



Call Genie Inc.

ANNUAL INFORMATION FORM
For the year ended December 31, 2004

March 31, 2005

TABLE OF CONTENTS

	Page
INTRODUCTORY INFORMATION	1
Forward-Looking Information	1
Glossary	1
Corporate Structure	4
1. Name and Incorporation	4
General Development of the Business	5
1. Business Strategy of the Corporation	5
2. Three Year History	6
3. Significant Acquisitions	8
Narrative Description of the Business	8
1. Background and Principal Service	8
2. Selling and Marketing Plans and Strategy	11
3. Technology Overview	12
4. Proprietary Protection	13
5. The YPG Agreements	13
6. Market	14
7. Industry Trends	17
8. Risk Factors Relating to the Business of the Corporation	20
Matters Relating to the Common Shares of the Corporation	25
1. Market for the Common Shares	25
2. Share Capitalization	25
3. Dividends	26
Directors and Officers	26
Legal Proceedings	31
Interest of Management and Others in Material Transactions	31
Transfer Agent and Registrar	32
Material Contracts	32
Interests of Experts	32
Additional Information	32

INTRODUCTORY INFORMATION

Call Genie Inc. was formed on August 17, 2004, upon the amalgamation of GRD Enterprises Inc. (a public corporation incorporated under the laws of the Province of Alberta, the shares of which were listed on the TSX Venture Exchange) and Call Genie Inc. (a predecessor of the Corporation incorporated under the *Canada Business Corporations Act* on October 17, 2000 and continued under the *Business Corporations Act* (Alberta) on February 5, 2003). At the time of such amalgamation, Call Genie Inc. was a wholly-owned subsidiary of GRD Enterprises Inc. ("GRD"). Immediately prior to the amalgamation (which was effected pursuant to the vertical short form amalgamation procedures contemplated by the *Business Corporations Act* (Alberta)), GRD acquired: (i) all of the issued and outstanding shares of Call Genie Inc. in exchange for common shares of GRD; and (ii) all of the outstanding share purchase warrants of Call Genie Inc. in exchange for replacement GRD share purchase warrants. The foregoing business combination transaction (the "Merger") constituted the "Qualifying Transaction" of GRD and a reverse takeover of GRD by Call Genie Inc. under applicable policies of the TSX Venture Exchange. The amalgamated corporation retained the name "Call Genie Inc."

Unless otherwise specified, all dollar amounts are expressed in Canadian dollars, all references to "dollars" or "\$" are to Canadian dollars and all references to "US\$" are to United States dollars"

FORWARD-LOOKING INFORMATION

This Annual Information Form contains certain forward-looking statements relating, but not limited, to the operations, anticipated financial performance, business prospects and strategies of Call Genie. Forward-looking statements are typically identified by words such as "expect", "anticipate", "believe", "plan" or similar words suggesting future outcomes.

Readers are cautioned not to place undue reliance on forward-looking information because it is possible that predictions, expectations, forecasts, projections and other forms of forward-looking information will not be achieved by the Corporation. By its nature, the forward-looking information set out in this Annual Information Form involves numerous assumptions, inherent risks and uncertainties including, but not limited to, the following: the ability of Call Genie to meet its development schedule and commercialize the EVD Service[™]; consumer and merchant acceptance of the EVD Service[™]; economic proof of concept of the EVD Service[™]; continued engagement of industry partners; changes in technology, general global economic and business conditions; changes in laws and regulations; uncertainties of litigation; and currency and interest rate fluctuations.

GLOSSARY

Unless otherwise indicated, whenever used in this Annual Information Form the following words and terms have the indicated meanings and grammatical variations of such words and terms have corresponding meanings.

"**310-YELO[™]**" is a name under which Call Genie's EVD Service[™] is marketed under the YPG Agreements and is a trademark of Yellow Pages Group Co.

"**Agents Options**" means the share purchase options granted to the agents retained in connection with the initial public offering of GRD and the offering of shares completed by GRD on August 17, 2004, which options now entitle the holders thereof to acquire Common Shares.

"**Amalgamation**" means the vertical, short-form amalgamation involving GRD and Old Call Genie, which occurred August 17, 2004, and which resulted in the formation of Call Genie.

"**ASC**" means the Alberta Securities Commission.

"**BCSC**" means the British Columbia Securities Commission.

"**Board**" means the board of directors of Call Genie.

"**Call Genie**" or the "**Corporation**" means Call Genie Inc., the corporation formed upon the completion of the Amalgamation.

"**Call Genie (Ontario)**" means Call Genie (Ontario) Inc., a body corporate incorporated under the laws of the Province of Ontario and a wholly-owned subsidiary of Call Genie.

"**Call Genie (USA)**" means Call Genie USA, Inc., a body corporate incorporated under the laws of the state of Delaware and a wholly-owned subsidiary of Call Genie.

"**CMR**" means Certified Marketing Representative.

"**Common Shares**" means common shares in the capital of Call Genie.

"**Directory Service Provider**" means a publisher of print and online information directories, such as Yellow Pages Group Co.

"**EBITDA**" means earnings before interest, taxes, depreciation and amortization.

"**EVD Service**[™]" means the enhanced voice directory service developed by Old Call Genie and the Corporation, utilizing the EVD Technology.

"**EVD Technology**" means the tangible and intangible technology, information, materials, software, systems, databases and know how relating to and including the Enhanced Voice Directories[™].

"**Enhanced Voice Directories**[™]" means the directories, databases and compilations developed by or for Call Genie in order to provide information services to users of landline telephones, cellular telephones and similar devices and other users of voice activated interactive directory information services.

"**Exchange**" means the TSX Venture Exchange Inc.

"**Founders Warrants**" means the 4,360,035 outstanding share purchase warrants of the Corporation, each of which entitles the holder thereof to acquire one Common Share, at any time and from time to time until August 16, 2010, upon payment to the Corporation of \$0.225 per

share; such share purchase warrants were issued on August 17, 2004 in exchange for outstanding share purchase warrants issued by Old Call Genie effective September 30, 2003.

"**GRD**" means GRD Enterprises Inc., a predecessor to the Corporation.

"**HelloYellow**" is a name under which Call Genie's EVD Service™ is marketed under the YPG Agreements and is a trademark of Yellow Pages Group Co.

"**Merger**" means the business combination between Old Call Genie and GRD, which included the acquisition by GRD of all of the common shares and warrants of Old Call Genie and, subsequently, the Amalgamation.

"**Offering Warrants**" means the 2,222,200 share purchase warrants issued by GRD in connection with the public offering completed on August 17, 2004, each of which now entitles the holder thereof to acquire one Common Share at any time and from time to time until February 16, 2006, upon payment to the Corporation of \$0.90 per share.

"**Old Call Genie**" means the Corporation's predecessor, Call Genie Inc., which was incorporated under the *Canada Business Corporations Act* on October 17, 2000 and continued under the *Business Corporations Act (Alberta)* on February 5, 2003; Old Call Genie was amalgamated with GRD on August 17, 2004, which resulted in the formation of the Corporation.

"**Option Plan**" means the stock option plan of Call Genie, pursuant to which options to purchase Common Shares may be granted to directors, officers and employees of, and consultants to, Call Genie and its affiliates.

"**Options**" means options to purchase Common Shares issued under the Option Plan.

"**Securities**" means Common Shares, Options and Warrants, collectively.

"**Shareholders**" means the holders of the Common Shares.

"**Subsidiaries**" means the existing subsidiaries of Call Genie, being Call Genie (Ontario) and Call Genie (USA).

"**Warrants**" means the Offering Warrants and the Founders Warrants, collectively.

"**Yellow Pages Group Co.**" means Yellow Pages Group Co., a Directory Service Provider formed pursuant to the laws of the Province of Nova Scotia.

"**YPG Agreements**" means the series of agreements entered into between Call Genie (Ontario) and Yellow Pages Group Co. effective December 23, 2003, which agreements provide for, among other things, the development and commercialization of the EVD Service™.

CORPORATE STRUCTURE

1. Name and Incorporation

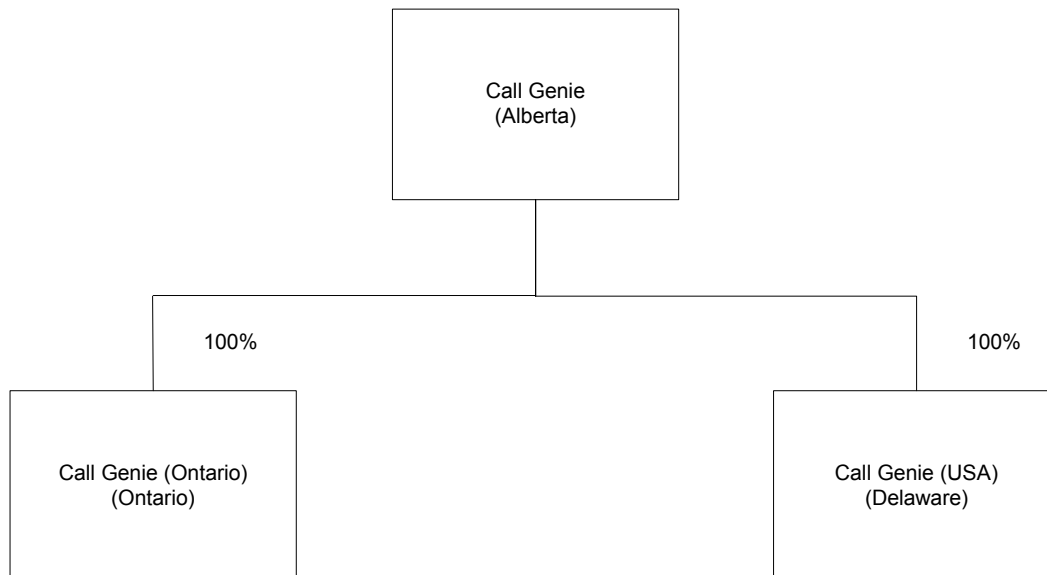
Call Genie was formed on August 17, 2004, upon the amalgamation of GRD and Old Call Genie. At the time of the Amalgamation, Old Call Genie was a wholly-owned subsidiary of GRD. Immediately prior to the Amalgamation (which was effected pursuant to the vertical short form amalgamation procedures contemplated by the *Business Corporations Act* (Alberta)), GRD acquired: (i) all of the issued and outstanding shares of Old Call Genie in exchange for common shares of GRD; and (ii) all of the outstanding share purchase warrants of Old Call Genie in exchange for replacement GRD share purchase warrants. The Merger constituted the "Qualifying Transaction" of GRD and a reverse takeover of GRD by Old Call Genie under applicable policies of the TSX Venture Exchange. The amalgamated corporation retained the name "Call Genie Inc."

Old Call Genie was incorporated under the *Canada Business Corporations Act* on October 17, 2000. On February 5, 2003, Old Call Genie was continued under the *Business Corporations Act* (Alberta).

GRD was incorporated under the *Business Corporations Act* (Alberta) on February 20, 2003. On November 24, 2003, GRD amended its Articles of Incorporation to remove the share transfer and private company restrictions set out therein.

The head office of Call Genie is located at 200, 1324 - 11th Avenue S.W., Calgary, Alberta T3C 0M6 and the registered address of Call Genie is located at 4500, 855 - 2nd Street S.W., Calgary, Alberta T2P 4K7.

Call Genie has two subsidiaries: Call Genie (Ontario) and Call Genie (USA).



Call Genie (Ontario) was incorporated under the *Business Corporations Act* (Ontario) on September 11, 2003. Call Genie (Ontario) has 100 common shares outstanding, all of which are legally and beneficially owned by Call Genie.

Call Genie (USA) was incorporated under the laws of the State of Delaware on October 7, 2003. Call Genie (USA) has 100 common shares outstanding, all of which are legally and beneficially owned by Call Genie.

GENERAL DEVELOPMENT OF THE BUSINESS

1. Business Strategy of the Corporation

Call Genie is a Calgary-based service provider, engaged in the business of developing a location-based, voice-activated business referral directory service and deploying such service on a commercial basis through arrangements with Directory Service Providers. The service is intended to operate as a value-added component or new service line for Directory Service Providers. Call Genie refers to this service as the EVD ServiceTM.

Call Genie's business vision is to bring about significant advances to the directory service business (traditionally, publication and distribution of print business directories and, more recently, online directories) by making the most popular consumer services and products advertised in the print and online directories of Directory Service Providers readily accessible (by phone) to consumers, thereby accommodating their busy lifestyle demands. Accessing directory information through the EVD ServiceTM is intended to enable ready-to-spend consumers to use their telephone to investigate and locate services and suppliers by way of simple voice commands. Further, it will enable consumers to connect through to merchants in real time.

The EVD ServiceTM is intended to be accessible by both landline and wireless telephones. Call Genie's wholly-owned subsidiary, Call Genie (Ontario) is a party to a series of commercial agreements with Yellow Pages Group Co., which agreements provide for the development and deployment of the EVD Service.

The EVD ServiceTM was introduced on a commercial basis in the Greater Toronto Area in January, 2005. Call Genie and Yellow Pages Group Co. plan to continue the commercial introduction of the EVD ServiceTM through a scaled rollout. The goal is to prove out the concept in a live commercial environment and assess: (i) merchant adoption (including appropriate pricing parameters, sales methods and content presentation); (ii) consumer use (by determining the optimal and cost effective methods to generate awareness of the service and drive calls); and (iii) service readiness (including determining that the technology and platform provides a good and consistent consumer and merchant experience).

Call Genie and Yellow Pages Group Co. expect to continue to review the progress of the EVD ServiceTM to determine that the goals for merchants, users and technology are being met. Assuming successful commercial launch and proof of concept in the Greater Toronto Area, the commercial agreements between Call Genie (Ontario) and Yellow Pages Group Co. contemplate that the EVD ServiceTM will be expanded to other urban centers in Ontario and Quebec.

According to the New Jersey-based Kelsey Group, a leading provider of strategic research and analysis on the yellow pages industry, the launch of the EVD Service™ in the Greater Toronto Area will mark the first time that a service of this nature has been offered anywhere in the world.

In marketing the EVD Service™ Call Genie expects to target the global directory services market, a US\$25 billion industry that has traditionally been associated with print and online directories.¹ Call Genie expects that the EVD Service will allow individual Directory Service Providers to augment their product offerings to the merchants that advertise in their print directories.

2. Three Year History

Old Call Genie was incorporated on October 17, 2000, with the objective of developing a voice activated, location based service that would feature a unique, personalized, interactive directory that would identify the "most popular", "consumer preferred" or "best in class" businesses in major Canadian cities, and direct and connect consumer traffic to those preferred vendors. The Corporation's current business model is materially different from the model originally envisioned by Old Call Genie, but is based on similar business ideas and technology applications.

A full description of corporate events and milestones can be found under the heading "Investors" in the Financial Reports and Regulatory Filings section of the Call Genie website (www.callgenie.ca).

A description of significant corporate events follows:

- Old Call Genie and an internet technology company entered into a Memorandum of Understanding dated December 10, 2001 (which was later superseded by a Memorandum of Understanding dated January 8, 2003). At the time, both the internet technology company and a wireless phone carrier were working together to provide certain wireless customers with access to a range of information provided in an audible format and navigated in a rudimentary manner by touch tone commands. The purpose of the Memorandum of Understanding was to establish a framework to allow the parties to collaborate on the development and commercialization of a service supported by advertising and sponsorships, which would provide a fast, convenient, voice activated, interactive business directory that would identify the "most popular" businesses in 100 - 250 business categories in major markets across Canada and direct and connect caller traffic to those businesses. Such agreements lapsed as the Old Call Genie business plan evolved and Old Call Genie pursued a different business strategy.
- Old Call Genie formalized its relationship with Nuance Communications, Inc. through the Nuance Partner Alliance on September 5, 2003.
- Old Call Genie filed a regular patent application with the U.S. Patent and Trademark Office (based on earlier filings) in 2003 in relation to the EVD Technology. Call Genie filed a subsequent regular patent with the U.S. Patent and Trademark Office and made a

¹ The Kelsey Group, May 2003.

Patent Cooperation Treaty application (based on earlier filings) in 2005. See "Narrative Description of the Business - Proprietary Protection".

- Throughout 2003, Old Call Genie continued to work on refining and developing its business plan, business model and technology platform. These developments lead to discussions with Yellow Pages Group Co. that eventually resulted in the execution and delivery of the YPG Agreements by Call Genie (Ontario) in December, 2003.
- Throughout June and July, 2004, Old Call Genie conducted the Calgary pilot, which involved an end-to-end system operation and optimization test and an effort to gather user and merchant feedback. Users were sourced from Old Call Genie contacts, as well as from contacts sourced with the assistance of professional advisors. Some two hundred users completed approximately two thousand information searches during the test. Approximately 100 surveys were completed by individuals who participated in the pilot, which indicated an average overall satisfaction with the EVD Service™ of seven out of ten, with approximately 70% of respondents indicating that they would use the service once per month or more frequently. As well, valuable written input and anecdotal comments were received. Old Call Genie also conducted merchant focus groups where pricing assumptions and parameters were tested and merchants' intent to pay for the EVD Service™ was explored.
- The Merger was completed on August 17, 2004 and the Corporation assumed the public company status of GRD and subsequently commenced trading on the Exchange.
- From August to November, 2004, Call Genie and Yellow Pages Group Co. conducted the Greater Toronto Area pilot. Consumer users of the EVD Service™ were sourced from the YellowPages.ca website and from Hotspex Inc., an independent consumer technology testing and surveying firm. From Hotspex, the consumer usability study resulted in approximately 800 users performing a minimum of seven information searches each. 44% of the users who participated in the survey rated the EVD Service™ eight or greater (out of ten), indicating that they were likely to use the EVD Service™ in the future. Call Genie also received valuable feedback on how the service could be improved or the information presented or retrieved using alternate approaches. Overall, the usability study resulted in over 1,200 unique users generating approximately 10,000 information searches. This information allowed Call Genie to improve the voice user interface and provided over 90,000 voice utterances. These utterances were used to further tune the EVD Service™, resulting in improvements in recognition rates and in grammar development.
- In October, 2004, Call Genie and Yellow Pages Group Co. conducted a sales test involving small and medium size businesses that advertise in Yellow Pages Group Co. print and/or internet products in the Greater Toronto Area. The sales team presented the EVD Service™ to 103 merchants over approximately four weeks. Contracts for 43 one year commitments were closed, resulting in a 42% close rate. These merchants represented both smaller and higher value advertisers to Yellow Pages Group Co. The average net contract value was approximately \$750, representing a 56% discount to the full average annual price of approximately \$1,700. The merchants in the sales test also

provided input on the usability of the system and on how to increase the utility of the service to their particular business.

- As at December 31, 2004, Call Genie had outstanding equity instruments (Common Shares and warrants) in the aggregate amount of \$4,760,134. Call Genie has used the proceeds from sales of securities to further develop its technology and to pursue the opportunities set out in the Corporation's business plan.
- In January, 2005, Call Genie and Yellow Pages Group Co. deployed the EVD Service™ on a commercial basis in the Greater Toronto Area (see also "Narrative Description of the Business").
- In February, 2005, a dedicated sales force assembled by Call Genie began selling the EVD Service in the Greater Toronto Area (see also "Narrative Description of the Business").

3. Significant Acquisitions

The Corporation completed the Merger on August 17, 2004. See "Introductory Information".

NARRATIVE DESCRIPTION OF THE BUSINESS

1. Background and Principal Service

Call Genie is a Calgary-based service provider, engaged in the business of developing a location-based, voice-activated business referral directory service and deploying such service on a commercial basis through arrangements with Directory Service Providers. Specifically, Call Genie has developed the EVD Service™, which identifies the location of the caller (consumer), searches for merchant data requested by the caller, provides an array of information on merchants within the immediate or requested geographical area and connects consumers with the requested merchant.

Call Genie's business vision is to bring about significant advances to the directory service business (traditionally, publication and distribution of print business directories and, more recently, online directories) by making the most popular consumer services and products advertised in the print and online directories of Directory Service Providers readily accessible (by phone) to consumers, thereby accommodating their busy lifestyle demands. The directory services industry has traditionally been characterized by print business directories, which accounted for approximately 93% of industry revenues globally in 2003 (97.6% in the United States).¹

The EVD service is intended to permit callers to access directory information through a voice activated service and thereby enable ready-to-spend consumers to use their telephone (including wireless mobile phones) to investigate and locate services and suppliers by way of simple voice commands and voice feedback. The EVD Service™ enables consumers to search, select and connect to merchants using the simplest form of communication, the human voice.

From the perspective of a merchant, whose products and services are targeted and sold to consumers, the EVD Service™ is intended to provide an important new sales and marketing channel to source and connect to consumers who are "ready-to-buy". The EVD Service™ hosts the most popular headings from a print directory, as those are the ones most suitable for voice access, but does not list all of the headings that could be identified in a print directory. The EVD Service™ searches and establishes the location of the consumer and then presents the consumer with merchants in a selected category that are within close proximity to the caller. Alternately, the EVD Service™ may be used to locate businesses in other areas if requested. The service also enables merchants to market and sell to consumers with dynamic, relevant messaging content.

The consumer navigates the merchant database through a series of verbal interactions that are directed by the system. Instructions are provided in a simple, natural speaking manner. The consumer uses and interacts with the system by speaking to it. Merchants are presented to the consumer through a classification system that utilizes a proprietary algorithm based on location and merchant economics. In this respect, the consumer has the option to select a merchant in close proximity to it or select another neighborhood, intersection, city or landmark within the local service territory. In the business model contemplated by the YPG Agreements, revenues are sourced through merchant listings/subscriptions and the consumer calls are free. This is the same business model used in both the print and Internet sectors of the directory services industry.

The merchant database consists of the majority of local merchants, a significant portion of which are existing advertising clients in the print and Internet directories. The business model contemplates that Directory Service Providers will leverage their existing customer base, sales force and billing systems to support the EVD Service™.

The EVD Service™ will operate from a hosted database, where merchants will be able to work with the Directory Service Provider to create their own personalized directory listings. It is anticipated that the fields of information that will be customized will include business name, address, phone number, business description, business hours, promotions, credentials, directions and website information.

Through the arrangement with Yellow Pages Group Co., Call Genie expects to offer the EVD Service™ in the Greater Toronto Area, covering some 530 category headings focused on business to consumer content. The location search capability for the EVD Service™ covers 523 neighborhoods, 264 landmarks and over 4,500 intersections in the Greater Toronto Area. The database includes over 80,000 businesses, representing over 302,000 business listings and includes data from seventeen print phone books, which serve an area of some six million people (including most of the "Golden Horseshoe"). The tuning results of the Calgary and Toronto pilots have been loaded into the system, resulting in increased recognition rates and improved grammar development. The "voice user interface" was updated to better support new users, better accommodate experienced users and enhance the overall consumer experience. The application is now hosted in a Bell Sympatico 24/7 monitored environment with the redundancies required for a carrier upgrade deployment.

The EVD Service™ extends the directory service business model beyond print and Internet to include a voice activated, automated local search capability. Call Genie believes that its EVD Service™ represents a significant new channel to market directory services. The EVD Service™

makes it possible for directory services companies that currently generate revenue primarily from the print directories to leverage their existing assets to a new line of business and generate incremental revenue and earnings in an efficient manner.

Call Genie anticipates that, as proof of concept is achieved and the service becomes more accepted, the EVD Service™ will eventually be sold as part of a bundle with other print and electronic directory product offerings. This will allow directory service companies the opportunity to offer the EVD Service™ as part of a pre-packaged bundle of all services to their client base.

Call Genie currently has 9 full-time personnel, 7 part-time personnel and 3 consultants dedicated to the management, development, marketing, branding, selling and support of the EVD Service™. Call Genie (Ontario) currently has 12 sales consultants focusing on the selling of the EVD Service in the Greater Toronto Area.

The EVD Service™ was introduced on a commercial basis in the Greater Toronto Area in January, 2005. Call Genie and Yellow Pages Group Co. plan to continue the commercial introduction of the EVD Service™ through a scaled rollout. The goal is to prove out the concept in a live commercial environment and assess: (i) merchant adoption (including appropriate pricing parameters, sales methods and content presentation); (ii) consumer use (by determining the optimal and cost effective methods to generate awareness of the service and drive calls); and (iii) service readiness (including determining that the technology and platform provides a good and consistent consumer and merchant experience).

The scaled rollout is also intended to assist in configuring the EVD Service™ in the commercial environment. By increasing commercial call volume in a managed fashion, it is anticipated that major technical issues can be identified and addressed at minimal call volume levels and improvements to usability and consumer experience implemented prior to the heavy usage expected as consumer awareness increases. The improvement cycle, however, is ongoing as the technology has been designed by Call Genie to be constantly dynamic as the tuning results from the transcription process are loaded on a regular basis.

Call Genie and Yellow Pages Group Co. will continue to review the progress of the EVD Service™ to determine that the goals for merchants, users and technology are being met. Assuming successful commercial launch and proof of concept in the Greater Toronto Area, the commercial agreements between Call Genie (Ontario) and Yellow Pages Group Co. contemplate that the EVD Service™ will be expanded to other urban centers in Ontario and Quebec.

Management of Call Genie believes that the service also has broad market suitability in other countries such as the United States, and upon further proof of concept through consumer and merchant validation, Call Genie plans to evaluate opportunities to market the EVD Service™ outside Canada.

Call Genie was sponsored, and subsequently admitted, as a member of the Yellow Pages Association (www.ypassociation.org), the North American industry association representing the business interests of the directory services industry.

2. Selling and Marketing Plans and Strategy

In February 2005, Yellow Pages Group Co.'s advertising consultants developed a branding and messaging strategy for the EVD Service™. Management of Call Genie believes that the EVD Service™ will gain traction and credibility quicker if the service is closely aligned and associated with the Yellow Pages Group Co.'s trademarks, which have helped create a well known and highly trusted brand. This "borrow to build" strategy is intended to allow a more focused and cost effective message than trying to establish a new Call Genie-focused brand in the marketplace. As a result, the EVD Service™ was introduced as "HelloYellow™-Powered by Call Genie™". In connection with the launch, the branding was unveiled: "Hello Yellow™: the Yellow Pages Directory That Travels With You™", which includes the famous Yellow Pages walking fingers. The "HelloYellow™" EVD Service will be accessed by calling "310-YELO" (310-9356), a catchy, easy to remember number that is a toll free call from anywhere in the service area.



The Yellow Pages Directory that travels with you

Initially, merchant sales will be the responsibility of a dedicated sales force assembled by Call Genie. Call Genie has engaged 11 former SuperPages sales personnel for the Toronto market, who form the nucleus of the 12 person Call Genie sales force in the Greater Toronto Area. In addition, Yellow Pages Group Co.'s largest Certified Marketing Representative firm has requested the right to represent and sell listings for the EVD Service™. CMR's represent large national advertisers and endeavor to identify industry trends and utilize directional advertising mediums to reach the demographic that their clients target. Call Genie anticipates that CMR's will commence selling listings in the second quarter of 2005, following the implementation of a media plan with Yellow Pages Group Co. Presently, the "Hello Yellow" service is priced to merchants at between \$69 and \$149 per month, per listing, per Yellow Pages Group Co. directory coverage area, with certain discounts offered on the initial contract and for prepayment of the contract. The credit confirmation, billing and collections functions will be handled by Yellow Pages Group Co.

During the initial rollout of the EVD Service™, Call Genie and Yellow Pages Group Co. expect to promote consumer use utilizing those media assets of Yellow Pages Group Co. that can be quickly configured to reflect the "HelloYellow" brand, including Internet sites such as Canada411.com and YellowPages.ca. Yellow Pages Group Co. has arranged with Bell Canada for the advertising of "HelloYellow" through the Vista Screenphone network in the Greater Toronto Area. In addition, it is anticipated that the mobile browsers on Bell Mobility phones will be embedded with links to the service. To make it easy for consumers, #YELO (#9356) has been activated with Bell Mobility and new location finding technologies, which enable the service to automatically locate the caller, have been enabled with Bell Mobility. Following successful commercial launch in the Greater Toronto Area, advertising, information and

operating instructions together with re-occurring reminder ads are expected to be featured in new releases of the Yellow Pages Group Co.'s print directories. Call Genie and Yellow Pages Group Co. are also assessing other Yellow Pages Group Co. and external marketing assets that might be utilized to promote consumer use of the EVD Service.

As the EVD Service is more fully proved out in the commercial context, Call Genie and Yellow Pages Group Co. anticipate that further assets will be dedicated to the rollout and strategic partnerships implemented that promote consumer usage and awareness. Both parties will continue to review the progress of the EVD Service to determine that the goals for merchants, users and technology are being met.

Assuming successful commercial launch and proof of concept in the Greater Toronto Area, the agreement between Call Genie and Yellow Pages Group Co. contemplates that the EVD Service will be expanded to other urban centers in Ontario and Quebec.

If additional Directory Service Providers implement the EVD Service, it is anticipated that customized sales and marketing plans that draw on the brand strengths and assets of each Directory Service Provider will be designed and implemented.

3. Technology Overview

The EVD Service™ is a voice-searchable, customized directory listing of businesses that allows merchants to create their own personalized directory listings. The EVD Service™ uses state of the art, established automatic speech recognition engines, text-to-speech engines, and is compliant with current voice technology standards.

The EVD Service™ conforms to the industry standard VoiceXML 2.0 and is a component based, multi-tiered application implemented on industry accepted technologies. Call Genie has attempted to reduce technological risk by relying upon proven generally available components.

A VoiceXML platform is the foundation for developing and operating the EVD Service™. VoiceXML is the industry's open, standards-based development language for voice-driven solutions. It is endorsed by the W3C, the same organization that defines other key standards such as HTML. A growing number of telecommunication companies around the world use VoiceXML for customer care and enhanced service applications. It executes the commands and logic specified by applications written in VoiceXML, provides speech processing capabilities, supports system management and administration capabilities and enables rapid application development. Because VoiceXML is based on Web architectures and standards, Call Genie can leverage its investments and expertise in Web infrastructure while minimizing the high costs typically associated with systems built on closed, proprietary technologies.

For consumers, the EVD Service™ is about the power of voice - turning a consumer's spoken words into relevant and timely action. The EVD Service™ has been designed to enable users to simply speak their requests for yellow pages type information and receive information concerning a customized set of merchants that meet their search criteria.

Speech recognition applications allow for conversations between people and machines. The EVD Service™ prompts callers to speak with the service to provide the inputs required to

undertake the applicable search. The application looks for the best match in response to the information provided by the caller.

Call Genie utilizes text-to-speech engines to present much of the merchant information to the caller. Text-to-speech converts a merchant's textual marketing information into speech that closely resembles a natural voice. Text-to-speech platforms now employ a method to produce synthesized voices with more personality than prior generations of the technology. Text-to-speech engines now allow for voice inflection by extending the technology to model voice quality and the overall rhythm and intonation of natural speech. Utilizing a text-to-speech engine that produces a high degree of synthesized quality speeds up Call Genie's application deployment and helps to control costs by minimizing the time and expense of audio studio recording for the vast amount of merchant data available through the EVD Service.

According to Harris Interactive Research, speech scores higher than touch-tone systems in most customer satisfaction categories, including security and reliability, with 80% of consumers indicating they are satisfied with their experiences.²

4. Proprietary Protection

During 2003, Old Call Genie personnel filed three provisional patent applications, addressing aspects of its voice directory system, with the U.S. Patent and Trademark office. Old Call Genie consolidated two of those applications and in 2004 filed a single regular patent application in the U.S. Patent and Trademark Office and simultaneously a Patent Cooperation Treaty application. In 2004, Old Call Genie personnel filed a fourth U.S. provisional patent application. Call Genie consolidated the third and fourth applications and in 2005 filed a single regular patent application in the U.S. Patent and Trademark office and simultaneously a Patent Cooperation Treaty application. Those later applications are in the process of being assigned to Call Genie.

Canadian trade-mark applications have been filed for the following trademarks associated with the Call Genie voice directory system: #geni, *geni, 310 geni, 310-YELO, 310geni, a lamp design mark and a lamp design mark with the words Call Genie. Call Genie has also filed trademark applications in the U.S. Patent and Trademark office for the following trademarks associated with its voice directory system: HELLOYELLOW and HELLO YELLOW.

There are certain risks associated with all forms of intellectual property assets. See "Narrative Description of the Business - Risk Factors Relating to the Business of the Corporation - Patents and Other Intellectual Property."

5. The YPG Agreements

Effective December 23, 2003, the Corporation's wholly-owned subsidiary, Call Genie (Ontario), entered into a series of commercial agreements with Yellow Pages Group Co. A general description of the terms and conditions of YPG Agreements follows:

- Economics are based on a cost recovery and revenue share model.
- The agreements have an initial term of five years that renews automatically for additional two year terms if not earlier terminated by either party.

- Yellow Pages Group Co. and Call Genie are not to offer any similar service to the public with any competing party during the term of the YPG Agreements within Ontario or Québec. Call Genie is free to pursue opportunities with other Directory Service Providers outside of those provinces.
- Call Genie is responsible for developing, testing and operating the technology platform.
- Call Genie, in consultation with Yellow Pages Group Co., is responsible for developing business plans to launch, market and sell the EVD Service™.
- Yellow Pages Group Co. and Call Genie are to launch the EVD Service™ following successful pilot programs that achieve results acceptable to both parties.
- Initially, merchant sales will be the responsibility of a dedicated sales force assembled by Call Genie. Following certain milestones, Yellow Pages Group Co. is to take primary responsibility for marketing the EVD Service™ to merchants and for selling the EVD Service™ to its existing merchant base. Call Genie may set up a supplementary sales channel.
- Yellow Pages Group Co. is responsible for merchant billing and credit management.
- Call Genie licenses certain of its trademarks to Yellow Pages Group Co. Reciprocal arrangements provide for Yellow Pages Group Co. to license certain of its trademarks to Call Genie.
- Yellow Pages Group Co. may bundle the EVD Service™ with its existing product offerings.
- Established protocol for addressing customer and/or merchant questions or problems.
- Yellow Pages Group Co. is responsible for maintaining financial records.
- Established protocol for accounting standards and audit, accessibility (for inspection and audit) and format of reports and timelines for delivery.
- Commercial termination provisions for benefit of both parties, including in the event the EVD Service does not achieve commercial proof of concept.

6. Market

Canadian Directory Services Market

The total Canadian market for the directory services industry represented approximately US\$750 million in annualized revenue or 3% of the estimated US\$25.4 billion global market in 2002.³ The two dominant players in Canada are Yellow Pages Group Co. and SuperPages™. As more fully outlined below, Yellow Pages Group Co. has entered into a definitive agreement to buy Superpages™ from Bain Capital.

Yellow Pages Group Co. is the largest telephone directory publisher in Canada. Yellow Pages Group Co. publishes more than 244 telephone directories annually, with total circulation of approximately 18 million copies, reaching approximately 70% of the Canadian population.⁴

Yellow Pages Group Co. is the Canadian market leader in the online directory business through a network that includes the YellowPages.ca™, PagesJaunes.ca™, Canada411.ca™ (English and French), CanadaTollFree.ca™, and CanadaSansFrais.ca™ web sites.⁴ In addition, Yellow Pages Group Co. owns the CanadaPlus.ca™ network of city sites: MontrealPlus.ca™, QuebecPlus.ca™, CalgaryPlus.ca™, EdmontonPlus.ca™, and VancouverPlus.ca™. These sites generate approximately 3.5 million unique visitors monthly.⁵

Yellow Pages Group Co. currently offers advertisers a package containing both print and electronic directories.

Today, Yellow Pages Group Co. has over 236,000 advertisers and a business database of more than 2.4 million listings.

Yellow Pages Group Co.'s revenues are primarily derived from the sale of yellow pages residential and business telephone directories advertising to approximately 236,000 advertisers, most of which are small and medium-sized enterprises. Directory advertising is the marketing strategy used most by Canadian small and medium-sized enterprises, due to its comparatively high return on investment.

SuperPages™ is Canada's second largest directory information provider. SuperPages™ is the Telus directory, formerly owned and published by Verizon Information Services - Canada Inc., part of the world's leading print and online directory publisher. Verizon sold its interest in Superpages™ to Bain Capital, a private equity firm, in the fourth quarter of 2004. In March of 2005, Yellow Pages Group Co. announced that it had entered into a definitive agreement to purchase Superpages™ from Bain Capital, with an expected close date around June, 2005. SuperPages™ distributes more than 10 million copies of its 94 print directories. The online product, superpages.ca™, contains more than 1.1 million business listings and over 12 million residential listings across Canada, available in both French and English.⁶

Following completion of the acquisition of Superpages™ by Yellow Pages Group Co., the combined business will be the leading directory publisher in most major Canadian markets with a total of 337 directories and a circulation of approximately 28 million copies. Yellow Pages Group Co. will also operate Canada's leading online directories and city sites.⁶

United States Directory Services Market

Management of Call Genie believes that the directory services industry in the United States represents a large potential business opportunity for Call Genie. The industry in the United States accounted for approximately US\$14 billion or 55% of the estimated US\$25.9 billion global market in 2002.³

The industry revenue and profit in the United States comes predominantly from the printed directory sector. It is estimated that the printed directory business accounted for 97.7% of revenues in the United States, while the balance was derived primarily from digital directories.¹

The United States directory services industry has historically exhibited stable growth, strong cash flows and predictable profitability. The industry's revenue has grown at an annualized rate of 7.3% from 1980 to 1997, and a more moderate 3.7% since 1997, reflecting the more recent broad cyclical advertising slowdown.⁷

EBITDA for "incumbent" Directory Service Providers (defined as those companies that are either owned or associated with a local or regional telephone company) have consistently equaled or exceeded 50% of revenues, while "independent" Directory Service Providers (defined as those companies that have no such telco ownership or association) have been in the range of 15% to 25% of revenues. The global industry average EBITDA in 2002 was approximately 38% of revenues.⁸

Traditionally, Directory Service Providers have provided the steadiest growth of advertising mediums, even in down economies. For the majority of small and medium-sized businesses, advertising in the yellow pages has been viewed as a non-discretionary expense, and given the industry's periodic renewal billing approach, such revenue has been generally viewed as very predictable for the industry. While such advertising generally outperforms other media heading into an economic slowdown, the recovery of lost advertising revenue does typically lag other advertising media during periods of economic recovery.

According to a 2002 research report, The Kelsey Group, a leading provider of strategic research and analysis, data and competitive metrics on the directory service industry, noted that "no other medium has demonstrated the consistent year-to-year growth of Yellow Pages going back almost two decades".⁹

The top four yellow pages publishers in the United States control approximately 90% of the market, as measured by revenues, while the top ten yellow pages publishers control approximately 97%.⁷

Those Directory Service Providers owned by a local or regional telephone company, controlled 76% of the yellow pages market in 2002 (primarily SBC, Verizon and BellSouth), while the remaining 24% was controlled by non-telcos (e.g., Dex Media, Yell Group, RH Donnelley and TransWestern Publishing).⁷

Independent publishers, or those not owned by or associated with a local or regional telephone company (the largest is Yellow Book, owned by the UK company Yell Group), represented less than 10% of the revenue base in 2002, while the incumbents represented in excess of 90%. Nonetheless, the independent directories are experiencing significant revenue growth, while the incumbents have experienced year-over-year declines of approximately 4% in 2002 and 1% in 2003.⁷

The growth of the independents at the expense of the incumbents has happened because the *United States Telecommunications Act of 1996* effectively deregulated the directory services industry, by forcing the traditional telcos to provide subscriber list information at reasonable rates to other companies that had a desire to publish competitive directories.

The key United States industry players and the revenues derived by them from the directory service business in the U.S. market is as follows (Yellow Pages Group Co. included for comparison purposes).¹⁰

	<u>2004 Revenue (US\$ Million)</u>
1. SBC Communications Inc.....	3,759
2. Verizon Communications Inc.....	3,615
3. BellSouth Corporation.....	1,878
4. Dex Media, Inc. (formerly Qwest).....	1,655
5. Yellow Book USA	785
6. R H Donnelley Corporation	603
7. Yellow Pages Group Co.....	533
8. TransWestern Publishing	371

7. Industry Trends

A dominant trend within the print directories industry in the past several years has been the dramatic transfer of ownership of major participants. The stability of revenues and earnings, and consistently high profitability has caught the attention of "financial" owners, predominantly private equity and management buyout firms such as Kolberg, Kravis, Roberts & Co., which led the purchase of Yellow Pages Group Co. from BCE Enterprises Inc. in November 2002 for US\$1.9 billion. The identification of directory service companies as opportune investments occurred at a period in time when the major owners of directory service providers, largely telecommunications companies, had a need to dispose of non-core businesses to raise capital. In 2002 alone, Sprint Publishing, QwestDex, Cincinnati Bell, BCE Enterprises and McLeod USA disposed of their directory publishing units for an aggregate consideration in excess of US\$12 billion.⁷

A major effect of the change in ownership to new investment consortiums will be the increased pace of competition as the new private equity owners seek additional growth and consistent cash flow performance in an environment in which the print directories business is declining.¹¹

Management of Call Genie believes that this more aggressive, entrepreneurial approach will result in an emphasis on the introduction of new and enhanced directory products and services. There is also a trend within the industry for Directory Service Providers to partner with outside organizations that bring expertise and know-how to this changing product and service marketplace.

Another change that is expected in the next several years (resulting from the fundamental change in ownership structure from traditional utility owned companies to private equity firms), is increased awareness of the directory services industry among investors. Management of Call Genie believes that the majority of private equity firms maintain a three to five year investment cycle, and will be monetizing such investments through sales and public offerings, as evidenced by Kohlberg Kravis Roberts & Company's sale Yellow Pages Group Co. through an Income Trust IPO and a series of secondary offerings in 2003 and 2004.

The industry in North America is still very much dominated by a small group of large participants. The ten largest publishers control over 97% of the U.S. market by revenue, while the top four control approximately 90% of the U.S. market by revenue.⁷

Notwithstanding such domination, the competition to which the incumbent directory services companies are subject is expected to continue to intensify. Competition within the once monopoly United States directory services market began with the reduction in the cost of database acquisition dictated by the *United States Telecommunications Act of 1996*. Competition in the United States print directory markets has increased since deregulation of the industry. Roughly 70% of the print directory markets and sub-markets have at least two major print directories and 10% have three or more print directories operating within a market. Among markets with incumbent Directory Service Providers with a distribution over 500,000 print directories, at least 20% have three books.⁷

A further significant trend in the directory services industry will be the increased importance of digital directional media. According to a forecast by The Kelsey Group, strong growth in this sector will drive industry revenue of US\$25.4 billion (2002) to \$36 billion by 2008. It is projected that 23% of such revenue in 2008, or US\$8.2 billion, will be represented by digital directional media.¹²

By way of comparison, electronic products, such as Internet related online web sites, search engines and Internet retail portals and voice driven initiatives currently represent approximately 3% of the directory services revenue in the United States market.¹²

Despite the prospects for significant growth in the area of digital directional media, the competition for advertising dollars from the traditional customer base now advertising online is expected to be intense among directory services companies and online search companies such as Google™.

It is expected that the shift in directory usage from print to online will occur rapidly as market penetration of broadband in United States homes grows from approximately 40% currently to approximately 71% of all homes by 2008. This will in turn, make the usability of online searching as efficient as accessing the print directories. It is expected that print directory usage will migrate online at approximately 5% per year, implying that online usage will overtake print usage by 2008 or 2009.⁷

The challenge for the Directory Service Providers will be to both capture and maintain the same market share of online directory searches that they currently experience in the print domain, as well as maintain the same stable growth, and operating and profit margins they currently experience.

A further trend currently within the United States directory services industry is the partnering of companies with entities that operate websites that offer online and localized services - examples include Verizon and www.findwhat.com, Bell South and www.looksmart.com, as well as SBC and www.askjeeves.com. This trend suggests that the directory services industry is searching for smaller entrepreneurial companies to develop enhanced technology with a primary emphasis on local searches.

"Local" searches are expected to be a primary driver in any online directory services strategy. Local paid-search advertising is expected to drive the growth of the digital directories segment of

the US\$22 billion North American directional media market from 2.4% in 2002 to 24% in 2008.¹²

Recent research conducted by The Kelsey Group and ConStat Inc., indicates that 60% of the small businesses surveyed reported that at least 75% of their customers came from within a 50-mile radius, and 80% of small and medium-sized businesses indicated that at least 75% of their buying and/or selling of products and services occurred within a 50-mile radius.¹³

As major search engines such as Google™ and Yahoo!™ aggressively move to expand their dominance from general search to the local search market, partnering of search engines with local incumbent directory services companies appears to be a logical move that marries the local customer base, content and sales force of the traditional Directory Service Providers with the technology and enhanced user experience afforded through an Internet search engine.

Subject to clearance of any applicable regulatory and other legal requirements, management of Call Genie believes that Call Genie is positioned to enter the American market and that the EVD Service™ will add a new dimension to this traditionally profitable industry. The introduction of a voice activated, location based local search solution is viewed as a logical complement to the traditional print, and now online, directory search product offerings. The focus of the EVD Service on local, voice-activated searches should position Call Genie to take advantage of the dominant industry trend involving the addition of local search capabilities.

References:

1. Source: The Kelsey Group Global Forecast – 2003 Year-end Update
2. Source: Nuance Communications Inc. – see corporate website: www.nuance.com/learn/customersatisfaction.html
3. Source: Individual company reports; total global market size by the Kelsey Group report issued May 2003
4. Source: Yellow Pages Group Co. website – www.ypg.com
5. Source: www.canadaplus.ca
6. Source: www.superpages.ca and/or Yellow Pages Group Co. Press Release March 7, 2005
7. Source: Deutsche Bank report issued February 2004 – Yellow Pages Publishers
8. Source: The Kelsey Group report issued May 2003
9. Source: The Kelsey Group press release dated January 3, 2003; quote by Charles Laughlin, Vice President and Director of The Kelsey Report®
10. Represent U.S. business only. Source: Individual company reports; Deutsche Bank report issued February 2004 – Yellow Pages Publishers
11. Source: The Kelsey Group press release dated January 3, 2003
12. Source: The Kelsey Group report issued November 2003
13. Source: The Kelsey Group report issued December 2003

8. Risk Factors Relating to the Business of the Corporation

The business of Call Genie will be subject to numerous risk factors, as more particularly described below. Ownership of any Securities should be considered highly speculative due to the nature of Call Genie's business and it's current stage of development.

Substantial Capital Requirements; Liquidity

Because the costs associated with further development of Call Genie's technology and business and Call Genie's ability to generate revenue will depend on a variety of factors (including the ability of Call Genie to meet its development schedule, consumer and merchant acceptance of the EVD Service™), additional funds may be required to advance and expand Call Genie's business. Additional funds (whether through additional equity financing, debt financing or other sources) may not be available, may not be available on terms acceptable to Call Genie or may result in significant dilution to Shareholders. The inability to obtain additional funds may have a material adverse affect on Call Genie's business, results of operations, and financial condition.

No Record of Profit

Call Genie has incurred significant losses to date, and there can be no assurance that the future business activities of Call Genie will be profitable. Since its organization, Call Genie has incurred costs to develop and enhance its technology, to establish strategic relationships and to build an administrative organization. Call Genie has incurred negative operational cash flow to date. Call Genie incurred losses from operations of \$1,895,160 for the year ended December 31, 2004, \$925,024 for the year ended December 31, 2003 and \$145,948 for the year ended December 31, 2002. Call Genie's ability to operate profitably and generate positive cash-flow in the future will be affected by a variety of factors (including its ability to further develop and test the EVD Technology on schedule and on budget, the pace of its entry into its target markets, the time and expense required for the roll-out of the EVD Service™, its success in marketing such service to consumers and merchants, the intensity of the competition experienced by Call Genie and the availability of additional capital to pursue its business plans, including development of new services). An inability to generate sufficient funds from operations will have a materially adverse affect on Call Genie's business, results of operations and financial condition.

Developing Market

Call Genie is developing a new service and, as such, the primary market for Call Genie's technology has not yet developed or been precisely defined. As is typical in the case of a new, evolving industry segment, the demand for the EVD Service™ is subject to a high level of uncertainty. If the markets for the EVD Service™ fail to develop, develop more slowly than expected or become saturated with competitors, or if the EVD Service™ does not achieve and maintain market acceptance, Call Genie's business, results of operations and financial condition will be materially adversely affected.

Stage of Development

Call Genie's prospects are subject to all of the risks inherent in a new business.

Old Call Genie commenced limited operations in 2000, but was essentially dormant until 2003. Call Genie has yet to fully commercialize and achieve proof of concept for the EVD Service. To date, Call Genie has completed two pilot projects and made the EVD Service™ commercially available in the Greater Toronto Area (commencing in January 2005) to continue to work towards proof of concept. There can be no assurance that such initiatives will yield the desired or required results. Any failure to achieve the desired or required results during the commercialization phase may have a material adverse effect on Call Genie's business, results of operations and financial condition.

There can be no assurance that Call Genie will be successful in addressing the challenges to which it will be exposed. If Call Genie is not successful in addressing such challenges, Call Genie's business, results of operations and financial condition could be materially adversely affected.

Reliance on Others Generally and Yellow Pages Group Co. in Particular

Call Genie's principal business (the provision of the EVD Service™) and its business model will be dependant on Call Genie's ability to secure contracts with Directory Service Providers and to obtain access to databases owned and maintained by such Directory Service Providers. Given the industry concentration and limited number of Directory Service Providers of significant size and scope in North America, Call Genie will be reliant on a small number of business relationships for its future revenue. For instance, there are only two significant Directory Service Providers in Canada, as at the date hereof, and further consolidation is anticipated.

Call Genie will seek to reduce this risk by entering into long-term contracts with certain Directory Service Providers. However, any disruption in Call Genie's relationships with Directory Service Providers, or an inability to secure new business relationships with Directory Service Providers could materially adversely affect Call Genie's business, results of operations and financial condition.

To date, Call Genie has only entered into a long-term contract with one Directory Service Provider, Yellow Pages Group Co. Call Genie's future success will be dependant upon the YPG Agreements remaining in full force and effect, Yellow Pages Group Co.'s compliance therewith and Call Genie's ability to discharge its obligations under those agreements, including achieving successful proof of concept and commercial launch of the EVD Service™. Any disruption of the relationship with Yellow Pages Group Co. (through termination of the YPG Agreements or otherwise) or any interruption of the business of Yellow Pages Group Co. (such as any disruption in its labour relations with its unionized general sales force) may have a material adverse effect on Call Genie's business, results of operations and financial condition.

Third Party Technology

In providing the EVD Service™, Call Genie will be dependent on technologies and infrastructure that are beyond Call Genie's control, including landline and cellular telephone networks, directory databases and speech recognition and text-to-speech applications. There can be no assurance that if weaknesses or errors in third party software or hardware are detected, Call Genie will be able to correct or compensate for such weaknesses or errors. If Call Genie is

unable to address weaknesses or errors and the EVD Service™ is therefore unable to meet consumer or merchant needs or expectations, Call Genie's business, results of operations and financial condition will be materially adversely affected.

Rapid Technological Change

The technology industry is subject to rapid change, and any inability on the part of Call Genie to adapt to such change may have an adverse affect on Call Genie's business, results of operations and financial condition. The effect of new developments and technological changes on the business sector in which Call Genie will compete cannot be predicted. Such developments would include, but are not limited to, failure of the speech recognition industry to provide ongoing improvements in speech recognition and text-to-speech engines, a slow down in the deployed base of voice platforms in the North American market place, to such an extent as to create financial uncertainty for the speech technology providers, an unexpected trend in the voice industry away from open standards programming languages towards unique proprietary application development and consumer backlash against the ongoing proliferation of voice technologies. Call Genie's failure to adapt to any of the above could have a material adverse effect on Call Genie's business, results of operations and financial condition.

Competition

Call Genie expects to face significant competition from other organizations and there can be no assurance that Call Genie will be able to compete effectively in its target markets.

In addition, new technologies may emerge that are competitive with the EVD Technology. Advances in communications technology as well as changes in the marketplace and the regulatory and legislative environment are constantly occurring and any such change could have a material adverse impact on Call Genie. Call Genie expects that competition will intensify in the future, as the EVD Service™ and the opportunities presented thereby become better known.

Need for Research and Development

To achieve its business objectives and obtain market share and profitability, Call Genie will need to continually research, develop and refine the EVD Service™ and EVD Technology as well as create new technologies and offer new services. Many factors may limit Call Genie's ability to develop and refine the EVD Technology or to create or negotiate access to new technologies. Call Genie may also be exposed to marketplace resistance to new technologies and services. Any failure of Call Genie to develop or refine the EVD Service™ and the EVD Technology, or create new technologies or offer new services could have a material adverse effect on Call Genie's business, results of operations and financial condition.

Defects and Liability

The hardware and software utilized to deliver the EVD Service™ is complex and sophisticated and may contain design defects or software errors that are difficult to detect and correct. There can be no assurance that the EVD Technology will be free from errors or defects, or, if discovered, that Call Genie will be able to successfully correct such errors in a timely manner or at all. Errors or failures in the EVD Technology could result in loss of or delay in market

acceptance of the EVD Service™ and correcting such errors and failures could require significant expenditures. Because of the limited number of Directory Service Providers, the reputational harm resulting from errors and failures will be damaging to Call Genie. The consequences of such errors and failures could have a material adverse effect on Call Genie's businesses, results of operations and financial condition.

Patents and Other Intellectual Property

While Call Genie has applied for patents for certain elements of the EVD Service™, there can be no assurance that such applications will result in the granting of patent protection. Competitors may have filed patent applications or hold issued patents relating to services or processes competitive with those that Call Genie is developing. Any patents covering elements of the EVD Service™ granted to third parties (or the inability of Call Genie to successfully challenge such patents) may impair Call Genie's ability to do business in a particular area. Others may independently develop similar services or duplicate unpatented elements of the EVD Service™.

Call Genie's success will be largely dependent upon its ability to protect its proprietary technology. Call Genie relies upon copyrights, trademarks and trade secrets to protect its intellectual property. Where appropriate, Call Genie also enters into non-disclosure agreements with persons to whom it reveals proprietary information. Any failure of Call Genie to protect its intellectual property could have a material adverse effect on Call Genie's business, results of operations and financial condition.

Call Genie may have to engage in litigation in the future to enforce or protect its intellectual property rights or to defend against claims of invalidity and Call Genie may incur substantial costs as a result. Any claims or litigation initiated by Call Genie to protect its proprietary technology could result in significant expense to Call Genie and diversion of the efforts of Call Genie's technical and management resources, whether or not the claims or litigation are determined in favor of Call Genie.

Ability to Manage Growth; Transition from Research and Development Company to Operating Company

Responding to consumer and merchant demands, expansion into other geographical markets and targeted growth in Call Genie's business is likely to place significant strains on Call Genie's administrative and operational resources and increased demands on its internal systems, procedures and controls. If the EVD Service™ experiences rapid acceptance, the need to manage the growth associated with such acceptance will add to the demands on Call Genie's management, resources, systems, procedures and controls. There can be no assurance that Call Genie's administrative infrastructure, systems, procedures and controls will be adequate to support Call Genie's operations or that Call Genie's officers and personnel will be able to manage any significant expansion of operations. If Call Genie is unable to manage growth effectively, Call Genie's business, operating results and financial condition will be materially adversely affected.

Personnel Resources

Call Genie is and will continue to be reliant upon its management personnel to anticipate and address consumer and merchant demands in the areas of software development, customer service, marketing, finance, strategic planning and management. There can be no assurance that qualified management or technical personnel will be available to Call Genie in the future. The success of the operations and activities of Call Genie will depend to a significant extent on the efforts and abilities of its management and technical personnel. The loss of services of any of its management or technical personnel could have a material adverse effect on Call Genie's business, results of operations and financial condition.

Potential Fluctuations in Quarterly Operating Results

Call Genie is expected to be exposed to significant fluctuations in quarterly operating results caused by many factors, including changes in the demand for the EVD Service™, the introduction of competing technologies, market acceptance of such enhancements or services, delays in the introduction of such enhancements or services, changes in Call Genie's pricing policies or those of its competitors, the mix of services sold, foreign currency exchange rates and general economic conditions.

Government Regulation

The directory services business is largely unregulated at this time (apart from federal, provincial, state and local laws and regulations applicable to businesses in general and respecting the gathering and use of personal information). However, there can be no assurance that this business will not become subject to significant regulatory intervention in the future.

Costs Associated with Compliance with Securities Laws

Call Genie is a publicly traded corporation subject to all of the obligations of a reporting issuer under applicable securities laws and all of the obligations applicable to a listed company under stock exchange rules. Direct and indirect costs associated with public company status have escalated dramatically in recent years and regulatory initiatives under consideration may further increase the costs of being public in Canada and could have a material adverse effect on Call Genie's business, results of operations and financial condition. If Call Genie is unable to generate significant revenues from business operations, the cost of complying with applicable regulatory requirements will represent a significant financial burden to Call Genie and may have a material adverse effect on Call Genie's business, results of operations and financial condition.

Risk of Future Terrorist Attacks or Related Disasters

The terrorist attacks of September 11, 2001, had an adverse impact on various regions of the North America and on a wide range of industries. In the future, civil unrest, economic recession, war and additional acts of terrorism may adversely impact the North American and global economies and financial markets and could adversely affect the Call Genie's business, results of operations and financial condition.

MATTERS RELATING TO THE COMMON SHARES OF THE CORPORATION

1. Market for the Common Shares

The Common Shares are listed and posted for trading on the Exchange under the trading symbol "GNE". The following table sets forth the market price ranges and the aggregate volume of trading of the Common Shares on the Exchange for the periods indicated:

2004	High (\$)	Low (\$)	Close (\$)	Volume (Common Shares)
March	0.45	0.38	0.45	475,000
April	0.45	0.45	0.45	448,500
May	0.39	0.39	0.39	74,500
June	0.50	0.45	0.45	150,000
July	0.44	0.43	0.43	73,000
August	0.48	0.40	0.40	385,500
September	0.35	0.35	0.35	214,500
October	0.39	0.35	0.39	222,700
November	0.38	0.37	0.37	246,200
December	0.45	0.45	0.45	352,360

Note:

- (1) Prior to the Merger, the Common Shares of GRD traded on the TSX Venture Exchange under the symbol "GRD". The Common Shares of GRD commenced trading on March 19, 2004.

2. Share Capitalization

Call Genie currently has outstanding Common Shares, Options and Warrants.

Description of Common Shares

The holders of the Common Shares are entitled to one vote per share at meetings of shareholders, to receive such dividends as may be declared by the Corporation and to receive the remaining property and assets of the Corporation upon dissolution or winding up of the Corporation. The Common Shares are not subject to any future call or assessment and there are no pre-emptive, conversion or redemption rights attached to such shares. As at December 31, 2004, there were 36,833,599 Common Shares outstanding.

Description of Options

The Corporation has two categories of Options: Employee Stock Options and Agents Options. All grants of Employee Stock Options are made by the Board, subject to the policies of the Exchange. Agents Options were granted pursuant to two prior financings undertaken by GRD (and became options to acquire shares of the Corporation upon completion of the Amalgamation). As at December 31, 2004, outstanding Agents Options entitle the holders thereof to acquire up to an aggregate of 1,219,600 Common Shares, at exercise prices ranging from \$0.30 to \$0.90.

Employee Stock Options

As at December 31, 2004 there were 1,450,000 options outstanding with exercise prices ranging from \$0.30 to \$0.45 per option. Each option entitles the holder to acquire one Common Share. A total of 150,000 options previously granted by GRD expired unexercised during the year ended December 31, 2004.

Agents Options

The Corporation has issued 1,249,660 Agents Options pursuant to its two financings. Of these Agents Options issued 30,060 have been exercised, resulting in 1,219,600 outstanding. The exercise price ranges from \$0.30 to \$0.90 per option. Each option entitles the holder to acquire one Common Share.

Description of Warrants

The Corporation has two categories of Warrants: Founders Warrants and Offering Warrants.

Founders Warrants

Old Call Genie issued founders warrants to certain directors, officers, employees and consultants as part of its initial capital structure. As of the date hereof, there are 4,360,035 Founders Warrants outstanding. The Founders Warrants are non-transferable (except in limited circumstances). Each Founders Warrant entitles the holder thereof to acquire, until August 16, 2010, one Common Share at a price of \$0.225, subject to anti-dilution protection.

Offering Warrants

The Offering Warrants were initially issued by GRD in connection with the public offering of units completed in August 2004. As at December 31, 2004, there were 2,222,200 Offering Warrants outstanding. The Offering Warrants are transferable, but are not listed for trading on any exchange. Each Offering Warrant entitles the holder thereof to acquire, until February 16, 2006, one Common Share, at a price of \$0.90, subject to anti-dilution protection.

3. Dividends

The Corporation has not paid any dividends on its Common Shares. The future payment of dividends will be dependent upon the financial requirements of the Corporation to fund future growth, the financial condition of the Corporation and other factors which the Board may consider appropriate in the circumstances.

DIRECTORS AND OFFICERS

The names, municipalities of residence, positions with the Corporation and the principal occupations of the directors and officers of the Corporation as at the date hereof are set out below.

Name and Municipality of Residence	Office or Position with the Corporation	Present and Principal Occupation During the Last Five Years
Neil D. Frizzell Calgary, Alberta	Director, CEO	Chief Executive Officer of Hope Springs Management Inc. from 2003 to present; Vice President of TOM Capital Associates Inc. from 2002-2003; Vice President, General Counsel of Zi Corporation from 2001-2002; General Counsel of Netpulse E-Zone Media Networks from 1999-2001; General Counsel and Senior Finance Associate of Tamarack Group Inc. from 1998-1999
Alex W. Blodgett Lions Bay, BC	President	President of Call Genie Inc. from 2003 – present; self-employed consultant from 2002-2003; Vice President of Oxford Bancorp Inc. from 1999-2001; President of WaterSave Logic Corp. from 1997-1999
Richard W. DeVries ⁽¹⁾ Freeport, GBI, Bahamas	Director	President of Richard W. DeVries Professional Corporation from 1985
Ronald D. Johnston ⁽¹⁾ Calgary, Alberta	Director	Vice President Corporate Development of Rally Energy Corp. since 2002; Director of CanBaikal Resources Inc. from 2001 – 2002; Vice President & Registered Representative of Leede Financial Markets Inc. from 1999 – 2002; Vice President & Registered Representative of C.M. Oliver & Company Limited from 1994-1999
S. Graeme Ross ⁽¹⁾ Wainfleet, Ontario	Director	President and Director of Bovinia Inc., a consulting company, since 1993; Director of NR2 Resources since 2004
Michael A. Sharp West Vancouver, British Columbia	Director, Chief Operating Officer	Chief Executive Officer of Call Genie Inc. from 2003-2004; self-employed consultant from 2002-2003; Senior Vice President of Terasen Inc. (BC Gas) from 2000-2001; Senior Vice President of Sprint Canada/Call Net Inc. from 1994-1999
Garry D. Bunkowsky Calgary, Alberta	Vice President – Sales & Marketing	Vice President Sales of Call Genie Inc. from 2000-present; Director of Sales of Vicom Multimedia Inc. from 1997-2000
Ian S. Hill Calgary, Alberta	Chief Financial Officer	Self-employed consultant from 2001 – present; Vice President Finance of Quick Link Communications from 2000-2001; Vice President Finance of E-Zone Networks Inc. from 1998-2000
Christopher E. Lugg Calgary, Alberta	Vice President – Product Development	Vice President, Business Development/Product Development of Call Genie Inc. from 2002 – present; Vice President Sales and General Manager of TeraGo Networks Inc. from 2000-2001; National Operations Manager of Clearnet Inc. (Telus) from 1992-1999

Name and Municipality of Residence	Office or Position with the Corporation	Present and Principal Occupation During the Last Five Years
Dr. Todd G. Simpson..... Calgary, Alberta	Director, Technology	President and Chief Executive Officer of Jasomi Networks Inc.; prior thereto Chief Technology Officer of Jasomi Networks Inc. from 2004 to present; Chief Technology Officer, Zi Corporation from 2001 – 2003; Vice President, Engineering from 1995 – 2001
Nicholas P. Fader..... Calgary, Alberta	Corporate Secretary	Partner with the law firm of Bennett Jones LLP since March 1998

Notes:

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.

The term of each director expires at the next annual meeting of shareholders of the Corporation.

As at March 31, 2005, the directors and executive officers of the Corporation, as a group, beneficially, owned, directly or indirectly, 17,039,440 Common Shares or approximately 46% of the issued and outstanding Common Shares and held Options and Warrants to acquire a further 4,671,035 Common Shares. Assuming exercise of all options and warrants, the directors and executive officers of the Corporation, as a group, would beneficially own, directly and indirectly, 21,710,475 Common Shares or approximately 47% of the issued and outstanding Common Shares. The information as to shares beneficially owned, not being within the knowledge of the Corporation, has been furnished by the respective individuals.

Certain of the officers and directors of Call Genie are also officers, directors or consultants of other companies engaged in the technology industry generally. As a result, situations may arise where the interests of such directors, officers and consultants may conflict with their interests as directors and officers of Call Genie. The resolution of such conflicts will be governed by applicable corporate laws, which require that directors act honestly, in good faith and with a view to the best interests of Call Genie and, in the case of the *Business Corporations Act* (Alberta), that directors declare, and refrain from voting on, any contract in which a director may have a material interest.

Corporate Cease Trade Orders or Bankruptcies

Alex W. Blodgett

Mr. Blodgett is an officer and Director of Rhona Online.com Inc. A cease trade order was issued against Rhona Online.com Inc. by both the BCSC and the ASC in 2003 for failure to file financial statements. Both such orders were revoked in September 2003 upon filing of financial statements.

Mr. Blodgett was a Director of Galaxy Sports Inc., which was subject to a cease trade order dated January 8, 2003 by the BCSC for failure to file interim financial statements for the nine month period ended September 30, 2002, as required under section 144(1) of the Securities Rules, and a quarterly report for the period ended September 30, 2002, as required under section 152 of the Securities Rules. Further, Galaxy Sports Inc. submitted a proposal pursuant to the

Bankruptcy and Insolvency Act, dated October, 2002, and is currently working with a trustee to manage the assets of the issuer.

Mr. Blodgett was a Director of Black Tusk Energy Inc. A cease trade order was issued against Black Tusk Inc. by both the BCSC and the ASC in 2001 for failure to file financial statements. In July 2002, Black Tusk's common shares were delisted from the TSX Venture Exchange, due to that company's failure to pay its sustaining fees and file annual financial statements within the prescribed period of time.

Mr. Blodgett joined the Board of Directors of Black Tusk Energy Inc. in June 2000 with the objective of trying to rationalize the business and turn it around.

Richard W. DeVries

Mr. Devries was corporate secretary of FSPI Technologies Corp. ("FSPI"). In September, 1999, the ASC issued a cease trade order suspending trading of the securities FSPI as a result of deficiencies in its audited annual financial statements which were irreconcilable. FSPI was delisted from the Exchange on May 31, 2000.

On July 6, 2001, the BCSC issued an interim cease trade order against Advanced Vision Systems Corp. for failure to file required financial information, as did the BCSC shortly thereafter (the "Financial Statement Orders"). The Exchange also issued a bulletin on July 6, 2001, suspending the trading of shares of Advanced Vision Systems Corp. (the "Trading Suspension"). The Financial Statement Orders were subsequently revoked by the ASC and the BCSC, as the required filings had been made. This revocation of the Financial Statement Orders was confirmed on March 5, 2002 by the Exchange, at which time the Exchange also advised that the Trading Suspension would not be revoked by the Exchange until Advanced Vision Systems Corp. met the Exchange's requirements for securities trading on the Exchange. On March 10, 2004, Advanced Vision Systems Corp. was transferred to the NEX board of the Exchange.

Neil D. Frizzell

Mr. Frizzell was an officer of E-Zone Networks Inc. (a Delaware corporation) and its Canadian subsidiary E-Zone Networks Canada Inc. (an Alberta corporation), and then of the resulting company following a three way merger of unrelated companies, Netpulse Media Networks Inc. (a California corporation) until January, 2001. After Mr. Frizzell left the employ of the company, Netpulse E-Zone Media Networks Inc. and E-Zone Networks Inc. filed a voluntary petition under Chapter 7 of the Bankruptcy Code on February 6, 2001 in California and E-Zone Networks Canada Inc. filed an assignment in bankruptcy in Alberta on February 2, 2001. Mr. Frizzell, however, provided services to the U.S. and Canadian trustee in bankruptcy.

Ian S. Hill

Mr. Hill was an officer of E-Zone Networks Inc. (a Delaware corporation) and its Canadian subsidiary E-Zone Networks Canada Inc. (an Alberta corporation) until he resigned October 19, 2000. Subsequently, E-Zone Networks Inc. filed a voluntary petition under Chapter 7 of the Bankruptcy Code on February 6, 2001 in California and E-Zone Networks Canada Inc. filed an assignment in bankruptcy in Alberta on February 2, 2001.

Dr. Todd G. Simpson

Dr. Simpson was an officer of E-Zone Networks Inc. and its Canadian subsidiary E-Zone Networks Canada Inc., and then of the resulting company following a three way merger of unrelated companies, Netpulse Media Networks Inc. until January, 2001. After Dr. Simpson left the employ of the company, Netpulse E-Zone Media Networks Inc. and E-Zone Networks Inc. filed a voluntary petition under Chapter 7 of the Bankruptcy Code on February 6, 2001 in California and E-Zone Networks Canada Inc. filed an assignment in bankruptcy in Alberta on February 2, 2001.

Penalties or Sanctions

Richard W. DeVries

In 1999, Mr. DeVries was subject to an administrative action of the ASC wherein the ASC found that Mr. DeVries had failed to act in the best interests of an issuer and further acknowledged that by acting as a director of an issuer, he was not in a position to provide independent legal advice to the issuer. On October 21, 1998, CPI Crown Properties International Corporation ("Crown Properties") caused a loan (the "Loan") to be made to Syndico Capital Inc. ("Syndico") contrary to Section 6.1 of Rule 46-501 (for the purposes of this paragraph, the "Rule") of the ASC Rules. The Loan was made by Crown Properties relying upon the advice of Mr. DeVries, who incorrectly advised Crown Properties that the Loan would not contravene the Rules. Upon Crown Properties being notified that it had breached the Rule, it caused Syndico to immediately repay the Loan, which was done on March 3, 1999. Mr. DeVries acknowledged to the ASC that in providing his advice, he failed to act in the best interests of Crown Properties and further acknowledged that by acting as a director of Crown Properties, he was not in a position to provide independent legal advice to Crown Properties. Mr. DeVries paid an administrative penalty to the ASC as well as all costs of the investigation. Crown Properties paid no costs nor was it subject to any penalty. Mr. DeVries was also required to complete the success workshop operated by the Exchange, which he successfully completed.

Ronald D. Johnston

In 2002, Mr. Johnston was subject to an administrative action of the Exchange wherein the Exchange found that Mr. Johnston, while an Approved Person employed in the Calgary, Alberta office of Canaccord Capital Corporation ("Canaccord"), a Member of the Exchange, participated during the period April, 1999 to May, 1999, in certain private placement distributions to five of his clients of securities of the then Alberta Stock Exchange listed Applied Gaming Solutions of Canada Inc. in non-compliance with the *Securities Act* (Alberta), thereby contravening Section 8.27 of the Alberta Stock Exchange By-laws.

Pursuant to a Settlement Agreement dated September 12, 2002, Mr. Johnston paid a \$12,000 fine to the Exchange as well as the cost of the investigation.

S. Graeme Ross

In 1989, Mr. Ross was subject to an administrative action by the Toronto Stock Exchange (the "TSE"). The TSE found that Mr. Ross, while an Approved Person employed as a Registered

Representative and Registered Options Representative in the Toronto, Ontario office of Moss, Lawson & Company Limited ("Moss"), a Member of the TSE, had exercised discretionary power with respect to the account of a client when the client had not given prior written authorization and the account had not been accepted as discretionary in writing by the Registered Options principal of Moss designated pursuant to section 21.07 of the TSE General By-law and thereby contravened Section 21.08(a), and section 17.14(a) of the General By-law of the TSE. Between November, 1986 and August, 1987, Mr. Ross had initiated 31 put/call combination orders for the client, making the decisions as to specific orders.

Escrowed Securities

The number of Common Shares and Founders' Warrants of the Corporation held in escrow as of the date hereof is set out below.

Number of Common Shares in Escrow	Percentage of Common Shares in Escrow
21,996,390 ⁽¹⁾	59.7%
Number of Founders' Warrants in Escrow	Percentage of Founders' Warrants in Escrow
4,142,033 ⁽²⁾	95%

Note:

- (1) These Common Shares are held in escrow pursuant to an agreement dated August 17, 2004 among the Corporation, certain directors and officers of the Corporation and Computershare Trust Company of Canada. Such Common Shares will be released 5% on August 19, 2005, 5% on February 19, 2006, 5% on August 19, 2006, 10% on February 19, 2007, 10% on August 19, 2007, 10% on February 19, 2008, 10% on August 19, 2008, 10% on February 19, 2009, 10% on August 19, 2009, 10% on February 19, 2010, and 10% on August 19, 2010.
- (2) These Founders' Warrants are held in escrow pursuant to an agreement dated August 17, 2004 among the Corporation, certain officers of the Corporation and Computershare Trust Company of Canada. Such Founders' Warrants will be released 5% on August 19, 2005, 5% on February 19, 2006, 5% on August 19, 2006, 10% on February 19, 2007, 10% on August 19, 2007, 10% on February 19, 2008, 10% on August 19, 2008, 10% on February 19, 2009, 10% on August 19, 2009, 10% on February 19, 2010 and 10% on August 19, 2010.

LEGAL PROCEEDINGS

Call Genie is not aware of any material legal proceeding against it nor are such proceedings known by Call Genie to be contemplated.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material interests, direct or indirect, of directors, executive officers, senior officers, any direct or indirect shareholder of the Corporation who beneficially owns, or who exercises control over, more than 10% of the outstanding Common Shares or any known associate or affiliate of such persons, in any transaction with the three most recently completed financial years or during the current financial year that has materially affected or will materially affect the Corporation, other than as follows.

1. From the date of incorporation of Old Call Genie to December 31, 2004, the directors, officers, founders and consultants of Call Genie purchased an aggregate of 22,031,557 (pre reverse takeover 8,084,910) Shares (at prices ranging from \$0.001 to \$0.27 per Share) and 4,360,035 (pre reverse takeover 1,600,000) Shares have been reserved for issuance upon exercise of the Warrants granted to certain personnel of Call Genie.

2. Call Genie entered into two convertible debentures with Oceanic Greystone Securities Inc., a corporation controlled by Mr. Richard W. DeVries, a director of Call Genie, which were subsequently converted on April 30, 2003 and May 28, 2004. (The Shares issued as a result of these conversions are included in paragraph 1 above.)
3. Call Genie subleased office space during 2003 and 2004 (and paid for the use of certain office equipment and administrative support) from a corporation controlled by Mr. Richard W. DeVries, a director of Call Genie.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada, at its principal offices in Calgary, Alberta.

MATERIAL CONTRACTS

Other than discussed herein, there are no material contracts, other than contracts entered into in the ordinary course of business, that are material to Call Genie that were entered into within the most recently completed financial year, or before the most recently completed financial year but is still in effect.

INTERESTS OF EXPERTS

As at the date hereof, the partners and associates of BDO Dunwoody LLP, Chartered Accountants, the independent auditors of Call Genie, as a group beneficially own no Common Shares.

As at the date hereof, the partners and associates of Bennett Jones LLP, legal counsel to Call Genie, as a group beneficially own less than 1% of the outstanding Common Shares.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Corporation's securities, options to purchase securities and interest of insiders in material transactions, where applicable, will be available in the Information Circular of the Corporation for the annual meeting of Shareholders scheduled for June, 2005. Additional financial information is provided in the Consolidated Financial Statements of the Corporation for the year ended December 31, 2004. These materials may be found on the Internet (<http://www.sedar.com> or www.callgenie.ca).