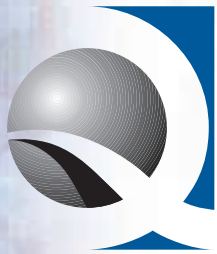


TSE:QIS

2002

1ST QUARTER REPORT

for the period ended March 31, 2002



QUORUM
Information
TECHNOLOGIES INC.

www.QuorumIS.com

Quorum Information Technologies Inc.

Quorum is a successful Information Technology Company that is uniquely positioned to become known as the Technology Solutions Company for mid-sized business. In the Branham Group's annual ranking of the top 300 Canadian Information Technology companies, Quorum was ranked as one of the top 100 IT Professional Services companies in Canada in 2002. Quorum's success comes from developing, marketing, implementing and supporting superior technology products and services specifically for the mid-market, and from our commitment to total customer satisfaction. Quorum has expertise in all aspects of Information Technology and employs the best people in the business to deliver it through two divisions: Enterprise Solutions and Technology Solutions.

The Enterprise Solutions Division uses its experience and expertise to take software products from ideas to market. The division has built the required system development, implementation, support, documentation, marketing and sales departments to deliver its proprietary AUTO MATE[®] Dealership Management Software and XSellerator[™] solutions to the automotive market.

AUTO MATE is the only fully integrated Windows-based Dealership and Customer Management software package designed for automotive dealerships. This system streamlines and completely automates every department within a dealership. During the first quarter of 2002, the Corporation has developed another software product named FasTrack[™], which opens up a new vertical segment for the ES Division. This user-friendly software is capable of managing a homebuilder's sales, quoting and change-order processes.



Financial Highlights

	Quarter ended March 31, 2002	Quarter ended March 31, 2001
Revenues		
Enterprise Solutions Division	\$ 542,491	\$ 40,470
Technology Solutions Division	\$ 1,434,407	\$ 1,028,206
TOTAL	\$ 1,976,898	\$ 1,068,676
Gross Profit	\$ 553,591	\$ 338,473
Gross Margin	28%	31%
Earnings (Loss) Before Interest, Taxes and Amortization (EBITDA)	\$ 33,292	\$ (31,312)
Net Income (Loss)	\$ (80,594)	\$ (85,268)
Earnings per Share	\$ (0.005)	\$ (0.011)
Common Shares Outstanding at Period End	\$ 15,104,400	8,100,000

President's Message



We continue to focus on sales growth, and a significant share of our growth is tied to our AUTO MATE product. The AUTO MATE install base is the Company's most important corporate metric because it measures market acceptance of the AUTO MATE product. Over the past year we have increased our installation base from 15 to 34 vehicle Dealerships. We are delighted with this growth!

Maury Marks, C.A.
President and CEO

AUTO MATE Installations

	March 31, 2002	March 31, 2001
AUTO MATE Installations for the year:	4	0
AUTO MATE Installations total:	34	15

Revenue for the 1st quarter ended March 31, 2002 increased 85% to \$1,976,898 compared to \$1,068,676 for the quarter ended March 31, 2001. The net loss for the quarter was \$80,594 (\$0.005 per share) compared to a loss of \$85,268 (\$0.011) in the same period last year. As we continue to develop AUTO MATE and increase sales and revenues, we expect to see progress in our financial results.

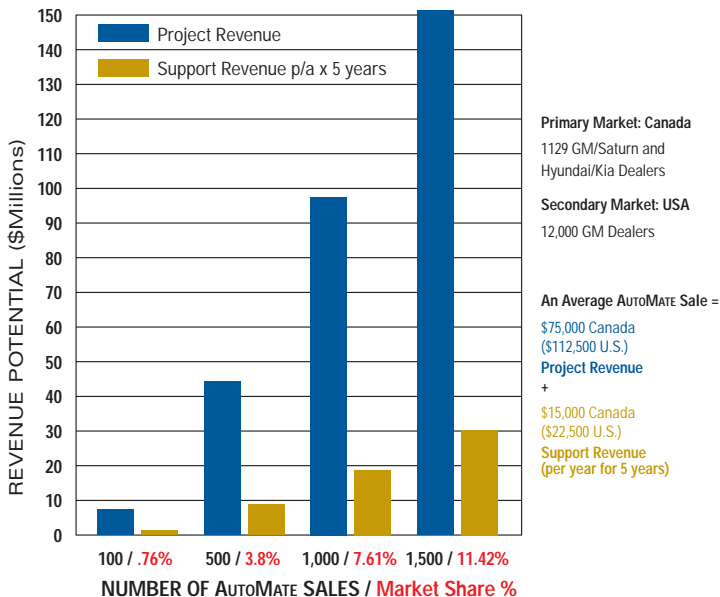
Enterprise Solutions

Revenues from the Enterprise Solutions Division increased to \$542,491 in the first quarter of 2002 as compared to \$40,470 for the same corresponding period. This represents an increase of 1240%.

AUTO MATE has developed a considerable amount of excitement in the Canadian automotive marketplace, and we believe that we are entering the initial stages of a significant growth curve with this product. Our active pipeline of dealerships that are planning to purchase AUTO MATE has more than tripled since March 31, 2001 of last year. And, based on closed sales to date, we will implement 7 more systems in the 2nd quarter of 2002.

We currently market AUTO MATE to all GM, Saturn and Hyundai dealerships across Canada. This represents 1129 Canadian dealerships. We are also beginning to market AUTO MATE to GM and Saturn dealerships in the United States. There are approximately 12,000 Dealerships in the US. Our 34 installations only represent a 0.25 % share of the available market.

AUTO MATE Market Potential



KEY MANAGEMENT METRIC



North American Dealerships (not currently on AutoMATE)

North American AutoMATE Dealerships

XSellerator is the hardware infrastructure that is required for every AutoMATE software installation. We have also installed XSellerator systems into 6 metro Dealerships that have not purchased AutoMATE at this time. Every XSellerator sale provides us with an opportunity to sell AutoMATE to the Dealership at a later date.

FasTrack

FasTrack is a new vertical market product for the homebuilding industry. We are in the process of implementing FasTrack for one of Calgary's leading homebuilders. During the 2nd quarter of 2002 we will begin actively marketing FasTrack, and we expect to see increased sales of this product in the 3rd quarter of 2002.

Technology Solutions

Revenues in the Technology Solutions Division have also increased for the first quarter of 2002, to \$1,434,407 as compared to \$1,028,206 for the corresponding quarter of 2001, representing an increase of 39%.

We will continue to focus our sales and marketing efforts on mid market companies and on particular vertical markets where the higher margin 3rd party solutions that we sell have had past sales success. As the business climate improves and spending in the technology sector recovers, we anticipate improved results in the Technology Solutions Division.

Maury Marks, C.A.
President and CEO
Quorum Information Systems

May 15, 2002

Management's Discussion and Analysis

of Financial Condition and Results of Operations

The following discussion and analysis provides information that management believes is relevant to an assessment and understanding of the Corporation's consolidated results of operations and financial condition. This discussion should be read in conjunction with the interim Consolidated Financial Statements and accompanying notes included in this Quarterly Report, and with the audited Consolidated Financial Statements and accompanying notes included in the Corporation's Annual Report for the period ended December 31, 2001. Certain statements contained in the following Management's Discussion and Analysis of Financial Condition and Results of Operations contain forward-looking statements, relating to the operations or to the environment in which we operate, which are based on our operations, forecasts and projections. Readers are cautioned to carefully review and consider all disclosures made by the Corporation in this Quarterly Report and the Annual Report for the period ended December 31, 2001, that attempt to advise interested parties of the risks and factors that may affect the Corporation's business.

Background and Description of Business

On August 29, 2001 Quorum Information Technologies Inc., (the "Corporation") formerly a capital pool company pursuant to CDNX Policy 2.4, completed its Qualifying Transaction which was the non-arm's length acquisition of all of the issued and outstanding securities in the capital of Quorum Information Systems Inc ("Quorum"). The acquisition of Quorum by the Corporation has been recorded as a Reverse Take-over Transaction (RTO) for accounting purposes.

Quorum is a 100% subsidiary of the Corporation.

Quorum is an Information Technology Company offering technology solutions for mid size business. Quorum's success comes from developing, marketing, implementing and supporting superior technology products and services specifically for the mid market, and from its commitment to

total customer satisfaction. As part of its strategy for continued growth, Quorum has formed an alliance with Meyers Norris Penny LLP, a well established Western Canadian chartered accountancy and business advisory firm.

The company comprises two divisions: The Enterprise Solutions Division (ES) and the Technology Solutions Division (TS). The ES Division develops and/or purchases and markets software products to vertical markets. The division has developed and brought to market AUTO MATE®, the only fully integrated Windows-based Dealership and Customer Management software package designed for automotive dealerships. Quorum has also developed XSellerator™, a server-based computing solution that delivers Windows and Web capabilities to any type of dealership at less cost than running PC's. During the first quarter of 2002, the Corporation has developed another software product named FasTrack™, which opens up a new vertical segment for the ES Division. This user-friendly software is capable of managing a homebuilder's sales, quoting and change-order processes. FasTrack has been sold to a leading home builder in Calgary on a pilot basis, and is in the final stages of implementation. The Corporation will be actively marketing the FasTrack software during the 2nd quarter of 2002.

The TS Division provides comprehensive information technology solutions to mid size organizations with a group of 'best of class' solutions assembled specifically for the mid market. This group, collectively referred to as Quorum's library of solutions, consists of scalable, cost-effective solutions for eBusiness, Business Software, Unified Communications and Network Services.

Results of Operations

Year	2002	2001
Quarter	Q1	Q1
Revenue		
Enterprise Solutions	\$ 542,491	\$ 40,470
Technology Solutions	1,434,407	1,028,206
	1,976,898	1,068,676
Cost of Sales		
Enterprise Solutions	320,355	16,908
Technology Solutions	1,102,952	713,295
	1,423,307	730,203
Gross profit	553,591	338,473
Expenses		
Salaries, general and administration, sales and marketing, bank charges and interest	531,172	392,626
Amortization	107,138	65,640
	638,310	458,266
Net loss before income taxes	\$ (84,719)	\$ (119,793)

KEY MANAGEMENT METRICS

AUTO MATE installations for the year:	4	0
AUTO MATE installations total:	34	15

Overview

During the first quarter of 2002 the Corporation incurred a net loss before income taxes of \$84,719 as compared to a net loss before income taxes of \$119,793 for the same quarter in 2001.

March 31, 2001 numbers are those of Quorum.

Revenue

Revenues for the first quarter of 2002 were \$1,976,898 compared to \$1,068,676 in the first quarter of fiscal 2001 representing an increase of 85%. The growth in revenues can be attributed mostly to the increase in sales in the ES Division, which sells AUTO MATE, XSellerator and FasTrack products. Revenues from the ES Division increased to

\$542,491 in the first quarter of 2002 as compared to \$40,470 for the same corresponding period. This represents an increase of 1240% over the corresponding period. Revenues in the TS Division have also increased to \$1,434,407 for the first quarter of 2002 as compared to \$1,028,206 for the corresponding quarter of 2001, representing an increase of 39%. Overall net loss before taxes for the same comparative periods have been reduced to \$84,719 (4.30% of sales) from a net loss of \$119,793 (11.21% of sales).

Gross margin for the first quarter of 2002 was 28% as compared to 31% in the first quarter of 2001. The shortfall in gross profit margins is largely due to the pressure on margins achieved on selling third party software and hardware which has been seen throughout the industry. The margins on the Corporation's developed software products and consulting revenues have remained consistent or have increased a few percentage points.

Expenditures before amortization during the first quarter of 2002 have increased by 35% when compared to the first quarter of 2001. This increase is consistent with the overall growth in net sales.

Basic earnings per share for the first quarter of 2002 was a basic loss per share of \$0.005 as compared to a basic loss per share of \$0.011 for the corresponding quarter in 2001.

Liquidity, Capital Resources and Risk Factors

Working capital at March 31, 2002 was \$420,803 a decrease of \$173,733 from December 31, 2001 which had a working capital of \$594,536. This decrease in the liquidity position is reflected in the overall cash outflow for the quarter with respect to continued development on AUTO MATE and development of the new FasTrack product. The current ratio of 1.34 at March 31, 2002, reflects the decreased liquidity compared to the current ratio of 1.56 at December 31, 2001.

The Corporation did not carry any significant long-term debt at March 31, 2002 and did not raise any new finances during the first quarter of 2002.

During the first quarter of 2002, 60,000 options were issued to employees at an exercise price of \$0.52 per share.

As at March 31, 2002 there are 1,370,740 (December 31, 2001 – 1,310,740) common share options outstanding at an exercise price between \$0.30 to \$0.52 and 100,000 (December 31, 2001 – 100,000) agents' options at an exercise price of \$0.30 per share.

As at March 31, 2002 there are 4,964,400 (December 31, 2001 – 4,964,400) outstanding share purchase warrants. Each share purchase warrant entitles the holder to acquire one additional common share of the Corporation at \$1.25 per share on or before October 31, 2002.

As at March 31, 2002 there are 5,717,230 (December 31, 2001 – 6,860,675) shares subject to escrow restrictions, which are scheduled to be released in installments over the next 30 months.

Research and Development

All research and development expenses are expensed as incurred unless they satisfy the generally accepted accounting criteria for deferral and subsequent amortization. The Corporation continues to carry on ongoing research and development towards the improvement of AUTO MATE, and has capitalized payroll costs of approximately \$74,000 in the first quarter of 2002 as compared to \$169,000 for the corresponding quarter of 2001. In July 2002, the Corporation will release Version 4.1 of AUTO MATE. This release reflects one year of continued development on the AUTO MATE product. The improved functionality of Version 4.1 will streamline all processes to provide increased efficiency to all dealership users.

The Corporation has been investigating complementary products for its ES Division. During the first quarter, the Corporation invested substantial time and effort in the development of a new product, FasTrack, for the Homebuilder industry. This product has been developed to meet the needs of homebuilders, and has been successfully sold to a leading homebuilder in Calgary on a pilot project basis. Payroll costs of approximately \$103,000 have been capitalized for the development of this product in the first quarter of 2002. No amortization has been recognized in this quarter, as this product was still in the development phase.

General and Administration Expenses

General and administrative expenses have been reduced to \$75,704 for the first quarter of 2002 as compared to \$108,046 for the corresponding quarter in 2001. This decrease is largely due to improved cost and expense controls and expense budgets put in place over the last couple of months.

Marketing

Marketing expenses have reduced to \$61,042 for the first quarter of 2002 as compared to \$73,715 for the same period in 2001. Marketing expenses were higher in the corresponding quarter of 2001, due to the advertising costs related to the launch of AUTO MATE, and the expenditures incurred to introduce the strategic alliance with Myers Norris Penny LLP. This level of sales and marketing expense is expected to continue for the rest of the fiscal year 2002.

Interest and Bank Charges

Interest expense for the first quarter of 2002 has decreased to \$10,873 as compared to \$22,841 for the first quarter of 2001. This decrease is due to the conversion of the note payable to 732519 Alberta Ltd. to share capital on its acquisition by the Corporation.

Income Taxes

Income taxes represent future tax recovery. For the year ended July 31, 2001 a SR&ED claim of \$70,000 has been made on qualified research expenditures. As at March 31, 2002 this has not been assessed by CCRA, and the SR&ED claim is still outstanding.

Material Contracts & Commitments

During the first quarter of 2002 the Corporation did not enter into any new material contracts or commitments.



Related Party Transactions

During the first quarter of 2002, the Corporation incurred fees in the amount of \$13,750 (March 31, 2001 – Nil) from an entity of which one director is a principal. This amount remains unpaid at March 31, 2002.

The fees were related to the services provided for the acquisition and reorganization of the Corporation, which have been charged to share capital as share issue costs.

Related party transactions have been recorded at their exchange amounts which represent carrying values.

Subsequent Events

There are no significant subsequent events to be reported.

Business Risks and Prospects

Forward-looking statements are not guarantees of future performance. They involve risks, uncertainties and assumptions and the Company's actual results may differ materially from those anticipated in these forward-looking statements. Factors which may cause such differences include, but are not limited to those set forth under "Business Risks and Prospects." The Corporation does not take any obligation to release any public information of the results of any revision to these forward-looking statements which may be made to reflect events or circumstances occurring in the future.

As a young and still evolving information technology company, the Corporation faces key risks, including emergence of superior competing technologies, retention of skilled employees, reliance on relatively few key suppliers and customers, and adequacy of capital and/or cash flow to pursue our business plan objectives. This list is not intended to be exhaustive, but merely to communicate to shareholders certain key risks faced by the Corporation in its business.

Quorum attempts to mitigate these risks through various strategic and operating mechanisms such as ongoing research and development, growth through diversification into new products and services, fair and equitable compensation and workplace policies, flexibility in operational decision making, review and discussion of competitors' policies to maintain market advantage, and ongoing interaction with both debt and capital markets. Management believes these strategies reduce the Corporation's business risk to an acceptable level, which will allow the Corporation to continue to grow and maximize shareholder value.

The information technology industry is subject to rapid technological change, and the products and services provided by the Corporation are also expected to be subject to rapid technological changes. To remain competitive, the Corporation must be able to keep pace with the technological developments in this industry and change its product and services lines to meet new demands. The Corporation will depend on research and development of new products and services that have not been commercially tested to accelerate its future growth.

Business Prospects

The Corporation believes that its success depends largely upon the following factors:

- Sales, installations and support of the Corporation's software products
- Sales, implementation and support of third party software products
- Enhancements and upgrades to the Corporation's software products
- Identification of software development opportunities

Management is optimistic about the Corporation's prospects and believes that the ES division's automotive solutions are at the start of a significant growth curve. Management believes the TS division will continue to increase revenues as technology expenditures increase.

Interim Consolidated Balance Sheets

As at	March 31 2002 (Unaudited)	December 31 2001 (Audited)
Assets		
Current		
Cash and cash equivalents	\$ 136,046	\$ —
Accounts receivable	\$ 1,319,443	\$ 1,522,908
Income tax receivable	70,627	70,627
Inventory	80,811	54,818
Prepaid expenses	37,808	10,559
	1,644,735	1,658,912
Future tax asset	208,434	198,174
Software development costs	2,077,606	1,976,111
Capital assets	345,399	368,198
Deferred expenses	43,478	49,407
	\$ 4,319,652	\$ 4,250,802
Liabilities		
Current		
Bank indebtedness	\$ —	\$ 83,992
Accounts payable and accrued liabilities	1,172,904	840,203
Current portion of long-term debt	51,028	63,528
Due to shareholders	—	76,653
	1,223,932	1,064,376
Long-term debt	4,210	6,707
	1,228,142	1,071,083
Shareholders' Equity		
Share capital (Note 3)	3,168,609	3,176,224
Retained earnings (Deficit)	(77,099)	3,495
	3,091,510	3,179,719
	\$ 4,319,652	\$ 4,250,802

Unaudited Interim Consolidated Statements of Operations

	Three months ended March 31, 2002	Three months ended March 31, 2001
Revenue		
Enterprise Solutions	\$ 542,491	\$ 40,470
Technology Solutions	1,434,407	1,028,206
	1,976,898	1,068,676
Cost of goods sold		
Enterprise Solutions	320,355	16,908
Technology Solutions	1,102,952	713,295
	1,423,307	730,203
Gross profit	553,591	338,473
Expenses		
Salary, benefits and employee training	383,553	188,024
General and administrative expenses	75,704	108,046
Sales and marketing	61,042	73,715
Bank charges and interest	10,873	22,841
Amortization	107,138	65,640
	638,310	458,266
Income (loss) before income taxes	(84,719)	(119,793)
Future income taxes (recovery)	(4,125)	(34,525)
Net income (loss) for the period	(80,594)	(85,268)
Retained earnings (deficit), beginning of period	3,495	55,629
Retained earnings (deficit), end of period	\$ (77,099)	\$ (29,639)
Basic earnings (loss) per share	\$ (0.005)	\$ (0.011)
Fully diluted earnings (loss) per share	\$ (0.005)	—
Weighted average number of common shares - Basic	15,104,400	8,100,000
Weighted average number of common shares - Fully diluted	15,646,402	—

Unaudited Interim Consolidated Statements of Cash Flows

	Three months ended March 31, 2002	Three months ended March 31, 2001
Cash flows from operating activities		
Cash receipts from customers	\$ 2,180,363	\$ 996,120
Cash paid to suppliers and employees	(1,670,282)	(1,383,785)
Interest paid	(10,873)	(22,841)
Income taxes received	—	15,031
	499,208	(395,475)
Cash flows from financing activities		
Cash received on issuance of shares net of share issue costs	(7,615)	—
Loan from 732519 Alberta Ltd.	—	300,000
Shareholders loans received (repaid)	(76,653)	149,775
Repayment of long-term debt	(14,997)	(82,010)
	(99,265)	367,765
Cash flows from investing activities		
Purchase of capital assets	(2,093)	(35,521)
Computer software development costs	(177,812)	(358,748)
Deferred expenses	—	(19,500)
	(179,905)	(413,769)
(Decrease) increase in cash and cash equivalents	220,038	(441,479)
Cash and cash equivalents, beginning of period	(83,992)	(216,230)
Cash and cash equivalents, end of period	\$ 136,046	(657,709)
Basic cash flow from operations per share	\$ 0.033	\$ (0.049)
Fully diluted cash flow from operations per share	\$ 0.032	\$ —
Weighted average number of common shares - Basic	15,104,400	8,100,000
Weighted average number of common shares - Fully diluted	15,646,402	—

Unaudited Notes to Interim Consolidated Financial Statements

1. Nature of Operations and Basis of Presentation

Quorum Information Technologies Inc. ("QIS" or the "Corporation") (formerly QIS Ventures Inc.) is incorporated under the laws of Alberta. The Corporation changed its name on September 17, 2001. The Corporation was party to a reverse takeover transaction ("RTO") between QIS (the deemed acquiree) and Quorum Information Systems Inc. ("Quorum") (the deemed acquirer), effective August 29, 2001. The corporate structure is that effective August 29, 2001, Quorum became the wholly-owned subsidiary of QIS. Quorum is incorporated under the laws of Alberta.

Quorum delivers technology products and services specifically for the mid market through two divisions. Enterprise Solutions develops and markets proprietary AUTO MATE[®] and XSellerator[™] products to the automotive dealership industry, and Technology Solutions provides comprehensive IT solutions, services and support to a wide variety of industries. Currently Quorum operations are located primarily in Western Canada.

The March 31, 2001 comparative numbers are those of Quorum.

The accompanying unaudited interim consolidated financial statements include all information and footnote disclosures required under Canadian generally accepted accounting principles for interim financial statements. In the opinion of management, all adjustments (consisting primarily of normal recurring adjustments) considered necessary for a fair presentation of the financial position, results of operations and cash flows as at March 31, 2002, and for all periods presented, have been included.

The unaudited interim consolidated balance sheet, consolidated statements of operations and consolidated statements of cash flows have been prepared in accordance with Canadian generally accepted accounting principles for interim financial statements. These interim consolidated financial statements and notes do not include all disclosures required for annual statements and should be read in conjunction with the audited financial statements and notes thereto included in the Corporation's annual report for the fiscal year ended December 31, 2001.

2. Significant Accounting Policies

The unaudited interim consolidated financial statements of the Corporation have been prepared by management in accordance with generally accepted accounting principles in Canada. The accounting policies and methods of application used in preparation of these financial statements are consistent with the December 31, 2001 audited financial statements unless noted otherwise.

3. Share-Capital

(a) Authorized

- Unlimited number of
- Common voting shares
- Preferred shares issuable in series

(b) Issued and outstanding

	Number of Shares	Amount
Common Shares		
Balance, December 31, 2001	15,104,400	\$ 3,176,224
Share issue costs net of future taxes \$6,135		(7,615)
<hr/>		
Balance, March 31, 2002	15,104,400	3,168,609

Corporate Information

Quorum Information Technologies Inc.

Board of Directors

Maury Marks

Director
President and Chief Executive Officer
Quorum Information Technologies Inc.

Larry Shelley

Chairman of Board of Directors
President of Tamarack Group Ltd. and Executive Vice-President
of Advisory Services of Meyers Norris Penny LLP

Charles Buchanan

Secretary and Director
Director, Technology Consulting, Meyers Norris Penny LLP

Ross Bevin

Director
Vice President of Business Development
Quorum Information Systems Inc.

Steve Remington

Director
President and Chief Executive Officer, Entero Corp.

Officers

Maury Marks

President and Chief Executive Officer

Swapan Kakumanu

Chief Financial Officer

Corporate Counsel

Burnet Duckworth & Palmer
Calgary, Alberta

Bankers

Canadian Imperial Bank of Commerce
Calgary, Alberta

Auditors

Buchanan Barry LLP
Calgary, Alberta

Stock Exchange Listing

TSX Venture Exchange (formerly CDNX)
Trading Symbol: QIS

Registrar and Transfer Agent

Computershare Trust Company of Canada
Calgary, Alberta

Quorum Information Technologies Inc.

Corporate Office
Suite 100, 2451 Dieppe Avenue SW
Calgary, Alberta, Canada T3E 7K1

Phone: 403.777.0035
Fax: 403.777.0039
E-mail: Investors@QuorumIS.com
Web Site: www.QuorumIS.com

Quorum Information Systems Inc. is a wholly owned subsidiary of Quorum Information Technologies Inc.

Directors and Senior Management

Maury Marks

Director, President

Glen Wilchek

Director, Vice President - Operations

Swapan Kakumanu

Director, Chief Financial Officer

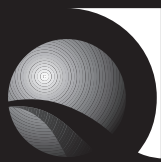
Dan Munkittrick

Director of Sales

Dan Ichelson

Director of Implementations

Quorum Information Technologies Inc.



QUORUM
Information
TECHNOLOGIES INC.

**Quorum Information Technologies Inc.
(TSXV: QIS)**

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