

Edgar Filing: SUITE 101 COM INC - Form 10KSB

SUITE 101 COM INC  
Form 10KSB  
March 31, 2003

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549  
FORM 10-KSB

Mark One:

Annual Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. For the fiscal year ended DECEMBER 31, 2002; or

Transition Report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 For the transition period from \_\_\_\_\_ to \_\_\_\_\_.

COMMISSION FILE NO. 0-25136  
SUITE101.COM, INC

-----  
(Name of Small Business Issuer in its Charter)

DELAWARE

33-0464753

-----  
(State or Other Jurisdiction of Incorporation or Organization)

-----  
(IRS Employer Identification No.)

347 BAY STREET - SUITE 301, TORONTO, ONTARIO, CANADA M5H 2R7

-----  
(Address of Principal Executive Offices) (Zip Code)

416-628-5902

-----  
(Issuer's Telephone Number, Including Area Code)

Securities registered under Section 12(b) of the Exchange Act:

Title of Each Class

Name of Each Exchange on Which Registered

-----  
None  
-----

Securities Registered Pursuant to Section 12(g) of the Exchange Act:

-----  
Common Stock, par value \$.001 per share  
-----

(Title of Each Class)

Check whether the Issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past twelve (12) months (or for such shorter period that the Issuer was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes  No

Check if there is no disclosure of delinquent filers in response to

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

Item 405 of Regulation S-B in this form, and no disclosure will be contained, to the best of Issuer's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-KSB, or any amendment to this Form 10-KSB. [X]

State Issuer's revenues for its most recent fiscal year: \$6,799.

The aggregate market value of the voting and non-voting equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and asked prices of such common equity, as of March 10, 2003, was \$14,766,089. (Non-affiliates have been determined on the basis of holdings set forth in Item 11 of this Annual Report on Form 10-KSB.)

The number of shares outstanding of each of the Issuer's classes of common equity, as of March 10, 2003, was 14,086,687.

### DOCUMENTS INCORPORATED BY REFERENCE

None

### PART I

#### ITEM 1 - DESCRIPTION OF BUSINESS:

Since 1999 through late 2001, we were engaged in the creation, operation and maintenance of a Word Wide Web-based community, known as Suite101.com. Its emphasis was on creating an online community where Internet users could express themselves, share ideas, interests and expertise, and publish content accessible to other Internet users with common interests. Using approximately \$6.1 million out of total proceeds of \$9.5 million we raised in private sales of our securities in 1999 and 2000, we endeavored to develop our activities into revenue generating operations. During the period January 1, 1999 through December 31, 2001, our total revenues were \$43,600 and our available cash fell from \$9,321,525 at the end of March 2000 to \$4,048,630 at the end of December 2001. Subsequent to 1999, there were enormous changes in the stock market's perception of the likelihood of success for Internet-based enterprises which affected substantially our valuation and ability to raise capital and achieve our business objectives. Accordingly, by unanimous action of our Board of Directors taken in the fourth quarter of 2001, we determined to review our business activities with a view to redirecting those activities.

To this end, by letters and a press release dated January 8, 2002, we invited companies and other persons with a possible strategic interest in Suite101.com to consider entering into discussions with us looking to a possible business combination, restructuring or other reorganization transaction. In conjunction with our efforts to re-direct our operations, in early January 2002, we reduced our staff by five people to 14 employees and revised our monthly compensation arrangements with our Contributing Editors. Again, later in January, 2002, we further reduced our staff and by early February 2002, our only employee was our President and Chief Executive Officer.

In place of our staff, on February 14, 2002, effective January 31, 2002, we entered into an agreement with Creative Marketeam Canada Ltd., a corporation wholly owned by Douglas Loblaw, our former chief operating officer, to provide continuing management and operating services, at Marketeam's expense, for the day-to-day operations of the Suite101 Web site. Subsequently, on February 25, 2002, Mr. Loblaw was elected a Director of our Company. The management agreement with Marketeam was for an initial one-month period commencing January 31, 2002 and continued from month to month thereafter until terminated by either party on ten (10) days' notice. In consideration of the

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

services performed by Marketeam, we paid Marketeam a fee of \$26,000 per month, plus an amount equal to our receipts from our contracts with BarnesandNoble.com, LLC. Marketeam provided continuing management and operating services, at its expense, over the day-to-day operations of the Suitel01 Web site. It was

2

responsible to our Board of Directors for all phases of the day-to-day management and operations of the Suitel01 Web site, including accounting and bookkeeping, making payments at its expense to Senior and Managing Editors, providing administration, oversight and fulfillment of our duties and responsibilities under our agreements with BarnesandNoble.com, LLC, providing Internet access to the Web site, hosting email, providing property maintenance, implementing software upgrades, and arranging intellectual property licensing, among other matters. In connection with the subsequent termination of our Web-based community activities, the agreement with Marketeam was terminated on May 31, 2002.

In response to our invitation to persons with a possible strategic interest in the Suitel01 Web site and community, we received two responses we believed merited further discussions. One response involved an interest expressed on behalf of a group of persons interested in acquiring 1,625,617 million of the shares of our common stock held by Peter Bradshaw and his daughter, Julie Bradshaw, and having representation on our Board of Directors. On February 13, 2002, Peter Bradshaw and Julie Bradshaw, both then Directors of our company and Mr. Bradshaw was then our Chairman and Chief Executive Officer, entered into agreements to sell, at a price of \$0.25 per share, their 1,625,617 shares of Common Stock. The sale was completed on February 25, 2002. The purchasers of the shares were five investors none of whom acquired more than five percent of our shares outstanding and none of whom are residents of the United States. The shares sold include all of the shares held by Peter Bradshaw, other than options to purchase 418,545 shares exercisable at prices ranging from \$0.25 to \$1.50 per share. Julie Bradshaw retained 618,519 shares and options to purchase 85,000 shares exercisable at \$1.50 per share. Concurrently with the sale of the shares, on February 25, 2002, Peter Bradshaw and Julie Bradshaw resigned as Directors, and Peter Bradshaw resigned as our Chairman and Chief Executive Officer. At the same meeting of Directors held on February 25, 2002, Douglas F. Loblaw, John J. Campbell and Brent J. Peters, were elected to our Board of Directors to fill the vacancies created by the resignations of Peter Bradshaw and Julia Bradshaw as Directors on February 25, 2002 and the resignation of Alfred J. Puchala, Jr. as a Director on February 13, 2002.

As a consequence of the sale of the shares by the Bradshaws and their resignations as Directors and the election of replacement Directors, a change of control of our company may be deemed to have occurred.

The second response to our invitation for discussions relating to a possible business combination was from a corporation interested in acquiring an option to purchase the assets of the Suitel01 Web site. After negotiations, on March 18, 2002, we entered into an option agreement with Double B Holdings, LLC, a privately-owned non-affiliated entity, granting Double B the right to purchase the website assets owned and operated by our wholly-owned subsidiary, i5ive Communications Inc. These assets, which included primarily property, plant and equipment, had a book value of \$120,441, as of December 31, 2001, after accumulated

3

amortization of \$127,295. During the three years ended December 31, 2001, these assets produced revenues of \$1,925, \$1,620 and \$40,067, respectively. During the

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

three years ended December 31, 2001, the Company had other income, net, which was primarily interest income, of \$145,626, \$378,000 and \$188,631, respectively. The terms of the option agreement provided that Double B, in consideration of a non-refundable payment of \$15,000, had the right to purchase the assets for a period of thirty days and, in consideration of a further non-refundable payment of an additional \$30,000, had the right for an additional thirty days. The option, including the possible extension, expired on May 14, 2002. The purchase price for the assets under the option agreement was \$155,000 less the non-refundable payments which were to be applied to the purchase price, plus a 26% interest in Double B and a 5% common stock interest held by Double B in Blue Frogg Enterprises, Inc., a privately-owned company controlled by the owners of Double B. In the event the option was exercised, the Company's subsidiary, i5ive, was required to pay at the closing to Double B \$155,000 less a sum equal to the management fees paid to Creative Marketeam Canada, Ltd. from March 1, 2002 through the closing. Double B was also to be assigned and assume at the closing i5ive's rights and obligations under various vendor and supplier contracts and leases. Double B paid the non-refundable payment of \$15,000 and the further non-refundable payment of \$30,000 for the 60-day option. On May 14, 2002, the option expired without being exercised.

Thereafter, on July 17, 2002, our wholly-owned subsidiary, i5ive, completed the sale of its Website assets to Creative Marketeam Canada, Ltd. In consideration for the assets, Marketeam issued to i5ive a 15% equity interest in Marketeam and agreed that in the event the assets are resold by Marketeam within one (1) year, a sum equal to the proceeds of the sale would be paid over to i5ive. The sale of the i5ive assets to Marketeam was unanimously approved by Messrs. Blumberg, Campbell and Peters constituting all Suite101's directors not having any interest in the transaction.

At our annual meeting of stockholders held on June 11, 2002, in addition to re-electing our four Directors then in office, our stockholders approved a proposal to amend our Certificate of Incorporation to increase the number of authorized shares of Common Stock we can issue from 40,000,000 to 100,000,000 shares. Accordingly, upon the filing of a Certificate of amendment with the Secretary of State of the State of Delaware, the number of shares we are authorized to issue will be increased. At December 31, 2002, we had 14,086,687 shares of Common Stock issued and outstanding and 2,220,110 shares reserved for issuance upon the exercise of outstanding options and warrants.

Our Board of Directors intends to continue the efforts begun in December 2001 to seek to redirect our activities into other areas of business. We believe that these future activities will be unrelated to the operation of a Web-based community or Web site.

Our business plan and any resulting transaction may involve the following:

4

- o Any such acquisition transaction may result in us issuing securities, including possibly the issuance of shares of Common Stock, as part of the transaction. The issuance of previously authorized and un-issued shares of Common Stock, including the additional 60,000,000 shares of Common Stock authorized in June 2002, could result in substantial dilution of our existing stockholders and could possibly result in a change in control or management of our company.
- o The 83,693,213 shares of Common Stock and 1,000,000 shares of Preferred Stock that we are authorized to issue but that are not issued or outstanding or reserved for issuance as of March 10,

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

2003 are able to be issued by action of our Board of Directors in a transaction resulting in the redirection of our activities without any requirement under Delaware law or the rules of any national securities exchange or automated quotation system for further action being taken by our stockholders to authorize the issuance of the shares or to approve the transaction or the redirected business activities. Any additional issuances of any of our securities will not require the approval of our stockholders and may have the effect of further diluting the equity interest of stockholders.

- o Any transaction we enter into involving the redirection of our activities may require that we raise additional capital which may also involve the issuance of shares of our Common Stock and be dilutive to our existing stockholders. Issuance of shares to raise capital can be approved by our Board of Directors and would not require stockholder approval.
- o Any transaction we enter into in redirecting our business activities may be structured on terms whereby the approval of our existing stockholders is not required which would result in our existing stockholders being unable to vote in favor of or against the transaction and the redirection of our business activities.
- o Until we complete a transaction resulting in a redirection of our business activities, we expect to continue to incur expenses without any material revenues.

5

On March 4, 2003, we announced that we had signed a letter of agreement to acquire all the outstanding capital stock of GeoGlobal Resources (India) Inc. (GeoGlobal) in exchange for shares of our common stock. GeoGlobal holds a net 5% carried interest in the oil and gas exploration block KG-OSN-2001/03, also referred to as Block 7 under National Exploration Licensing Policy III (NELP III), offshore the east coast of India covering approximately 457,000 acres. GeoGlobal's 5% interest reflects its agreement of February 4, 2003 to transfer to a company wholly owned by Mr. Roy 50% of its initial 10% interest in the exploration block. GeoGlobal's interest will be carried for 100% of its entire share of any costs during the exploration phase prior to the start date of initial commercial production. We and GeoGlobal are each conducting due diligence and negotiating the terms of a definitive agreement. The completion of the transaction is subject to the outcome of those due diligence activities and the successful negotiation, execution and closing of a definitive agreement.

The shares of Geo Global are intended to be acquired from Mr. Jean Paul Roy in exchange for an aggregate maximum of 34.0 million shares of our Common Stock. The letter of agreement provides that of such shares, at the closing under the definitive agreement to be executed, we will issue and deliver to Mr. Roy 14.5 million shares and also deliver to Mr. Roy our promissory note in the principal amount of \$2.0 million. The note, which bears no interest, is to be payable \$1.0 million on the closing of the transaction but not before March 31, 2003, \$500,000 on June 30, 2003 and \$500,000 on June 30, 2004. It is to be secured by GeoGlobal's interest in the exploration block. The letter of agreement further provides that the remaining 19.5 million shares are to be issued in the name of Mr. Roy as principal subject to an escrow of the shares whereby 14.5 million shares will be released for delivery to Mr. Roy only if the results of a 3D seismic program to be conducted on the exploration block during the initial exploration phase establishes the existence of a commercial basis for the commencement of an exploratory drilling program, or upon the actual commencement of a drilling program. The final 5.0 million shares will be released only if a commercial discovery is declared on the exploration block.

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

Shares not released to Mr. Roy from the escrow will be surrendered back to us. Mr. Roy will retain a 5% carried interest in the Exploration Block and GeoGlobal will have a right of first refusal to purchase that carried interest. Mr. Roy will have the voting rights of the shares during the term of the escrow.

The letter of agreement provides that the definitive agreement will contain numerous other terms and conditions, including, among others, that, subject to stockholder approval, our corporate name will be changed to GeoGlobal Resources Inc. or such other name as is selected by our Board and, at the closing of the transaction, the composition of our Board and our executive officers will be restructured to include Mr. Jean Paul Roy as a Director and President, Mr. Graham M. Notman as the interim Chief Executive Officer, and Mr. Allan J. Kent as Executive Vice President, Chief Financial Officer and Director. Messrs. John K. Campbell and Brent J. Peters will remain as Directors and Messrs. Mitchell G. Blumberg and Douglas F. Loblaw will resign from the Board. The letter of agreement further provides that at the closing

6

Mr. Roy is to enter into a three-year consulting contract with the Company at a salary of \$250,000 per year. Options are to be granted under our stock option plan to officers, Directors, employees and consultants of GeoGlobal to purchase 2.0 million shares of Common Stock exercisable at not less than \$1.00 per share.

The letter of agreement contains restrictions on the conduct of each of the parties business activities until the definitive agreement is executed or the letter of agreement is terminated and each party has agreed to the imposition of terms restricting them from dealing with or entertaining offers from other persons relating to any business combination or material transaction until April 30, 2003 or the definitive agreement is executed. Other than its 5% carried interest in the exploration block, GeoGlobal has no revenues, material operations, assets or material liabilities. If completed, the transaction would be accounted for as a reverse acquisition.

GeoGlobal, Gujarat State Petroleum Corporation Limited and Jubilant Enpro Limited are parties to a Production Sharing Contract dated February 4, 2003 with The Government of India which grants to the three contractors the right to conduct seismic surveying and exploratory drilling activities on exploration block KG-OSN-2001/03 for a period of up to 6-1/2 years. Under the first of the three phases of exploration operations, fourteen exploration wells are to be drilled over a period of up to 2-1/2 years. Under the remaining two phases of the exploration operations, an additional six exploration wells are to be drilled.

The letter of agreement also provides that, subject to Board of Directors' approval, subsequent to the closing under the Agreement and promptly thereafter, we propose to make an offering of shares of our Common Stock not registered under the U.S. Securities Act of 1933, as amended, with the amount of shares offered intended to raise a minimum of \$4.0 million. The intended purpose of the offering is to raise additional working capital. The securities intended to be offered will not be and have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

There can be no assurance that the exploratory drilling will result in any discovery of hydrocarbons or that any hydrocarbons as are discovered will be in commercially recoverable quantities. In addition, the realization of any revenues from commercially recoverable hydrocarbons is dependent upon the ability to deliver, store and market any hydrocarbons that are discovered. The presence of hydrocarbon reserves on contiguous properties is no assurance or

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

necessary indication that hydrocarbons will be found on BlockKG-OSN-2001/03.

GeoGlobal's carried interest position arises out of an agreement it entered into with Gujarat State Petroleum Corporation Limited whereby GeoGlobal is carried for 100% of its share of any costs incurred during the three-phase exploration operations. Under the terms of the

7

carried interest agreement, GeoGlobal will not receive any share of any production from the exploration block until Gujarat State Petroleum Corporation Limited has recovered GeoGlobal's share of the expenses it paid.

### EMPLOYEES

As of December 31, 2002, we had no employees.

### COMPETITION

As of December 31, 2002, we are not engaged in any revenue-producing business activities and therefore experience no competition.

In our efforts to redirect our business activities and locate an attractive opportunity for our redirected operations, we experience intense competition from others engaged in similar business combination activities in identifying and completing a transaction. This competition is from other persons seeking attractive business combination opportunities and others seeking to diversify their operations.

### ITEM 2 - DESCRIPTION OF PROPERTY:

As of March 10, 2003, our executive offices are at 347 Bay Street, Suite 301, Toronto, Ontario, Canada M5H 2R7. We believe these facilities are adequate for our purposes.

### ITEM 3 - LEGAL PROCEEDINGS:

No material legal proceedings are pending against us.

8

### ITEM 4 - SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS:

No matter was submitted during the fourth quarter of the year ended December 31, 2002 to a vote of securityholders through the solicitation of proxies or otherwise.

9

## PART II

### ITEM 5 - MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS:

Our Common Stock has been quoted on the OTC Bulletin Board since December 30, 1998 under the symbol BOWG. The following table sets forth the high and low bid quotations on the OTC Bulletin Board for our Common Stock for the

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

period January 1, 2001 through March 10, 2003.

CALENDAR QUARTER -----	BID -----	
	HIGH ----	LOW -----
2001: First Quarter	\$0.39	\$0.17
2001: Second Quarter	\$0.23	\$0.14
2001: Third Quarter	\$0.44	\$0.12
2001: Fourth Quarter	\$0.21	\$0.08
2002: First Quarter	\$0.72	\$0.20
2002: Second Quarter	\$0.80	\$0.26
2002: Third Quarter	\$0.51	\$0.17
2002: Fourth Quarter	\$0.52	\$0.18
2003: First Quarter (through March 10)	\$1.67	\$0.35

The foregoing amounts, represent inter-dealer quotations without adjustment for retail markups, markdowns or commissions and do not represent the prices of actual transactions. On March 10, 2003, the closing bid quotation for the Common Stock, as reported on the OTC Bulletin Board was \$1.23.

As of March 10, 2003, we had approximately 110 shareholders of record.

10

### DIVIDEND POLICY

We do not intend to pay any dividends on our Common Stock for the foreseeable future. Any determination as to the payment of dividends on our Common Stock in the future will be made by our Board of Directors and will depend on a number of factors, including future earnings, capital requirements, financial condition and future prospects as well as such other factors as our Board of Directors may deem relevant.

11

### ITEM 6 - MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION:

#### GENERAL

The following discussion and analysis of our financial condition or plan of operation should be read in conjunction with, and is qualified in its entirety by, the more detailed information including our Financial Statements and the related Notes appearing elsewhere in this Annual Report. This Annual Report contains forward-looking statements that involve risks and uncertainties. Our actual results may differ materially from the results and business plans discussed in the forward-looking statements. Factors that may cause or contribute to such differences include those discussed in "Risk Factors," as well as those discussed elsewhere in this Annual Report.



## Edgar Filing: SUITE 101 COM INC - Form 10KSB

### STATEMENTS OF OPERATIONS

YEARS ENDED DECEMBER 31, 2002 AND 2001

During the year ended December 31, 2002, we had no income from operations. During the year ended December 31, 2001, we had sales of \$40,067, primarily attributable to revenue generated from service contracts that we entered into with Barnes & Noble.com. In 2002, our revenues from this source were \$6,799 and were treated as revenues from discontinued operations.

Administrative expenses were \$341,932 during the year ended December 31, 2002 compared with \$176,665 during the year ended December 31, 2001. The increase in administrative expenses in 2002 over 2001 was primarily the result of an increase in professional fees, and an increase in stockholder reporting costs resulting primarily from our efforts to redirect our operations. Our Loss From Continuing Operations was \$354,061 during the year ended December 31, 2002 compared with income of \$11,966 during the year ended December 31, 2001. The increase in our Loss From Operations during 2002 compared with 2001 was the result of the increase in our administrative expenses.

Other net expenses were \$12,129 during the year ended December 31, 2002 compared to other income of \$188,631 during the year ended December 31, 2001. Included in other income and expenses is income attributable to interest earned on bank balances. During the year ended December 31, 2002, net interest income was \$48,027 compared to \$188,631 during the year ended December 31, 2001. The decline in the net interest earned results from the decline in bank cash balances carried through these periods. Also included in other income and expenses during

12

the year ended December 31, 2002 is income from forfeited deposits of \$45,000. Effective March 15, 2002, i5ive, entered into an option agreement with Double B, a privately-owned non-affiliated entity organized for the purpose of acquiring the option. The option granted Double B the right to purchase the web site assets owned and operated by i5ive. The terms of the option agreement provided that Double B, in consideration of a non-refundable payment of \$15,000, had the right to purchase the assets for a period of thirty days and, in consideration of a further non-refundable payment of an additional \$30,000, had the right to purchase the assets for an additional thirty days. Both deposits were paid and the option expired on May 14, 2002 and the option deposits were forfeited.

Included as other expenses during the year ended December 31, 2002 was a loss on the disposal of assets amounting to \$105,892 with no such loss (or expense) during the year ended December 31, 2001.

On July 17, 2002, effective June 1, 2002, i5ive completed the sale of its web site assets to Marketeam which resulted in the loss on the disposal of assets of \$105,892. In consideration for the assets, Marketeam issued to i5ive a 15% equity interest in Marketeam and agreed that in the event the assets are resold by Marketeam within one (1) year, a sum equal to the proceeds of the sale would be paid over to i5ive. The sale of web site assets was a result of the determination of the Board of Directors made in December 2001 to seek to redirect the Company's activities. The i5ive assets sold to Marketeam were the subject of the option agreement entered into in March 2002 with Double B which option agreement expired on May 14, 2002 without having been exercised. The web site assets were not producing any material revenues and were contributing to an outflow of cash. The sale of the i5ive assets to Marketeam was unanimously approved by Messrs. Blumberg, Campbell and Peters constituting all Suite101's directors not having any interest in the transaction.

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

On May 31, 2002, the Company discontinued its internet-based activities. During the year ended December 31, 2002 our revenue from discontinued operations was \$6,799 compared with \$40,067 during the year ended December 31, 2001. The revenues during the years ended December 31, 2002 and December 31, 2001 were primarily attributable to revenues generated from two service contracts that we entered into with Barnes&Noble.com to provide introductions for a series of e-books and to provide proofreading services for the related digitized books. The net loss during the year ended December 31, 2002 from discontinued operations was \$870,100 compared with \$1,653,596 during the year ended December 31, 2001. The decrease was primarily the result of a change in our compensation arrangements with our contributing editors and the cessation of all our marketing activities focused at promoting our web site activities.

Our Net Loss was \$1,224,161 during the year ended December 31, 2002 compared with \$1,641,630 during the year ended December 31, 2001. The decrease in our Net Loss during the year ended December 31, 2002 compared with the year ended December 31, 2001 was the result

13

of the increase in administrative expenditures, from the loss on disposal of assets, a decrease in other income and a decrease in the loss from discontinued operations.

### YEARS ENDED DECEMBER 31, 2001 AND 2000

During the year ended December 31, 2001, our sales were \$40,067 compared with sales of \$1,620 during 2000. Sales during 2001 were primarily attributable to revenue generated from two service contracts that we entered into with Barnes&Noble.com to provide introductions for a series of e-books and to provide proofreading services for the related digitized e-books. During 2001, \$258 in sales and all our sales in 2000 were primarily attributable to software licensing revenues. These licenses have expired and therefore this source of revenue has ceased.

Operating expenses decreased during the year ended December 31, 2001 to \$1,843,268 from \$2,666,021 during the year ended December 31, 2000. Expenses during 2001 primarily related to general and administrative expenses of \$1,515 and marketing expenses. The decrease in general and administrative expenses was primarily the result of decrease in consulting fees paid to third parties, a decrease in professional fees paid and a decline in software purchases. The decrease in marketing expenses resulted from the decrease in our marketing activities aimed at increasing Membership and building the Suite101.com brand. The loss from operations for the year ended December 31, 2001 was \$1,823,051 compared with \$2,664,401 during 2000.

Other income (net) in 2001 was \$181,421 compared with \$378,448 in 2000. The decrease was primarily the result of decreased interest earned on bank cash balances carried throughout 2001 and the write-off in 2001 of the leasehold improvements of our former office premises.

Our net loss in 2001 was \$1,641,630 compared with a net loss of \$2,285,953 in 2000. The decreased net loss was the result of a decrease in our general, administrative and marketing expenditures in 2001 compared to 2000.

### LIQUIDITY AND CAPITAL RESOURCES

The report of our independent auditors on their audit of our financial statements as of December 31, 2002 contains an explanatory paragraph that

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

describes an uncertainty as to our ability to continue as a going concern due to our recurring losses and because we have no material revenue-producing operations. At December 31, 2002, our cash balance was \$3,030,507. We believe these cash resources will be sufficient to meet our ongoing financial commitments through December 31, 2003. At December 31, 2002, we had no source of material revenues.

14

In December 2001, we announced that our Board of Directors was engaged in a review of our activities with a view to the possible redirection of our operations in an effort to enhance and maximize shareholder values. Thereafter, in a series of steps conducted through February 2002, we reduced our staff to one employee and revised our monthly compensation arrangements with our Contributing Editors by terminating the payment of the compensation to Contributing Editors. The changes we made in our staffing and compensation arrangements we believe were appropriate in the light of our limited revenues and enhance our ability to enter into a business combination or other restructuring transaction by reducing current levels of overhead. We believe that these revised compensation arrangements are in line with current practices of other Internet communities.

In place of our staff, on February 14, 2002, effective January 31, 2002, we entered into an agreement with Marketeam, a corporation wholly owned by Douglas Loblaw, our former chief operating officer and, from February 25, 2002, a Director of our company, to provide continuing management and operating services, at Marketeam's expense, for the day-to-day operations of the Suite101 Web site, known as Suite101.com. In consideration of the services performed by Marketeam, we paid Marketeam a fee of \$26,000 per month, plus an amount equal to our receipts from our contracts with BarnesandNoble.com.

Our agreement with Marketeam was terminated by us effective May 31, 2002 and on July 17, 2002, our subsidiary sold its Website assets to Marketeam. We currently have no revenue-producing operations.

Our current business plan is to utilize our available cash and other resources, including possibly, shares of our Common Stock, to redirect our activities out of the operation and maintenance of a Web-based community into other areas of business. We believe that these future activities will be unrelated to the operation of an Internet Web site. It is expected that the redirection of our business activities will involve us in a business combination or other material transaction. Until we complete a transaction resulting in a redirection of our business activities, we expect to continue to incur expenses without any material revenues. In addition, we may incur reductions in the carrying value of our fixed assets in connection with our efforts to redirect our activities.

On March 4, 2003, we announced that we had signed a letter of agreement to acquire all the outstanding capital stock of GeoGlobal Resources (India) Inc. (GeoGlobal) in exchange for shares of our common stock.

GeoGlobal holds a 5% carried interest in the oil and gas exploration block KG-OSN-2001/03, also referred to as Block 7 under National Exploration Licensing Policy III (NELP III), offshore the east coast of India covering approximately 457,000 acres. GeoGlobal's interest will be carried for 100% of its entire share of any costs during the exploration phase prior to the start

15

date of initial commercial production. We and Geo Global are conducting due

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

diligence and negotiating the terms of a definitive agreement. The completion of the transaction is subject to the outcome of those due diligence activities and the successful negotiation, execution and closing of a definitive agreement.

The shares of Geo Global are intended to be acquired from Mr. Jean Paul Roy in exchange for an aggregate maximum of 34.0 million shares of our Common Stock. The letter of agreement provides that of such shares, at the closing under the definitive agreement to be executed, we will issue and deliver to Mr. Roy 14.5 million shares and also deliver to Mr. Roy our promissory note in the principal amount of \$2.0 million. The note, which bears no interest, is to be payable \$1.0 million on the closing of the transaction but not before March 31, 2003, \$500,000 on June 30, 2003 and \$500,000 on June 30, 2004. It is to be secured by GeoGlobal's interest in the exploration block. The letter of agreement further provides that the remaining 19.5 million shares are to be issued in the name of Mr. Roy as principal subject to an escrow of the shares whereby 14.5 million shares will be released for delivery to Mr. Roy only if the results of a 3D seismic program to be conducted on the exploration block during the initial exploration phase establishes the existence of a commercial basis for the commencement of an exploratory drilling program, or upon the actual commencement of a drilling program. The final 5.0 million shares will be released only if a commercial discovery is declared on the exploration block. Shares not released to Mr. Roy from the escrow will be surrendered back to us. Mr. Roy will retain a 5% carried interest in the Exploration Block and GeoGlobal will have a right of first refusal to purchase that carried interest. Mr. Roy will have the voting rights of the shares during the term of the escrow.

The letter of agreement provides that the definitive agreement will contain numerous other terms and conditions, including, among others, that, subject to stockholder approval, our corporate name will be changed to GeoGlobal Resources Inc. or such other name as is selected by our Board and, at the closing of the transaction, the composition of our Board and our executive officers will be restructured to include Mr. Jean Paul Roy as a Director and President, Mr. Graham M. Notman as the interim Chief Executive Officer, and Mr. Allan J. Kent as Executive Vice President, Chief Financial Officer and Director. Messrs. John K. Campbell and Brent J. Peters will remain as Directors and Messrs. Mitchell G. Blumberg and Douglas F. Loblaw will resign from the Board. The letter of agreement further provides that at the closing Mr. Roy is to enter into a three-year consulting contract with the Company at a salary of \$250,000 per year. Options are to be granted under our stock option plan to officers, Directors, employees and consultants of GeoGlobal to purchase 2.0 million shares of Common Stock exercisable at not less than \$1.00 per share.

The letter of agreement contains restrictions on the conduct of each of the parties business activities until the definitive agreement is executed or the letter of agreement is terminated and each party has agreed to the imposition of terms restricting them from dealing with or

entertaining offers from other persons relating to any business combination or material transaction until April 30, 2003 or the definitive agreement is executed. Other than its 5% carried interest in the exploration block, GeoGlobal has no revenues, material operations, assets or material liabilities. If completed, the transaction would be accounted for as a reverse acquisition.

GeoGlobal, Gujarat State Petroleum Corporation Limited and Jubilant Enpro Limited are parties to a Production Sharing Contract dated February 4, 2003 with The Government of India which grants to the contractors the right to conduct seismic surveying and exploratory drilling activities on exploration block KG-OSN-2001/03 for a period of up to 6-1/2 years. Under the first of the

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

three phases of exploration operations, fourteen exploration wells are to be drilled over a period of up to 2-1/2 years. Under the remaining two phases of the exploration operations, an additional six exploration wells are to be drilled.

The letter of agreement also provides that, subject to Board of Directors' approval, subsequent to the closing under the Agreement and promptly thereafter, we propose to make an offering of shares of our Common Stock not registered under the U.S. Securities Act of 1933, as amended, with the amount of shares offered intended to raise a minimum of \$4.0 million. The intended purpose of the offering is to raise additional working capital. The securities intended to be offered will not be and have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act.

There can be no assurance that the exploratory drilling will result in any discovery of hydrocarbons or that any hydrocarbons as are discovered will be in commercially recoverable quantities. In addition, the realization of any revenues from commercially recoverable hydrocarbons is dependent upon the ability to deliver, store and market any hydrocarbons that are discovered. The presence of hydrocarbon reserves on contiguous properties is no assurance or necessary indication that hydrocarbons will be found on BlockKG-OSN-2001/03.

GeoGlobal's carried interest position arises out of an agreement it entered into with Gujarat State Petroleum Corporation Limited whereby GeoGlobal is carried for 100% of its share of any costs incurred during the three-phase exploration operations. Under the terms of the carried interest agreement, GeoGlobal will not receive any share of any production from the exploration block until Gujarat State Petroleum Corporation Limited has recovered GeoGlobal's share of the expenses it paid.

17

We may seek to raise additional funds in order to fund the acquisition of revenue-producing operations. There can be no assurance that any additional financing will be available on terms favorable to us, or at all. If adequate funds are not available or not available on acceptable terms, we may not be able to fund our efforts to redirect our activities. Any such inability could have a material adverse effect on future success. Additional funds raised through the issuance of equity or convertible debt securities, will result in reducing the percentage ownership of our stockholders and, stockholders may experience additional dilution and such securities may have rights, preferences or privileges senior to those of the rights of our Common Stock.

CAUTIONARY STATEMENT FOR PURPOSES OF THE "SAFE HARBOR" PROVISIONS OF THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1996

With the exception of historical matters, the matters discussed in this annual report are "forward-looking statements" as defined under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended, that involve risks and uncertainties. Forward-looking statements made herein include, but are not limited to, the statements in this annual report regarding our plans and objectives of management for our future operations, including plans or objectives relating to the redirection of our business activities, our efforts to enter into a transaction relating thereto, and our ability to limit or curtail our current expenses. These statements appear, among other places, under the following captions: "Business of the Company", "Risk Factors", "Dividend Policy", and "Management's Discussion and Analysis of Financial Condition or Plan of Operation". Forward-looking statements made in this annual report include the assumptions made by management as to our future business direction and our ability to redirect our activities. We cannot assure you that

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

our assumptions in this regard or our views as to the viability of our business plans discussed herein will prove to be accurate. Likewise, we cannot assure you that we will be successful in acquiring any commercial activities. We cannot assure you that our transaction with GeoGlobal will be completed or that any commercially recoverable quantities of hydrocarbon reserves will be discovered on the exploration block in which GeoGlobal has an interest. Our ability to realize revenues cannot be assured. If our assumptions are incorrect or if our plans fail to materialize, we may be unsuccessful in developing as a viable business enterprise. Under such circumstance your investment will be in jeopardy. Our inability to meet our goals and objectives or the consequences to us from adverse developments in general economic or capital market conditions could have a material adverse effect on us. We caution you that various risk factors accompany those forward looking statements and are described, among other places, under the caption "Risk Factors" herein, beginning below. They are also described in our Quarterly Reports on Form 10-QSB, and our Current Reports on Form 8-K. These risk factors could cause our operating results, financial condition and ability to fulfill our plans to differ materially from those

18

expressed in any forward-looking statements made in this Annual Report and could adversely affect our financial condition and our ability to pursue our business strategy and plans.

### RISK FACTORS

An investment in shares of our Common Stock involves a high degree of risk. You should consider the following factors, in addition to the other information contained in this annual report, in evaluating our business and proposed activities before you purchase any shares of our common stock. You should also see the "Cautionary Statement for Purposes of the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1996" regarding risks and uncertainties relating to us and to forward looking statements in this annual report.

No Material Operations or Revenues. We have no current material operations or source of revenue. We will, in all likelihood, sustain continuing operating expenses maintaining our current activities and seeking to enter into a transaction without corresponding revenues at least until the consummation of a business acquisition. This can be expected to result in us incurring ongoing net operating losses and an outflow of our cash that could continue until we can consummate a business acquisition. There can be no assurance that we can identify a suitable business opportunity and consummate a business acquisition or that any transaction we consummate will be on favorable terms or result in profitable operations. We are unable to predict when any such transaction may be completed.

Risks Relating to Proposed GeoGlobal Transaction. As described above, on March 4, 2003 we entered into a letter of agreement with Jean Paul Roy and GeoGlobal and we are now engaged in due diligence activities with respect to GeoGlobal's intended exploration activities and are negotiating the terms of a definitive agreement with GeoGlobal.

There can be no assurance that the outcome of our due diligence activities with regard to GeoGlobal will be favorable or that we and Mr. Roy will successfully negotiate a definitive agreement. Pursuing the transaction will involve material risks to our company and its stockholders and will result in material dilution to our stockholders.

There can be no assurance that the exploratory drilling to be conducted on the exploration block in which GeoGlobal holds an interest will result in any discovery of hydrocarbons or that any hydrocarbons as are discovered will be in

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

commercially recoverable quantities. In addition, the realization of any revenues from commercially recoverable hydrocarbons is dependent upon the ability to deliver, store and market any hydrocarbons that are discovered. The presence of

19

hydrocarbon reserves on contiguous properties is no assurance or necessary indication that hydrocarbons will be found on the exploration block in which GeoGlobal holds an interest.

We May Not Be Successful in Entering Into Agreements In Order to Pursue Our Business Plans. We have no definitive agreement as of March 28, 2003 with respect to engaging in a merger with, joint venture with or acquisition of, a private or public entity or any interest in such an entity. No assurances can be given that we will successfully identify and evaluate a suitable business opportunity or that we will conclude a business acquisition. We cannot guarantee that we will be able to negotiate any business transactions on favorable terms or be successful in redirecting our operations.

Possible Future Dilution As A Result Of Business Transaction. Our business plan is based upon effectuating a business acquisition or other transaction. Any such acquisition transaction may result in us issuing securities as part of the transaction. The issuance of previously authorized and un-issued common shares could result in substantial dilution to our existing stockholders which could possibly result in a change in control or management of our company. There can be no assurance that an acquisition can be completed. In the event the transaction with GeoGlobal is completed, our stockholders, prior to the closing of the transaction, will experience material dilution in their interests.

Issuance Of Additional Shares. Our corporation is currently authorized to issue, on action of our Board of Directors, up to 100,000,000 shares of Common Stock and 1,000,000 shares of Preferred Stock, of which, as of March 10, 2003, 14,086,687 shares of Common Stock are issued and outstanding and no shares of Preferred Stock are outstanding. The 85,913,313 shares of Common Stock and 1,000,000 shares of Preferred Stock that are authorized but are not issued or outstanding are able to be issued by action of our Board of Directors in a transaction resulting in the redirection of our activities without any requirement of further action being taken by our stockholders to authorize the issuance of the shares or to approve the transaction or the redirected business activities. Any additional issuances of any of our securities will not require the approval of our stockholders and may have the effect of further diluting the equity interest of stockholders.

Possible Need to Raise Additional Capital. Any transaction we enter into involving the redirection of our activities may require that we raise additional capital which may also involve the issuance of shares of our Common Stock and be dilutive to our existing stockholders.

In the event the transaction with GeoGlobal is completed, we will make an immediate payment of \$1,000,000 to Jean Paul Roy and an additional payment of \$500,000 on June 30, 2003. These payments will reduce materially our cash resources. These payments are in consideration of the purchase of the outstanding stock of GeoGlobal and are not recoverable if

20

GeoGlobal's exploration activities are unsuccessful and no commercially recoverable reserves of hydrocarbons are discovered on the exploration block.

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

Our letter of agreement with JPR and GeoGlobal provides that, subject to Board of Directors' approval, promptly subsequent to the closing a transaction with Mr. Paul and GeoGlobal, we propose to make an offering of shares of our Common Stock not registered under the U.S. Securities Act of 1933, as amended, with the amount of shares offered intended to raise a minimum of \$4.0 million. The intended purpose of the offering is to raise additional working capital. The securities intended to be offered will not be and have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the Securities Act. There can be no assurance that we will be successful in selling these shares or that such transaction will not result in further material dilution to our stockholders.

No Requirement of Stockholder Approval. Any transaction we enter into in redirecting our business activities may be structured on terms whereby the approval of our existing stockholders is not required which would result in our existing stockholders being unable to vote in favor of or against the transaction and the redirection of our business activities.

Any Business We May Possibly Acquire May Never Become Profitable. There can be no assurance that we will enter into an acquisition with or acquire an interest in a business having a significant or successful operating history. Any such business may have a history of losses, limited or no potential for earnings, limited assets, negative net worth or other characteristics that are indicative of development stage companies. There can be no assurance that after any acquisition of a business that the business will be operated so as to develop significant revenues and cash flow and become profitable.

Management May Not Devote a Sufficient Amount of Time to Seeking a Target Business. While seeking a business acquisition, our officers and Directors devote only a portion of their time to pursuing these activities. As a result, we may expend a considerable period of time identifying and negotiating with an acquisition candidate. This extended period of time may result in continuing losses to us and an outflow of our cash.

Dependence On Part-Time Management. Currently, we have no fulltime employees. Our officers and Directors devote only a portion of their time to our activities. It is our intention to continue to limit our employees until such time as we find a suitable business opportunity or we complete the acquisition of another business. Therefore, the day-to-day operations of any company or business that is acquired by us will have to be performed by outside management or management of the acquired company. We cannot assure investors that we will be able to obtain experienced and able outside management to run any company or business that we may acquire.

21

Continued Control by Existing Management. Our Directors retain significant control over our present and future activities and our stockholders and investors may be unable to meaningfully influence the course of our actions. Our existing management is able to control substantially all matters requiring stockholder approval, including nomination and election of directors and approval or rejection of significant corporate transactions. Any transaction we engage in resulting in a redirection of our business activities may be structured so as to not require the approval of our stockholders and, accordingly, our stockholders may have no opportunity to vote on or influence the redirection of our activities. Although management has no intention of engaging in such activities, there is also a risk that the existing management will be viewed as pursuing an agenda which is beneficial to themselves at the expense of other stockholders.



## Edgar Filing: SUITE 101 COM INC - Form 10KSB

In the event the transaction with JPR and GeoGlobal is completed on the presently-proposed terms, our company will experience a change in control.

There Is No Assurance Of An Active Public Market For Our Common Stock And The Price Of Our Common Stock May Be Volatile. Given the relatively minimal public float and trading activity in our securities, the price of our shares may be volatile. There can be no assurance that there will be an active and liquid market for our shares. Since the shares do not qualify to trade on any exchange or on NASDAQ, if they do actually trade, the only available market will continue to be through the OTC Bulletin Board or in the "pink sheets". It is possible that no active public market with significant liquidity will ever develop. Thus, investors run the risk that investors may never be able to sell their shares.

Accordingly, although quotations for shares of our Common Stock have been, and continue to be, published on the OTC Bulletin Board and the "pink sheets" published by the National Quotation Bureau, Inc., these quotations, in the light of our operating history, continuing losses and financial condition, are not necessarily indicative of our value. Such quotations are inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions.

In addition, the stock market in general has experienced extreme price and volume fluctuations which have affected the market price for many companies which have been unrelated to the operating performance of these companies. These market fluctuations, as well as general economic, political and market conditions, may have a material adverse effect on the market price of our Common Stock.

In the past, following periods of volatility in the market price of a company's securities, securities class action litigation has often been instituted against such companies. Such litigation, if instituted, and irrespective of the outcome of such litigation, could result in substantial costs and a diversion of management's attention and resources and have a material adverse effect on our business, results of operations and financial condition.

22

Possible Government Regulation. Although we are subject to the periodic reporting requirements under the Securities Exchange Act of 1934, as amended, and file annual, quarterly and other reports, management believes it will not be subject to regulation under the Investment Company Act of 1940, as amended (the "Investment Company Act"), since it will not be engaged in the business of investing or trading in securities. If we engage in a business acquisition which results in us holding passive investment interests in a number of entities, we could become subject to regulation under the Investment Company Act. If so, we would be required to register as an investment company and could be expected to incur significant registration and compliance costs. We have obtained no formal determination from the Securities and Exchange Commission (the "SEC" or "Commission") or any opinion of counsel as to our status under the Investment Company Act. A violation of the Act could subject us to material adverse consequences.

Our Shares Are Subject To Penny Stock Reform Act Of 1990. Our securities are subject to certain rules and regulations promulgated by the Commission pursuant to the U.S. Securities Enforcement Remedies and Penny Stock Reform Act of 1990 (the "Penny Stock Rules"). Such rules and regulations impose strict sales practice requirements on broker-dealers who sell such securities to persons other than established customers and certain "accredited investors." For transactions covered by the Penny Stock Rules, a broker-dealer must make a special suitability determination for the purchaser and must have received the purchaser's written consent for the transaction prior to sale. Consequently,

Edgar Filing: SUITE 101 COM INC - Form 10KSB

such rule may affect the ability of broker-dealers to sell our securities and may affect investors' abilities to sell any shares they acquire.

The Penny Stock Rules generally define a "penny stock" to be any security not listed on an exchange or not authorized for quotation on the Nasdaq Stock Market and has a market price (as defined by the rules) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. For any transactions by broker-dealers involving a penny stock (unless exempt), the rules require delivery, prior to a transaction in a penny stock, of a risk disclosure document relating to the market for penny stocks. Disclosure is also required to be made about compensation payable to both the broker-dealer and the registered representative and current quotations for the securities. Finally, monthly statements are required to be sent disclosing recent price information for the penny stocks.

Control by Directors, Executive Officers, and Principal Stockholders. As of March 10, 2003, our Directors, executive officers, and stockholders who own beneficially 5% or more of our Common Stock, and their respective affiliates, in the aggregate, beneficially owned (including shares that the he or she has the right to acquire the beneficial ownership within 60 days following March 10, 2003) approximately 2,698,179 shares or 18.35% of our outstanding Common Stock. As a result, these stockholders possess significant influence over us, giving them the ability, among other things, to elect a majority of our Board of Directors and approve significant corporate transactions. Such share ownership and control may also have the effect of

delaying or preventing a change in control of us, impeding a merger, consolidation, takeover or other business combination involving us, or discourage a potential acquiror from making a tender offer or otherwise attempting to obtain control of us which could have a material adverse effect on the market price of our Common Stock.

ITEM 7 - FINANCIAL STATEMENTS:

The response to this Item is included in a separate section of this report. See page F-1.

ITEM 8 - CHANGES IN AND DISAGREEMENTS ON ACCOUNTING AND FINANCIAL DISCLOSURE:

During the two fiscal years ended December 31, 2002, we have not filed any Current Report on Form 8-K reporting any change in accountants in which there was a reported disagreement on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedure.

PART III

ITEM 9 - DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS; COMPLIANCE WITH SECTION 16(A) OF THE EXCHANGE ACT:

Our Directors and Executive Officers and their ages are as follows:

NAME	AGE	EMPLOYMENT HISTORY
----	---	-----

Edgar Filing: SUITE 101 COM INC - Form 10KSB

Mitchell G. Blumberg 59

Mr. Blumberg was elected a Director of our company in February 1999. He was elected President and CEO of our company in February 2002. Mr. Blumberg has held several senior level management positions in the entertainment business in Los Angeles, CA. Since June 1994, he has been engaged as a film producer and talent manager in Los Angeles, California initially with Blumberg Productions, then with Blumberg Productions and Management and thereafter as President of Ardent Entertainment, a film production and talent management firm. Prior to June 1994, he was an Executive Vice President of RKO Pictures, Inc., where he was head of business and legal affairs for the company. Mr. Blumberg was also a Director of eDispatch.com until its merger with AirIQ in September 2001. Since the merger of eDispatch.com with AirIQ, Mr. Blumberg continues as a Director of AirIQ, a publicly traded company located in Toronto, Ontario, Canada. He also holds the position of Managing Director of AirIQ. A native of Philadelphia, PA, Mr. Blumberg is a graduate of the University of Pennsylvania, the University of Pennsylvania Law School, and Harvard Business School. Mr. Blumberg received his MBA degree from Harvard with High Honors where he graduated as a Baker Scholar (top 5% of class). Mr. Blumberg resides and has offices in Beverly Hills, CA.

25

NAME	AGE	EMPLOYMENT HISTORY
----	---	-----
Douglas F. Loblaw	62	Mr. Loblaw was employed as Chief Operating Officer of our company from January 2001 to January 2002 and from June to December 2000, he was employed as our Director of Operations. He was elected a Director of our company in February 2002. He has been employed by Capilano College as an instructor since 1976. Commencing January 1995 to the present, he has been employed as a tutor for the B.C. Open College. Since January 1994 Creative Marketeam Canada Ltd has engaged him as a marketing consultant. He received a BA degree from the University of Toronto with a major in French Language and Literature.
John K. Campbell	69	Mr. Campbell has been President of Transamerica Industries Ltd., a natural

Edgar Filing: SUITE 101 COM INC - Form 10KSB

resource company, for more than the past five years. He is a former practicing lawyer and he is presently a retired member of the British Columbia Law Society. He was elected a Director of our company in February 2002 and currently serves as Secretary of our company.

Brent J. Peters	30	Mr. Peters has been Vice President of Finance and Treasurer of Northfield Capital Corporation, a publicly traded investment company acquiring shares in public and private corporations since 1997. He was elected a Director of our company in February 2002 and in November 2002 became our Chief Financial Officer at that time. Mr. Peters has a Bachelor of Business Administration degree, specializing in accounting
-----------------	----	---

Unless any of such persons resign prior thereto, each of Mr. Blumberg, Mr. Loblaw, Mr. Campbell and Mr. Peters will serve as Directors until our annual meeting of stockholders in 2003 and the election and qualification of his successor.

26

DIRECTOR AND OFFICER SECURITIES REPORTS

The Federal securities laws require our Directors and executive officers, and persons who own more than ten percent (10%) of a registered class of our equity securities to file with the Securities and Exchange Commission initial reports of ownership and reports of changes in ownership of any of our equity securities. Copies of such reports are required to be furnished to us. To our knowledge, based solely on a review of the copies of such reports and other information furnished to us, all persons subject to these reporting requirements filed the required reports on a timely basis with respect to the year ended December 31, 2002.

ITEM 10 - EXECUTIVE COMPENSATION:

The following table sets forth the annual and long-term compensation paid during the three fiscal years ended December 31, 2002 to our chief executive officers who served in that capacity during the year. No other executive officers received compensation exceeding \$100,000 during the year ended December 31, 2002:

SUMMARY COMPENSATION TABLE  
ANNUAL COMPENSATION

NAME AND PRINCIPAL POSITION	YEAR	ANNUAL SALARY	BONUS	OTHER ANNUAL COMP.	COMPENSATION	
					LONG-TERM AWARDS/OPTION (#)	ALL OTHER COMP.
-----	----	-----	-----	-----	-----	-----

Edgar Filing: SUITE 101 COM INC - Form 10KSB

Peter L. Bradshaw(1)	2000	\$113,000 (2)	\$700	Nil	150,000 shares	Nil
	2001	\$114,000 (3)	Nil	Nil	148,545 shares	Nil
	2002	\$131,000	Nil	Nil	Nil	Nil
Mitchell G. Blumberg(4)	2000	\$30,000	Nil	Nil	Nil	Nil
	2001	Nil	Nil	Nil	Nil	Nil
	2002	\$20,666	Nil	Nil	Nil	Nil

(1) Mr. Bradshaw resigned as Chairman, Chief Executive Officer and a Director on February 25, 2002.

(2) In lieu of \$16,150 salary, Mr. Bradshaw was granted options to purchase 40,000 shares exercisable at \$1.50 per share.

(3) In lieu of \$32,000 salary, Mr. Bradshaw was granted options to purchase 254,545 shares exercisable at \$0.25 per share.

27

(4) Mr. Blumberg was elected President on February 25, 2002.

OPTION GRANTS IN YEAR ENDED DECEMBER 31, 2002.

The following table provides information with respect to the above named executive officers regarding options granted to such persons during the year ended December 31, 2002.

NAME	NUMBER OF SECURITIES UNDERLYING SARS/ OPTIONS GRANTED (#)	% OF TOTAL OPTIONS/ SARS GRANTED TO EMPLOYEES IN FISCAL YEAR	EXERCISE OR BASE PRICE (\$/SHARE)	EXPIRATION DATE
Peter L. Bradshaw	Nil	N/A	N/A	N/A
Mitchell G. Blumberg	50,000	9.9%	\$0.27	February 27, 20
	5,000	1.0%	\$0.50	June 11, 2012
	75,000	14.9%	\$0.25	November 27, 20

STOCK OPTION EXERCISES DURING THE YEAR ENDED DECEMBER 31, 2002 AND HOLDINGS AT DECEMBER 31, 2002.

The following table provides information with respect to the above named executive officers regarding options exercised during the year ended December 31, 2002 and options held at the end of the year ended December 31, 2002.

28

SHARES ACQUIRED ON	VALUE	NUMBER OF UNEXERCISED OPTIONS AT DECEMBER 31, 2002(1)	VALUE OF UNEX OPTIONS AT
-----------------------	-------	--	-----------------------------

Edgar Filing: SUITE 101 COM INC - Form 10KSB

NAME -----	EXERCISE -----	REALIZED -----	EXERCISABLE -----	UNEXERCISABLE -----	EXERCISABLE -----
Peter L. Bradshaw	298,545	\$	120,000 (3)	-0-	-0-
Mitchell G. Blumberg	-0-	-0-	201,667	33,333	\$47,450

(1) The options are exercisable at prices ranging from \$0.25 to \$1.50 per share.

(2) Based on the closing sales price on December 31, 2002 of \$0.39.

(3) Exercisable at \$1.50 per share.

Our Directors do not receive any cash compensation for serving in that capacity; however, they are reimbursed for their out-of-pocket expenses in attending meetings. Pursuant to the terms of our 1998 Stock Incentive Plan, each non-employee Director automatically receives an option grant for 50,000 shares on the date such person joins the Board. Accordingly, effective February 25, 2002, each of Messrs. Loblaw, Campbell and Peters was granted options to purchase 50,000 shares exercisable at \$0.27 per share. In addition, on the date of each annual stockholder meeting, provided such person has served as a non-employee Director for at least six months, each non-employee Board member who is to continue to serve as a non-employee Board member will automatically be granted an option to purchase 5,000 shares. Accordingly, on June 11, 2002, Mr. Blumberg was granted an option to purchase 5,000 shares. Each such option has a term of ten years, subject to earlier termination following such person's cessation of Board service, and is subject to certain vesting provisions.

29

ITEM 11 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS:

Set forth below is information concerning the Common Stock ownership of all persons known by us to own beneficially 5% or more of our Common Stock, and the Common Stock ownership of each of our Directors and all Directors and officers as a group, as of March 10, 2003. As of March 10, 2003, we had 14,086,687 shares of Common Stock outstanding.

Name and Address of Beneficial Owner(1) -----	Number of Shares Beneficially Owned(2) -----	Percentage of Outstanding Common Stock -----
Mitchell Blumberg 1439 Claridge Drive Beverly Hills, CA 90210	290,000 (3)	2.03%
Douglas Loblaw 6111 LeClair Street Abbotsford, BC V4X 2C9	157,043 (4)	1.10%
John Campbell 905 West Pender Street - Suite 500 Vancouver, BC V6C 4S1	100,000 (5)	0.71%
Brent Peters c/o Northfield Capital Corporation	132,000 (6)	0.93%

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

347 Bay Street - Suite 301  
Toronto, Ontario M5H 2R7

Northfield Capital Corporation(8) 347 Bay Street, Suite 301 Toronto, Ontario, Canada M5H 2R7	2,019,136	14.33%
All officers and directors as a group (4 persons)	679,043	4.62%

-----

- (1) Unless otherwise indicated, the address of such person is c/o the Company.
- (2) For purposes of the above table, a person is considered to "beneficially own" any shares with respect to which he or she exercises sole or shared voting or investment power or of which he or she has the right to acquire the beneficial ownership within 60 days following March 10, 2003.
- (3) Includes 55,000 shares of Common Stock and options to purchase 235,000 shares of Common Stock.
- (4) Includes 600 shares of Common Stock and options to purchase 156,443 shares of Common Stock.
- (5) The 100,000 shares are issuable on exercise of a stock option.

30

- (6) Includes 7,000 shares of Common Stock and options to purchase 125,000 shares of Common Stock.
- (7) Mr. Peters, an officer and a consultant to Northfield Capital Corp., disclaims a beneficial interest in the shares held by Northfield Capital Corp.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

We have one equity compensation plan for our employees, Directors and consultants pursuant to which options, rights or shares may be granted or issued. It is referred to as our 1998 Stock Incentive Plan. See Note 5 to the Notes to Financial Statements for further information on the material terms of these plans.

The following table provides information as of December 31, 2002 with respect to our compensation plans (including individual compensation arrangements), under which securities are authorized for issuance aggregated as to (i) compensation plans previously approved by stockholders, and (ii) compensation plans not previously approved by stockholders:

#### Equity Compensation Plan Information

	(A)	(B)
	NUMBER OF SECURITIES TO BE ISSUED UPON EXERCISE	WEIGHTED-AVERAGE EXERCISE PRICE OF

NUMBER OF REMAINING FUTURE EQUITY
--

Edgar Filing: SUITE 101 COM INC - Form 10KSB

PLAN CATEGORY	OF OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	OUTSTANDING OPTIONS, WARRANTS AND RIGHTS	PLANS (EXCL REFLECTE
-----	-----	-----	-----
Equity compensation plans approved by security holders	1,595,110	\$1.09	
Equity compensation plans not approved by security holders	-0-	-0-	
Total	1,595,110	\$1.09	

31

ITEM 12 - CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS:

On February 14, 2002, effective January 31, 2002, we entered into a Management and Operating Services Agreement with Marketeam, a corporation owned by Douglas Loblaw, our former Chief Operating Officer and currently a Director of our company. The execution of the agreement was unanimously approved by our Board of Directors at a meeting held on February 14, 2002. Mr. Loblaw was elected a Director of our company on February 25, 2002. The management agreement with Marketeam was for an initial one-month period commencing January 31, 2002 and continued from month to month thereafter and was terminated by us on May 31, 2002. In consideration of the services performed by Marketeam, we paid Marketeam a fee of \$26,000 per month, plus an amount equal to the Company's receipts from our contracts with BarnesandNoble.com. Marketeam provided continuing management and operating services, at its expense, over the day-to-day operations of the Suite101 Web site. An aggregate of \$30,200 was paid to Marketeam during the term of the agreement. Marketeam was responsible to our Board of Directors for all phases of the day-to-day management and operations of the Suite101.com Web site, including accounting and bookkeeping, making payments at its expense to Senior and Managing Editors, providing administration, oversight and fulfillment of our duties and responsibilities under our agreements with BarnesandNoble.com, providing Internet access to the Web site, hosting email, property maintenance, providing postage, implementing software upgrades, and arranging intellectual property licensing, among other matters.

Thereafter, on July 17, 2002, our wholly-owned subsidiary, i5ive, completed the sale of its Website assets to Marketeam. In consideration for the assets, Marketeam issued to i5ive a 15% equity interest in Marketeam and agreed that in the event the assets are resold by Marketeam within one (1) year, a sum equal to the proceeds of the sale would be paid over to i5ive. The sale of the i5ive assets to Marketeam was unanimously approved by Messrs. Blumberg, Campbell and Peters constituting all our directors not having any interest in the transaction.

32

ITEM 13 - EXHIBITS AND REPORTS ON FORM 8-K:

(A) EXHIBITS:

EXHIBIT	DESCRIPTION
-----	-----
3.1	Certificate of Incorporation of the Registrant, as amended. (1)



**Edgar Filing: SUITE 101 COM INC - Form 10KSB**

- 3.2 Bylaws of the Registrant, as amended. (1)
- 3.3 Certificate of Amendment filed with the State of Delaware on November 25, 1998.
- 3.4 Certificate of Amendment filed with the State of Delaware on December 4, 1998 (3)
- 4.1 Specimen stock certificate of the Registrant. (1)
- 10.1 Restated 1993 Stock Incentive Plan. (1)
- 10.2 1994 Directors Stock Option Plan. (1)
- 10.3 1994 Stock Option Plan. (1)
- 10.4 1993 Stock Incentive Plan. (1)
- 10.5 Form of Indemnification Agreement between the Registrant and its officers and dire
- 10.6 Stock Purchase and Option Agreement dated July 17, 1995 between the Registrant and Medical Products, including all exhibits thereto. (2)
- 10.7 Amendment dated November 18, 1998 to Purchase Agreement among Registrant and Northf Corporation, 284085 B.C. Ltd. and i5ive communications inc. (3)
- 10.8 Amendment dated December 1, 1998 to Purchase Agreement among Registrant and Northf Corporation, 284085 B.C. Ltd. and i5ive communications inc. (3)
- 10.9 Amendment dated December 3, 1998 to Purchase Agreement among Registrant and Northf Capital Corporation, 284085 B.C. Ltd. and i5ive communications inc. (3)
- 10.10 1998 Stock Incentive Plan. (3)
- 10.11 Management and Operating Services Agreement dated February 14, 2002 with Creative Marketeam Canada, Ltd. (4)
- 10.12 Option Agreement dated March 15, 2002 with Double B Holdings, LLC (5)
- 10.13 Agreement of Purchase and Sale entered into as of June 1, 2002 between creative Ma and i5ive. (6)
- 21.0 Subsidiaries of the Registrant

Name	State or Jurisdiction of Incorporation
i5ive communications inc.	British Columbia, Canada
Endovascular, Inc.	California (inactive)

EXHIBIT -----	DESCRIPTION -----
23	Consent of experts and counsel:
23.1	Consent of N.I. Cameron, Inc.
99.1	Certification of Mitchell G. Blumberg
99.2	Certification of Brent Peters
-----	
(1)	Filed as an Exhibit to Neuro Navigational Corporation Form 10-KSB No. 0-25136 dated September 30, 1994.
(2)	Filed as Exhibit to Neuro navigational Corporation Form 8-K dated July 17, 1995.
(3)	Filed as an Exhibit to our Current Report on Form 8-K dated December 10, 1998.
(4)	Filed as an Exhibit to our Current Report on Form 8-K dated February 14, 2002.
(5)	Filed as an Exhibit to our Current Report on Form 8-K dated March 15, 2002.
(6)	Filed with this Annual Report on Form 10-KSB.

(B) REPORTS ON FORM 8-K

During the quarter ended December 31, 2002, we did not file any Current Reports on Form 8-K.

ITEM 14. CONTROLS AND PROCEDURES

Under the supervision and with the participation of our management, including Mitchell G. Blumberg, our President and Chief Executive Officer, and Brent Peters, our Chief Financial Officer, we have evaluated the effectiveness of the design and operation of our disclosure controls and procedures within 90 days of the filing date of this annual report, and, based on their evaluation, Mr. Blumberg and Mr. Peters have concluded that these controls and procedures are effective. There were no significant changes in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

Disclosure controls and procedures are our controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act are recorded, processed, summarized and reported, within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to

Edgar Filing: SUITE 101 COM INC - Form 10KSB

ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including Mr. Blumberg and Mr. Peters, as appropriate to allow timely decisions regarding required disclosure.

34

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

SUITE101.COM, INC.

BY: /s/ Mitchell G. Blumberg

-----  
MITCHELL G. BLUMBERG, PRESIDENT

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Company and in the capacities and on the dates indicated.

SIGNATURE -----	TITLE -----	DATE ----
/s/ Mitchell G. Blumberg ----- Mitchell G. Blumberg	President (Principal Executive Officer) and Director	March 28, 2003
/s/ Brent Peters ----- Brent Peters	Director and Principal Financial and Accounting Officer)	March 28, 2003
/s/ Douglas Loblaw ----- Douglas Loblaw	Director	March 28, 2003
/s/ John Campbell ----- John Campbell	Director	March 28, 2003

35

CERTIFICATIONS

CERTIFICATION OF PRESIDENT AND CHIEF EXECUTIVE OFFICER

I, Mitchell G. Blumberg, certify that:

1. I have reviewed this annual report on Form 10-KSB of Suite101.com, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue

Edgar Filing: SUITE 101 COM INC - Form 10KSB

statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and

c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

36

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

/s/ Mitchell G. Blumberg

-----  
Mitchell G. Blumberg  
President and Chief Executive Officer

37

CERTIFICATION OF CHIEF FINANCIAL OFFICER

Edgar Filing: SUITE 101 COM INC - Form 10KSB

I, Brent Peters, certify that:

1. I have reviewed this annual report on Form 10-KSB of Suite101.com, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report;
3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:
  - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this annual report is being prepared;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this annual report (the "Evaluation Date"); and
  - c) presented in this annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
  - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

38

6. The registrant's other certifying officers and I have indicated in this annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: March 28, 2003

/s/ Brent Peters

Edgar Filing: SUITE 101 COM INC - Form 10KSB

-----  
Brent Peters  
Chief Financial Officer

39

SUITE101.COM, INC.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2002 AND DECEMBER 31, 2001

SUITE101.COM, INC.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2002 AND DECEMBER 31, 2001

INDEPENDENT AUDITORS' REPORT	F-2
FINANCIAL STATEMENTS	
Consolidated Balance Sheet	F-3
Consolidated Statements of Operations	F-4
Consolidated Statements of Changes in Stockholders' Equity	F-5
Consolidated Statement of Cash Flows	F-6
Notes to Consolidated Financial Statements	F-7 to F-13

INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Suite101.com, Inc.

We have audited the accompanying consolidated balance sheets of Suite101.com, Inc. as of December 31, 2002 and December 31, 2001 and the related consolidated statements of operations, stockholders' equity and cash flows for the two years then ended. The 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 audits 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2002 and December 31, 2001, and the results of their operations and



Edgar Filing: SUITE 101 COM INC - Form 10KSB

TOTAL LIABILITIES	----- 23,401 -----
CAPITAL STOCK (Notes 4, 5 and 8)	
Authorized:	
40,000,000 common shares with a par value of \$0.001 each	
1,000,000 preferred shares with a par value of \$0.01 each	
Issued:	
14,086,687 common shares	14,087
DEFERRED COMPENSATION	--
ADDITIONAL PAID-IN CAPITAL	10,618,715
DEFICIT	(7,457,504)
EQUITY ADJUSTMENT FROM FOREIGN CURRENCY TRANSLATION	(80,041)
TOTAL STOCKHOLDERS' EQUITY	----- 3,095,257 -----
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 3,118,658 =====

COMMITMENTS AND SUBSEQUENT EVENTS (NOTE 8)

The accompanying notes are an integral part of these consolidated financial statements.

F-3

SUITE101.COM, INC.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

(EXPRESSED IN U.S. DOLLARS)

	2002	2001
	-----	-----
ADMINISTRATIVE EXPENSES	\$ 341,932	\$ 176,665
	-----	-----
LOSS FROM OPERATIONS	(341,932)	(176,665)
	-----	-----
OTHER INCOME (EXPENSES)		
Loss on disposal of property, plant and equipment	(105,892)	--
Forfeited deposit	45,736	--
Other income, net	48,027	188,631
	-----	-----
	(12,129)	188,631
	-----	-----
NET INCOME (LOSS) FROM CONTINUING OPERATIONS	(354,061)	11,966
	-----	-----
LOSS FROM DISCONTINUED OPERATIONS (NOTE 10)	(870,100)	(1,653,596)
	-----	-----
NET LOSS	\$ (1,224,161)	\$ (1,641,630)
	=====	=====
INCOME (LOSS) PER SHARE FROM CONTINUING OPERATIONS	\$ (0.03)	\$ --
	=====	=====
INCOME (LOSS) PER SHARE		
Basic and Diluted	\$ (0.09)	\$ (0.12)



Edgar Filing: SUITE 101 COM INC - Form 10KSB

Weighted average common shares outstanding	=====	=====
	13,528,778	13,155,046
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

F-4

SUITE101.COM, INC.  
CONSOLIDATED OF CHANGES IN STOCKHOLDERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

(EXPRESSED IN U.S. DOLLARS)

	Common Stock		Additional	Deferred	Equit
	Shares	Amount	Paid-in	Compensation	Adjustm
	-----	-----	Capital	-----	From
	-----	-----	-----	-----	Foreign
	-----	-----	-----	-----	Curren
	-----	-----	-----	-----	Transla
Balances, January 1, 2001	13,155,046	\$ 13,155	\$10,351,146	\$ (41,775)	\$ (61,
Stock options issued to non-employees	--	--	26,430	(26,430)	
Stock compensation vested	--	--	--	54,171	
Net loss for the year ended December 31, 2001	--	--	--	--	
Translation adjustment for the year ended December 31, 2001	--	--	--	--	(25,
Balances, December 31, 2001	13,155,046	13,155	10,377,576	(14,034)	(87,
Stock options exercised	931,641	932	231,979	--	
Stock options issued to non-employees	--	--	9,160	(9,160)	
Stock compensation vested	--	--	--	23,194	
Net loss for the year ended December 31, 2002	--	--	--	--	
Translation adjustment for the year ended December 31, 2002	--	--	--	--	7,
	14,086,687	\$ 14,087	\$10,618,715	\$ --	\$ 80,

The accompanying notes are an integral part of these consolidated financial statements.

F-5

# Edgar Filing: SUITE 101 COM INC - Form 10KSB

SUITE101.COM, INC.  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001

(EXPRESSED IN U.S. DOLLARS)

	2002
	-----
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES	
Net loss	\$(1,224,161)
Adjustment to reconcile net loss to net cash used in operating activities	
Loss on disposition of property, plant and equipment	105,892
Amortization	17,857
Stock-based compensation	23,194
Changes in operating assets and liabilities	
Accounts receivable	20,687
Prepaid expenses and deposits	2,956
Accounts payable and accrued expenses	(200,425)
	-----
Net cash used in operating activities	(1,254,000)
	-----
CASH FLOWS USED IN INVESTING ACTIVITIES	
Proceeds on disposal of property, plant and equipment	1,222
Purchase of property, plant and equipment	(2,360)
	-----
Net cash used in investing activities	(1,138)
	-----
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES	
Proceeds from issuance of common stock	232,911
	-----
Net cash provided by financing activities	232,911
	-----
EFFECT OF EXCHANGE RATES ON CASH	4,104
	-----
NET DECREASE IN CASH	(1,018,123)
	-----
CASH AT BEGINNING OF YEAR	4,048,630
	-----
CASH AT END OF YEAR	\$ 3,030,507
	=====

The accompanying notes are an integral part of these consolidated financial statements.

F-6

SUITE101.COM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND DECEMBER 31, 2001  
(EXPRESSED IN U.S. DOLLARS)

1. THE COMPANY

Suite101.com Inc. (formerly known as Kinetic Ventures Ltd. (the "Company")) was incorporated in the State of California, United States

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

on May 20, 1991, and reincorporated in the State of Delaware, United States on December 31, 1993. By way of a reverse takeover on December 8, 1998, the Company acquired a wholly-owned subsidiary i5ive communications inc. ("i5ive"). Until operations ceased on May 31, 2002 (Note 10) i5ive was engaged in the creation, operation and maintenance of a World Wide Web based community.

### Going Concern

The accompanying consolidated financial statements have been presented assuming the Company will continue as a going concern. Based on the current level of expenditures, the Company has sufficient funds to meet expenses for at least one year. At December 31, 2002, the Company had accumulated \$7,457,504 in losses and had no material revenue producing operations. At the date of this report, the Company's ability to continue as a going concern is dependent upon its ability to raise additional capital or merge with a revenue producing venture partner. These matters raise doubt about the Company's ability to continue as a going concern. No adjustments have been made in the accompanying consolidated financial statements to provide for this uncertainty.

### Basis of Presentation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Endovascular, Inc., a California corporation and i5ive communications inc., a Canadian company. All intercompany accounts and transactions have been eliminated in consolidation. As at December 31, 2002, there were no operations in Endovascular, Inc. or i5ive communications inc.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with generally accepted accounting principles. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements for a period necessarily involves the use of estimates which have been made using careful judgment by management.

The consolidated financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

### (a) Property, Plant and Equipment

Property, plant and equipment are capitalized at original cost and amortized over their estimated useful lives at the following annual bases and rates:

Computer equipment	30% declining balance
Furniture and fixtures	20% declining balance
Leasehold improvements	20% straight-line

One-half the normal amortization is taken in the year of acquisition.

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

SUITE101.COM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND DECEMBER 31, 2001  
(EXPRESSED IN U.S. DOLLARS)

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (b) Research and Development

Research and development costs had been expensed as incurred.

#### (c) Foreign Exchange

Unless otherwise stated, all amounts are in United States dollars. The functional currency of i5ive is the Canadian dollar. Hence, all asset and liability accounts have been translated using the exchange rate as at December 31, 2002 and December 31, 2001 and all revenues and expenses have been translated using the average exchange rate for each period. The rates used were as follows:

(equivalent CDN \$ per U.S.\$)	December 31, 2002	December 31, 2001
Exchange rate	.6339	.6278

#### (d) Net Loss Per Common Share

The Company computes its loss per share in accordance with Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings Per Share" ("EPS") issued in February 1997. SFAS No. 128 requires dual presentation of basic EPS and diluted EPS on the face of the income statement for entities with complex capital structures. Basic EPS is computed as net income divided by the weighted average number of common shares outstanding for the period. Diluted EPS reflects the potential dilution that could occur from common shares issuable through stock options, warrants and other convertible securities.

### 3. RELATED PARTY TRANSACTIONS

(a) The Company has incurred salaries, termination payments and consulting fees of \$222,039 (2001 - \$147,174) to three directors of the Company.

(b) Management fees of \$104,382 (2001 - \$ 0) have been paid to a corporation controlled by a director of the Company.

(c) During the current year, the Company sold its website assets, as defined in the sales agreement, to a corporation controlled by a director of the Company. In consideration for this sale, the Company received \$100 cash and 15% of the issued shares of the acquiring corporation. In addition, if any of these acquired assets are sold within one year of the closing date (July 17, 2002), the entire proceeds of that sale are payable to the Company. As at December 31, 2002, an additional \$494 has been received as a result of some of the acquired assets being sold. As security for this obligation, the acquiring corporation has issued a promissory note in the amount of \$120,000 to the Company payable on July 17, 2003. This note will be forgiven by the Company provided the acquiring corporation has complied with the condition concerning sale of any assets. The Company has recorded its 15% interest in the acquiring corporation at \$1 because there are no material assets in the acquiring corporation other than those acquired in this transaction.

# Edgar Filing: SUITE 101 COM INC - Form 10KSB

F-8

SUITE101.COM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND DECEMBER 31, 2001

(EXPRESSED IN U.S. DOLLARS)

## 4. CAPITAL STOCK

- (a) In April 1999, the Company completed a private placement of 1,000,000 units for \$5,000,000. Each unit was comprised of two common shares and one warrant entitling the holder to purchase an additional common share for \$4.50 on or before February 29, 2000. During the year ended December 31, 2000, all 1,000,000 warrants were exercised to net the Company \$4,500,000. The Company incurred \$163,750 in expenses concerning this share issuance and issued 15,000 warrants entitling the holder to purchase an additional common share for \$5.50 on or before February 29, 2002. None of these 15,000 warrants were exercised prior to their expiry date.
- (b) During the year ended December 31, 2000, the Company issued 625,000 warrants as part of the private placement of Notes payable. Each warrant entitled the holder to purchase one common share at a price of \$5.00 up to July 15, 2002. In the event that at any time prior to July 15, 2002 (a) the shares of common stock issuable on exercise of the warrants have been registered under the Securities Act of 1933, as amended (the "Securities Act"), and (b) the average of the closing bid and asked prices for the Company's common stock as quoted on the OTC Bulletin Board (or such other automated trading system or national securities exchange as is the principal market for the Company's common stock) exceeds (U.S.) \$9.00 per share for a period of ten (10) business days, then the warrants will expire at 5:00 PM, New York City time, on a date sixty (60) days thereafter. During the second quarter of 2002, the exercise price of these warrants was changed to \$0.52 and the expiry date was changed to July 15, 2003. To date, none of these warrants have been exercised.
- (c) During the year ended December 31, 2002, the Company issued 931,641 common shares for total proceeds of \$232,911 upon exercise of stock options.

## 5. STOCK OPTIONS

### THE COMPANY'S 1998 STOCK INCENTIVE PLAN

In December 1998, the Company adopted the 1998 Stock Incentive Plan (the "Plan"). Under the Plan, as amended, 3,900,000 shares of common stock have been reserved for issuance on exercise of options granted under the Plan.

On the date of the closing of the transaction with i5ive, outstanding options granted under i5ive's 1998 Stock Incentive Plan were assumed by the Company under the Plan and no further option grants will be made under i5ive's Plan. The assumed options have substantially the same terms, subject to anti-dilution adjustment, as are in effect for grants made under the Company's Plan.

The Board of Directors of the Company may amend or modify the Plan at any time, subject to any required stockholder approval. The Plan will terminate on the earliest of (i) 10 years after the Plan Effective Date, (ii) the

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

date on which all shares available for issuance under the Plan have been issued as fully-vested shares or (iii) the termination of all outstanding options in connection with certain changes in control or ownership of the Company.

F-9

SUITE101.COM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND DECEMBER 31, 2001

(EXPRESSED IN U.S. DOLLARS)

5. STOCK OPTIONS (CONTINUED)

THE COMPANY'S 1998 STOCK INCENTIVE PLAN (CONTINUED)

The following is a table of stock options under the Plan as at December 31, 2002:

Option Exercise Price	Expiry Date (mm/dd/yy)	Vesting Date (mm/dd/yy)	Balance December 31, 2001	Granted During the Year	Expired (Exp) Exercised (E) Cancelled (C)	Balanc December 2002
\$ 1.50	02/13/03	Vested	60,000	--	--	60,000
1.50	06/30/03	Vested	1,237,584	--	43,800 (Exp) 268,674 (C)	925,110
1.50	02/23/09	Vested	50,000	--	--	50,000
1.50	11/13/04	Vested	20,000	--	--	20,000
1.50	06/11/09	Vested	5,000	--	--	5,000
1.50	06/12/10	Vested	5,000	--	--	5,000
3.53	01/31/02	Vested	4,000	--	4,000 (Exp)	-
0.25	12/31/02	Vested	1,483,430	--	931,641 (E) 184,828 (C) 366,961 (Exp)	-
0.25	01/04/06	Vested	20,000	--	--	20,000
0.17	06/04/11	Vested	10,000	--	5,000 (Exp)	5,000
0.27	02/25/12	50,001-02/25/03 50,001-02/25/04 49,998-02/25/05	--	150,000	--	150,000
0.27	02/27/07	16,667-02/27/03 16,667-02/27/04 16,666-02/27/05	--	50,000	--	50,000
0.50	06/11/12	06/11/03	--	5,000	--	5,000
0.25	11/27/07	01/01/03	--	300,000	--	300,000

The above option table reflects the changes made to the expiry dates and vesting dates as a result of a directors' resolution made during the year.

The above options are granted for services provided to the Company. Of the above options, the following options are to non-employees and have been reflected on the financial statements and valued, using the Black-Scholes model with a risk-free rate of 5% or 3% and no expected dividends:

Edgar Filing: SUITE 101 COM INC - Form 10KSB

Number of Options	Exercise Price	Grant Date	Value	Volatility Assumption	Expected Options Life
100,000	1.50	October 25, 1999	\$ 99,750	272%	5 years
50,000	3.56	January 6, 2000	99,635	60%	5 years
4,000	3.53	January 31, 2000	5,120	60%	2 years
100,000	7.00	February 15, 2000	203,970	20%	5 years
20,000	7.88	March 21, 2000	45,922	20%	5 years
100,000	0.25	January 4, 2001	23,390	275%	5 years
13,000	0.25	October 3, 2001	3,041	275%	5 years
50,000	0.25	November 27, 2002	9,160	220%	1 year

F-10

SUITE101.COM, INC.  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 DECEMBER 31, 2002 AND DECEMBER 31, 2001

(EXPRESSED IN U.S. DOLLARS)

5. STOCK OPTIONS (CONTINUED)

THE COMPANY'S 1998 STOCK INCENTIVE PLAN (CONTINUED)

The remaining options issued were to officers, directors and employees. As the options were granted at exercise prices based on the market price of the Company's shares at the dates of the grant, no compensation cost is recognized. However, under SFAS 123, the impact on net income and net income per share of the fair value of stock options must be measured and disclosed on a fair value based method on a pro forma basis. The fair value of the employees' purchase rights under SFAS 123 was estimated 5% or 3% using the Black-Scholes model with the following assumptions used for options: risk-free rate was 5.0%, with an expected volatility of 279%, 272% 263% and 257% for the \$1.50 options, 275% or 220% for the \$0.25 and \$0.17 options, and 96% for the \$0.27 options, an expected option of 1 to 5 years and no expected dividends.

If compensation expense had been determined pursuant to SFAS 123, the Company's net loss and net loss per share for the year ended December 31, 2002 would have been as follows:

Net loss	
As reported	\$ (1,224,161)
Pro forma	\$ (1,339,675)
Basic net loss per share	
As reported	\$ (0.09)
Pro forma	\$ (0.10)

6. INCOME TAXES

At December 31, 2002, there were deferred income tax assets resulting primarily from operating loss carryforwards for Canadian tax purposes totaling approximately \$2,190,000 less a valuation allowance of \$2,190,000. The valuation allowance on deferred tax assets increased by \$350,000 during the period ended December 30, 2002.

## Edgar Filing: SUITE 101 COM INC - Form 10KSB

At December 31, 2002, the Company had net operating loss carryforwards for Canadian tax purposes of approximately \$5,850,000. These carryforwards begin to expire in 2003.

At December 31, 2002, there were deferred income tax assets resulting from operating loss carryforwards for U.S. income tax purposes totaling approximately \$672,000 less a valuation allowance of \$672,000. The valuation allowance on deferred tax assets increased by \$107,000 during the period ended December 31, 2002. The Company has approximately \$1,570,000 available in operating loss carryforwards, which may be carried forward and applied against U.S. operating income.

### 7. FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Company's financial instruments consist of cash, accounts receivable and accounts payable. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values.

F-11

SUITE101.COM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND DECEMBER 31, 2001

(EXPRESSED IN U.S. DOLLARS)

### 8. COMMITMENTS AND SUBSEQUENT EVENTS

- (a) During the year ended December 31, 2000, the Company issued a warrant to a consultant to purchase 25,440 shares of common stock of the Company at a price of \$5.50 per share expiring February 28, 2002. This warrant expired during the current year without being exercised.
- (b) During the year ended December 31, 2000, the Company entered into a one-year agreement with a consultant. The consultant was issued a warrant to purchase 14,000 shares of common stock of the Company at a price of \$5.50 per share, expiring on February 26, 2002. This warrant expired during the current year without being exercised.
- (c) The Company entered into an agreement dated February 17, 2000 for consulting and corporate finance services. The Company issued 25,000 warrants under this agreement with an exercise price of \$4.96 per share. These warrants expired February 17, 2002 without being exercised.
- (d) The Company is obligated under the terms of an agreement to make monthly payments of \$1,426 until April 2003 for the hosting of its former server.
- (e) Subsequent to December 31, 2002, the Company signed a letter of agreement regarding a proposed business transaction. If the



## Edgar Filing: SUITE 101 COM INC - Form 10KSB

transaction is completed, the Company will purchase 100% of the issued and outstanding capital stock of GeoGlobal Resources (India) Inc. ("GeoGlobal"). In consideration, the Company will issue 34 million shares of common stock and a promissory note of \$2.0 million. Of the 34 million shares, 14.5 million will be issued upon completion of the transaction and 14.5 million shares will be held in escrow until the earlier of: i) the completion of a Work Programme on a specific oil and gas property owned by GeoGlobal provided the results in that Programme demonstrate a commercial basis for drilling and the commencement of a Drilling Programme or ii) the commencement of a Drilling Programme. An additional 5 million shares will be held in escrow subject to a Commercial Discovery on the oil and gas property. Of the \$2.0 million promissory note, \$1.0 million will be payable on closing, but not before March 31, 2003, \$500,000 will be payable June 30, 2003 and \$500,000 will be payable June 30, 2004.

If the transaction is completed, it will be accounted for as a reverse takeover, whereby the consolidated financial statements are issued under the name of the Company but described in the notes and elsewhere as a continuation of GeoGlobal and not the Company.

F-12

SUITE101.COM, INC.  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND DECEMBER 31, 2001

(EXPRESSED IN U.S. DOLLARS)

9. COMPREHENSIVE INCOME (LOSS)

	DECEMBER 31, 2002	DECEMBER 31, 2001
	-----	-----
Net loss as reported	\$ (1,224,161)	\$ (1,641,630)
Add (deduct)		
Foreign currency translation adjustments	7,031	(25,182)
	-----	-----
Comprehensive Income (Loss)	\$ (1,217,130)	\$ (1,666,812)
	=====	=====
Accumulated other comprehensive income		
Foreign currency translation adjustments		
Balance at beginning of period	\$ (87,072)	\$ (61,890)
Change during the period	7,031	(25,182)
	-----	-----
Balance at end of period	\$ (80,041)	\$ (87,072)
	=====	=====

10. DISCONTINUED OPERATIONS

On May 31, 2002, the Company discontinued its internet-based

Edgar Filing: SUITE 101 COM INC - Form 10KSB

activities. As at December 31, 2002, the assets and liabilities of this discontinued business were comprised of the following:

Assets	\$ 0
	=====
Liabilities	
Accounts payable	\$16,972
	=====

Revenues from discontinued operations are as follows:

2002	2001
-----	-----
\$6,799	\$40,067
=====	=====

F-13