

SECURITIES AND EXCHANGE COMMISSION

FORM F-7

Registration statement for securities of certain Canadian issuers offered for cash upon the exercise of rights granted to existing security holders under the Securities Act of 1933

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FILER

SIRIT INC/FI

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U.S. SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM F-7
REGISTRATION STATEMENT
under
THE SECURITIES ACT OF 1933

SIRIT Inc.

(Exact name of Registrant as specified in its charter)

Yukon, Canada
 (Province or other jurisdiction of
 incorporation or organization)

3669
 (Primary Standard Industrial
 Classification Code Number
 (if applicable))

650275875
 (I.R.S. Employer Identification Number
 (if applicable))

650 West Georgia Street, Suite 2450
Vancouver, BC V6B 4N7
(604) 682-3030

(Address and telephone number of Registrant' s principal executive offices)

Evergreen Corporate Services, Inc.
33713 – 9th Avenue South
Federal Way, WA 98003-6762
(253) 874-2949

(Name, address, including zip code, and telephone number, including area code of agent for service in the United States)

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Approximate date of commencement of proposed sale of the securities to the public: July 17, 2003

This Registration Statement and any amendment thereto shall become effective upon filing with the Commission in accordance with Rule 467(a).

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to the home jurisdiction' s shelf prospectus offering procedures check the following box.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered(3)	Proposed maximum offering price per common share(1)(2)	Proposed maximum aggregate offering price(1)(2)	Amount of registration fee(2)(3)
Common Shares	11,380,312	U.S.\$0.1144	U.S.\$1,301,907.60	U.S.\$105.33

(1) Estimated solely for the purpose of calculating the registration fee pursuant to General Instructions II.F.

- The fee has been calculated pursuant to the instructions for Form F-7 based upon the price at which the rights may be exercised, Cdn.\$0.1575 per share, divided by
- (2) the noon buying rate in New York City on July 11, 2003 for cable transfers in Canadian dollars as certified for customs purposes by the Federal Reserve Bank of New York, which was U.S.\$0.7266 per Cdn.\$1.00.
 - (3) If, as a result of stock splits, stock dividends or similar transactions, the number of securities purported to be registered on this registration statement changes, the provisions of Rule 416 shall apply to this registration statement.
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PART I
INFORMATION REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS

SIRIT INC.
OFFERING OF RIGHTS TO SUBSCRIBE FOR COMMON SHARES
(mailed to U.S. residents only)

This offering is made by a Canadian issuer, SIRIT Inc. (the “Registrant”), that is permitted, under a multi-jurisdictional disclosure system adopted by the United States, to prepare this rights offering circular in accordance with the disclosure requirements of its home country. Prospective investors should be aware that such requirements are different from those of the United States.

Prospective investors should be aware that the acquisition of the securities described herein may have tax consequences both in the United States and in Canada. Such consequences for investors who are resident in, or citizens of, the United States may not be described fully herein.

The enforcement by investors of civil liabilities under the federal securities laws may be affected adversely by the fact that the Registrant is continued under the laws of the Yukon, Canada, that some or all of its directors and officers may be resident outside the United States and that all or a substantial portion of the assets of the Registrant and said persons may be located outside the United States.

The form of rights certificate has been filed with the Securities and Exchange Commission as a part of the Registration Statement on Form F-7 of which this rights offering circular is a part.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION NOR HAS THE COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

Neither the fact that a registration statement or an application for a license has been filed under New Hampshire Revised Statutes Annotated Chapter 421-B (“RSA 421-B”) with the State of New Hampshire nor the fact that a security is effectively registered or a person is licensed in the State of New Hampshire constitutes a finding by the Secretary of State that any document filed under RSA 421-B is true, complete, and not misleading. Neither any such fact nor the fact that an exemption or exception is available for a security or a transaction means that the Secretary of State has passed in any way upon the merits or qualifications of, or recommended or given approval to, any person, security, or transaction. It is unlawful to make, or cause to be made, to any prospective purchaser, customer, or client any representation inconsistent with the provisions of this paragraph.

PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 4:00 P.M. (VANCOUVER TIME) ON AUGUST 7, 2003.

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This rights offering circular constitutes a public offering of these securities in all provinces and territories of Canada, in those states in the United States where an exemption from the applicable state securities laws is immediately available and in such other jurisdictions outside of Canada and the United States where it is not unlawful to do so. This offering is not, and under no circumstances is it to be construed as, an offering of any securities for sale in any other jurisdiction or to any resident of any other jurisdiction or a solicitation in any other jurisdiction of any offer to buy any securities of SIRIT Inc.

Rights Offering

July 3, 2003

SIRIT INC.

650 West Georgia Street, Suite 2450
Vancouver, BC V6B 4N7

OFFER OF RIGHTS TO SUBSCRIBE FOR 11,380,312 COMMON SHARES

TO THE HOLDERS OF COMMON SHARES OF SIRIT INC.

SIRIT Inc. (“SIRIT” or the “Company”) is issuing to holders of the outstanding common shares of the Company (the “Common Shares”) of record at the close of business on July 15, 2003 (the “Record Date”) rights (“Rights”) evidenced by transferable rights certificates (“Rights Certificates”) to subscribe for common shares (“Common Shares”) in the capital of the Company, before 4:00 p.m. (Vancouver time) (the “Expiry Time”) on August 7, 2003 (the “Expiry Date”) on the terms set forth herein (the “Offering”). Each holder of Common Shares as of the Record Date will receive one Right for each Common Share held. Four Rights plus \$0.1575 (the “Subscription Price”) will entitle the holder thereof to subscribe for one Common Share (the “Basic Subscription Privilege”). Fractional Common Shares will not be issued under the Offering. Consequently, holders of Rights with an insufficient number of Rights to subscribe for one Common Share may sell such Rights on the Toronto Stock Exchange (the “TSX”), otherwise such Rights will expire unexercised at the Expiry Time. See “Details of the Rights and the Common Shares.”

The Rights will be listed on the TSX until 12:00 noon (Toronto time) on the Expiry Date. The TSX has listed the Common Shares issuable on the exercise of the Rights.

The following information is a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this rights offering circular.

MAXIMUM NUMBER OF RIGHTS:

A maximum of 45,521,249 Rights.

RECORD DATE:

July 15, 2003.

TIME AND DATE OF EXPIRY OF RIGHTS:

Rights not exercised prior to the Expiry Time will be void and of no value.

SUBSCRIPTION PRICE:

\$0.1575 per Common Share.

Subject to the terms hereof, each holder of record of Common Shares at the close of business on the Record Date is entitled to receive one Right for each Common Share held. Four Rights will entitle the holder to subscribe for one Common Share at the Subscription Price. See "Details of the Rights and the Common Shares - Rights - Basic Subscription Privilege".

BASIC SUBSCRIPTION PRIVILEGE:

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Each holder of a Rights Certificate who exercises all of the Rights evidenced by such certificate may subscribe for additional Common Shares, if any, available as a result of Common Shares offered hereunder that have not been subscribed and paid for at the Expiry Time. See "Details of the Rights and the Common Shares - Rights - Additional Subscription Privilege".

ADDITIONAL SUBSCRIPTION PRIVILEGE:

MAXIMUM NUMBER OF COMMON SHARES ISSUABLE:

A maximum of 11,380,312 Common Shares will be issued upon exercise of the Rights.

MAXIMUM GROSS PROCEEDS:

\$1,792,399.14.

USE OF PROCEEDS:

The estimated net proceeds of the Offering, assuming full exercise of the Rights and after deducting expenses of the Offering estimated at \$30,000, will be \$1,762,399.14. The net proceeds of the Offering will be used to repay all amounts advanced by Evansville, Ltd. ("Evansville") under the bridge loan facility. Any remaining proceeds will be used to fund the Company's continued growth. See "Business of the Company - Bridge Loan Facility" for further details regarding the bridge loan facility.

ESTIMATED EXPENSES:

\$30,000.

STANDBY COMMITMENT:

Evansville has agreed to subscribe for Common Shares upon exercise of Rights for an aggregate subscription price of not more than \$2.5 million. Evansville has not and will not receive any fee or any other consideration for providing this commitment. See "Standby Commitment". However, Evansville will receive compensation for other financial assistance provided to the Company. See "Business of the Company - Bridge Loan Facility".

MINIMUM OFFERING:

The Offering is not conditional on receiving minimum proceeds.

LISTING:

The Rights will be listed on the TSX until 12:00 noon (Toronto time) on the Expiry Date. The TSX has listed the Common Shares issuable on the exercise of the Rights.

SUBSCRIPTION AGENT:

Pacific Corporate Trust Company 625 Howe Street, 10th Floor
Vancouver, BC V6C 3B8

The Rights expire at the Expiry Time on the Expiry Date. A Rights Certificate evidencing the total number of Rights to which a holder of Common Shares is entitled has been sent with this rights offering circular to each holder of Common Shares of record as of the Record Date with an address of record in any of the provinces or territories of Canada, in those states in the United States where an exemption from the applicable state securities laws is immediately available or in such other jurisdictions outside of Canada and the United States where it is not unlawful to do so (the “Qualifying Jurisdictions”) provided that residents of such jurisdictions provide evidence satisfactory to the Company that it is not unlawful for them to participate in the Offering. To subscribe for Common Shares, a completed Rights Certificate and payment in full of the Subscription Price must be received by Pacific Corporate Trust Company prior to the Expiry Time. Rights not exercised prior to the Expiry Time will be void and of no value. See “Details of the Rights and the Common Shares - Rights - Basic Subscription Privilege”.

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A holder of Rights who subscribes for all of the Common Shares to which the holder is entitled to subscribe for under the Basic Subscription Privilege is entitled to subscribe for additional Common Shares (the “Additional Common Shares”) at a price of \$0.1575 per Common Share pursuant to the Additional Subscription Privilege described in this rights offering circular. See “Details of the Rights and the Common Shares - Rights - Additional Subscription Privilege”.

The Rights issued hereunder are only qualified for distribution in the Qualifying Jurisdictions. Accordingly, Rights Certificates will not be sent to holders of Common Shares with addresses of record in any jurisdiction other than the Qualifying Jurisdictions. Rights which these holders of Common Shares would otherwise be entitled to receive will be held by the Subscription Agent who will, prior to the Expiry Time, attempt to sell such Rights on the open market, on a best efforts basis, and the net proceeds thereof, if any, will be forwarded to such holder of Common Shares. See “Details of the Rights and the Common Shares - Rights - Ineligible Shareholders”.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this rights offering circular under “Business of the Company” in addition to certain statements contained elsewhere in this document are “forward-looking statements” and are prospective. Such forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results to differ materially from future results expressed or implied by such forward-looking statements.

CURRENCY

Unless otherwise indicated, all references herein are to Canadian dollars.

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BUSINESS OF THE COMPANY

Corporate Overview

The Company was incorporated in the Province of British Columbia, Canada, pursuant to the *Company Act* (British Columbia) on January 15, 1987 by registration of its memorandum and articles with the name Jordex Resources Inc. On July 27, 1998, the Company was continued into the Yukon under the *Business Corporations Act* (Yukon). On September 15, 1998, the Company was registered as an extra-provincial company under the *Company Act* (British Columbia).

On March 10, 2000, pursuant to Articles of Amendment, the name of the Company was changed from Jordex Resources Inc. to iTech Capital Corp to better reflect its current form of business. On May 5, 2003, pursuant to Articles of Amendment, the name of the Company was changed from iTech Capital Corp. to SIRIT Inc. to once again better reflect its current form of business.

The registered and head office of the Company is located at Suite 2450, 650 West Georgia Street, Vancouver, British Columbia, Canada, V6B 4N7.

Corporate Structure

The following chart depicts the corporate structure of the Company together with the jurisdiction of incorporation of each of the Company's wholly owned subsidiaries.



As used in this rights offering circular, except as otherwise required by the context, reference to the “Company” or “SIRIT” means SIRIT Inc. and its subsidiaries set out in the chart above.

General Business

The Company was a business development company from 1999 until it acquired SIRIT Technologies, Inc. (“SIRIT Technologies”) effective November 1, 2002 from which time the primary business of the Company has been the business of SIRIT Technologies. The Company and its subsidiaries operate in the technology sector in the radio frequency identification (“RFID”) business segment and the portfolio investments business segment.

The Company, through its wholly-owned subsidiary SIRIT Technologies, designs, develops, manufactures and sells RFID technology. Targeted at a diverse set of markets, RFID technology has become a core technology for applications, including, electronic toll collection, access control, cashless payment systems, product identification, supply chain management applications, including logistics, warehousing and manufacturing and asset management.

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Recent Developments

Acquisition of SIRIT Technologies, Inc.

Effective November 1, 2002, the Company acquired all of the issued and outstanding shares of SIRIT Technologies by way of an amalgamation of SIRIT Technologies and a wholly-owned subsidiary of the Company such that SIRIT Technologies is now a wholly-owned subsidiary of the Company.

Sale of Enviromation Technologies, Inc.

In May 2003, the Company sold all of the outstanding shares in its wholly-owned subsidiary Enviromation Technologies, Inc. representing the first step in the execution of a strategy to sell the Company’s portfolio investments. The effect of this sale was to free up management and focus its attention on growing the business of SIRIT Technologies.

Bridge Loan Facility

On June 13, 2003, the Company entered into a \$2.5 million bridge loan facility (the “Bridge Loan Facility”) with Evansville, Ltd. (“Evansville”). Monies drawn down by the Company under the Bridge Loan Facility bear interest at a rate of 8% per annum, are required to be repaid by the Company no later than June 13, 2004 and are secured by a pledge of the shares of SIRIT Technologies, the Company’s wholly-owned operating subsidiary, and a security interest in the indebtedness of SIRIT Technologies to the Company. As at July 3, 2003, the Company had drawn down and borrowed \$1 million from Evansville under the Bridge Loan Facility. The Bridge Loan Facility will no longer be available to the Company following the completion of the Offering. In consideration for providing the Bridge Loan Facility, the Company paid a fee of \$150,000 to Evansville. A further fee of \$100,000 is payable to Evansville if the Offering is not completed by June 13, 2004.

Evansville currently owns 2,795,500 Common Shares, representing approximately 6.14% of the issued and outstanding Common Shares. Evansville has agreed to enter into a standby commitment in connection with the Offering. See “Standby Commitment”.

Potential Private Placement

Evansville has agreed to purchase Common Shares from the Company on a private placement basis at a price per share equivalent to the Subscription Price, subject to regulatory approval, (the "Private Placement") such that the Company receives aggregate gross proceeds of at least \$2.5 million from the Offering and the Private Placement.

DETAILS OF THE RIGHTS AND THE COMMON SHARES

RIGHTS

Basic Subscription Privilege

A Rights Certificate evidencing the number of Rights to which a holder of Common Shares is entitled is being mailed with a copy of this rights offering circular to each holder of Common Shares as at the Record Date resident in a Qualifying Jurisdiction. Each holder of Common Shares as of the Record Date will receive one Right for each Common Share held and four Rights plus the Subscription Price will entitle the holder thereof to subscribe for one Common Share (the "Basic Subscription Privilege"). Fractional Common Shares will not be issued under the Offering. Consequently, holders of Rights with an insufficient number of Rights to subscribe for one Common Share may sell such Rights on the TSX, otherwise such Rights will expire unexercised at the Expiry Time. **Subscriptions will not be accepted from beneficial shareholders ("Ineligible Shareholders") who are resident in any jurisdiction other than the Qualifying Jurisdictions, subject to certain exceptions described below.** See "Ineligible Shareholders" below.

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Additional Subscription Privilege

A holder of a Rights Certificate who subscribes, pursuant to the Basic Subscription Privilege, for all of the Common Shares to which a Rights Certificate entitles such holder may subscribe for additional Common Shares at the Subscription Price (the "Additional Subscription Privilege"). The Common Shares available for such purpose shall be those Common Shares offered hereunder that have not been subscribed and paid for at the Expiry Time (the "Additional Common Shares"). Where there are a sufficient number of Additional Common Shares to satisfy all additional subscriptions under the Additional Subscription Privilege, each holder who has validly subscribed for Additional Common Shares will be allotted the number of Additional Common Shares for which such holder has subscribed. If there is an insufficient number of Common Shares available to satisfy the subscriptions for Additional Common Shares, each holder who has validly subscribed for Additional Common Shares will be allocated Additional Common Shares in the manner described under "How to Exercise the Rights - To Apply for Additional Common Shares - Form 2".

A Right does not entitle the holder thereof to any rights whatsoever as a security holder of the Company, other than the right to subscribe for and purchase Common Shares on the terms and conditions of the Rights described herein.

U.S. Shareholders Resident in Qualified States

The Offering of Rights and Common Shares issuable on exercise thereof, to or for the account of residents of the United States is subject to various provisions of the United States securities laws, and is being made only to holders of Common Shares as of the Record Date who are residents of Alabama, Alaska, Connecticut, Colorado, Delaware, District of Columbia, Florida, Guam, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia and Wyoming (the "Qualified States"). The Common Shares issuable to such persons upon exercise of Rights will be registered on Form F-7 under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and such Common Shares will not be subject to transfer restrictions under the U.S. Securities Act. However, the Rights issued to such persons may be transferred by such persons only in transactions outside the United States in accordance with Regulation S under the U.S. Securities Act. This will permit the resale of the Rights by such persons through the facilities of the TSX, provided that the offer is not made to a person in the United States, neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States, and no directed selling efforts, as such term is defined in Regulation S, are conducted in the United States in connection with such resale. Certain additional conditions are applicable to "affiliates" of the Company, as such term is defined under the U.S. Securities Act. In order to enforce this resale restriction, Rights Certificates issued to persons within the Qualified States will bear a legend setting

forth these restrictions. In order to transfer such Rights Certificates, holders thereof will be required to execute a declaration certifying that such sale is being made outside the United States in accordance with Regulation S.

Ineligible Shareholders

The Rights issued hereunder are only qualified for distribution in the Qualifying Jurisdictions and the Rights may not be exercised by or on behalf of Ineligible Shareholders. Accordingly, Rights Certificates will not be sent to holders of record of Common Shares with addresses of record in any jurisdiction other than the Qualifying Jurisdictions. Instead, Ineligible Shareholders will be sent a letter advising them that their Rights Certificates will be issued to and held by the Subscription Agent (as defined herein), who will hold such Rights as agent for the benefit of all Ineligible Shareholders. The Subscription Agent will, prior to the Expiry Time, attempt to sell such Rights on the open market, on a best efforts basis. The Subscription Agent's ability to sell such Rights, and the price obtained therefor, will be dependent on market conditions. The Subscription Agent shall not be subject to any liability for failure to sell any Rights of Ineligible Shareholders at a particular price, or at all. The net proceeds, if any, received by the Subscription Agent from the sale of such Rights will be divided among the Ineligible Shareholders *pro rata* according to the number of Common Shares held by them on the Record Date. The Subscription Agent will mail cheques thereof in an amount equal to the proceeds of such sale (net of reasonable expenses and any amount

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withheld in respect of Canadian taxes) to Ineligible Shareholders at their addresses appearing on the records of the Company on the Record Date as soon as possible after the Expiry Date; provided that the Subscription Agent will not be required to make any such payment to any Ineligible Shareholder in the event that the amount owing to such holder is less than \$10.00. Such amount will be used by the Company to offset a portion of the remuneration of the Subscription Agent for its services. There is a risk that the proceeds received from the sale of the Rights will not exceed the brokerage commission, if any, incurred by the Subscription Agent, and charges of the Subscription Agent in respect of the sale of such Rights. In that event, no proceeds will be credited to the Ineligible Shareholders.

In certain instances, Rights Certificates may, in the discretion of the Company, be sent to a limited number of qualified holders of Common Shares resident in a jurisdiction outside of Canada or the United States where it is not unlawful to do so. As a condition to receiving any Rights Certificates, such holders may be required to provide evidence satisfactory to the Company that it is not unlawful for them to participate in the Offering.

A registered holder of Common Shares whose address appears on the records of the Company as other than in the Qualifying Jurisdictions, but who holds Rights on behalf of a holder who is eligible to participate in the Offering, must notify the Subscription Agent, in writing, on or before the seventh day prior to the Expiry Date that the beneficial holder, on behalf of whom such Common Shares are held, wishes to participate in the Offering. In such a case, the registered holder of Common Shares giving notification must provide evidence, satisfactory to the Subscription Agent and the Company, as to the eligibility of the beneficial holder. Otherwise, the Subscription Agent will sell the Rights held on such beneficial holder's behalf as described above. **Accordingly, the Subscription Agent will not commence to attempt to sell Rights of Ineligible Shareholders until after the seventh day prior to the Expiry Date.**

Neither the Company nor the Subscription Agent will accept subscriptions from any holder of Rights who is, or who the Company or the Subscription Agent has reason to believe is, a resident of a jurisdiction in which the issue of Common Shares pursuant to the exercise of Rights would be in violation of applicable securities laws. The Company will not issue Common Shares to such a holder unless such holder is able to satisfy the Company that the receipt by such holder of the Rights and the issuance of Common Shares pursuant to the exercise of the Rights will not be in violation of the laws of the jurisdiction of residence of such holder.

COMMON SHARES

The Company is authorized to issue an unlimited number of Common Shares, of which, as at the date hereof and prior to the closing of the Offering, 45,521,249 Common Shares are issued and outstanding as fully paid and non-assessable.

The holders of Common Shares are entitled to one vote per share held at meetings of the holders of Common Shares, to dividends if, as and when declared by the directors and, upon liquidation, dissolution or winding-up of the Company, to receive on a pro rata basis all the assets of the Company remaining after payment of all the Company's liabilities, subject to the preferential rights of any class of shares ranking prior to the Common Shares.

REGISTRATION AND DELIVERY OF CERTIFICATES EVIDENCING COMMON SHARES

Certificates evidencing Common Shares acquired through the exercise of Rights, including Common Shares obtained through the exercise of the Additional Subscription Privilege, will be dated as of the Expiry Date and will be registered in the name of the person to whom the Rights Certificate was issued or such holder's transferee, if any, as indicated on the Rights Certificate. Certificates evidencing such Common Shares will be mailed to the address specified on the Rights Certificate as soon as practicable after the Expiry Date to such persons who have exercised their Rights.

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SUBSCRIPTION AGENT AND TRANSFER AGENT

Pacific Corporate Trust Company (the "Subscription Agent") has been appointed as the subscription agent to receive subscriptions and payments from holders of Rights and to perform the services relating to the exercise and transfer of the Rights and provide details of such arrangements. Subscriptions and payments from holders of Rights under the Offering can be sent by mail or courier to the office of the Subscription Agent (the "Subscription Office") at:

Pacific Corporate Trust Company
625 Howe Street, 10th Floor
Vancouver, BC V6C 3B8
Attention: Sandy Hunter

E-Mail: shunter@pctc.com

- or -

c/o Pacific Corporate Services Ltd.
66 Wellington Street West, 52nd Floor
Toronto-Dominion Centre
Toronto, ON M5K 1J3
Attention: Susy Monteiro

The Company will pay the fees and expenses of the Subscription Agent in respect of such services.

The registrar and transfer agent for the Common Shares is Pacific Corporate Trust Company at its offices in Vancouver, British Columbia.

HOW TO EXERCISE THE RIGHTS

General

By completing the appropriate form on the Rights Certificate in accordance with the instructions outlined below and on the Rights Certificate, a holder may:

- (a) subscribe for Common Shares under the Basic Subscription Privilege (Form 1);
- (b) subscribe for Additional Common Shares under the Additional Subscription Privilege (Form 2);
- (c) sell or transfer Rights (Form 3); and/or
- (d) divide or combine a Rights Certificate (Form 4).

Unexercised Rights

A holder of a Rights Certificate who completes Form 1 so as to exercise some, but not all, of the Rights evidenced by such Rights Certificate will be deemed to have elected not to exercise the balance of the Rights, and may not participate in the Additional Subscription Privilege unless the holder elects to divide the Rights Certificate by completing Form 4. See “To Divide or Combine a Rights Certificate - Form 4” below.

Signatures

When one or more of the forms on the Rights Certificate is signed by the original holder, the signature must correspond exactly with the name of the holder shown on the face of the Rights Certificate. If a form is signed by a

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trustee, executor, administrator or officer of a company or any person acting in a fiduciary or representative capacity, the Rights Certificate must be accompanied by evidence of authority to so sign satisfactory to the Subscription Agent.

To Subscribe for Common Shares - Form 1

Four Rights and the Subscription Price are required to subscribe for one Common Share under the Basic Subscription Privilege. The holder of a Rights Certificate may subscribe for all or any lesser number of Common Shares to which the Rights Certificate entitles such holder by completing and executing Form 1 on the face of the Rights Certificate and delivering the Rights Certificate so completed and executed together with the Subscription Price for such Common Shares to the Subscription Agent at the Subscription Office. The Subscription Price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of “Pacific Corporate Trust Company.” **All payments, together with Form 1 duly completed on the Rights Certificate, must be received by the Subscription Agent at the Subscription Office before the Expiry Time on the Expiry Date.** The method of delivery of a subscription is at each holder’s discretion and risk. Delivery to the Subscription Agent will only be effective when the subscription is actually received by the Subscription Agent at the Subscription Office. If mail is used for delivery of a subscription, sufficient time must be allowed to avoid late delivery, and registered mail is suggested.

Completion of Form 1 constitutes a representation that the holder of a Rights Certificate is not an Ineligible Shareholder, or the agent of any such person, and that the holder was a registered or beneficial owner of Common Shares on the Record Date.

To Subscribe for Additional Common Shares - Form 2

A holder of a Rights Certificate who subscribes, pursuant to the Basic Subscription Privilege, for all of the Common Shares to which a Rights Certificate entitles such holder may subscribe for Additional Common Shares at the Subscription Price by completing and executing Form 2 on the face of the Rights Certificate and delivering the Rights Certificate so completed and executed together with the Subscription Price for such Additional Common Shares to the Subscription Agent. If there should be an insufficient number of Common Shares available to satisfy the subscriptions for Additional Common Shares, the number of Common Shares, if any, available to a subscriber for Additional Common Shares will be equal to the lesser of:

- (a) the number of Common Shares which the subscriber has subscribed for under the Additional Subscription Privilege; and
- (b) the number (disregarding fractions) obtained by multiplying the aggregate number of Additional Common Shares that may be acquired upon exercise of the Rights issued that were not exercised under the Basic Subscription Privilege by a fraction, the numerator of which is the number of Common Shares subscribed for by such holder under the Basic Subscription Privilege and the denominator of which is the aggregate number of Common Shares exercised under the Basic Subscription Privilege by all participants in the Additional Subscription Privilege.

If any holder of Rights has subscribed for fewer Additional Common Shares than such holder’s *pro rata* allotment of Additional Common Shares, the excess Additional Common Shares will be allocated in the manner set out in (b) above among the holders who were allotted fewer Additional Common Shares than they subscribed for.

To subscribe for Additional Common Shares pursuant to the Additional Subscription Privilege, a holder of Rights must complete and execute a Form 2, as well as a Form 1, on the face of the Rights Certificate and deliver the Rights Certificate so completed and executed together with the Subscription Price for such Additional Common Shares to the Subscription Agent at the Subscription Office.

The Subscription Price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of “Pacific Corporate Trust Company.” **All payments, together with Form 1 and 2 duly completed on the Rights Certificate, must be received by the Subscription Agent at the Subscription Office before the Expiry Time on the Expiry Date.** Subscribers for Additional Common Shares will be notified as soon as practicable after the Expiry Time of the number of

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Additional Common Shares, if any, allotted to them. Any excess subscription monies will be returned by mail without interest thereof within 30 days of the Expiry Date.

To Sell or Transfer Rights - Form 3

Rights Certificates are in registered form. A holder of Rights may, rather than exercising such holder’s Rights to subscribe for Common Shares, sell or transfer such Rights personally or through the usual investment channels (such as stock brokers or investment dealers qualified to do business in the particular Qualifying Jurisdiction) by completing and executing Form 3 on the face of the Rights Certificate and delivering the Rights Certificate so completed and executed to a purchaser (the “Transferee”). The Transferee may exercise all of the Rights of the transferring holder without obtaining a new Rights Certificate. If a Rights Certificate is transferred in blank, the Company and the Subscription Agent may thereafter treat the bearer as the absolute owner of such Rights Certificate for all purposes and neither the Company nor the Subscription Agent shall be affected by any notice to the contrary.

The signature on Form 3 of any transferring Rights holder must be guaranteed by an Eligible Institution or otherwise to the satisfaction of the Subscription Agent. An “Eligible Institution” means a Canadian Schedule 1 chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchanges Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of recognized stock exchanges in Canada and the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States. The signature of the Transferee on any one or more of the forms on the Rights Certificate must correspond exactly with the name of the Transferee shown on Form 3.

Certain restrictions apply to the ability of U.S. shareholders resident in Qualified States to transfer their Rights. See “U.S. Shareholders Resident in Qualified States.”

To Divide or Combine a Rights Certificate - Form 4

A Rights Certificate may be divided or combined by completing and executing Form 4 on the face of the Rights Certificate and delivering the Rights Certificate so completed and executed to the Subscription Agent at the Subscription Office. The Subscription Agent will then issue new Rights Certificates in any denominations (totalling the same number of Rights as are evidenced by the Rights Certificate being divided or combined) as are requested by the holder, but no Rights Certificate representing fewer than four Rights will be issued. Rights Certificates must be surrendered for division or combination prior to 4:00 p.m. (Vancouver time) on August 7, 2003 to permit the new Rights Certificates to be issued to and used by the holder.

A bank, trust company, investment dealer or broker holding Common Shares on the Record Date for more than one beneficial owner may, upon providing satisfactory evidence to the Subscription Agent of the ownership of those Common Shares, divide and transfer the Rights Certificate issued to it, by duly completing and executing Form 4 on the face of the Rights Certificate on the same basis as if the beneficial owners were registered on the Record Date.

Purchase and Sale of Rights

The Rights will be listed on the TSX until 12:00 noon (Toronto time) on the Expiry Date. The Rights evidenced by Rights Certificates may be transferred to others by delivery of such Rights Certificates, provided that the transfer form (Form 3) on the face of the Rights Certificate has been duly completed and executed by the registered holder. See “To Sell or Transfer Rights - Form 3” above. Rights may be bought or sold through the usual investment channels, such as brokers and investment dealers.

Payment of any service charge, commission or other fee payable in connection with the trading of Rights will be the responsibility of the holders of the Rights.

Expiry of Rights

The Rights will expire at the Expiry Time on the Expiry Date. **Rights not exercised prior to the Expiry Time will be void and of no value.**

STANDBY COMMITMENT

The Company entered into a standby purchase agreement effective July 3, 2003 (the "Standby Purchase Agreement") with Evansville whereby Evansville agreed to subscribe for Common Shares upon exercise of Rights (the "Standby Commitment") so as to ensure that all of the Common Shares offered pursuant to the Offering are subscribed for and purchased (up to a maximum amount of \$2.5 million), all at the Subscription Price. In this regard, all amounts outstanding under the Bridge Loan Facility at the time of closing of the Offering will be applied towards the purchase of Common Shares by Evansville. Evansville has not and will not receive any consideration for the Standby Commitment.

The obligations of Evansville under the Standby Purchase Agreement may be terminated prior to the Expiry Time if: (a) any inquiry, investigation (whether formal or informal) or other proceeding is commenced in relation to the Company or any of its subsidiaries or any of the directors or officers of the Company, or any order is issued under or pursuant to applicable laws or there is any change of law or the interpretation or administration thereof which suspends or ceases trading in the Rights or Common Shares or which operates to prevent or restrict the lawful distribution of the Rights or the issuance of Common Shares upon the exercise of the Rights; (b) any material change (actual, anticipated or threatened) occurs in the business, affairs, operations, assets, liabilities (contingent or otherwise) of the Company and its subsidiaries, taken as a whole; (c) the Company breaches, defaults under or fails to comply with any material provision of the Standby Purchase Agreement; (d) there should develop, occur or come into effect or existence any event, action, state, condition or financial occurrence or catastrophe of national or international consequence or any law or regulation which, in the reasonable opinion of Evansville, seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Company and its subsidiaries, taken as a whole; or (e) the Company fails to obtain the approval of the TSX for the listing of the Rights or the Common Shares to be issued upon the exercise of the Rights.

MANAGING OR SOLICITING DEALER

There will be no managing or soliciting dealer in connection with the Offering and no fees of any kind will be paid for the solicitation of the exercise of Rights.

INTENTION OF INSIDERS TO EXERCISE RIGHTS

To the knowledge of the directors and senior officers of the Company, directors, senior officers and other insiders of the Company will receive an aggregate of approximately 7,826,175 Rights pursuant to the Offering. After reasonable inquiries about the intentions of such insiders to exercise their Rights, the Company estimates that Rights are intended to be exercised, directly or indirectly, such that insiders will receive an aggregate of 368,869 Common Shares pursuant to the Offering. Insiders may also acquire Rights pursuant to the Additional Subscription Privilege, if available, and exercise such Rights.

OWNERSHIP OF SECURITIES OF THE COMPANY

To the knowledge of the directors and senior officers of the Company, based on the number of issued and outstanding Common Shares as of the date of this rights offering circular and without giving effect to the Offering, the only persons or companies who beneficially own, directly or indirectly, or exercise control or direction over

voting securities of the Company carrying more than 10% of the voting rights attached to the voting securities of the Company are as follows:

Name	Number of Common Shares	Percentage of Outstanding Common Shares
Griffiths McBurney & Partners	6,350,695	13.9%

USE OF PROCEEDS

The estimated gross proceeds of the Offering, assuming full exercise of the Rights, will be \$1,792,399.14. The estimated net proceeds of the Offering, assuming full exercise of the Rights and after deducting expenses of the Offering estimated at \$30,000, will be \$1,762,399.14. The net proceeds of the Offering will be used to repay all amounts advanced by Evansville under the Bridge Loan Facility. Any remaining proceeds will be used to fund the Company's continued growth.

STATEMENT AS TO RESALE RESTRICTIONS

Securities legislation restricts the ability of a holder to trade the Rights and the Common Shares issuable upon the exercise of such Rights (the Rights and the Common Shares collectively, the "Securities"), without certain conditions having been fulfilled or applicable prospectus requirements having been complied with. The following is a general summary of the restrictions governing the first trades in the Securities. Additional restrictions apply to "insiders" of the Company and holders of the Securities who are "control persons" or the equivalent or who are deemed to be part of what is commonly referred to as a "control block" in respect of the Company for purposes of securities legislation. **Each holder is urged to consult his or her professional advisors to determine the exact conditions and restrictions applicable to trades of the Securities.**

Generally, the first trade in the Securities will be exempt from the prospectus requirements of securities legislation in the Qualifying Jurisdictions if:

- (a) the Company is and has been a "reporting issuer" in any one of the provinces of Alberta, British Columbia, Saskatchewan, Manitoba, Ontario, Québec or Nova Scotia for the four months immediately preceding the trade;
- (b) the trade is not a "control distribution" as defined in the applicable securities legislation;
- (c) no unusual effort is made to prepare the market or to create a demand for the Securities;
- (d) no extraordinary commission or other consideration is paid in respect of such trade; and
- (e) if the seller is an insider or officer of the Company, the seller has no reasonable grounds to believe that the Company is in default of applicable securities legislation.

If such conditions have not been met, then the Securities may not be resold except pursuant to a prospectus or prospectus exemption, which may only be available in limited circumstances.

The Company is and has been a reporting issuer for more than four months in each of the provinces of Ontario, Alberta, British Columbia and Québec and the Yukon Territory.

The Securities have not been and will not be registered under any state securities laws, and may not be offered, sold or delivered within the United States or to, or for the account or benefit of, a person in the United States unless an exemption from such registration requirement is available. In addition, certain restrictions apply to

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the ability of U.S. shareholders resident in Qualified States to transfer their Rights. See "U.S. Shareholders Resident in Qualified States."

The foregoing is a summary only and is not intended to be exhaustive. Holders should consult with their advisors concerning restrictions on resale, and should not resell their Securities until they have determined that any such resale is in compliance with the requirements of applicable legislation.

STATUTORY RIGHTS OF ACTION

Securities legislation in certain of the provinces of Canada provides security holders of the Company with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is

required to be delivered to those security holders. However, such rights must be exercised within the prescribed time limits. Security holders should refer to the applicable provisions of the securities legislation of the province of residence for particulars of those rights, or consult with a lawyer.

WEBSITE

Further information about the Company may be obtained from the SEDAR website at www.sedar.com.

PART II INFORMATION NOT REQUIRED TO BE DELIVERED TO OFFEREEES OR PURCHASERS EXHIBITS

**Exhibit
Number**

Description of Document

1. Specimen Rights Certificate
2. Standby Purchase Agreement dated July 3, 2003 between SIRIT Inc. and Evansville, Ltd.

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SIGNATURES

Pursuant to the requirements of the Securities Act, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form F-7 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of New York, State of New York, USA, on July 3, 2003.

SIRIT INC.

(Registrant)

By: /s/ William W. Staudt
William W. Staudt
President and Chief Executive Officer

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POWERS OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints William W. Staudt and John Fairchild, and each of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments to this Registration Statement, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all said attorneys-in-fact and agents of them or their substitute or substitutes, may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement has been signed below by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Dated</u>
<u>/s/ William W. Staudt</u> William W. Staudt	President, Chief Executive Officer and Director (principal executive officer and authorized U.S. representative)	July 3, 2003
<u>/s/ John Fairchild</u> John Fairchild	Vice President Finance, Chief Financial Officer and Corporate Secretary (principal financial and accounting officer)	July 3, 2003
<u>/s/ Dale M. Flanagan</u> Dale M. Flanagan	Director	July 3, 2003
<u>/s/ George C. McKinnis</u> George C. McKinnis	Director	July 3, 2003
<u>/s/ Alan G. Quasha</u> Alan G. Quasha	Director	July 3, 2003
<u>/s/Cynthia Lewis</u> Cynthia Lewis	Director	July 3, 2003
<u>/s/ Patrick King</u> Patrick King	Director	July 3, 2003
<u>/s/ Basile Papazangelou</u> Basile Papazangelou	Director	July 3, 2003

**Exhibit
Number**

Description of Document

1. Specimen Rights Certificate
2. Standby Purchase Agreement dated July 3, 2003 between SIRIT Inc. and Evansville, Ltd.

This Rights Certificate will be void and without value if not used for subscription before 4:00 p.m. (Vancouver time) at the office of Pacific Corporate Trust Company specified below on August 7, 2003.

TO SUBSCRIBE

A shareholder or transferee of this Rights Certificate wishing to subscribe for Common Shares must complete Form 1 and deliver this Rights Certificate together with payment in full of the subscription price to Pacific Corporate Trust Company at one of its offices shown below prior to 4:00 p.m. (Vancouver time) on August 7, 2003. To determine the number of whole Common Shares which may be subscribed for, divide the number of Rights appearing in the right hand corner of the Rights Certificate by four. Only whole Common Shares may be subscribed for.

ADDITIONAL SUBSCRIPTION PRIVILEGE

If Form 1 is completed with respect to the maximum number of Common Shares that can be subscribed for with the Rights evidenced hereby, the holder may, by completing Form 2, subscribe for his or her proportionate part of the Common Shares which are not subscribed for by the expiration of the Rights, subject to any maximum number specified by the holder in Form 2. Payment in full of the subscription price of the maximum number of Additional Common Shares so subscribed for must accompany this certificate when it is delivered to Pacific Corporate Trust Company.

TO SELL OR TRANSFER RIGHTS

Complete Form 3 and deliver this Rights Certificate in ample time for the transferee to use before the expiration of the Rights. IF FORM 3 IS PROPERLY COMPLETED, THE TRANSFEREE MAY USE IT FOR SUBSCRIPTION WITHOUT OBTAINING A NEW RIGHTS CERTIFICATE.

The signature of the Rights Certificate holder must correspond with the name set forth on the face of this Rights Certificate, in every particular, without any change whatsoever, and should be guaranteed by an Eligible Institution or otherwise to the satisfaction of Pacific Corporate Trust Company. An "Eligible Institution" means a Canadian Schedule 1 chartered bank, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange, Inc. Medallion Signature Program (MSP). Members of these programs are usually members of recognized stock exchanges in Canada and in the United States, members of the Investment Dealers Association of Canada, members of the National Association of Securities Dealers or banks and trust companies in the United States. If Form 3 is signed by a trustee, executor, administrator, curator, tutor, guardian, attorney, officer of a corporation or any person acting in a fiduciary or representative capacity, it should be accompanied by satisfactory evidence of authority to act.

TO DIVIDE OR COMBINE RIGHTS CERTIFICATES

Complete Form 4 and deliver this Rights Certificate to Pacific Corporate Trust Company at its office shown below, in ample time for the new Rights Certificate(s) to be issued and used before the expiration of the Rights. Rights Certificates representing fractional Rights will not be issued.

SHAREHOLDERS NOT RESIDENT IN A QUALIFYING JURISDICTION

THE RIGHTS ARE NOT QUALIFIED FOR SALE UNDER THE SECURITIES LAWS OF ANY JURISDICTIONS OTHER THAN ANY OF THE PROVINCES OR TERRITORIES OF CANADA, IN ALABAMA, ALASKA, CONNECTICUT, COLORADO, DELAWARE, DISTRICT OF COLUMBIA, FLORIDA, GUAM, HAWAII, IDAHO, ILLINOIS, INDIANA, IOWA, KANSAS, KENTUCKY, LOUISIANA, MAINE, MARYLAND, MASSACHUSETTS, MICHIGAN, MISSISSIPPI, MISSOURI, MONTANA, NEBRASKA, NEVADA, NEW HAMPSHIRE, NEW JERSEY, NEW MEXICO, NEW YORK, NORTH CAROLINA, NORTH DAKOTA, OHIO, OKLAHOMA, OREGON, PENNSYLVANIA, PUERTO RICO, RHODE ISLAND, SOUTH CAROLINA, SOUTH DAKOTA, TENNESSEE, TEXAS, UTAH, VERMONT, VIRGINIA, WASHINGTON, WEST VIRGINIA AND WYOMING (THE "QUALIFYING STATES") AND IN SUCH OTHER JURISDICTIONS OUTSIDE OF CANADA AND THE UNITED STATES WHERE IT IS NOT UNLAWFUL TO DO SO (THE "QUALIFYING JURISDICTIONS"). THE RIGHTS MAY NOT BE EXERCISED (1) BY OR ON BEHALF OF A HOLDER RESIDENT IN ANY JURISDICTION OTHER THAN THE QUALIFYING JURISDICTIONS OR (2) IN THE QUALIFYING STATES BY ANY PERSON OTHER THAN THE HOLDER OF THE COMMON SHARES PURSUANT TO WHICH THE RIGHTS WERE ISSUED. SEE THE RIGHTS OFFERING CIRCULAR FOR MORE INFORMATION.

PACIFIC CORPORATE TRUST COMPANY

In Vancouver, B.C:

625 Howe Street, 10th Floor
Vancouver, B.C. 66
V6C 3B8
Attention: Sandy Hunter

In Toronto, ON:

c/o Pacific Corporate Securities Ltd.
Wellington Street West, 52nd Floor
Toronto-Dominion Centre
Toronto, ON M5K 1J3
Attention: Susy Monteiro

STANDBY PURCHASE AGREEMENT

THIS AGREEMENT has been entered into as of the 3rd day of July, 2003.

BETWEEN:

SIRIT INC., a corporation incorporated under the laws of the Yukon Territory having an office in Vancouver, British Columbia

(hereinafter called the “**Corporation**”)

– and –

EVANSVILLE, LTD., a corporation incorporated under the laws of the British Virgin Islands having an office in the British Virgin Islands

(hereinafter called “**Evansville**”)

WHEREAS the Corporation proposes to offer the Rights to the holders of record of its issued and outstanding Common Shares at the close of business on the Record Date, entitling the holders to subscribe for an aggregate of 11,380,312 Common Shares at a price of \$0.1575 per Common Share on the exercise of the Rights;

NOW THEREFORE in consideration of the mutual covenants herein contained, and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged by each of the parties below), the parties hereto have agreed as set forth below.

ARTICLE 1 INTERPRETATION

1.1 Definitions. In this agreement and in the recitals hereto, unless something in the subject matter is inconsistent therewith:

“**Additional Subscription Privilege**” means the right of an Eligible Person to subscribe for, at the Subscription Price, additional Common Shares in the manner described in the Draft Rights Offering Circular;

“**Basic Subscription Privilege**” means the right of an Eligible Person to subscribe for, at the Subscription Price, all the Common Shares that can be initially purchased upon exercise of all Rights issued to the Eligible Person in the manner described in the Draft Rights Offering Circular;

“**Bridge Loan**” means the bridge loan provided by Evansville to the Corporation in an amount not to exceed \$2.5 million, available to be drawn down by the Corporation at any time in \$250,000 increments;

“**business day**” means any day other than a Saturday, Sunday, a public holiday or a day on which commercial banks are not open for business in the City of Toronto;

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“**Canadian Securities Administrators**” means a forum for the 13 securities regulators of Canada’s provinces and territories which coordinates and harmonizes regulation of the Canadian capital markets;

“**Closing Date**” means the first business day following the expiry of the Additional Subscription Privilege or such other date as the Corporation and Evansville may agree;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Corporation and Evansville may agree;

“**Common Shares**” means common shares in the capital of the Corporation;

“**Draft Rights Offering Circular**” means the circular prepared and filed in draft form in accordance with National Instrument 45-101 of the Canadian Securities Administrators relating to the proposed distribution of Rights;

“**Eligible Person**” means a shareholder of record as of the Record Date who is resident in the Qualifying Jurisdictions;

“**Expiry Time**” means 4:00 p.m. (Vancouver time) on August 7, 2003, being the date on which the Rights shall expire and become null and void;

“**Final Rights Offering Circular**” means the circular prepared and filed in accordance with National Instrument 45-101 of the Canadian Securities Administrators relating to the proposed distribution of Rights in respect of which each of the Securities Commissions and the TSX has advised the Corporation in writing that it has not objected or has confirmed its acceptance of the circular in final form relating to the proposed distribution of Rights and Common Shares issuable upon exercise of the Rights;

“**Qualifying Jurisdictions**” means any of the provinces or territories of Canada, those states in the United States where an exemption from the applicable state securities laws is immediately available or in such other jurisdictions outside of Canada and the United States where it is not unlawful to send the Final Rights Offering Circular or certificate evidencing the Rights;

“**Record Date**” means July 15, 2003, being the record date on which the holders of Common Shares entitled to receive Rights shall be determined;

“**Rights**” means the rights to be offered by the Corporation to the holders of record of its issued and outstanding Common Shares at the close of business on the Record Date to subscribe for Common Shares, with each holder of record on the Record Date being entitled to receive one Right for each Common Share held and four Rights entitling the holder thereof to subscribe for one Common Share at the Subscription Price, which Rights shall expire at the Expiry Time;

“**Rights Offering**” means the offering of Rights to the holders of the Corporation’s issued and outstanding Common Shares as of the Record Date;

“**Securities Commissions**” means, collectively, the securities commissions or similar securities regulatory authorities of each of the Qualifying Jurisdictions;

“**Securities Laws**” means the applicable securities laws (including statutes and regulations and policies thereunder) of each of the Qualifying Jurisdictions and the rules and policies of the TSX;

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“**Subscription Price**” means the subscription price of the Common Shares upon exercise of the Rights of \$0.1575 per Common Share; and

“**TSX**” means the Toronto Stock Exchange.

1.2 Headings, etc. The division of this agreement into articles, sections, paragraphs and clauses and the provision of headings is for the convenience of reference only and shall not affect the construction or interpretation of this agreement. The terms “this agreement”, “hereof”, “hereunder” and similar expressions refer to this agreement as a whole and not to any particular article, section, paragraph, clause or other portion hereof and include any agreement or instrument supplemental or ancillary hereto. Unless something in the subject matter or context is inconsistent therewith, references herein to articles, sections, paragraphs or clauses are to articles, sections, paragraphs or clauses of this agreement.

1.3 Plurality and Gender. Words importing the singular number only shall include the plural and vice versa, words importing the masculine gender shall include the feminine and neuter genders and vice versa and words importing persons shall include individuals, partnerships, trusts, corporations, governments and governmental authorities and vice versa.

1.4 Currency. Unless otherwise specifically stated, all references to dollars and cents in this agreement are to lawful currency of Canada.

1.5 Governing Law. This agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario.

1.6 Severability. If any provision of this agreement is determined to be invalid or unenforceable in whole or in part, such invalidity or unenforceability shall attach only to such provision or part thereof and the remaining part of such provision and all other provisions hereof shall continue in full force and effect. The parties hereto agree to negotiate in good faith a substitute provision which shall be as close as possible to the intention of any invalid or unenforceable provision as may be valid or enforceable. The invalidity or unenforceability of any provision in any particular jurisdiction shall not affect its validity or enforceability in any other jurisdiction where it is valid or enforceable.

1.7 Statutes. Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations and policies made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute so referred to or the regulation made pursuant thereto.

ARTICLE 2

STANDBY COMMITMENT

2.1 Conduct of Rights Offering. The Corporation shall offer the Rights to the holders of Common Shares pursuant to the Final Rights Offering Circular, in accordance with the Securities Laws. The Corporation shall use its reasonable best efforts to list the Rights and the Common Shares issuable upon exercise of the Rights on the TSX.

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2.2 Standby Commitment. Evansville hereby agrees to:

(a) subscribe for 698,875 Common Shares at the Subscription Price pursuant to the Basic Subscription Privilege; and

(b) subscribe for 10,681,437 Common Shares at the Subscription Price pursuant to the Additional Subscription Privilege.

2.3 Satisfaction of Subscription Price. The Subscription Price for all or part of the Common Shares to be purchased by Evansville pursuant to the Rights Offering may, at the option of either the Corporation or Evansville, be satisfied by the repayment of the Bridge Loan then outstanding. The Corporation agrees that Evansville shall not be required to deliver to the Corporation the aggregate Subscription Price for the Common Shares subscribed for by Evansville pursuant to the Basic Subscription Privilege and the Additional Subscription Privilege until the Closing Time, when payment for the Common Shares purchased by Evansville pursuant to the Rights Offering will be required.

2.4 No Assurance. Nothing in this agreement shall be construed so as to give any rights with respect to the aggregate number of Common Shares that will actually be issued to Evansville, which shall be determined based on the procedure for completing the offering of the Rights described in the Draft Rights Offering Circular.

2.5 No Compensation to Evansville. Evansville shall not be entitled to compensation in connection with its obligations pursuant to this agreement.

ARTICLE 3

COVENANTS OF THE CORPORATION

3.1 Expenses. The Corporation shall pay all fees and expenses relating to the Rights Offering contemplated herein, including, without limiting the generality of the foregoing, the costs of preparation, printing and mailing of the Final Rights Offering Circular, the preparation and filing of all required documents with all requisite regulatory bodies, printing of Rights certificates, stock exchange fees and the fees, charges and disbursements of all accounting, engineering and legal advisors of the Corporation.

3.2 Notice of Changes. The Corporation shall promptly inform Evansville in writing during the period prior to the Expiry Time of the full particulars of any material change (actual, anticipated, proposed or prospective, financial or otherwise) in the assets, liabilities (contingent or otherwise), business, affairs, operations, financial condition or capital of the Corporation.

3.3 Supplementary Material. The Corporation shall prepare any amendment to the Final Rights Offering Circular or to any documentation supplemental thereto or any amending or supplemental documentation or any similar document required to be filed by the Corporation under the Securities Laws. The Corporation shall also promptly, and in any event within any applicable time limitation, comply with all applicable filing and other requirements under the Securities Laws and with the rules of the TSX as a result of any change referred to in section 3.2.

3.4 Consents and Approvals. The Corporation will obtain the necessary consents and approvals for the creation, offering and issue of the Rights and the Common Shares issuable upon exercise of the Rights and the entering into and performance by the Corporation of this agreement (including, for greater certainty, the issuance of Rights and Common Shares to Evansville).

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3.5 Cease Trade Order or Other Investigation. The Corporation will immediately notify Evansville in writing of any demand, request or inquiry (formal or informal) by any Securities Commission, the TSX or other governmental or regulatory body concerning any matter relating to the affairs of the Corporation, the Rights Offering or any other matter contemplated by this agreement and of the issuance, or threatened issuance, by any such authority of any cease trading or similar order or ruling relating to any securities of the Corporation. Any notice delivered to Evansville as aforesaid shall contain reasonable details of the demand, request, inquiry, order or ruling in question.

3.6 Final Rights Offering Circular. The Final Rights Offering Circular will be prepared and filed in compliance with National Instrument 45-101 of the Canadian Securities Administrators and the registration statement on Form F-7 to be prepared and filed with the U.S. Securities and Exchange Commission in connection with the Rights Offering will be prepared and filed in accordance with applicable laws.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES OF THE CORPORATION

4.1 Representations. The Corporation represents and warrants to Evansville, and acknowledges that Evansville is relying thereon in connection with performing its obligations pursuant to this agreement, that:

the Corporation has been duly incorporated and organized and is validly existing and in good standing under the laws of the

- (a) Yukon Territory and has all requisite corporate power and authority to carry on its business as now conducted, to own, lease and operate its properties and assets and to carry out the provisions hereof;

the Corporation has conducted its business in all material respects in compliance with all applicable laws, rules and regulations of each jurisdiction in which its business is carried on and is duly licensed, registered or qualified in all jurisdictions in which it

- (b) owns, leases or operates its property or carries on business to enable its business to be carried on as now conducted and its property and assets to be owned, leased and operated and all such licenses, registrations and qualifications are valid and subsisting and in good standing;

except as has been publicly disclosed, there is no action, proceeding or investigation pending or, to the knowledge of the Corporation and its directors and officers, threatened against or affecting the Corporation at law or in equity or before or by any

- (c) federal, provincial, municipal or other governmental department, commission, board or agency, domestic or foreign, which in any way materially adversely or may materially adversely affect the business, operations or condition of the Corporation (financial or otherwise) or its property or assets or which questions or may question the validity of the issuance, as fully paid and non-assessable, of the Common Shares to be issued pursuant to the exercise of the Rights, or any action taken or to be taken by the Corporation pursuant to or in connection with this agreement;

the Corporation is not in default or breach of, and the execution, delivery, performance and compliance of or with the terms of this agreement by the Corporation and the distribution of the Rights and issue of the Common Shares, will not result in any

- (d) breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under, any term or provision of the constating documents, by-laws or resolutions of the Corporation, or any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which the Corporation is a party or by which it is bound or any

judgment, decree, order, statute, rule or regulation applicable to the Corporation, and no term or provision thereof materially adversely affects the business, operations or condition (financial or otherwise) of the Corporation and its subsidiaries, taken as a whole;

- the Corporation is a “reporting issuer” not in default under the Securities Laws of each of the provinces of British Columbia, Alberta, Ontario and Québec and the Yukon Territory, the Common Shares are listed on the TSX and there is no material change in the affairs of the Corporation not already publicly disclosed which requires disclosure under the Securities Laws or which has been disclosed on a confidential basis to any of the Securities Commissions and which has not been generally disclosed to the public;
- (e) the Common Shares to be issued by the Corporation upon the exercise of the Rights in accordance with the provisions thereof will be validly issued as fully paid and non-assessable shares in the capital of the Corporation; and
 - (f) the Draft Rights Offering Circular has been prepared and filed in accordance with National Instrument 45-101 of the Canadian Securities Administrators.
 - (g)

4.2 Survival of Representations. All representations and warranties of the Corporation contained herein or contained in any document submitted pursuant to this agreement or in connection with the Rights Offering herein contemplated shall survive the purchase of Common Shares by Evansville and shall continue in full force and effect for a period of one (1) year notwithstanding any investigation, inquiry or other steps which may be taken by or on behalf of Evansville.

ARTICLE 5

REPRESENTATIONS AND WARRANTIES OF EVANSVILLE

5.1 Representations. Evansville represents and warrants to the Corporation, and acknowledges that the Corporation is relying thereon in connection with performing its obligations pursuant to this agreement, that:

Evansville has been duly incorporated and organized and is validly existing and in good standing under the laws of the British

- (a) Virgin Islands and has all requisite corporate power and authority to carry on its business as now conducted, to own, lease and operate its properties and assets and to carry out the provisions hereof;

Evansville is not in default or breach of, and the execution, delivery, performance and compliance of or with the terms of this agreement by Evansville will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a default under, any term or provision of the constating

- (b) documents, by-laws or resolutions of Evansville, or any mortgage, note, indenture, contract, agreement, instrument, lease or other document to which Evansville is a party or by which it is bound or any judgment, decree, order, statute, rule or regulation applicable to Evansville, and no term or provision thereof materially adversely affects the business, operations or condition (financial or otherwise) of Evansville and its subsidiaries, taken as a whole;
- (c) Evansville has the due authority to enter into this agreement;
- (d) Evansville has the financial ability to satisfy its commitment to subscribe for Common Shares pursuant to section 2.2. hereof; and

(e) as of the date of this agreement, Evansville owns 2,795,500 Common Shares.

5.2 Survival of Representations. All representations and warranties of Evansville contained herein or contained in any document submitted pursuant to this agreement or in connection with the Rights Offering herein contemplated shall survive the purchase of Common Shares by Evansville and shall continue in full force and effect for a period of one (1) year notwithstanding any investigation, inquiry or other steps which may be taken by or on behalf of Evansville.

ARTICLE 6

CONDITIONS OF EVANSVILLE' S OBLIGATIONS

6.1 Conditions. The obligation of Evansville to perform its obligations under this agreement shall be subject to the representations and warranties of the Corporation herein being accurate as of the date hereof and as at the Expiry Time as if made at such time.

6.2 Bring-Down Certificate. The Corporation shall have delivered a certificate signed on behalf of the Corporation by the President and Chief Executive Officer of the Corporation addressed to Evansville and dated the Closing Date, in form and content satisfactory to Evansville' s counsel, acting reasonably, certifying that, in his capacity as a senior officer of the Corporation and without personal liability:

- (a) the representations and warranties of the Corporation contained in this agreement are true and correct at the Closing Time, with the same force and effect as if made by the Corporation as at the Closing Time after giving effect to the transactions contemplated hereby; and
- (b) the Corporation has complied with all the covenants and satisfied all the terms and conditions of this agreement on its part to be complied with or satisfied at or prior to the Closing Time.

ARTICLE 7

TERMINATION

7.1 Termination. Evansville shall be entitled, at its option, to terminate and cancel, without any liability on its part, its obligations under this agreement, by giving written notice to the Corporation at any time up to, but not after, the Expiry Time if:

- (a) any inquiry, investigation (whether formal or informal) or other proceeding is commenced in relation to the Corporation or any of its subsidiaries or any of the directors or officers of the Corporation, or any order is issued under or pursuant to applicable laws or there is any change of law or the interpretation or administration thereof which suspends or ceases trading in the Rights or Common Shares or which operates to prevent or restrict the lawful distribution of the Rights or the issuance of Common Shares upon the exercise of the Rights;
- (b) any material change (actual, anticipated or threatened) occurs in the business, affairs, operations, assets, liabilities (contingent or otherwise) of the Corporation and its subsidiaries, taken as a whole;
- (c) the Corporation breaches, defaults under or fails to comply with any material provision of this agreement;

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- (d) there should develop, occur or come into effect or existence any event, action, state, condition or financial occurrence or catastrophe of national or international consequence or any law or regulation which, in the reasonable opinion of Evansville, seriously adversely affects or involves, or will seriously adversely affect or involve, the financial markets or the business, operations or affairs of the Corporation and its subsidiaries, taken as a whole; or

- (e) the Corporation fails to obtain the approval of the TSX for the listing of the Rights or the Common Shares to be issued upon the exercise of the Rights.

ARTICLE 8

NOTICE

8.1 Notice. Any notice or other communication required or permitted to be given hereunder shall be in writing and shall be personally delivered or sent by facsimile transmission as set forth below, or to such other address, facsimile number or person as may be designated by notice.

(a) in the case of the Corporation:

SIRIT Inc.
650 West Georgia Street, Suite 2450
Vancouver, BC V6B 4N7

Attention: William Staudt
Fax: (604) 683-0704

with a copy to:

Cassels Brock & Blackwell LLP
Scotia Plaza, Suite 2100
40 King Street West
Toronto, ON M5H 3C2

Attention: Paul M. Stein
Fax: (416) 300-8877

(b) in the case of the Evansville:

Evansville BVI
Insinger Trust BVI Ltd.
Integro Corporate Services BVI Ltd.
Tropic Isle Building
Wickhams Cay 1
Road Town, Tortola B.V.I.
British Virgin Islands

Attention: Cherlin Armstrong
Fax: (284) 494-2704

with a copy to:

Davies Ward Phillips & Vineberg LLP
1 First Canadian Place, 44th Floor
Toronto, ON M5X 1B1

Attention: Vincent A. Mercier
Fax: (416) 863-0871

8.2 Receipt of Notice. Notice shall be deemed to be given on the day of actual delivery or the day of facsimile transmission, as the case may be, or if not a business day, on the next business day.

ARTICLE 9

MISCELLANEOUS

9.1 Further Assurances. Each party hereto agrees to do all such things and take all such actions as may be necessary or desirable to give full force and effect to the matters contemplated by this agreement.

9.2 Assignment. This agreement may not be assigned by any party hereto, by operation of law or otherwise, without the prior written consent of the other party hereto.

9.3 Enurement. This agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

9.4 Waiver. Failure by any party hereto to insist in any one or more instances upon the strict performance of any one of the covenants or rights contained herein shall not be construed as a waiver or relinquishment of such covenant. No waiver by either party hereto of any such covenant or right shall be deemed to have been made unless expressed in writing and signed by the waiving party.

9.5 Amendments. No term or provision hereof may be amended, discharged or terminated except by an instrument in writing signed by the party against which the enforcement of the amendment, discharge or termination is sought.

9.6 Counterparts and Facsimile. This agreement may be executed in several counterparts and by facsimile, each of which when so executed shall be deemed to be an original and such counterparts and facsimiles together shall constitute one and the same instrument and notwithstanding their date of execution they shall be deemed to be dated as of the date hereof.

9.7 Time. Time shall be of the essence of this agreement.

9.8 Entire Agreement. This agreement, together with any other agreements and other documents referred to herein and delivered in connection herewith, constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the parties with respect to the subject matter hereof.

IN WITNESS WHEREOF the parties hereto have caused this agreement to be duly executed and delivered by their authorized officers as of the date first written above.

SIRIT INC.

EVANSVILLE, LTD.

Per: William W. Staudt

Name: William W. Staudt

Title: Chairman

Per: Alan G. Quasha

Name: Alan G. Quasha

Title: Attorney-in-faact