwriters.

Pursuant to applicable securities laws and the Universal Market Integrity Rules ("UMIR") of Market Regulation Services Inc., the Underwriters may not, throughout the period of distribution, bid for or purchase Common Shares. The foregoing restriction is subject to certain exceptions, on the condition that the bid or purchase not be engaged in for the purpose of creating actual or apparent active trading in, or raising the price of the Common Shares. Such exceptions include a bid or purchase permitted under the UMIR relating to market stabilization and passive market activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Pursuant to the first mentioned exception, in connection with this Special Warrant Financing the Underwriters may effect transactions intended to fix or stabilize the market price of the Common Shares at a higher level than the market price that would exist in a free market. Such transactions may be begun or interrupted at any time during distribution.

The TSXV has approved the listing of the Special Warrant Shares and the Compensation Option Shares to be issued by the Company under this short form prospectus upon the exercise of the Special Warrants and the Compensation Options respectively.

The Special Warrants, the Compensation Options, the Special Warrant Shares and the Compensation Option Shares have not been registered under the *United States Securities Act* of 1933, as amended (the “1933 Act”), or the securities laws of any state of the United States and, subject to certain exceptions, may not be offered or sold, directly or indirectly, in the United States unless registered under the 1933 Act.

The Special Warrants

The Special Warrants were created and issued pursuant to the Special Warrant Indenture. Subject to the terms, conditions, and adjustments of the Special Warrant Indenture, each Special Warrant entitles the holder thereof to receive one Common Share of the Company on the exercise or deemed exercise of the Special Warrant. The Special Warrants are exercisable by the holder in whole or in part at any time after the Closing Date for no additional consideration and all unexercised Special Warrants will be deemed to be exercised on the earlier of (a) four (4) months and a day following the Closing Date, and (b) that day which is three (3) business days after a receipt is issued by the securities regulatory authorities in Canada for a final prospectus qualifying the Common Shares to be issued upon the exercise of the Special Warrants. The Company shall use its reasonable best efforts to obtain such receipt for a final prospectus within 90 days following the Closing Date, otherwise, each Special Warrant will entitle its holder to acquire one Common Share and an additional 0.1 of a Common Share without further payment. Until the receipt is issued for the final prospectus, the Special Warrants, the Special Warrant Shares, the Compensation Options and the Compensation Option Shares are subject to a 4-month hold period under applicable Canadian securities laws.

ELIGIBILITY FOR INVESTMENT

In the opinion of Ogilvy Renault LLP, counsel to the Company, and Osler, Hoskin & Harcourt LLP, counsel to the Underwriters, provided that the Common Shares are listed on a designated stock exchange (which includes the TSXV) on the date of issue, the Special Warrant Shares underlying the Special Warrants will be, on that date, qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans, registered education savings plans and registered disability savings plans.

OTHER MATERIAL FACTS

There currently are no material facts that may involve the Company or any of its assets which are not disclosed in this short form prospectus.

RISK FACTORS

An investment in the Special Warrants and Special Warrants Shares involves a high degree of risk and must be considered speculative due to the nature of the Company's business. Holders of Special Warrants and Compensation Options should carefully consider all risks described below as well as other information contained in this short form prospectus or incorporated herein by reference, and the Company's historical financial statements and related notes.

Risks Relating to the Business

Nstein's area of activity is subject to a variety of risk factors and uncertainties. The Company's business, financial position and results of operations may suffer the adverse effects of the risk factors and uncertainties described below. The risk factors and uncertainties listed here are not the only ones that may affect the Company. Other risks and uncertainties currently unknown to the Company or regarded as negligible could also impact its business operations.

Length of sales cycle

The Company's current sales cycle is long, and approval of contracts by clients is often delayed for various reasons. This is beyond the control of Nstein and can have a material adverse impact on the level of revenue of the Company.

Operating losses in recent years

The Company incurred losses during fiscal 2006 and recent fiscal years. As a result, the Company posted an accumulated deficit of $32,500,000 as at December 31, 2006. There is no assurance that the Company will be in a position to maintain or improve its profitability or cash position through its operating activities on a quarterly or annual basis in the future.

Potential fluctuations in quarterly results

The Company's quarterly operating results may fluctuate according to the time frame and size of certain orders; the number, date and scope of new product announcements made by the Company or its competitors; the Company's ability to develop, present and commercialize improved versions of its products on a regular basis; the competitiveness of products and prices; and economic factors in general. The publishing industry, the primary market for Nstein's products, is undergoing a major transformation and capital spending could be affected. These and other events such as delays in development or delivery of new products may affect quarterly results in the future.

Cash position and access to financing sources

From time to time, Nstein turns to the financial markets to finance its activities. The Company's future needs with respect to capital depend on a number of factors, especially expenses related to research and development required to consolidate or improve the competitive advantage of its technology, and the expenditures required to pursue commercialization of its products and services. However, there is no guarantee that additional financing will be available, or that it will be available on acceptable terms. Any factor affecting the Company's capacity to access financial markets, such as sharply fluctuating interest rates, changes in the economic climate, or investor perception of the Company's financial position or growth prospects could adversely affect its financial position and results of operations.

Reliance on Key Personnel

The Company relies heavily on its officers and its key employees. The loss of their services would have a material adverse effect on the business of the Company. There can be no assurance that one or all of the employees of the Company will continue in the employ of the Company or that they will not found their own companies in order to compete with the Company or accept positions with competitors. However, the Company has entered into employment contracts with all of its employees which employment contracts include non-competition, non-solicitation and confidentiality covenants.

Even though all the employees of the Company have entered into a confidentiality agreement, there is no guarantee that these agreements will not be breached, that the Company will have adequate remedies in the event they are breached or that the trade secrets and knowledge that form part of the intellectual property of the Company will not become known by other means or discovered independently by third parties.

Recruitment and retention of qualified employees, partners, advisors and consultants will be vital for the successful and efficient management of the growth of the Company. There is fierce competition for such qualified employees in the area in which the Company operates and there can be no assurance that the Company will be able to attract and retain such employees.

Competition

Nstein's area of activity is relatively new and includes an increasing number of competitors. New players, new partnerships and new technology solutions are constantly entering the market. In order to maintain its competitive advantage, the Company will continue to invest heavily in research and development and will have to retain key personnel.

Protection of the proprietary technology

The Company’s success depends in part on its ability to protect its rights in its intellectual property. The Company relies on various intellectual property protections, including patents, copyright, trade-mark and trade secret laws and contractual provisions, to preserve its intellectual property rights. Even though the Company has filed patent applications and holds patents in Europe and the United States, those are related to early versions of the technologies used by the Company. Other technologies and applications developed and currently used by the Company are protected by a combination of copyrights, trade secrets and contractual provisions. The Company may file, if deemed necessary, additional patent applications. Despite these precautions, it may be possible for third parties to obtain and use the intellectual property of the Company without its authorization. Policing unauthorized use of intellectual property is difficult, and some foreign laws do not protect proprietary rights to the same extent as the laws of Canada and the United States. To protect its intellectual property, the Company may become involved in litigation, which could result in substantial expenses, divert the attention of the management, cause significant delays and materially disrupt the conduct of the business of the Company. With more competitors emerging, there is an increased risk of other firms trying to produce new products or replacement technologies.

Dependence on certain licensed intellectual property

The Company licenses certain technologies used in its products from third parties. The termination of any of these licences, or the failure of the licensors to maintain or update their products adequately, could delay the ability of the Company to ship solutions while the Company seeks to implement alternative technology offered by other sources that may require significant unplanned investments. In addition, alternative technology may not be available, and even if it is available it may not be available on commercially reasonable terms. In the future, it may be necessary or desirable to obtain other third-party technology licences relating to one or more of the solutions of the Company or relating to current or future technologies to enhance the product offerings of the Company. There is a risk that the Company will not be able to obtain licensing rights to the needed technology on commercially reasonable terms, if at all.

Use of open source software

The Company uses certain open source software in the development of certain of its software products, which is not maintained or supported by the original developers thereof. This open-source software was developed originally by third parties over whom the Company has no control. The Company has no assurances that embedded open source software components do not infringe on the intellectual property rights of others and the Company could be exposed to infringement claims and liability in connection with the use of such open source software. The Company conducted no independent investigation to determine whether the sources of that software have the rights necessary to permit the Company to use this software free of claims of infringement by third parties. If claims of infringement against the Company by third parties were successful, the Company could be required to replace certain components with internally developed or commercially licensed equivalents, which could delay product development plans, interfere with the ability of the Company to support its customers and/or require the Company to pay licensing fees. Certain open source software licences provide that any software that makes use of or incorporates components distributed under that licence will itself become subject to the same general distribution rights and other terms of that licence.

Infringement of intellectual property rights

While the Company believes that its products and other intellectual property do not infringe upon the proprietary rights of third parties, the commercial success of the Company depends, in part, upon the Company not infringing upon the intellectual property rights of others. A number of competitors of the Company and other third parties have been issued patents and may have filed patent applications or may obtain additional patents and proprietary rights for technologies similar to those used in the solutions of the Company. Some of these patents may grant very broad protection to the owners of the patents. The Company may become subject to claims by third parties that its technology infringes their intellectual property rights due to the growth of products in the target markets of the Company, the overlap in functionality of these products and the prevalence of products. The Company may become subject to these claims either directly or through indemnities against these claims that the Company routinely provides to its clients and partners. Litigation may be necessary to determine the scope, enforceability and validity of third party proprietary rights or to establish the proprietary rights of the Company. Some of the competitors of the Company have, or are affiliated with companies having, substantially greater resources than Nstein and these competitors may be able to sustain the costs of complex intellectual property litigation to a greater degree and for a longer period of time than Nstein. Regardless of their merit, any such claims could be time consuming to evaluate and defend; result in costly litigation; cause product shipment delays or stoppages; divert management's attention and focus away from the business; subject the Company to significant liabilities and equitable remedies, including injunctions; require the Company to enter into costly royalty or licensing agreements; and require the Company to modify or stop using infringing technology. The Company may be prohibited from developing or commercializing certain technologies and products unless the Company obtains a licence from a third party. There can be no assurance that the Company will be able to obtain any such licence on commercially favourable terms, or at all. If the Company does not obtain such a licence, the Company could be required to cease the sale of certain of its solutions.

Possible product liability

In view of their complexity, Nstein products may contain undetected errors or give rise to compatibility issues, especially when they are first introduced or when new versions are launched. Nothing guarantees that errors will not be found in new products after commercial delivery has begun. The Company operates a stringent quality assurance program, with rigorous testing to minimize errors. Nstein has general liability insurance covering professional errors and omissions.

Credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, term deposits and accounts receivable. Cash and cash equivalents as well as term deposits are held with reputable financial institutions. Consequently, management considers the risk of nonfulfilment related to these instruments to be minimal.

There is no particular concentration of credit risk. The Company does not normally require collateral or other security from customers for trade accounts receivable; however, credit is extended only after evaluation of creditworthiness. In addition, the Company performs ongoing credit reviews of all its customers and establishes an allowance for doubtful accounts when balances are deemed to be uncollectible.

Currency risk

The Company is exposed to currency risks as a result of its sales to foreign countries and the related trade accounts receivable. Most of these sales are denominated in US dollars and Euros. The risks are partially hedged by purchases and operating expenses denominated in US dollars and Euros.

Growth Management

As a result of the rapid growth of the field in which the Company operates, there will be significant pressure on management, operations and technical resources. The Company anticipates that its operating and personnel costs will increase in the future. In order to manage its growth, the Company will have to increase the number of its technical and operational employees and manage its employees, while efficiently maintaining a large number of relationships with third parties. There is no guarantee that the Company will be able to manage the growth of its business. The Company's inability to implement coherent management systems, add economical resources or adequately manage its expansion will have a significant and unforeseeable impact on its operations and operating results.

Acquisitions

The Company intends to continue to acquire businesses and assets. There is no assurance that the Company will be able to complete acquisitions, or that it will succeed in integrating the newly acquired businesses and assets into its operations. The failure to do so and to retain key personnel of acquired businesses could have a material adverse effect on the operating results of the Company. The acquisitions may require, in addition to the cash generated by the operations of the Company, other sources of financing. It is impossible to guarantee the availability of additional financial resources or that they will be available under acceptable conditions. Failure to obtain such financing could render future acquisitions difficult or impossible.

Possible negative tax consequences

Nstein derives major benefits from government programs supporting research and development in Canada, particularly tax credits for scientific research and experimental developments, and government funding. If changes in legislation or government policies respecting these programs result in their being cancelled or adversely modified, or if the Company is no longer in a position to participate in them, its operating costs would increase substantially.

Risks Relating to the Special Warrant Financing

Market for Securities

There can be no assurance that an active market for the securities of the Company will develop and be maintained. The market price of the securities of the Company may be subject to significant fluctuations. Such factors as government regulations, interest rates, fluctuations in the price of the shares of similar companies or competitors of the Company as well as general market fluctuations may have a significant impact on the market price of the securities of the Company. From time to time, stock exchanges have experienced extreme fluctuations in price and volume, which were in no way related to the operating results of specific companies.

Volatility of Share Price

The market price of the Company's Common Shares may be volatile and could be subject to wide fluctuations due to a number of factors, including:

• actual or anticipated fluctuations in the Company's results of operations;

• changes in estimates of the Company's future results of operations by the Company or investment analysts;

• announcements of technological innovations or new products or services by the Company or its competitors; or

• other events or factors.

In addition, the financial markets have experienced significant price and value fluctuations that have particularly affected the market prices of equity securities of many technology companies and that sometimes have been unrelated to the operating performance of these companies. Broad market fluctuations, as well as economic conditions, may adversely affect the market price of the Common Shares of the Company.

No Cash Dividends

The Company has not paid any dividends and has not developed a policy with respect to paying dividends, nor is any change in the Company's position in this respect anticipated in the near future.

Future Financings

If the Company is not able to sustain profitability, it may require additional equity or debt financing. There can be no assurances that the Company will be able to obtain additional financial resources on favourable commercial terms or at all. Failure to obtain such financial resources could affect the Company's plan for growth, or result in the Company being unable to satisfy its obligations as they become due, either of which could have a material adverse effect on the business and financial condition of the Company.

LEGAL PROCEEDINGS

Nstein is subject to legal proceedings and actions arising in the normal course of business. While the final outcome of such legal proceedings and actions cannot be predicted with certainty, it is the opinion of Nstein's management, at this time, that the resolution of such proceedings and actions will not have a material impact on Nstein's consolidated financial position or results of operations. In particular, Nstein has recently been served with a lawsuit in the nominal amount of US$500,000 that it considers unfounded and immaterial.

LEGAL MATTERS

Certain legal matters relating to the Special Warrant Financing will be passed upon by Ogilvy Renault LLP, on behalf of the Company, and by Osler, Hoskin & Harcourt LLP, on behalf of the Underwriters. At the date hereof, the partners and associates of each of Ogilvy Renault LLP, and Osler, Hoskin & Harcourt LLP, as a group, beneficially owned, directly or indirectly, less than 1% of any class of outstanding securities of the Company or any associate or affiliate of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of Nstein are PricewaterhouseCoopers LLP, Chartered Accountants, 2640 boulevard Laurier, Bureau 1700, Tour Cominar, Québec, Québec, G1V 5C2.

The transfer agent and registrar for the Common Shares is CIBC Mellon Trust Company at its principal office in Montreal, Québec.

PURCHASERS STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised 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 jurisdictions, damages, if 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 purchasers within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to the applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

CONTRACTUAL RIGHT OF RESCISSION FOR SPECIAL WARRANT HOLDERS

In the event that a holder of Special Warrants, who acquires the Special Warrant Shares upon the exercise or deemed exercise of the Special Warrants as provided for in this short form prospectus, is or becomes entitled under applicable securities legislation to the remedy of rescission by reason of this short form prospectus or any amendment thereto containing a misrepresentation, such holder shall be entitled to rescission not only of the holder's exercise of its Special Warrants but also of the private placement transaction pursuant to which the Special Warrants were initially acquired, and shall be entitled in connection with such rescission to a full refund from Nstein of all consideration paid to Nstein on the acquisition of the Special Warrants. In the event such a holder is a permitted assignee of the interest of the original Special Warrant subscriber, such permitted assignee shall be entitled to exercise the rights of rescission and refund granted hereunder as if such permitted assignee was such original subscriber. The foregoing is in addition to any other right or remedy available to a holder of the Special Warrants under applicable securities legislation or otherwise at law.

AUDITORS' CONSENT

We have read the short form prospectus of Nstein Technologies inc. (the "Company") dated February 6, 2008 relating to the qualification for distribution of 8,000,000 common shares issuable upon the exercise of previously issued special warrants. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the shareholders of the Company on the balance sheets of the Company as at December 31, 2006 and 2005 and the statements of earnings, deficit and cash flows for each of the years in the two-year period ended December 31, 2006. Our report is dated March 15, 2007.

(signed) PRICEWATERHOUSECOOPERS LLP

Chartered Accountants

Quebec City, Quebec, Canada
February 6, 2008

CERTIFICATE OF NSTEIN

Dated : February 6, 2008

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required under the securities legislation of each of the Provinces of Québec, Ontario, Alberta and British Columbia. For the purpose of the Province of Québec, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or market price of the securities to be distributed hereunder.

(signed) Luc Filiatreault	*(signed) Bruno Martel*
Luc Filiatreault President and Chief Executive Officer	Bruno Martel Chief Financial Officer

On behalf of the Board of Directors

(signed) Pierre Donaldson	*(signed) Michel Lozeau*
Pierre Donaldson Director	Michel Lozeau Director

CERTIFICATE OF THE UNDERWRITERS

Dated : February 6, 2008

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required under the securities legislation of each of the Provinces of Québec, Ontario, Alberta and British Columbia. For the purpose of the Province of Québec, to our knowledge, this simplified prospectus, together with documents incorporated herein by reference and as supplemented by the permanent information record, contains no misrepresentation that is likely to affect the value or market price of the securities to be distributed hereunder.

Desjardins Securities Inc.

By : *(signed) Jean-Philippe Morin*
Jean-Philippe Morin

TD Securities Inc.

By : *(signed) Sanjay Nakra*
Sanjay Nakra

Jennings Capital Inc.

By : *(signed) David Donato*
David Donato