FORM 8-K/A

Current report filing [amend]

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FILER

GO2NET INC CIK:**1029553**| IRS No.: **911710182** | State of Incorp.:**DE** | Fiscal Year End: **0930** Type: **8-K/A** | Act: **34** | File No.: **001-12883** | Film No.: **99671108** SIC: **7374** Computer processing & data preparation	Mailing Address *999 THIRD AVENUE* *SUITE 4700* *SEATTLE WA 98104*	Business Address *999 THIRD AVENUE* *SUITE 4700* *SEATTLE WA 98104* *2064471595*

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K/A

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (DATE OF EARLIEST EVENT REPORTED): MAY 28, 1999

GO2NET, INC.

(EXACT NAME OF REGISTRANT AS SPECIFIED IN ITS CHARTER)

DELAWARE

(STATE OR OTHER JURISDICTION OF INCORPORATION)

0-22047	91-1710182
(Commission File Number)	(IRS Employer Identification No.)

999 Third Avenue, Suite 4700 Seattle, Washington	98104
(Address of principal executive offices)	(Zip Code)

(206) 447-1595

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name or former address, if changed since last report)

The undersigned registrant hereby amends the following items, financial statements, exhibits or other portions of its Current Report on Form 8-K dated May 28, 1999, related to the Registrant's completion of the acquisition of IQC Corporation ("IQC") by means of a merger (the "Merger") of VA Acquisition Corp., a Delaware corporation and a wholly-owned subsidiary of the Registrant with and into IQC, as set forth below and in the pages attached hereto:

ITEM 7: FINANCIAL STATEMENTS, PRO FORMA FINANCIAL INFORMATION AND EXHIBITS

(a) FINANCIAL STATEMENTS OF BUSINESSES ACQUIRED

See Exhibit 20.1 for the audited financial statements of IQC

(b) UNAUDITED PRO FORMA FINANCIAL INFORMATION

Pro Forma Condensed Combined Financial Information (Unaudited)

The following unaudited Pro Forma Condensed Combined Financial Statements give effect to previously reported acquisitions, which include Haggle Online and USAOnline, Inc. and the business combination between Go2Net, Inc. ("Go2Net" or the "Company") and IQC Corporation ("IQC"). The Go2Net pro forma column represents the combined balances and results of operations for Go2Net, Inc., Haggle Online and USAOnline, Inc. to reflect the impact of previously reported acquisitions. This merger was accounted for under the purchase method of accounting in accordance with APB Opinion No.16. Under the purchase method of accounting, the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values. Estimates of the fair values of the assets and liabilities of IQC have been combined with the recorded values of the assets and liabilities of Go2Net in the unaudited pro forma combined condensed consolidated financial statements. The Unaudited Pro Forma Condensed Combined Financial Statements are based on, and should be read in conjunction with, the historical financial statements and the notes thereto of Go2Net included in the Annual Report on Form 10-K filed with the Securities and Exchange Commission on December 29, 1998, Current Report on Form 8-K/A filed on July 2, 1999 and the historical financial statements and the notes thereto of IQC included herein.

The unaudited pro forma condensed combined balance sheets have been prepared to reflect the previously reported acquisitions and the IQC Merger as if they occurred on March 31, 1999. The unaudited pro forma condensed combined statements of operations reflect the combined results of operations of Go2Net for the year ended September 30, 1998, the previously reported acquisitions and IQC for the year ended December 31, 1998 and the six months ended March 31, 1999 as if the previously reported acquisitions and the IQC Merger occurred on October 1, 1997.

The proforma combined balance sheets and statements of operations are provided for illustrative purposes only and should be read in conjunction with the accompanying notes thereto, the audited financial statements and notes thereto of Go2Net for the year ended September 30, 1998, the unaudited financial statements and notes thereto for the six months ended March 31, 1999, Current Report on Form 8-K/A filed on July 2, 1999, and the audited financial statements and notes thereto of IQC for the year ended December 31, 1998. The proforma data is not necessarily indicative of the operating results or financial position that would have been achieved had the previously reported acquisitions and the Merger been consummated at the dates indicated, nor is it necessarily indicative of future operating results and financial condition.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEETS

<TABLE>
<CAPTION>

	MARCH 31, 1999				
	GO2NET PRO FORMA	IQC	PRO FORMA ADJUSTMENTS		PRO FORMA COMBINED
<S>	<C>	<C>	<C>		<C>
ASSETS					
Current assets:					
Cash and cash equivalents	$ 129,899,794	$ -	$ -		$ 129,899,794
Short-term investments	44,294,249	-	-		44,294,249
Trade account receivables, net	2,061,140	-	-		2,061,140
Other accounts receivable	1,046,105	-	-		1,046,105
Loan receivable from shareholder	-	150,000	-		150,000
Prepaid expenses	498,308	2,600	-		500,908
Total current assets	177,799,596	152,600	-		177,952,196
Property and equipment, net	1,292,136	59,636	-		1,351,772
Other assets, net	150,465	-	-		150,465
Intangible assets, net	29,093,943	-	19,999,582	(c)	49,093,525
Long term investments	5,055,656	-	-		5,055,656
Deposits	250,000	-	-		250,000
Total assets	$ 213,641,796	$ 212,236	$ 19,999,582		$ 233,853,614
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	$ 1,724,524	$ 2,718	$ -		$ 1,727,242
Accrued compensation and benefits	395,782	-	-		395,782
Short term debt	13,229	-	-		13,229
Deferred revenue	1,429,914	-	-		1,429,914
Total current liabilities	3,563,449	2,718	-		3,566,167
Shareholders' equity:					
Preferred stock	219,712,624	-	-		219,712,624
Common stock	47,343,435	880,000	(880,000)	(a)	67,552,535
			20,209,100	(c)	
Accumulated deficit	(56,977,712)	(670,482)	670,482	(b)	(56,977,712)
Total shareholders' equity	210,078,347	209,518	19,999,582		230,287,447
Total liabilities and shareholders' equity	$ 213,641,796	$ 212,236	$ 19,999,582		$ 233,853,614

</TABLE>

See accompanying notes.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

	YEAR ENDED SEPTEMBER 30, 1998 GO2NET PRO FORMA	YEAR ENDED DECEMBER 31, 1998 IQC	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
Revenue	$ 4,856,478	$ 251,215	$ -	$ 5,107,693
Cost of revenue	1,810,597	111,207	-	1,921,804
Gross profit	3,045,881	140,008	-	3,185,889
Operating expenses:				
Sales and marketing	1,299,150	71,070	-	1,370,220
Product development	1,124,623	79,008	-	1,203,631
General and administrative	2,088,612	149,816	-	2,238,428
Amortization of intangible assets	9,697,981	-	6,666,526(c)	16,364,507
Merger and acquisition costs	1,035,494	-	-	1,035,494
Impairment loss	398,126	-	-	398,126
Stock compensation	16,443	-	-	16,443
Total operating expenses	15,660,429	299,894	6,666,526	22,626,849
Loss from operations	(12,614,548)	(159,886)	(6,666,526)	(19,440,960)
Interest income, net	508,405	-	-	508,405
Loss before taxes	(12,106,143)	(159,886)	(6,666,526)	(18,932,555)
Income taxes	1,327	-	-	1,327
Net loss	$(12,107,470)	$ (159,886)	$ (6,666,526)	$(18,933,882)
Basic and diluted net loss per share	$ (1.03)			$ (1.60)
Number of shares used in computing basic and diluted net loss per share	11,754,874		113,313	11,868,187

See accompanying notes.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS

	SIX MONTHS ENDED MARCH 31, 1999 GO2NET PRO FORMA	SIX MONTHS ENDED MARCH 31, 1999 IQC	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
Revenue	$ 7,025,425	$ 281,195	$ -	$ 7,306,620
Cost of revenue	1,638,607	102,205	-	1,740,812
Gross profit	5,386,818	178,990	-	5,565,808
Operating expenses:				
Sales and marketing	2,143,217	100,299	-	2,243,516
Product development	817,693	63,185	-	880,878
General and administrative	2,013,593	149,628	-	2,163,221
Amortization of intangible assets	4,848,991	-	3,333,263 (c)	8,182,254
Merger and acquisition costs	650,257	-	-	650,257
Stock compensation	77,267	-	-	77,267

Total operating expenses......	10,551,018	313,112	3,333,263	14,197,393
Loss from operations....................	(5,164,200)	(134,122)	(3,333,263)	(8,631,585)
Interest income, net....................	729,324	-	-	729,324
Loss before taxes	(4,434,876)	(134,122)	(3,333,263)	(7,902,261)
Income taxes	250	-	-	250
Loss before preferred stock dividend....	(4,435,126)	(134,122)	(3,333,263)	(7,902,511)
Preferred stock dividend	52,930,286	-	-	52,930,286
Loss applicable to common shareholders...........................	$(57,365,412)	$ (134,122)	$ (3,333,263)	$ (60,832,797)
Basic and diluted net loss per share....	$ (4.47)			$ (4.69)
Number of shares used in computing basic and diluted net loss per share ...	12,844,634		113,313	12,957,947

</TABLE>

See accompanying notes.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. PERIODS COMBINED

The unaudited pro forma condensed combined balance sheets have been prepared to reflect the previously reported acquisitions and the IQC Merger as if they occurred on March 31, 1999. The unaudited pro forma condensed combined statements of operations reflect the combined results of operations of Go2Net for the year ended September 30, 1998, the previously reported acquisitions and IQC for the year ended December 31, 1998 and the six months ended March 31, 1999 as if the previously reported acquisitions and the IQC Merger occurred on October 1, 1997.

2. BASIS OF PRESENTATION

The combined balances and results of operations as of and for the six month period ended March 31, 1999, and for the period ended September 30, 1998, for Go2Net, Inc. and previously reported acquisitions, which include Haggle Online and USAOnline, Inc., are combined in the Go2Net pro forma column to reflect the impact of the previously reported acquisitions, as reported on the Current Report on Form 8-K/A filed on July 2, 1999.

The unaudited pro forma condensed combined financial statements reflect the issuance of approximately 113,313 shares of Go2Net Common Stock for all of the outstanding shares of IQC Common Stock in connection with the Merger at an exchange ratio of 0.0161875 shares of Go2Net Common Stock for each share of IQC Common Stock.

This merger was accounted for under the purchase method of accounting in accordance with APB Opinion No.16. Under the purchase method of accounting, the purchase price is allocated to the assets acquired and liabilities assumed based on their estimated fair values. Estimates of the fair values of the assets and liabilities of IQC have been combined with the recorded values of the assets and liabilities of Go2Net in the unaudited pro forma condensed combined financial statements.

3. MERGER TRANSACTION COSTS

Go2Net and IQC incurred direct transaction costs of approximately $142,000 associated with the Merger, primarily for legal and accounting fees. These costs are a component of the purchase price. There can be no assurance that Go2Net will not incur additional charges in subsequent quarters to reflect costs associated with the Merger or that management will be successful in their efforts to integrate the operations of the two companies.

4. PRO FORMA LOSS PER SHARE

The pro forma combined basic and diluted net loss per share is based on the combined weighted average number of common shares of Go2Net Common Stock and IQC Common Stock outstanding during the periods using the exchange ratio. All stock options and shares subject to repurchase rights have been excluded from the computation of pro forma combined basic and diluted net loss per share because all such securities are anti-dilutive for the periods presented.

5. CONFORMING AND RECLASSIFICATION ADJUSTMENTS

There were no adjustments required to conform the accounting policies of Go2Net and IQC. Certain amounts for IQC have been reclassified to conform with Go2Net's financial statement presentation. Pro forma adjustments were required to record goodwill and the related amortization expense as if the transactions occurred on October 1, 1997.

6. PRO FORMA ADJUSTMENTS

(a) To reflect the issuance of approximately 113,313 shares of Go2Net Common Stock and the assumption of all outstanding options in connection with the IQC Merger, for an aggregate purchase price of approximately $20 million, including approximately $142,000 of transaction costs.

(b) To eliminate the historical accumulated deficit of IQC.

(c) To record the excess of the purchase price over the fair value of assets and liabilities acquired in connection with the Merger. The purchase price allocation is based on management's estimates of the fair values of the tangible assets, intangible assets and technology. The book value of tangible assets and liabilities acquired are assumed to approximate fair value. The goodwill and substantially all other purchased intangible assets will be amortized on a straight line basis over approximately 3 years.

(c) EXHIBITS.

The following exhibits are filed herewith:

<TABLE>

<S>	<C>
20.1	IQC Corporation audited financial statements for the years ended December 31, 1998 and 1997.
20.2	Unaudited condensed financial statements of IQC
20.3	Consent of Ernst & Young LLP, Independent Auditors

</TABLE>

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, Registrant has duly caused this amendment to be signed on its behalf by the undersigned thereunto duly authorized.

GO2NET, INC.

Date: July 27, 1999

By: /s/ Russell C. Horowitz

Russell C. Horowitz
Chief Executive Officer,
Chief Administrative Officer and

Chief Financial Officer

Report of Independent Auditors

To the Directors and Stockholders
IQC Corporation

We have audited the accompanying balance sheets of IQC Corporation as of December 31, 1998 and 1997, and the related statements of operations, stockholders' equity, and cash flows for each of the two years in the period ended December 31, 1998 and the period from June 11, 1996 (inception) through December 31, 1996. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IQC Corporation at December 31, 1998 and 1997, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 1998 and the period from June 11, 1996 (inception) through December 31, 1996, in conformity with generally accepted accounting principles.

Los Angeles, California
June 25, 1999

IQC Corporation

Balance Sheets

<TABLE>
<CAPTION>

	DECEMBER 31 1998	1997
<S>	<C>	<C>
ASSETS		
Current assets:		
Cash	$ 3,577	$ -
Prepaid expenses	2,600	-
Total current assets	6,177	-
Equipment, net	39,808	29,933
Total assets	$ 45,985	$ 29,933
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 34,048	$ 10,810
Loan payable	-	10,300
Total liabilities	34,048	21,110
Stockholders' equity:		
Common stock, no par value:		
Authorized shares - 100,000,000		
Issued and outstanding shares - 6,400,000 in 1998 and 6,000,000 in 1997	640,000	600,000
Subscription receivable	-	(123,000)
Accumulated deficit	(628,063)	(468,177)
Total stockholders' equity	11,937	8,823
Total liabilities and stockholders' equity	$ 45,985	$ 29,933

</TABLE>

SEE ACCOMPANYING NOTES.

IQC Corporation

Statements of Operations

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31 1998	1997	PERIOD FROM JUNE 11, 1996 (INCEPTION) THROUGH DECEMBER 31, 1996
Revenues	$ 251,215	$ 19,416	$ -
Cost of revenues	111,207	59,299	4,440
Gross profit (loss)	140,008	(39,883)	(4,440)
Operating expenses:			
Selling and marketing	71,070	5,299	269
Research and development	79,008	49,666	21,917
Stock compensation	-	-	200,000
General and administrative	149,816	101,630	45,073
	299,894	156,595	267,259
Net loss	$(159,886)	$(196,478)	$(271,699)

</TABLE>

SEE ACCOMPANYING NOTES.

IQC Corporation

Statements of Stockholders' Equity

<TABLE>
<CAPTION>

	COMMON STOCK SHARES	AMOUNT	SUBSCRIPTION RECEIVABLE	ACCUMULATED DEFICIT	TOTAL STOCKHOLDERS' EQUITY
Balance at June 11, 1996	-	$ -	$ -	$ -	$ -
Sale of stock	4,000,000	400,000	(305,000)	-	95,000
Issuance of stock for services rendered	2,000,000	200,000	-	-	200,000
Net loss	-	-	-	(271,699)	(271,699)
Balance at December 31, 1996	6,000,000	600,000	(305,000)	(271,699)	23,301
Payments on subscription receivable	-	-	182,000	-	182,000
Net loss	-	-	-	(196,478)	(196,478)
Balance at December 31, 1997	6,000,000	600,000	(123,000)	(468,177)	8,823
Payments on subscription receivable	-	-	123,000	-	123,000
Exercise of stock options	400,000	40,000	-	-	40,000
Net loss	-	-	-	(159,886)	(159,886)
Balance at December 31, 1998	6,400,000	$ 640,000	$ -	$(628,063)	$ 11,937

</TABLE>

SEE ACCOMPANYING NOTES.

IQC Corporation

Statements of Cash Flows

<TABLE>
<CAPTION>

	YEARS ENDED DECEMBER 31 1998	1997	PERIOD FROM JUNE 11, 1996 (INCEPTION) THROUGH DECEMBER 31, 1996
<S>	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net loss	$(159,886)	$(196,478)	$(271,699)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation	19,521	14,791	5,568
Stock compensation	-	-	200,000
Changes in operating assets and liabilities:			
Prepaids	(2,600)	859	(859)
Accounts payable	23,238	4,365	6,445
Net cash used in operating activities	(119,727)	(176,463)	(60,545)
INVESTING ACTIVITIES			
Purchases of equipment	(29,396)	(13,665)	(36,627)
Net cash used in investing activities	(29,396)	(13,665)	(36,627)
FINANCING ACTIVITIES			
Sale of common stock	-	-	95,000
Exercise of stock options	40,000	-	-
Proceeds from subscription receivable	123,000	182,000	-
Proceeds from loan payable	-	-	10,300
Payments on loan payable	(10,300)	-	-
Net cash provided by financing activities	152,700	182,000	105,300
Net increase (decrease) in cash	3,577	(8,128)	8,128
Cash at beginning of period	-	8,128	-
Cash at end of period	$ 3,577	$ -	$ 8,128
Supplemental cash flow information:			
Cash paid for taxes	$ 800	$ 1,664	$ -

</TABLE>

SEE ACCOMPANYING NOTES.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF BUSINESS

IQC Corporation (the Company) was incorporated in the state of California on June 11, 1996. The Company began operations under the name I.Q. Net, Inc. and amended the articles of incorporation on August 11, 1998 to change the name of the company to IQC Corporation. The Company provides web-based technical analysis stock graphing software to individual investors. The Company earns revenue from software license fees and from providing real time stock quotes. The Company's customer base is located principally in United States.

EQUIPMENT

Equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of three years.

INCOME TAXES

The Company accounts for income taxes using the liability method. Deferred tax assets and liabilities are determined based on differences between financial reporting and tax bases of assets and liabilities measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

REVENUE RECOGNITION

The Company licenses its software to customers on a month to month basis and recognizes the revenue ratably over each month. The Company provides real time stock quotes to its customers on a month to month basis and recognizes the revenue ratably over each month. All software license and real time quote fees are billed and collected in the month the service is provided.

ADVERTISING COSTS

The Company expenses advertising costs as incurred. Advertising expense was approximately $34,000, $4,000 and $0 for the years ended December 31, 1998 and 1997 and the period from June 11, 1996 through December 31, 1996, respectively.

STOCK BASED COMPENSATION

The Company is subject to Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" (SFAS 123). As allowed by SFAS 123, the Company accounts for stock based compensation to employees in accordance with APB 25, "Accounting for Stock Issued to Employees." In cases where exercise prices are less than the fair value as of the grant date, compensation expense is recognized over the vesting period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

RECENT PRONOUNCEMENTS

In June 1998, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards No. 133, ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES (SFAS 133), which the Company will be required to adopt for the year ending December 31, 2000. Because the Company currently holds no derivative financial instruments and does not currently engage in hedging activities, adoption of SFAS 133 is expected to have no material impact on the Company's financial statements.

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-1, ACCOUNTING FOR THE COSTS OF COMPUTER SOFTWARE DEVELOPED OR OBTAINED FOR INTERNAL USE (SOP 98-1), which the Company will be required to adopt for the year ending December 31, 1999. SOP 98-1 requires that entities capitalize certain costs related to internal use software once certain criteria have been met. Adoption of SOP 98-1 is not expected to have a material impact on the Company's financial statements.

In April 1998, the American Institute of Certified Public Accountants issued Statement of Position 98-5, REPORTING ON THE COSTS OF START-UP ACTIVITIES (SOP 98-5), which the Company will be required to adopt in 1999. SOP 98-5 requires that the cost of start-up activities be expensed as incurred. Adoption of SOP 98-5 is not expected to have a material impact on the Company's financial statements.

2. EQUIPMENT

Equipment consists of the following:

<TABLE>
<CAPTION>

	DECEMBER 31	
	1998	1997

<S> <C> <C>

Computer hardware	$ 79,688	$ 50,291
Accumulated depreciation	(39,880)	(20,358)
	$ 39,808	$ 29,933

</TABLE>

3. STOCKHOLDERS' EQUITY

The Company issued 6,000,000 shares of common stock at inception of which, 4,000,000 shares were issued in exchange for $95,000 in cash and a subscription receivable in the amount of $305,000. The remaining 2,000,000 shares were issued to employees for services rendered and compensation expense of $200,000 associated with these grants was recorded during the period ended December 31, 1996.

4. INCOME TAXES

The Company did not provide an income tax benefit for any of the periods presented because it has experienced operating losses since inception. As a result of the net operating losses, the provision for income taxes consists solely of minimum state taxes which has been recognized in general and administrative expense.

The following is a reconciliation of the statutory federal income tax rate to the Company's effective income tax rate.

<TABLE>
<CAPTION>

<S>	YEAR ENDED DECEMBER 31, 1998 <C>
Statutory federal income tax benefit	(34)%
State income tax benefit	(6)
Valuation allowance	40
	-%

</TABLE>

The components of deferred tax assets and related valuation allowance are as follows:

<TABLE>
<CAPTION>

<S>	DECEMBER 31, 1998 <C>
Deferred tax assets:	
Net operating loss carryforwards	$ 243,000
Other	9,000
	252,000
Less valuation allowance	(252,000)
Net deferred tax assets	$ -

</TABLE>

Due to the uncertainty surrounding the timing of realizing the net deferred tax assets in future tax returns, the Company has placed a valuation allowance equal to its net deferred tax assets.

At December 31, 1998, the Company has net operating losses for both federal and state income tax purposes of approximately $606,000, which are available to offset future taxable income, if any, through 2019 and 2005, respectively. Due to the change in ownership (see Note 7) the net operating losses are likely to be subject to limitaions.

5. STOCK BASED COMPENSATION

On June 11, 1996, the stockholders of the Company adopted the Stock Option Plan (the Plan). Each grant of options under the Plan vest on a case-by-case basis as approved by the administrator, generally over a range of immediately vested to vesting over five years. Under the Plan, the Company has granted options to employees and non-employees to purchase shares of the Company's stock at a price equal to the fair market value of the common stock on the date of grant.

Information with respect to the Plan during 1998 and 1997 is as follows:

	EMPLOYEES		NON-EMPLOYEES		TOTAL	
	SHARES	EXERCISE PRICE	SHARES	EXERCISE PRICE	SHARES	EXERCISE PRICE
Outstanding at June 11, 1996	-	$ -	-	$ -	-	$ -
Granted	2,020,000	0.10	-	-	2,020,000	0.10
Exercised	-	-	-	-	-	-
Cancelled	-	-	-	-	-	-
Outstanding at December 31, 1996	2,020,000	0.10	-	-	2,020,000	0.10
Granted	-	-	-	-	-	-
Exercised	-	-	-	-	-	-
Cancelled	-	-	-	-	-	-
Outstanding at December 31, 1997	2,020,000	0.10	-	-	2,020,000	0.10
Granted	350,000	0.10	200,000	0.10	550,000	0.10
Exercised	(400,000)	0.10	-	-	(400,000)	0.10
Cancelled	-	-	-	-	-	-
Outstanding at December 31, 1998	1,970,000	$ 0.10	200,000	$ 0.10	2,170,000	$ 0.10
Options exercisable	1,010,000		200,000		1,210,000	

The weighted average fair value of options granted during 1998 was $0.10.

5. STOCK BASED COMPENSATION (CONTINUED)

The weighted average exercise prices for options granted and exercisable at December 31, 1998 and the weighted average remaining contractual life for options outstanding at December 31, 1998, are as follows:

	OPTIONS OUTSTANDING			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICE	NUMBER OF SHARES	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE (YEARS)	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER OF SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Employees					
$0.10	1,970,000	2.8	$0.10	1,010,000	$0.10
Non-employees					
$0.10	200,000	4.4	$0.10	200,000	$0.10

SFAS 123 requires disclosure of pro forma net loss based upon the fair value of the options issued. The Company calculated the fair value of each options granted on the date of the grant using the Black-Scholes options pricing model as prescribed by SFAS 123 using the following assumptions.

Risk-free interest rate	5.59 %
Volatility	65.72%
Expected life (in years)	5
Dividend yield	0%

The option pricing model requires the input of highly subjective assumptions including the expected stock price volatility. Because the Company's employee stock options have characteristics significantly different from those of traded options and because changes in the subjective input assumptions can materially affect the fair value estimate, in management's opinion, the existing model does not necessarily provide a reliable single measure of the fair value of its employee stock options.

For purposes of pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma net loss for the years ended December 31, 1998, 1997 and the period from June 11, 1996 through December 31, 1996 is $206,000, $237,000 and $272,000, respectively.

6. RELATED PARTY TRANSACTIONS

The Company shares and leases office space from a related party under a month to month operating lease. Rent expense was approximately $16,000, $12,000 and $900 for the years ended December 31, 1998 and 1997 and the period from June 11, 1996 through December 31, 1996, respectively. The Company also reimburses the related party for office supplies, telecommunication fees and certain employee benefits. The total amount of these other related party transactions approximated $6,000, $4,000 and $300 for the years ended December 31, 1998 and 1997 and the period from June 11, 1996 through December 31, 1996, respectively.

7. SUBSEQUENT EVENT (UNAUDITED)

In February 1, 1999, the Company issued 600,000 shares of common stock raising proceeds of $240,000.

In April 1999, the Company issued 1,600,000 shares of common stock as a result of the exercise of stock options.

In May 1999, the stockholders of the Company signed an agreement to exchange all of the common stock of the Company for 113,313 shares of Go2Net, Inc., an unrelated publicly traded entity. All outstanding options of the Company will be assumed by Go2Net in conjunction with the transaction. Included in the agreement is a provision for the Company to extend the office space lease and the arrangement for office supplies, telecommunication fees and certain employee benefits for twelve months.

8. YEAR 2000 (UNAUDITED)

The Company is currently conducting an assessment of all its computer equipment to verify its year 2000 readiness. The cost of year 2000 initiatives is not expected to be material to the Company's results of operations or financial position. The Company has yet to initiate discussions with all of its third-party relationships to ensure that those parties have appropriate plans in place to correct all of their year 2000 issues. While the Company believes its planning efforts are adequate to address its year 2000 concerns, there can be no assurance that the systems and products of other companies on which the Company's operations rely will be converted on a timely basis and will not have a material adverse effect on the Company's results of operations.

IQC
CONDENSED BALANCE SHEETS

<TABLE>
<CAPTION>

<S>	MARCH 31, 1999 (UNAUDITED) <C>	DECEMBER 31, 1998 <C>
ASSETS		
Current assets:		
Cash and cash equivalents	$ -	$ 3,577
Loan receivable from shareholder	150,000	-
Prepaid expenses	2,600	2,600
Total current assets	152,600	6,177
Property and equipment, net	59,636	39,808
Total assets	$ 212,236	$ 45,985
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 2,718	$ 34,048
Shareholders' equity:		
Common stock	880,000	640,000
Accumulated deficit	(670,482)	(628,063)
Total shareholders' equity	209,518	11,937
Total liabilities and shareholders' equity	$ 212,236	$ 45,985

</TABLE>

See notes to condensed financial statements.

IQC
CONDENSED STATEMENTS OF OPERATIONS
(UNAUDITED)

<TABLE>
<CAPTION>

<S>	THREE MONTHS ENDED MARCH 31, 1999 <C>	THREE MONTHS ENDED MARCH 31, 1998 <C>
Revenue	$ 185,958	$ 40,039
Cost of revenue	45,093	15,953
Gross profit	140,865	24,086
Operating expenses:		

Sales and marketing	66,527	-
Product development	37,798	14,654
General and administrative	78,959	25,610
Total operating expenses	183,284	40,264
Net loss	$ (42,419)	$ (16,178)

</TABLE>

See notes to condensed financial statements.

IQC
CONDENSED STATEMENTS OF CASH FLOWS
(UNAUDITED)

<TABLE>
<CAPTION>

<S>	THREE MONTHS ENDED MARCH 31, 1999 <C>	THREE MONTHS ENDED MARCH 31, 1998 <C>
OPERATING ACTIVITIES		
Net loss	$ (42,419)	$ (16,178)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation	8,196	4,879
Changes in operating assets and liabilities:		
Loan receivable from shareholder	(150,000)	-
Accounts payable	(31,330)	(3,701)
Net cash used in operating activities	(215,553)	(15,000)
INVESTING ACTIVITIES - purchases of equipment	(28,024)	-
FINANCING ACTIVITIES:		
Sale of common stock	240,000	-
Payments on subscription receivable	-	15,000
Net cash provided by financing activities	240,000	15,000
Net increase (decrease) in cash	(3,577)	-
Cash at beginning of period	3,577	-
Cash at end of period	$ -	$ -

</TABLE>

See notes to condensed financial statements.

NOTES TO CONDENSED FINANCIAL STATEMENTS

BASIS OF PRESENTATION

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting only of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three month period ended March 31, 1999 are not necessarily indicative of the results that may be expected for the year ending December 31, 1999. For further information, refer to the financial statements for the years ended December 31, 1998 and 1997 and notes thereto included herein.

SUBSEQUENT EVENTS

In February 1999, the Company issued 600,000 shares of common stock for $240,000.

In April 1999, the Company issued 1,600,000 shares of common stock as a result of the exercise of stock options.

In May 1999, the stockholders of the Company signed an agreement to exchange all of the common stock of the Company for 113,313 shares of Go2Net, Inc., an unrelated publicly traded corporation. All outstanding options of the Company will be assumed by Go2Net in conjunction with the transaction.

RECLASSIFICATION ADJUSTMENTS

Certain amounts for IQC have been reclassified to conform to Go2Net's financial statement presentation.

Consent of Ernst & Young LLP, Independent Auditors

We consent to the incorporation by reference in (i) the Registration Statement (Form S-8 No. 333-82765) pertaining to the Authorize.Net Corporation Stock Incentive Plan, the Haggle Online, Inc. Stock Option Agreement and the IQC Corporation Stock Option Agreement; (ii) the Registration Statement (Form S-8 No. 333-63729) pertaining to the Go2Net, Inc. 1996 Stock Option Plan and Silicon Investor, Inc. 1996 Stock Plan; (iii) the Registration Statement (Form S-3 No. 333-63725) pertaining to the registration of 1,295,536 shares of Common Stock of Go2Net, Inc.; (iv) the Registration Statement (Form S-3 No. 333-76069) pertaining to the registration of 717,390 shares of Common Stock of Go2Net, Inc.; and (v) the Registration Statement (Form S-8 No. 333-76071) pertaining to the Go2Net, Inc. 1996 Stock Option Plan and Web21 Stock Option Plan, of our report dated June 25, 1999 with respect to the financial statements of IQC Corporation included in this Current Report (Form 8-K/A) of Go2Net, Inc. filed July 27, 1999.

ERNST & YOUNG LLP

Los Angeles, California
July 23, 1999