

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 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 April 30, 2001

OR

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

Commission File No. 0-26277

Phoenix Star Ventures, Inc.

(Name of Small Business Issuer in its charter)

Delaware

98-0204758

(State of incorporation)

(IRS Employer
Identification No.)

999 West Hastings St., Suite 450
Vancouver, British Columbia

V6C 2W2

(Address of Principal Executive Office)

Zip Code

Registrant's telephone number, including Area Code: (604)-633-2556 Securities
registered pursuant to Section 12(b) of the Act: None Securities registered
pursuant to Section 12(g) of the Act:

Common Stock
(Title of Class)

Check whether the Registrant (1) has filed all reports required to be filed by
Section 13 or 15(d) of the Securities Exchange Act of 1934 during the past 12
months (or for such shorter period that the Registrant was required to file such
reports) and (2) has been subject to such filing requirements for the past 90
days.

X
YES NO

Check if disclosure of delinquent filers in response to Item 405 of Regulation
S-B is not contained in this form, and no disclosure will be contained, to the
best of the Registrant'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]

The Company's revenues during the year ended April 30, 2001 were Nil.

The aggregate market value of the voting stock held by non-affiliates of the
Company, (1,187,712 shares) based upon the average bid and asked prices of the
Company's common stock on July 31, 2001 was approximately \$89,078.

Documents incorporated by reference: None

As of July 31, 2001 the Company had 6,231,012 issued and outstanding shares of
common stock.

ITEM 1. DESCRIPTION OF BUSINESS

At present, we do not have any material business operations. We are in the
process of reorganizing our affairs, and, upon completion of this
reorganization, we will be seeking candidates for merger or acquisition.

We were originally incorporated in Delaware on December 18, 1997, under the
name Internet International Communications Ltd. On May 7, 1999, we changed our
name to Paramount Services Corp.

On February 7, 2000 we acquired all of the outstanding shares of
wowntown.com, Inc. a Nevada corporation in exchange for 10,000,000 pre-split
shares of our common stock. On February 25, 2000 we changed our name from
Paramount Services Corp. to wowntown.com, Inc. in order to properly reflect our
new business and on February 21, 2000 the name of wowntown.com, Inc., the Nevada
corporation which we acquired, was changed to wowntown.com (Nevada), Inc. in
order to eliminate confusion between ourselves and our newly acquired

subsidiary.

The Company's business originally involved establishing websites which provided information regarding certain cities in the United States, Canada and other countries. Each website had a directory of restaurants, hotels, sporting events, entertainment, tourist attractions and similar information. Those wanting more information regarding a particular business establishment were linked directly to the particular establishment's website.

The Company expected to generate revenues from listing business establishments in the Company's directory, designing and maintaining websites for particular business establishments, and by displaying advertising on the Company's websites. However, the Company was unsuccessful in establishing the necessary base of business listings and very minimal revenue was earned. Marketing and development operations were suspended and the Company currently has no business activity.

In April 2001 we sold all of the issued and outstanding shares of wowntown.com (Nevada), Inc. in exchange for the return to treasury of 1,900,000 shares of our common stock, the assumption of liabilities of approximately \$165,000 and certain contractual commitments relating to wowntown.com (Nevada) Inc.'s business; and the forgiveness by 595796 B.C. Ltd. and any officer, employee, shareholder or affiliate of 595796 B.C. Ltd. of any loans or advances made by such persons to the Company. On April 12, 2001 we changed our name to Phoenix Star Ventures, Inc.

In connection with the disposition of wowntown.com (Nevada), Inc., the Company reduced the number of the Company's outstanding shares by approving reverse split of the shares of the Company's common stock such that each five outstanding shares of the Company's common stock automatically converted into one share of common stock.

Following the sale of wowntown.com (Nevada), Inc., the Company's management, with the exception of Stephen C. Jackson, resigned.

The Company is presently reorganizing its affairs and is attempting to merge with or acquire a new business but as yet has not identified any business which is available for merger or acquisition. Although the Company does not have any plans to appoint any new officers or directors at the present time, it may be expected that new officers and directors will be appointed if a new business is acquired.

All historical share data in this report has been adjusted to reflect a five-for-one reverse stock split that was effective April 12, 2001.

Offices and Employees

Our executive offices are located at Suite 450, 999 West Hastings Street, Vancouver, British Columbia V6C 2W2 where we lease approximately 1,858 square feet of space.

As of July 31, 2001 we had no full time employees.

Forward Looking Statements

This report contains various forward-looking statements that are based on our beliefs as well as assumptions made by and information currently available to us. When used in this prospectus, the words "believe", "expect", "anticipate", "estimate" and similar expressions are intended to identify forward-looking statements. Such statements may include statements regarding seeking business opportunities, payment of operating expenses, and the like, and are subject to certain risks, uncertainties and assumptions which could cause actual results to differ materially from our projections or estimates. Factors which could cause actual results to differ materially are discussed at length under the heading "Risk Factors". Should one or more of the enumerated risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or projected. Investors should not place undue reliance on forward-looking statements, all of which speak only as of the date made.

ITEM 2. DESCRIPTION OF PROPERTY

See Item 1 of this report.

ITEM 3. LEGAL PROCEEDINGS.

None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

A special meeting of the shareholders of the Company was held at Suite 450, 999 West Hastings Street, Vancouver, British Columbia, Canada on April 4,

2001, at 10:00 A.M., and the following resolutions were adopted:

1. The sale of the Company's subsidiary, wovtown.com (Nevada) Inc., to 595796 B.C. Ltd., as well as certain other assets incidental to the business of wovtown.com (Nevada), Inc. (i.e. trademarks, trade names, Internet domain addresses, and office equipment) in consideration for:
 - o the return to the Company by 595796 B.C. Ltd. of 1,900,000 (post-split) shares of the Company's common stock;
 - o the assumption by 595796 B.C. Ltd. of liabilities of approximately \$165,000 and certain contractual commitments relating to wovtown.com (Nevada), Inc.'s business; and
 - o the forgiveness by 595796 B.C. Ltd. and any officer, employee, shareholder or affiliate of 595796 B.C. Ltd. of any loans or advances made by such persons to the Company
2. The change of the name of the Company to Phoenix Star Ventures, Inc.
3. The reverse split the Company's common stock such that each five outstanding shares of the Company's common stock are converted into one share of common stock.

These resolutions were approved by the following votes:

Resolution 1:	Votes in favor:	10,595,503
	Votes against:	19,950
	Votes abstaining:	12,550
Resolution 2:	Votes in favor:	13,170,264
	Votes against:	9,550
	Votes abstaining:	14,290
Resolution 3:	Votes in favor:	13,093,303
	Votes against:	85,728
	Votes abstaining:	15,073

ITEM 5. MARKET FOR THE COMPANY'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

As of July 31, 2001, we had 6,231,012 outstanding shares of common stock and approximately forty-three stockholders of record. We believe the number of beneficial owners may be greater due to shares held by brokers, banks, and others for the benefit of their customers. Our common stock began trading on the National Association of Securities Dealers OTC Bulletin Board on March 9, 2000. Set forth below are the range of high and low closing prices for the periods indicated as reported by the NASD. The market quotations reflect interdealer prices, without retail mark-up, mark-down or commissions and may not represent actual transactions. The market quotations have been adjusted to reflect the 5:1 reverse split of the Company's stock which was effective April 12, 2001.

Quarter Ended	Closing Prices	
	High	Low
April 30, 2000	\$7.50	\$3.13
July 31, 2000	7.34	4.38
October 31, 2000	4.22	1.88
January 31, 2001	0.75	0.33
April 30, 2001	0.18	0.05
July 31, 2001	0.15	0.05

The provisions in our Articles of Incorporation relating to our preferred stock would allow our directors to issue preferred stock with rights to multiple votes per share and dividends rights which would have priority over any dividends paid with respect to our common stock. The issuance of preferred stock with such rights may make the removal of management difficult even if such removal would be considered beneficial to stockholders generally, and will have the effect of limiting stockholder participation in certain

transactions such as mergers or tender offers if such transactions are not favored by incumbent management.

Holder of our common stock are entitled to receive such dividends as may be declared by our board of directors out of funds legally available and, in the event of liquidation, to share pro rata in any distribution of our assets after payment of liabilities. Our board of directors is not obligated to declare a dividend. We have not paid any dividends on our common stock and we do not have any current plans to pay any common stock dividends.

Recent Sales of Unregistered Securities

During the past three years the Company has issued the following unregistered securities:

On February 7, 2000 10,000,000 pre-split common shares were issued to a company controlled by present and former directors and officers of the Company in exchange for wovtown.com (Nevada), Inc. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On February 7, 2000 200,000 pre-split common shares were issued to a company controlled by a former director of the Company for consulting services rendered in connection with the acquisition of wovtown.com (Nevada), Inc. and valued at \$6,250. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On February 7, 2000 500 Series A preferred shares were issued to two purchasers for \$500,000 cash. The sales of the Series A preferred shares were exempt from registration pursuant to Rule 506 of the Securities and Exchange Commission. Each Series A preferred share may be converted, at the option of the holder, into shares of our common stock equal in number to the amount determined by dividing \$1,000 by the conversion price, which is 75% of the average closing bid price of our common stock for the ten trading days preceding the conversion date or \$2.00, whichever amount is less. However, the terms of the Series A preferred stock provide that no less than 500 shares of common stock may be issued upon the conversion of any Series A preferred share.

On March 31, 2000 11,320 pre-split common shares were issued to a two companies controlled by former directors and officers of the Company for consulting services rendered and valued at \$18,680. These transactions were exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On May 9, 2000 a holder of 250 Series A preferred shares converted these shares into 390,747 pre-split shares of our common stock. The Company did not receive any consideration for the conversion of these issuance of these shares. This transaction was exempted from registration pursuant to section 3a(9) of the Securities Act of 1933.

On May 30, 2000 200,000 pre-split common shares were issued to a shareholder of the Company for \$150,000 cash. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On June 12, 2000 200,000 pre-split common shares were issued to two consultants of the Company as partial payment for marketing services valued at \$226,000. These transactions were exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On July 17, 2000 30,000 pre-split common shares were issued to an advisor to the Company as payment for consulting services valued at \$37,500. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On August 16, 2000 the Company issued 100,000 pre-split common shares to a contractor of the Company for a technology license valued at \$87,500. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On November 1, 2000 the Company issued 25,000 pre-split common shares to a consultant for marketing services valued at \$10,937.50. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

On April 18, 2001 the Company issued 5,000,000 post-split common shares in settlement of a debt in the amount of \$200,000. This resulted in the lender obtaining control of the Company. This transaction was exempted from registration pursuant to section 4(2) of the Securities Act of 1933.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATIONS

On April 12, 2001 we disposed of all of the outstanding shares of wovtown.com (Nevada), Inc. and changed our name from wovtown.com, Inc. to Phoenix Star Ventures, Inc. in order to disassociate the Company from our previous business involving wovtown.com (Nevada), Inc.

The Company's business originally involved establishing websites which provided information regarding certain cities in the United States, Canada and other countries. Each website had a directory of restaurants, hotels, sporting events, entertainment, tourist attractions and similar information. Those wanting more information regarding a particular business establishment were linked directly to the particular establishment's website.

The Company expected to generate revenues from listing business establishments in the Company's directory, designing and maintaining websites for particular business establishments, and by displaying advertising on the Company's websites. However, the Company was unsuccessful in establishing the necessary base of business listings and very minimal revenue was earned.

Marketing and development operations were suspended and the Company currently has no business activity.

Following the transaction, 595796 B.C. Ltd. returned to the Company 1,900,000 (post-split) shares of common stock. See Notes 2 and 6 to the April 30, 2001 financial statements. As such, up to April 12, 2001 wowtown.com (Nevada), Inc.'s historical financial statements are reported as our financial statements. The following summary financial data and related discussion is limited to the operating results of wowtown.com (Nevada), Inc. up to April 12, 2001. Prior to the acquisition of wowtown.com (Nevada), Inc. we had not generated any revenue and had not commenced any operations other than initial corporate formation and capitalization.

The financial data presented below should be read in conjunction with the more detailed financial statements and related notes which are included elsewhere in this report.

Summary Financial Data

Discontinued Operations:

	Year Ended April 30, 2001
Statement of Operations Information	
Operating Expenses	\$ (1,555,059)
Gain on disposal of subsidiary	217,198

	\$ (1,337,861)

We have not declared any common stock dividends since our inception.

Liquidity and Capital Resources

Since inception (June 9, 1999) and through April 30, 2001 our sources and use of cash were:

Cash used by operations	\$(826,928)
Proceeds received from sale of Preferred Stock	500,000
Purchase of equipment	(29,925)
Other	(37,519)
Proceeds from sale of Common Stock	150,000

The loans from shareholders were \$27,251. The loan from a third party in the amount of \$200,000 was converted into 5,000,000 post split shares of the Company on April 18, 2001.

We expect our expenses will decrease substantially over the next twelve months as on-going operations will be focused on searching out new business ventures for the Company.

During the twelve months ending April 30, 2002 we anticipate that we will need \$165,000 in additional capital to pay outstanding liabilities and \$125,000 in additional capital to pay operating expenses.

We anticipate obtaining the capital which we will require through a combination of debt and equity financing. There is no assurance that we will be able to obtain capital we will need or that our estimates of our capital requirements will prove to be accurate. As of the date of this report we did not have any commitments from any source to provide additional capital.

ITEM 7. FINANCIAL STATEMENTS

See the financial statements attached to this report.

ITEM 8. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Effective April 10, 2001 we retained N.I. Cameron Inc. ("NIC") to act as our independent accountant. In this regard NIC replaced PricewaterhouseCoopers LLP ("PWC") which audited our financial statements for the fiscal years ended April 30, 2000 and 1999. The reports of PWC for these fiscal years did not contain an adverse opinion, or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles. During our two

most recent fiscal years and subsequent interim periods, there were no disagreements with PWC on any matter of accounting principles or practices, financial statement disclosure or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of PWC would have caused PWC to make reference to such disagreements in its reports.

We have authorized PWC to discuss any matter relating to our operations with NIC.

The change in our auditors was recommended and approved by our board of directors. We do not have an audit committee.

During the two most recent fiscal years and subsequent interim period ending April 10, 2001 we did not consult NIC regarding the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on our financial statements, or any matter that was the subject of a disagreement or what is defined as a reportable event by the Securities and Exchange Commission.

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS, COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

Name	Age	Position
Stephen C. Jackson	47	President, Secretary, Treasurer and a director

Stephen C. Jackson, has been an officer and director of our corporation since February 7, 2000. He was editor and features articles writer for the Vancouver Market Report and has been an officer of several other public companies in Canada. Through his private consulting practice, which he has operated since 1980, he has provided services to a wide variety of private corporations. Mr. Jackson is a past director of the BC Tax Association and former director with a regional Chamber of Commerce.

Each director holds office until his successor is duly elected by the stockholders. Executive officers serve at the pleasure of the board of directors. Stephen Jackson devotes a limited amount of his time to our business.

ITEM 10. EXECUTIVE COMPENSATION

The following table sets forth in summary form the compensation received by our Chief Executive Officer. None of our former or current executive officers received in excess of \$100,000 in compensation during the fiscal year ended April 30, 2001 or during any other twelve month period.

Name and Principal Position	Fiscal Year	Salary	Bonus	Other Annual Compensation	Restricted Stock Awards	Options Granted
Stephen C. Jackson President, Secretary and Treasurer	2001	\$15,085	--	\$21,085	--	100,000

In connection with the sale of its subsidiary, the Company entered into a Consulting Agreement with Stephen Jackson under which the Company paid Mr. Jackson \$6,000 during the two month period ending April 30, 2001. The Company also granted Mr. Jackson an option to purchase 100,000 shares of the Company's

common stock at a price of \$0.30 per share at any time prior to April 30, 2002. See Item 1 of this report. In addition, the Company agreed to include the shares issuable upon the exercise of the option to Mr. Jackson in any amended or future registration statement which may be filed by the Company.

Employment Agreements

We do not have any consulting or employment agreements with any person.

Our board of directors may increase the compensation paid to our officers depending upon a variety of factors, including the results of our future operations.

We do not have any compensatory plan or arrangement that results or will result from the resignation, retirement, or any other termination of any executive officer's employment with us or from a change in control of or a change in an executive officer's responsibilities following a change in control.

Options Granted During Fiscal Year Ending April 30, 2001:

The following tables set forth information concerning the options granted, during the twelve months ended April 30, 2001, to the Company's officers and directors, and the value of all unexercised options (regardless of when granted) held by these persons as of April 30, 2001, exclusive of options cancelled or which expired by their terms.

Name	Date of Grant	Options Granted (#)	% of Total Options Granted to Officers & Directors	Exercise Price Per Share	Expiration Date
-----	-----	-----	-----	-----	-----

Stephen Jackson 02/28/01 100,000 100% \$0.30 04/30/02

Option values

Name	Shares Acquired on Exercise (1)	Value Realized (2)	Number of Securities Underlying Unexercised at April 30, 2001 Exercisable/Unexercisable (3)	Value of Unexercised In-the-Money Options at April 30, 2001 Exercisable/Unexercisable (4)
Stephen Jackson	--	--	100,000/--	--/--

</TABLE>

Long Term Incentive Plans - Awards in Last Fiscal Year

None.

Employee Pension, Profit Sharing or other Retirement Plans

We do not have a defined benefit, pension plan, profit sharing or other retirement plan, although we may adopt one or more of such plans in the future.

Directors' Compensation

At present we do not pay our directors for attending meetings of the board of directors, although we expect to adopt a director compensation policy in the future. We have no standard arrangement pursuant to which our directors are compensated for any services provided as a director or for committee participation or special assignments.

Except as disclosed elsewhere in this report none of our directors received any compensation from us during the year ended April 30, 2001.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT.

The following table sets forth, as of July 31, 2001, information with respect to the only persons owning beneficially 5% or more of our outstanding common stock and the number and percentage of outstanding shares owned by each of our directors and officers and by our officers and directors as a group. Unless otherwise indicated, each owner has sole voting and investment powers over his shares of common stock.

Name and Address	Shares of Common Stock (2)	Percent of Class (3)
Stephen C. Jackson 999 West Hastings St., Suite 450 Vancouver, B.C. V6C 2W2 Canada	43,300 (1) (2)	.7%(1)
Century Capital Management Ltd. 2438 Marine Drive, Suite 215 West Vancouver, BC V7V 1L2 Canada	5,000,000	80%
All Officers and Directors as a Group (1 persons)	43,300 (1)	.7%

(1) Shares are owned of record by 595796 B.C. Ltd. Mr. Jackson is a controlling person of this corporation and is therefore considered to be the beneficial owner of these shares.

(2) Excludes shares issuable prior to November 30, 2002 upon the exercise of options or warrants granted to the following persons.

Name	Options exercisable prior to November 30, 2002
-----	-----

(3) Computed without giving effect to any shares issuable upon the exercise of any warrants or options or upon the conversion of any promissory notes or other convertible securities.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS.

We have issued shares of our common stock to the following persons during the past two years, who are or were affiliated with the Company:

Name ----	Date of Issuance -----	Number of Shares -----	Consideration -----
595796 B.C. Ltd. (1)	02/00	2,000,000	100 Shares of wowtown.com, (Nevada) Inc. valued at \$500.00
Century Capital Management Ltd. (2)	02/00	40,000	Consulting services valued at \$10.00
Century Capital Management Ltd. (2)	04/01	5,000,000	Loan of \$200,000
535735 B.C. Ltd. (3)	03/00	707	Consulting services valued at \$5,840
Pedpac Marketing Ltd. (4)	03/00	1,556	Consulting services valued at \$12,839

(1) The beneficial owners of 595796 B.C. Ltd. are David B. Jackson, David Packman, Stephen C. Jackson, Guy Prevost, Sarah Moen and Patrick Helme. A total of 1,900,000 shares were returned to the Company and cancelled in connection with the sale of the Company's subsidiary. See Item 1 of this report.

(2) The beneficial owner of Century Capital Management Ltd. is Andrew Hromyk.

(3) The beneficial owners of 535735 B.C. Ltd. are Patrick Helme, Sarah Moen and Guy Prevost.

(4) The beneficial owner of PedPac Marketing Ltd. is David Packman.

ITEM 13. EXHIBITS AND REPORTS ON FORM 8-K

Exhibits

Number - - - - -	Exhibit -----	Page Number -----
1	Underwriting Agreement	N/A -----
3.1	Certificate of Incorporation and Amendments	(1) -----
3.2	Bylaws	(1) -----
4.1	Certificate of Designation of Series A-1 preferred stock	(1) -----
5.	Opinion of Counsel	None -----
10.	Agreement Regarding Sale of wowtown.com (Nevada), Inc.	-----

(1) Incorporated by reference to the same exhibit number in the Company's registration statement on Form SB-2 (Commission File # 333-38802).

Reports on Form 8-K

The following reports on Form 8-K were filed during the three months ended April 30, 2001:

Report Date	Subject
April 10, 2001	Change in the Company's accountants

FINANCIAL STATEMENTS

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Consolidated Balance Sheet

Consolidated Statements of Operations

Consolidated Statements of Stockholders' Equity

Consolidated Statements of Cash Flows

Notes to the Consolidated Financial Statements

PHOENIX STAR VENTURES, INC.
(a development stage enterprise)
(formerly wowtown.com, Inc.)

Consolidated Financial Statements
April 30, 2001
(expressed in U.S. dollars)

AUDITORS' REPORT

To the Stockholders of
Phoenix Star Ventures, Inc.

We have audited the consolidated balance sheet of Phoenix Star Ventures, Inc. (a development stage enterprise) (formerly wowtown.com, Inc.) as at April 30, 2001 and the consolidated statements of operations, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in the United States. Those standards require that we plan and perform an audit to obtain reasonable assurance 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.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2001 and the results of its operations and its cash flows for the period from June 9, 1999 (date of incorporation) to April 30, 2001 in accordance with generally accepted accounting principles in the United States.

The accompanying financial statements have been prepared assuming that the company will continue as a going concern. As discussed in note 2 to the financial statements, the company has suffered losses from operations that raise substantial doubt about its ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

The financial statements for the period from June 9, 1999 (date of incorporation) to April 30, 2000 were audited by PricewaterhouseCoopers LLP, Chartered Accountants. Their audit report for the period ended April 30, 2000 was dated July 14, 2000.

/s/ N.I. Cameron Inc.

Vancouver, B.C.
July 10, 2001

CHARTERED ACCOUNTANTS

PHOENIX STAR VENTURES, INC.
(a development stage enterprise)
(formerly wowtown.com, Inc.)
Consolidated Balance Sheet
April 30, 2001
(expressed in U.S. dollars)

	2001	2000
	-----	-----
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ -	\$ 149,170
Other receivables	-	7,318
Prepaid expenses and deposits	-	25,959
	-----	-----
	-	182,447
CAPITAL ASSETS - net (Notes 3 and 5)	-	25,105
INTANGIBLE ASSETS - net (Notes 3 and 5)	-	37,462
	-----	-----
	\$ -	\$ 245,014
	=====	=====
LIABILITIES		
CURRENT LIABILITIES		
Bank overdraft	\$ 18	\$ -
Accounts payable and accrued liabilities	119,032	104,358
Accounts payable to related party	-	26,330
Advances from stockholder (Note 8)	27,251	-
	-----	-----
	146,301	130,688
	-----	-----
STOCKHOLDERS' EQUITY (DEFICIT)		
CAPITAL STOCK (Note 6)		
Authorized		
30,000,000 common shares at par value of \$0.0001		
5,000,000 preferred shares at par value of \$0.0001		
Issued		
6,231,012 common shares	623	1,471
250 preferred shares	1	1
OTHER CAPITAL ACCOUNTS	1,941,644	744,697
DEFICIT ACCUMULATED DURING THE DEVELOPMENT STAGE	(2,088,569)	(631,843)
	-----	-----
	(146,301)	114,326
	-----	-----
	\$ -	\$ 245,014
	=====	=====

GOING CONCERN (Note 2)
COMMITMENTS (Note 12)
CONTINGENT LIABILITIES (Note 11)

APPROVED BY THE DIRECTOR

for the year	-	-	-	-	-	(5,789)	-	(5,789)
Net Loss for the Year	-	-	-	-	-	-	(1,456,726)	(1,456,726)

Total comprehensive Income	-	-	-	-	-	(5,789)	(1,456,726)	(1,462,515)

Balance - April 30, 2001	6,231,012	\$ 623	250	\$ 1	\$1,941,644	\$	-\$ (2,088,569)	\$ (146,301)

</TABLE>

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

PHOENIX STAR VENTURES, INC.
(a development stage enterprise)
(formerly wowtown.com, Inc.)
Consolidated Statement of Cash Flows
For the Year Ended April 30, 2001
(expressed in U.S. dollars)

	Year Ended April 30, 2001	Period from June 9, 1999 (date of incorporation) to April 30, 2000
	-----	-----
Cash Flows Provided by (Used in)		
Operating Activities		
Net loss for the period	\$ (1,456,726)	\$ (416,394)
Adjustments to reconcile net loss to net cash used in operating activities		
Amortization	49,938	31,121
Non-cash marketing fees in discontinued operations	839,938	18,679
Stock option compensation	11,950	-
Loss on disposal of capital assets	1,506	-
	-----	-----
	(553,394)	(366,594)
Changes in Operating Assets and Liabilities		
Other receivables	7,318	(7,430)
Prepaid expenses and deposits	25,959	(26,515)
Accounts payable and accrued liabilities	14,674	105,384
Accounts payable to related parties	(26,330)	-
	-----	-----
Net cash used in operating activities	(531,773)	(295,155)
	-----	-----
Cash Flows Provided by (Used in)		
Investing Activities		
Purchase of capital assets	(1,114)	(28,811)
Purchase and development of intangible assets	(15,821)	(28,724)
Proceeds from sale of capital assets	7,026	-
	-----	-----
Net cash used in investing activities	(9,909)	(57,535)
	-----	-----
Cash Flows Provided by Financing Activities		
Proceeds from issuance of common stock	150,000	-
Proceeds from demand loan	200,000	-
Advances from stockholder	27,251	-
Proceeds from issuance of preferred stock	-	500,000
	-----	-----
Net cash provided by financing activities	377,251	500,000
	-----	-----
Effect of exchange rates on cash	15,243	1,860
	-----	-----

Net Increase (Decrease) in cash	(149,188)	149,170
Cash at beginning of Period	149,170	-

Cash (Deficiency) at end of Period	\$ (18)	\$ 149,170
	=====	

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

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1. COMPARATIVE FIGURES

The financial statements for the period ended April 30, 2000 were audited by another firm of Chartered Accountants.

2. NATURE OF OPERATIONS AND GOING CONCERN

On February 7, 2000, Paramount Services Corp. ("Paramount") acquired all the issued and outstanding shares of WOWtown.com (Nevada) Inc. ("WOWtown subsidiary") in exchange for 10,000,000 common shares, following which the name Paramount was changed to wowtown.com, Inc. ("wowtown parent"). As a result of this transaction, the former stockholders of WOWtown subsidiary obtained a majority interest in wowtown parent. For accounting purposes, the acquisition has been treated as a recapitalization of WOWtown subsidiary with WOWtown subsidiary as the acquirer (reverse acquisition) of wowtown parent. As wowtown parent was a non-operating entity, the reverse acquisition has been recorded as an issuance of 4,498,000 common shares for an amount of \$nil and the excess of liabilities over assets of \$28,471 has been charged to the statement of operations. The historical financial statements prior to February 7, 2000, are those of WOWtown subsidiary. Pro forma information has not been presented as the recapitalization has not been treated as a business combination. The accounts of wowtown parent have been consolidated from February 7, 2000.

On March 5, 2001, wowtown.com, Inc. ("the Company") and its majority stockholder entered into an agreement to sell all of the issued and outstanding capital stock of WOWtown subsidiary to the Company's majority stockholder in exchange for the return of 9,500,000 (1,900,000 after reverse split - See Note 6) shares of the Company's common stock. This agreement was ratified by stockholders on April 4, 2001 and the sale completed on April 12, 2001.

On April 4, 2001, stockholders approved the change of name of the Company to Phoenix Star Ventures, Inc.

Nature of operations

Until April 12, 2001, the Company's principal business activities included the establishment of Internet web site portals for certain cities and local communities in North America. The portals were intended to provide an Internet user with a local resource guide for the community. The portals would also offer services for the user and provide the user with discounts and savings for purchases made from merchants featured on the community portal site. All operations have now been discontinued.

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2. NATURE OF OPERATIONS AND GOING CONCERN (Continued)

Going concern

The Company has no revenues, has incurred operating losses on past operations and has no assurance of future profitability. The Company will

require financing from outside sources to finance any of the Company's future operating and investing activities until sufficient positive cash flows from future operations can be generated. The Company's management plans to raise financing through the sale of equity. There is no assurance that financing will be available to the Company, accordingly, there is substantial doubt about the Company's ability to continue as a going concern. These consolidated financial statements have been prepared on the basis that the Company will be able to continue as a going concern and realize its assets and satisfy its liabilities in the normal course of business, and do not reflect any adjustments which would be necessary if the Company is unable to continue as a going concern.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Development stage company

The Company's activities have primarily consisted of establishing facilities, recruiting personnel, development, developing business and financial plans and raising capital. Accordingly, the Company is considered to be in the development stage. The accompanying consolidated financial statements should not be regarded as typical for a normal operating period.

Basis of presentation

These consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Basis of consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary up to April 12, 2001. All significant intercompany transactions and balances have been eliminated on consolidation.

Use of estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results may differ from those estimates.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and highly liquid short-term interest bearing securities with maturities at the date of purchase of 90 days or less. Interest earned is recognized immediately in the consolidated statement of operations.

Capital and intangible assets

Capital and intangible assets are recorded at cost less accumulated amortization. Amortization is provided on a declining-balance basis at the following rates:

Furniture and fixtures	20%
Office equipment	20%
Computer software and website development costs	100%
Computer hardware	30%
Intangible assets	100%

Additions are amortized at one half of the above rates in the year of acquisition.

Website development costs

The Company accounts for website development costs in accordance with EITF 00-01, Accounting for Website Development Costs. As such, the Company capitalizes costs associated with website applications and infrastructure development as well as the initial graphics development stage in accordance with Statement of Position 98-1, Accounting for the Costs of Company

Software Developed or Obtained for Internal Use.

Impairment of long-lived assets

The Company reviews the carrying amount of long-lived assets in relation to their fair value whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The determination of any impairment includes a comparison of future operating cash flows anticipated to result from the use of the asset to the net carrying value of the asset. If an impairment exists the carrying value is written down to the fair value of the asset.

Advertising costs

The Company accounts for advertising costs in accordance with AICPA Statement of Position 93-7, Reporting on Advertising Costs, whereby costs are generally expensed as incurred except for television and radio advertisements, which are expensed, including related production costs, the first time the advertising takes place.

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Foreign currency translation and transactions

The functional currency of the Company's operations located in countries other than the U.S. is generally the domestic currency. The consolidated financial statements are translated to U.S. dollars using the period-end exchange rate for assets and liabilities and average exchange rates for the period for revenues and expenses. Translation gains and losses are deferred and accumulated as a component of other comprehensive income in stockholders' equity. Net gains and losses resulting from foreign exchange transactions are included in the consolidated statement of operations.

Income taxes

Income taxes are accounted for using an asset and liability approach, which requires the recognition of taxes payable or refundable for the current period and deferred tax liabilities and assets for future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. The measurement of current and deferred tax liabilities and assets is based on provisions of enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance, where, based on available evidence, the probability of realization of the deferred tax asset does not meet a more likely than not criterion.

Loss per share

Basic loss per share is computed by dividing loss for the period by the weighted average number of common shares outstanding for the period. Fully diluted loss per share reflects the potential dilution of securities by including other potential common stock, including convertible preferred shares, in the weighted average number of common shares outstanding for a period, if dilutive.

Stock based compensation

The Company accounts for equity instruments issued in exchange for the receipt of goods or services from other than employees in accordance with SFAS No. 123 and the conclusions reached by the Emerging Issues Task Force in Issue No. 96-18, "Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring or in Conjunction with Selling Goods or Services" (EITF 96-18). Costs are measured at the estimated fair market value of the consideration received or the estimated fair value of the equity instruments issued, whichever is more reliably measurable. The value of equity instruments issued for consideration other than employee services is determined on the earlier of a performance commitment or completion of performance by the provider of goods or services as defined by EITF 96-18.

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4. SUPPLEMENTAL CASH FLOW INFORMATION

	Year Ended April 30, 2001	Period from June 9, 1999 to April 30, 2000
	-----	-----
Cash received for interest	\$ 561	\$ 1,488
Cash paid for interest	-	656
Common stock issued for marketing and consulting services	360,938	24,918

5. BALANCE SHEET COMPONENTS

Capital assets

	April 30, 2001	April 30, 2000
	-----	-----
Furniture and fixtures	\$ -	\$ 8,069
Office equipment	-	6,148
Computer hardware	-	14,482
	-----	-----
	-	28,699
Less: Accumulated amortization	-	3,594
	-----	-----
	\$ -	\$ 25,105
	=====	=====

Intangible assets

	April 30, 2001	April 30, 2000
	-----	-----
Website development costs	\$ -	\$ 48,270
Domain names and trademarks	-	9,935
Computer software	-	6,784
	-----	-----
	-	64,989
Less: Accumulated amortization	-	27,527
	-----	-----
	\$ -	\$ 37,462
	=====	=====

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6. CAPITAL STOCK

Common stock

Holders of common shares are entitled to one vote per share and to share equally in any dividends declared and distributions in liquidation.

On May 30, 2000, 200,000 common shares were issued for \$150,000.

On June 12, 2000, 100,000 common shares were issued as payment for marketing services. The shares cannot be traded for a period of one year from the date of issuance.

On June 12, 2000, as payment for marketing services, the Company paid \$105,000 and issued 100,000 common shares. The shares cannot be traded for a period of one year from the date of issuance.

Both transactions on June 12, 2000 were recorded using the fair value of the Company's common shares as they are publicly traded. The market value of this security was \$1.13 per share on June 12, 2000.

The Company issued 30,000 common shares of the Company to a person who became an advisor to the Company. The market value of this security was \$1.25 per share on July 17, 2000. The shares cannot be traded for a period of one year from the date of issuance.

On August 16, 2000 the Company entered into a Technology Licensing Agreement for the nonexclusive use of certain technologies. The agreement was to be for an initial one year period and was to automatically renew for successive one year periods unless otherwise terminated by either party on 60 days notice. Under the terms of the agreement as amended, the Company issued 100,000 shares of the Company's common stock. The market value of this security was \$0.875 per share on August 16, 2000. The shares cannot be traded for a period of one year from the date of issuance. After the shares were transferred, the licensing company went bankrupt and was unable to fulfil the agreement.

On September 14, 2000, the Company filed a registration statement on form SB-2 with the Securities and Exchange Commission to qualify the sales to the public of the following securities:

- o 2,000,000 shares of the Company's common stock at a price of \$1.00 per share;
- o shares of the Company's common stock that are issuable upon the conversion of the Company's Series A preferred stock;
- o 3,097,747 shares of the Company's common stock offered by certain of the Company's stockholders; and
- o 300,000 shares of the Company's common stock issuable upon the exercise of warrants.

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6. CAPITAL STOCK (Continued)

Common stock (Continued)

The Company will not receive any funds upon the conversion of the Series A preferred shares or from the sale of the common stock by the selling stockholders.

The Company issued 25,000 shares of the common stock as consideration for marketing services for a term of three months commencing November 1, 2000. The market value of this security was \$0.4375 per share on November 1, 2000. The shares cannot be traded for a period of one year from the date of issuance.

During the period, certain of the Company's principal stockholders entered into Agreements with third parties to provide services to the Company. Under the terms of these Agreements, the stockholders sold shares to the third parties at a discount to their fair market value. The stockholders also paid the sum of \$150,000 cash under the terms of these Agreements. Accordingly, the Company has recorded \$479,000 as additional paid in capital and recorded an expense of \$479,000 in respect of the consulting services.

On April 12, 2001, there was a reverse split of the Company's stock such that each five outstanding shares of the Company's common stock were converted into one share of common stock.

As a result of the sale of the subsidiary as described in Note 2, 1,900,000 post-rollback shares were acquired by the Company and cancelled.

On April 18, 2001, debt in the amount of \$200,000 was settled by the issue of 5,000,000 common shares. This resulted in the lender obtaining control of the Company.

The Company entered into a consulting agreement effective March 1, 2001 with a director of the Company. Under the terms of the agreement, the director was paid \$6,000 and issued stock options to purchase 100,000 post-rollback shares at a price of \$0.30 per share; these options expire April 30, 2002. These options were valued at \$11,950 using the Black-Scholes model with a risk-free rate of 5%, no expected dividends and

an expected volatility of 100%.

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6. CAPITAL STOCK (Continued)

Preferred stock

Each Series A preferred share may be converted, at the option of the holder, to common shares equal in number to the amount determined by dividing \$1,000 by the conversion price, which is 75% of the average closing bid price of the common shares for the ten trading days preceding the conversion date or \$2.00, whichever amount is less. In addition, all Series A preferred shares were to be automatically converted into shares of common stock on February 7, 2001 at the conversion price then in effect.

On May 30, 2000, 250 Series A preferred shares were converted into 390,747 common shares at a conversion price of \$0.64 per share.

Effective February 1, 2001, the Series A preferred shares converted to Series A-1 preferred shares. At the option of the holder, these preferred shares may be converted into common shares equal in number to the amount determined by dividing \$1,000 by the conversion price, which is 75% of the average closing bid price of the common shares for the ten trading days preceding the conversion date or \$2.00, whichever amount is less.

7. FINANCIAL INSTRUMENTS AND CONCENTRATIONS OF CREDIT RISK

The Company's financial instruments consist of bank overdraft, accounts payable and advances from stockholder. 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 approximate their carrying values.

8. RELATED PARTY TRANSACTIONS

- a) Advances from stockholder include \$14,000 payable on demand and bearing interest at 10% and \$13,251 of accrued interest.
- b) During the period ended April 30, 2000, the Company paid (by issuance of 3,539 common shares) \$5,840 in consulting fees to a company where a former director of the Company is a stockholder.
- c) During the period ended April 30, 2000, the Company paid \$12,840 (by issuance of 7,781 common shares) in consulting fees to a company where another former director of the Company is a stockholder.
- d) During the period ended April 30, 2000, the Company paid \$21,940 in development costs to a company in which one of the Company's former directors is a director.
- e) During the current year, the Company incurred salaries and consulting fees in the amount \$110,306 to directors and former directors of the Company.

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9. INCOME TAXES

The Company is subject to U.S. Federal income taxes.

As control of the Company changed on April 18, 2001, all net operating losses carried forward are eliminated. Hence, there are no deferred tax assets.

10. DISCONTINUED OPERATIONS

As mentioned in Note 2, the Company has disposed of its subsidiary and hence discontinued its Internet web portal business. Financial data

concerning this discontinued business are as follows:

	Year Ended April 30, 2001	Period from June 9, 1999 to April 30, 2000
Statement of Operations information		
Operating expenses	\$ (1,555,059)	\$ (337,827)
Gain on disposal of subsidiary	217,198	-
	-----	-----
	\$ (1,337,861)	\$ (337,827)
	=====	=====
Balance Sheet information - as of April 12, 2001		
Other receivables	\$ 5,021	
Prepaid expenses	160	
Capital assets	13,037	
Intangible assets	6,127	

Total assets of discontinued operations	\$ 24,345	
	=====	
Accounts payable and accrued liabilities	\$ 198,413	
Advances payable	30,419	

Total liabilities of discontinued operations	\$ 228,832	
	=====	

11. CONTINGENT LIABILITIES

In connection with the sale of the subsidiary, the purchaser assumed responsibility for certain liabilities and commitments of the subsidiary. However, with many of these liabilities it is unclear as to who the creditors had contracted with. These liabilities total approximately \$100,000. The Company may be liable for all or some portion of this amount, depending on the purchaser's ability to discharge the liabilities and the legal obligations of the Company to a particular creditor.

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12. COMMITMENTS

The Company is committed under an operating lease to monthly rental payments of \$2,610 until October 31, 2001. The Company's former subsidiary has agreed to assume this commitment, but should the subsidiary fail to meet these payments, the company may be liable.

SIGNATURES

In accordance with Section 13 or 15(a) of the Exchange Act, the Registrant has caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on the ___ day of August, 2001.

Phoenix Star Ventures, Inc.

By /s/ Stephen Jackson

Stephen Jackson, President and Principal
Financial Officer

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the

capacities and on the dates indicated.

Title	Date
-------	------

Stephen Jackson	Director	August 13, 2001
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EXHIBIT 4.1

CERTIFICATE OF DESIGNATION

David Packman certifies that he is the President of wovtown.com, Inc., a Delaware corporation (hereinafter referred to as the "Company") and that, pursuant to the Company's Certificate of Incorporation, as amended, and Section 151 of the General Business Corporation Law, the Board of Directors of the Company adopted the following resolutions on January 31st, 2001 and that none of the shares of Series A-1 Convertible Preferred Stock referred to in this Certificate of Designation have been issued.

Creation of Series A-1 Convertible Preferred Stock

1. There is hereby created a series of preferred stock consisting of 250 shares and designated as the Series A-1 Convertible Preferred Stock ("Preferred Stock"), having the voting powers, preferences, relative, participating, limitations, qualifications, optional and other special rights and the qualifications, limitations and restrictions thereof that are set forth below.

Conversion Provisions

2. The holders of Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

Conversion

- (a) Right to Convert. Subject to paragraph (1) hereof, from and after the forty-fifth (45th) calendar day following the day on which the Company receives payment in full for Preferred Stock from and issues Preferred Stock to a particular holder of Preferred Stock (the "Issuance Date"), all Preferred Stock held by that holder shall be convertible at the option of the holder into such number of shares of common stock of the Company ("Common Stock") as is calculated by the Conversion Rate (as hereinafter defined). The Conversion Rate, subject to the exception defined in paragraph 2(b) hereof, shall be that number of shares of Common Stock equal to \$1,000 divided by the lesser of: (i) seventy five per cent (75%) of the average Market Price (as hereinafter defined) of the shares of Common Stock for the ten trading days immediately prior to the Conversion Date (as hereinafter defined); or (ii) \$2.00.
- (b) Failure to Register Exemption. In the event that a registration statement in respect of the Common Stock to be issued upon the conversion of the Preferred Stock has not been filed with and declared effective by the Securities and Exchange Commission on or before the date which is twelve months following the Issuance Date (the "Anniversary Date"), the number of shares of Common Stock issued to a particular holder will be calculated by the Failure to Register Conversion Rate. The Failure to Register Conversion Rate shall be that number of shares of Common Stock equal to \$1,000 divided by the lesser of: (i) fifty per cent (50%) of the Market Price of the shares of Common Stock on the day immediately preceding the Anniversary Date; or (ii) \$2.00.
- (c) Market Price. Market Price for a particular date shall be the closing bid price of the shares of Common Stock on such date, as reported by the National Association of Securities Dealers Automated Quotation System ("NASDAQ"), or the closing bid price in the over-the-counter market if other than NASDAQ.
- (d) No Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock, and in lieu thereof the number of shares of Common Stock to be issued for each share of Preferred Stock converted shall be rounded down to the nearest whole number of shares of Common Stock. Such number of whole shares of Common Stock to be issued upon the conversion of one share of Preferred Stock shall be multiplied by the number of shares of Preferred Stock submitted for conversion pursuant to the Notice of Conversion (defined below) to determine the total number of shares of Common Stock to be issued in connection with any one particular conversions.

- (e) Method of Conversion. In order to convert Preferred Stock into shares of Common Stock, a holder of Preferred Stock shall
- (A) complete, execute and deliver to the Company and the Company's Transfer Agent, Interwest Transfer Co. Inc. (the "Transfer Agent") the conversion certificate attached hereto as Exhibit A (the "Notice of Conversion"), and
- (B) surrender the certificate or certificates representing the Preferred Stock being converted (the "Converted Certificate") to the Transfer Agent.

The Notice of Conversion shall be effective and in full force and effect for a particular date if delivered to the Company and the Transfer Agent on that particular date prior to 5:00 pm, pacific time, by facsimile transmission or otherwise, provided that particular date is a business day, and provided that the original Notice of Conversion and the Converted Certificate are delivered to and received by the Transfer Agent within three (3) business days thereafter at 1981 East Murray Holladay Road, Suite 100, PO Box 17136, Salt Lake City, Utah 84117 Telephone 801-272-9294 and that particular date shall be referred to herein as the "Conversion Date". The person or persons entitled to receive the shares of Common Stock to be issued upon conversion shall be treated for all purposes as the record holder or holders of such shares of Common Stock as of the Conversion Date. If the original Notice of Conversion and the Converted Certificate are not delivered to and received by the Transfer Agent within three (3) business days following the Conversion Date, the Notice of Conversion shall become null and void as if it were never given and the Company shall, within two (2) business days thereafter, instruct the Transfer Agent to return to the holder by overnight courier any Converted Certificate that may have been submitted in connection with any such conversion. In the event that any Converted Certificate submitted represents a number of shares of Preferred Stock that is greater than the number of such shares that is being converted pursuant to the Notice of Conversion delivered in connection therewith, the

Transfer Agent shall advise the Company to deliver a certificate representing the remaining number of shares of Preferred Stock not converted.

- (f) Absolute Obligation to issue Common Stock. Upon receipt of a Notice of Conversion, the Company shall absolutely and unconditionally be obligated to cause a certificate or certificates representing the number of shares of Common Stock to which a converting holder of Preferred Stock shall be entitled as provided herein, which shares shall constitute fully paid and non-assessable shares of Common Stock and shall be issued to, delivered by overnight courier to, and received by such holder by the sixth (6th) business day following the Conversion Date. Such delivery shall be made at such address as such holder may designate therefor in its Notice of Conversion or in its written instructions submitted together therewith.
- (g) Minimum Conversion. No less than 10 shares of Preferred Stock may be converted at any one time by a particular holder, unless the holder then holds less than 10 shares and converts all such shares held by it at that time.

Adjustments to Conversion Rate

- (h) Reclassification, Exchange and Substitution. If the Common Stock to be issued on conversion of the Preferred Stock shall be changed into the same or a different number of shares of any other class or classes of stock, whether by capital reorganization, reclassification, reverse stock split or forward stock split or stock dividend or otherwise (other than a subdivision or combination of shares provided for above), the holders of the Preferred Stock shall, upon its conversion be entitled to receive, in lieu of the Common Stock which the holders would have become entitled to receive but for such change, a number of shares of such other class or classes of stock that would have been subject to receipt by the holders if they had exercised their rights of conversion of the Preferred Stock immediately before that changes.
- (i) Reorganizations, Mergers, Consolidations or Sale of Assets. If at any time there shall be a capital reorganization of the Company's common stock (other than a subdivision, combination, reclassification or exchange of shares provided for elsewhere in this Section 2) or merger of the Company into another corporation, or the sale of the Company's properties and assets as, or substantially as, an entirety to any other person, then, as a part of such reorganization, merger or sale, lawful provision shall be made so that the holders of the Preferred Stock receive the number of shares of stock or other securities or property of the Company, or of the successor corporation resulting from such merger, to which holders of the Common Stock deliverable upon conversion of the Preferred Stock would have been entitled on such capital reorganization, merger or sale if the Preferred

Stock had been converted immediately before that capital reorganization, merger or sale to the end that the provisions of this paragraph (including

adjustment of the Conversion Rate then in effect and the number of shares purchasable upon conversion of the Preferred Stock) shall be applicable after that event as nearly equivalently as may be practicable.

- (j) No Impairment. The Company will not, by amendment of its Articles of Incorporation or through any reorganization, recapitalization, transfer of assets, merger, dissolution, or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Company, but will at all times in good faith assist in the carrying out of all the provisions of this Section 2 and in the taking of all such action as may be necessary or appropriate in order to protect the Conversion Rights of the holders of the Preferred Stock against impairment.
- (k) Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Conversion Rate for any shares of Preferred Stock pursuant to paragraphs 2(h) or (i) hereof, the Company at its expense shall promptly compute such adjustment or readjustment in accordance with the terms hereof and prepare and furnish to each holder of Preferred Stock effected thereby a certificate setting forth such adjustment or readjustment and showing in detail the facts upon which such adjustment or readjustment is based. The Company shall, upon the written request at any time of any holder of Preferred Stock, furnish or cause to be furnished to such holder a like certificate setting forth: (i) such adjustments and readjustments; (ii) the Conversion Rate at the time in effect; and (iii) the number of shares of Common Stock and the amount, if any, of other property which at the time would be received upon the conversion of such holder's shares of Preferred Stock
- (l) Limitation on Conversion. Notwithstanding anything to the contrary set forth herein the Preferred Stock held by a particular Purchaser shall not convert if, upon giving effect to such conversion, the aggregate number of shares of Common Stock beneficially owned by that Purchaser and its affiliates exceed 9.9% of the outstanding shares of the Common Stock following such conversion.
- (m) Reacquired Shares. Any shares of Preferred Stock purchased or otherwise acquired by the Company in any manner whatsoever (including shares surrendered upon conversion) shall constitute authorized but unissued preferred stock and may be reissued as part of a new series of preferred stock by resolution or resolutions of the Board of Directors of the Company, subject to the conditions and restrictions on issuance set forth herein, in the Articles of Incorporation, or in any other Certificate of Designation creating a series of preferred stock or as otherwise required by law.

Liquidation Provisions

3. In the event of any liquidation, dissolution or winding up of the Company, whether voluntary or involuntary, holders of Preferred Stock shall be entitled to receive an amount equal to \$1,000.00 per share, plus any accrued and unpaid dividends. After the full preferential liquidation amount has been paid to, or determined and set apart for the Preferred Stock and all other series of preferred stock hereafter authorized and issued, if any, the remaining assets of the Company available for distribution to shareholders shall be distributed ratably to the holders of the Common Stock. In the event the assets of the Company available for distribution to its shareholders are insufficient to pay the full preferential liquidation amount per share required to be paid to the holders of Company's Preferred Stock, the entire amount of assets of the Company available for distribution to shareholders shall be paid up to their respective full liquidation amounts first to the holders of Preferred Stock, then to any other series of preferred stock hereafter authorized and issued, all of which amounts shall be distributed ratably among holders of each such series of preferred stock, and the Common Stock shall receive nothing. A reorganization or any other consolidation or merger of the Company with or into any other corporation, or any other sale of all or substantially all of the assets of the Company, shall not be deemed to be a liquidation, dissolution or winding up of the Company within the meaning of this Section 3, and the Preferred Stock shall be entitled only to: (i) the rights provided in any agreement or plan governing the reorganization or other consolidation, merger or sale of assets transaction; (ii) the rights contained in the Delaware General Business Corporation Law; and (iii) the rights contained in other Sections hereof.

Dividend Provisions

4. The holders of shares of Preferred Stock shall not be entitled to receive any dividends.

Reservation of Stock to be issued upon Conversion

5. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock solely for the purpose of effecting the conversion of the shares of the Preferred Stock such number of its shares of Common Stock as shall from time to time be sufficient, based on the Conversion Rate then in effect, to effect the conversion of all then outstanding shares of the Preferred Stock. If at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, then, in addition to all rights, claims and damages to which the holders of the Preferred Stock shall be entitled to receive at law or in equity as a result of such failure by the Company to fulfill its obligations to the holders hereunder, the Company will take any and all corporate or other action as may, in the opinion of its counsel, be helpful, appropriate or necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purpose.

Notices

6. In the event of the establishment by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any distribution, the Company shall mail to each holder of Preferred Stock at least twenty (20) days prior to the date specified therein a notice specifying the date on which any such record is to be taken for the purpose of such distribution and the amount and character of such distribution.

7. Any notices required by the provisions hereof to be given to the holders of shares of Preferred Stock shall be deemed given if deposited in the United States mail, postage prepaid and return receipt requested, and addressed to each

holder of record at its address appearing on the books of the Company or to such other address of such holder or its representative as such holder may direct.

Voting Provisions

8. Except as otherwise expressly provided or required by law, the Preferred Stock shall have no voting rights.

IN WITNESS WHEREOF, the Company has caused this Certificate of Designation of Series A-1 Convertible Preferred Stock to be duly executed by its President and attested to by its Secretary the 1st day of February, 2001, who, by signing their names hereto, acknowledge that this Certificate of Designation is the act of the Company and state to the best of their knowledge, information and belief, under the penalties of perjury, that the above matters and facts are true in all material respects.

WOWTOWN.COM, INC.

/s/ David Packman

David Packman, President

/s/ Stephen C. Jackson

Stephen C. Jackson, Secretary

EXHIBIT A

CONVERSION CERTIFICATE
WOWTOWN.COM, INC.
Series A-1 Convertible Preferred Stock

The undersigned holder (the "Holder") is surrendering to wowntown.com, Inc., a Delaware corporation (the "Company"), one or more certificates representing shares of Series A-1 Convertible Preferred Stock of the Company (the "Preferred Stock") in connection with the conversion of all or a portion of the Preferred Stock into shares of Common Stock, \$0.0001 par value per share, of the Company (the "Common Stock") as set forth below.

1. The Holder understands that the Preferred Stock was issued by the Company pursuant to the exemption for registration under the United States Securities Act of 1933, as amended (the "Securities Act"), provided by Regulation D

promulgated thereunder.

2. The Holder represents and warrants that all offers and sales of the Common Stock issued to the Holder upon such conversion of the Preferred Stock shall be made (a) pursuant to an effective registration statement under the Securities Act, (in which case the Holder represents that a prospectus has been delivered) (b) in compliance with Rule 144, or (c) pursuant to some other exemption from registration.

Number of Shares of Preferred Stock being Converted: -----

Applicable Conversion Rate: -----

OR

Applicable Alternative Conversion Rate: -----

Number of Shares of Common Stock To be issued: -----

Conversion Date: -----

Delivery instructions for certificates of Common Stock and for new certificates representing any remaining shares of Preferred Stock:

Name of Holder - Printed

Signature of Holder

Exhibit 10

AGREEMENT REGARDING SALE OF
WOWTOWN.COM (NEVADA), INC. ("THE SUBSIDIARY")

This AGREEMENT, made this 5th day of March, 2001, by and between Wowtown.com, Inc. ("the Company") and 595796 B.C. Ltd. ("the Purchaser") is made for the purpose of setting forth the terms and conditions upon which the Company will sell all of the issued and outstanding capital stock of Wowtown (Nevada), Inc. ("the Subsidiary") in exchange for shares of the Company's common stock.

In consideration of the mutual promises, covenants, and representations contained herein, THE PARTIES HERETO AGREE AS FOLLOWS:

ARTICLE I
SALE OF SUBSIDIARY

1.01 Subject to the terms and conditions of this Agreement, the Company agrees to sell, and the Purchaser agrees to buy all of the shares of the Subsidiary and those assets listed on Exhibit A (the "Assets") in consideration for:

- o the return to the Company by the Purchaser of 9,500,000 shares of the Company's common stock;
- o the assumption by the Purchaser of those liabilities and contractual commitments of the Company and/or the Subsidiary shown on Exhibit B attached to and made a part of this Agreement; and
- o the forgiveness by the Purchaser and any officer, employee, shareholder or affiliate of the Purchaser of any loans or advances made by such persons to the Company, including those loans and advances enumerated in Exhibit B attached hereto.

1.02 The parties hereto agree that any liabilities or contractual commitments of the Company and/or the Subsidiary which are not shown on Exhibit B and indicated under the heading "Nevada" will be the responsibility of the Company. The Exhibits to this Agreement are:

Exhibit A	Assets
Exhibit B	Liabilities and Contractual Commitments
Exhibit C	Financial Statements
Exhibit D	Contracts and Leases Exhibit E Insurance Policies
Exhibit F	Litigation Exhibit G Directors, Bank Accounts and Power of Attorney

ARTICLE II
REPRESENTATIONS AND WARRANTIES

The Purchaser represents and warrants to the Company that:

2.01 Organization. The Purchaser is a corporation duly organized, validly existing, and in good standing under the laws of British Columbia. Subject to

the approval of this Agreement by the shareholders of the Purchaser, the Purchaser has the right, power, and authority to enter into, and perform its obligations under, this Agreement. The execution and delivery of this Agreement by the Purchaser and the performance by the Purchaser of its obligations hereunder will not cause, constitute, or conflict with or result in (a) any breach or violation or any of the provisions of or constitute a default under any license, indenture, mortgage, charter, instrument, articles of incorporation, by-law, or other agreement or instrument to which the Purchaser is a party, or by which it may be bound, nor will any consents or authorizations of any party other than those hereto be required, (b) an event that would permit any party to any agreement or instrument to terminate it or to accelerate the maturity of any indebtedness or other obligation of the Purchaser, or (c) an event that would result in the creation or imposition or any lien, charge, or encumbrance on any asset of the Purchaser or would create any obligation for which the Purchaser would be liable, except as contemplated by this Agreement.

2.02 Assets. The Purchaser will have at closing good and marketable title to 9,500,000 shares of the Company's common stock and such shares will not, at closing, be subject to any claim, lien or encumbrance.

2.03 Financial Statements. Exhibit C to this Agreement sets forth the consolidated financial statements of the Company for the periods ended April 30, 2000 and 1999, together with the independent auditors' report thereon, and the management prepared financial statements of the Company for the periods ended October 31, 2001 and 2001 (the "Financial Statements"). The Financial Statements have been and the January 31, 2001 and 2000 Financial Statements (when delivered at closing) will be prepared in accordance with generally accepted accounting

principles consistently followed by the Company throughout the periods indicated, and fairly present the financial position of the Company as of the dates of the balance sheets included in the financial statements, and the results of its operations for the periods indicated.

2.04 Absence of Changes. Since January 31, 2001 there has not been any change in the financial condition or operations of the Company or the Subsidiary, except changes reflected in Exhibit C or changes in the ordinary course of business which changes have not in the aggregate been materially adverse.

2.05 Absence of Undisclosed Liabilities. The Company and the Subsidiary did not, as of the date hereof, have any debt, liability, or obligation of any nature, whether accrued, absolute, contingent, or otherwise, and whether due or to become due, that is not reflected on Exhibit B.

2.06 Tax Returns. Within the times and in the manner prescribed by law, the Company and the Subsidiary have filed all tax returns required by law and have paid all taxes, assessments, and penalties due and payable. No tax returns of the Company or the Subsidiary have been audited by any government agency. The provision for taxes, if any, reflected in the Company's balance sheet as at January 31, 2001 to be delivered at closing is adequate for any and all taxes for the period ending on the date of that balance sheet and for all prior periods, whether or not disputed. There are no present disputes as to taxes of any nature payable by the Company or the Subsidiary.

2.07 Contracts and Leases. Exhibit D attached hereto and made a part hereof contains a summary of the provisions of all material contracts, leases, and other agreements of the Company or the Subsidiary presently in existence or which have been agreed to by the Company or the Subsidiary (whether written or oral). Except as disclosed on Exhibit D, neither the Company nor the Subsidiary are in default under any of these agreements or leases.

2.08 Insurance Policies. Exhibit E to this Agreement is a description of all insurance policies held by the Company and the Subsidiary concerning their business and properties. All these policies are in the respective principal amounts set forth in Exhibit E and are in full force and effect.

2.09 Compliance with Laws. The Company and the Subsidiary have complied with, and are not in violation of, any applicable federal, state, or local statutes, laws, and regulations affecting their properties or the operation of their business, including but not limited to applicable federal and state securities laws.

2.10 Litigation. Except as disclosed on Exhibit F neither the Company nor the Subsidiary are a party to any suit, action, arbitration, or legal, administrative, or other proceeding, or governmental investigation pending or, to the best knowledge of the Purchaser threatened, against or affecting the Company, the subsidiary or their business, assets, or financial condition. Neither the Company nor the Subsidiary are in default with respect to any order, writ, injunction, or decree of any federal, state, local, or foreign court, department, agency, or instrumentality. Neither the Company nor the Subsidiary are engaged in any legal action to recover moneys due to, or damages sustained by the Company or the Subsidiary.

2.11 Directors and Officers' Compensation; Banks. Exhibit G to this Agreement contains: (i) the names and titles of all directors and officers of the Company and all persons whose compensation from the Company as of the date of this Agreement will equal or its expected to equal or exceed, at an annual rate, the sum of \$5,000; (ii) the name and address of each bank with which the Company or the Subsidiary has an account or safety deposit box, the identification number thereof, and the names of all persons who are authorized to draw thereon or have access thereto; and (iii) the names of all persons who have a power of attorney from the Company or the Subsidiary and a summary of the terms thereof.

The Company represents and warrants to the Purchaser that:

2.12 Organization. The Company is a corporation duly organized, validly existing, and in good standing under the laws of Delaware. Subject to the approval of this Agreement by the shareholders of the Company, the Company has the right, power, and authority to enter into, and perform its obligations under, this Agreement. The execution and delivery of this Agreement by the Company and the performance by the Company of its obligations hereunder will not cause, constitute, or conflict with or result in (a) any breach or violation or any of the provisions of or constitute a default under any license, indenture, mortgage, charter, instrument, articles of incorporation, by-law, or other agreement or instrument to which the Company is a party, or by which it may be bound, nor will any consents or authorizations of any party other than those hereto be required, (b) an event that would permit any party to any agreement or instrument to terminate it or to accelerate the maturity of any indebtedness or other obligation of the Company, or (c) an event that would result in the creation or imposition or any lien, charge, or encumbrance on any asset of the Company or would create any obligations for which the Company would be liable, except as contemplated by this Agreement, or in the case of dissenter's rights

which will be available to the shareholders of the Company.

2.13 Assets. The Company has good and marketable title to the shares of the Subsidiary and the Assets, and except as described on Exhibit A, the shares of the Subsidiary and the Assets are free of any claim, lien or encumbrance.

2.14 Registration Rights. The Company will include 126,500 shares of the Company's common stock held by the Purchaser in any amendment to the Company's current registration on Form SB-2 or in any future registration statement filed by the Company which registers securities of the Company which are to be sold by any shareholder of the Company, unless such shares may be sold by the Purchaser under Rule 144 and the Company has provided the Purchaser with an opinion of counsel to that effect.

ARTICLE III OBLIGATIONS BEFORE CLOSING

3.01 Investigative Rights. From the date of this Agreement until the date of closing, each party shall provide to the other party, and such other party's counsel, accountants, auditors, and other authorized representatives full access during normal business hours to all of each party's properties, books, contracts, commitments, records and correspondence and communications with regulatory agencies for the purpose of examining the same. Each party shall furnish the other party with all information concerning each party's affairs as the other party may reasonably request.

3.02 Conduct of Business. Prior to the closing, and except as contemplated by this Agreement, the Company and the Subsidiary shall conduct their business in the normal course, and shall not sell, pledge, or assign any assets, without the prior written approval of the other party, except in the regular course of business. Except as contemplated by this Agreement, or as disclosed in Exhibit C, neither the Company nor the Subsidiary shall amend its Articles of Incorporation or By-laws, declare dividends, redeem or sell stock or other securities, incur additional or newly-funded material liabilities, acquire or dispose of fixed assets, change senior management, change employment terms, enter into any material or long-term contract, guarantee obligations of any third party, settle or discharge any balance sheet receivable for less than its stated amount, pay more on any liability than its stated amount, or enter into any other transaction other than in the regular course of business.

ARTICLE IV CONDITIONS PRECEDENT TO PERFORMANCE BY THE COMPANY

4.01 Conditions. The Company's obligations hereunder shall be subject to the satisfaction, at or before the Closing, of all the conditions set forth in this Article IV. The Company may waive any or all of these conditions in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by the Company of any other condition of or any of the Company's other rights or remedies, at law or in equity, if the Purchaser shall be in default of any of its representations, warranties, or covenants under this agreement.

4.02 Accuracy of Representations. Except as otherwise permitted by this Agreement, all representations and warranties by the Purchaser in this Agreement or in any written statement that shall be delivered to the Company by the Purchaser under this Agreement shall be true on and as of the closing date as though made at those times.

4.03 Performance. The Purchaser shall have performed, satisfied, and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it, on or before the closing. The Purchaser shall have obtained all necessary consents and approvals necessary to consummate the transactions contemplated hereby.

4.04 Absence of Litigation. No action, suit, or proceeding before any court or any governmental body or authority, pertaining to the transaction contemplated by this agreement or to its consummation, shall have been instituted or threatened on or before the closing.

4.05 Other. In addition to the other provisions of this Article IV the Company's obligations hereunder shall be subject to the satisfaction, at or before Closing, of the following.

- A. The shareholders of the Company shall have approved the sale of the Subsidiary and the Assets in accordance with the provisions of the Delaware General Corporation Law.
- B. Shareholders owning not more than 100,000 shares of the Company's common stock will have exercised dissenters rights with respect to the proposed sale of the Subsidiary and the Assets.

- C. All employment agreements between the Company and any employees of the Company will be terminated upon the closing of this Agreement.
- D. The shareholders of the Purchaser shall have approved the purchase of the Subsidiary and the Assets in accordance with the provisions of the British Columbia Company Act.
- E. Either: (i) the assignment of all those contracts listed under the heading "Wowtown.com, Inc. Contracts" in Exhibit D hereto by the Company to the Subsidiary with a concurrent release by the other contracting party or parties in favor of the Company; or (ii) the termination of such contracts by the other contracting party or parties with a concurrent release being made by the other contracting party or parties in favor of the Company.
- F. The Subsidiary shall have applied its GST refunds to satisfy the income tax liabilities of the Company.

ARTICLE V
CONDITIONS PRECEDENT TO PERFORMANCE BY THE PURCHASER

5.01 Conditions. The Purchaser's obligations hereunder shall be subject to the satisfaction, at or before the Closing, of the conditions set forth in this Article V. The Purchaser may waive any or all of these conditions in whole or in part without prior notice; provided, however, that no such waiver of a condition shall constitute a waiver by the Purchaser of any other condition of or any of the Purchaser's rights or remedies, at law or in equity, if the Company shall be in default of any of its representations, warranties, or covenants under this agreement.

5.02 Accuracy of Representations. Except as otherwise permitted by this Agreement, all representations and warranties by the Company in this Agreement or in any written statement that shall be delivered to the Purchaser by the Company under this Agreement shall be true on and as of the closing date as though made at those times.

5.03 Performance. The Company shall have performed, satisfied, and complied with all covenants, agreements, and conditions required by this Agreement to be performed or complied with by it, on or before the closing. The Company shall have obtained all necessary consents and approvals necessary to consummate the transactions contemplated hereby, including those required by the Delaware General Corporation Law.

5.04 Absence of Litigation. No action, suit, or proceeding before any court or any governmental body or authority, pertaining to the transaction contemplated by this agreement or to its consummation, shall have been instituted or threatened on or before the closing.

5.05 Other. In addition to the other provisions of this Article IV, the Purchaser's obligations hereunder shall be subject to the satisfaction, at or before the Closing, of the following:

- A. An agreement, in form and substance satisfactory to the Purchaser, whereby Century Capital Management Ltd. agrees to release the Purchaser from its guarantee with respect to the \$200,000 loan made by Century Capital Management Ltd. to the Company and the related pledge by the Purchaser of 2,500,000 shares of the Company's stock.
- B. An agreement, in form and substance satisfactory to the Purchaser providing that Stephen Jackson will be retained by the Company as a consultant for 2 months effective March 1, 2001 at a monthly fee of US\$2,000 plus a signing bonus of US\$2,000 and the grant of options.

ARTICLE VI
CLOSING

6.01 Closing. The closing of this transaction shall be held at the offices of the Company within 5 days of the date on which the shareholders of the Company approve the sale of the Subsidiary and the Assets to the Purchaser. At the closing, the following documents, in form reasonably acceptable to counsel to the parties or as set forth herein, shall be delivered:

By the Purchaser:

1. Certificates representing 9,500,000 shares of the Company's common stock, endorsed in the manner specified by the Company.
2. An agreement providing that the Purchaser agrees to assume those liabilities and contractual commitments of the Company and/or the Subsidiary shown on Exhibit A.
3. An agreement providing that the Purchaser and any officer, employee, shareholder or affiliate of the Purchaser forgives any loans or advances made by such persons to the Company.

By the Company:

1. Assignment of Assets listed on Exhibit A.
2. Certificates representing all of the issued and outstanding capital stock of the Subsidiary registered in the name of the Purchaser.
3. The agreements referred to in Section 5.05.
4. The Company's quarterly report on form 10QSB for the period ended January 31, 2001 as filed with the Securities and Exchange Commission.

6.02 Officer and Directors. At the closing of this Agreement all present officers and directors of the Company, with the exception of Stephen Jackson, will resign.

ARTICLE VII REMEDIES

7.01 Arbitration. Any controversy or claim arising out of, or relating to, this Agreement, or the making, performance, or interpretation thereof, shall be settled by arbitration in Vancouver, British Columbia in accordance with the General Rules of Arbitration in British Columbia then existing, and judgment on the arbitration award may be entered in any court having jurisdiction over the subject matter of the controversy.

7.02 Costs. If any legal action or any arbitration or other proceeding is brought for the enforcement of this Agreement, or because of an alleged dispute, breach, default, or misrepresentation in connection with any of the provisions of this Agreement, the successful or prevailing party or parties shall be entitled to recover reasonable attorney's fees and other costs incurred in that action or proceeding, in addition to any other relief to which it or they may be entitled.

7.03 Termination. In addition to the other remedies, the Company or the Purchaser may on or prior to the closing date terminate this Agreement, without liability to the other party:

(i) If any bona fide action or proceeding shall be pending against the Company or the Purchaser on the closing date that could result in an unfavorable judgment, decree, or order that would prevent or make unlawful the carrying out of this Agreement or if any agency of the federal or of any state government shall have objected at or before the closing date to this acquisition or to any other action required by or in connection with this Agreement;

(ii) If the legality and sufficiency of all steps taken and to be taken by each party in carrying out this Agreement shall not have been approved by the respective party's counsel, which approval shall not be unreasonably withheld.

(iii) If a party breaches any representation, warranty, covenant or obligation of such party set forth herein and such breach is not corrected within ten days of receiving written notice from the other party of such breach.

ARTICLE VIII MISCELLANEOUS

8.01 Captions and Headings. The Article and paragraph headings throughout this Agreement are for convenience and reference only, and shall in no way be deemed to define, limit, or add to the meaning of any provision of this Agreement.

8.02 No Oral Change. This Agreement and any provision hereof, may not be waived, changed, modified, or discharged orally, but only by an agreement in writing signed by the party against whom enforcement of any waiver, change, modification, or discharge is sought.

8.03 Non-Waiver. Except as otherwise expressly provided herein, no waiver of any covenant, condition, or provision of this Agreement shall be deemed to have been made unless expressly in writing and signed by the party against whom such waiver is charged; and (i) the failure of any party to insist in any one or more cases upon the performance of any of the provisions, covenants, or conditions of this Agreement or to exercise any option herein contained shall not be construed as a waiver or relinquishment for the future of any such provisions, covenants, or conditions, (ii) the acceptance of performance of anything required by this Agreement to be performed with knowledge of the breach or failure of a covenant, condition, or provision hereof shall not be deemed a waiver of such breach or failure, and (iii) no waiver by any party of one breach by another party shall be construed as a waiver with respect to any other or

subsequent breach.

8.04 Time of Essence. Time is of the essence of this Agreement and of each and every provision hereof.

8.05 Entire Agreement. This Agreement contains the entire Agreement and understanding between the parties hereto, and supersedes all prior agreements, understandings and the letters of intent between the parties.

8.06 Applicable Law. This Agreement and its application shall be governed by the laws of British Columbia.

8.07 Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

8.08 Notices. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given on the date of service if served personally on the party to whom notice is to be given, or on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, and properly addressed to the following address or to such other address as specified in writing from time to time by one party to the other:

Wowtown.com, Inc.

Suite 450
999 West Hastings St.
Vancouver, British Columbia, Canada V6C 2W2

595796 B.C. Ltd.

Suite 1600, 609 Granville Street
P.O. Box 10068, Pacific Centre
Vancouver, British Columbia, Canada, V7Y 1C3

8.09 Binding Effect. This Agreement shall inure to and be binding upon the heirs, executors, personal representatives, successors and assigns of each of the parties to this Agreement.

8.10 Effect of Closing. All representations, warranties, covenants, and agreements of the parties contained in this Agreement, or in any instrument, certificate, opinion, or other writing provided for in it, shall survive the closing of this Agreement.

8.11 Mutual Cooperation. The parties hereto shall cooperate with each other to achieve the purpose of this Agreement, and shall execute such other and further documents and take such other and further actions as may be necessary or convenient to effect the transaction described herein. Neither party will intentionally take any action, or omit to take any action, which will cause a breach of such party's obligations pursuant to this Agreement.

AGREED TO AND ACCEPTED as of the date first above written.

Wowtown.com, Inc.

By /s/ David Packman

David Packman, President

595796 B.C. Ltd.

By /s/ Stephen C. Jackson

Stephen C. Jackson, President