ENTHEOS TECHNOLOGIES INC
Form 10KSB/A
February 20, 2003

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-KSB/Amendment No. 1

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d)

OF THE SECURITIES EXCHANGE ACT OF 1934

For the Fiscal Year Ended December 31, 2001

Commission file number 000-30156

ENTHEOS TECHNOLOGIES INC.

(Name of small business issuer as specified in its charter)

NEVADA

98-0170247

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization)

Identification No.)

Unit 216 1628 West 1st Avenue, Vancouver, B.C.

V6J 1G1

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code:

(604) 659-5005

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

None

Securities registered under Section 12(g) of the Act:

Common Stock, $.00001 par value, listed on the OTC Bulletin Board

Indicate by check mark whether the registrant: (1) has filed all reports required by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing for the past 90 days. Yes [X] No [_]

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not 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-K or any amendment to this Form 10-K [X]

Revenues for last fiscal year were $463,288.00

Aggregate market value of Common Stock, $0.00001 par value, held by non-affiliates of the registrant as of March 15th, 2002: $64,960. Number of shares of Common Stock, $0.00001 par value, outstanding as of March 15th, 2002: 1,970,887.

ANNUAL REPORT ON FORM 10-KSB/A #1

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2001

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PART I

ITEM 1. DESCRIPTION OF BUSINESS

This Annual Report on Form 10-KSB and the documents incorporated by reference contain forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are based on current expectations, estimates and projections about our business and industry, management's beliefs, and certain assumptions made by management. Words such as "anticipates," "expects," "intends," "plans," "believes," "seeks" and "estimates" and similar expressions, are intended to identify forward-looking statements. These statements are not guarantees of future performance and actual actions or results may differ materially. These statements are subject to certain risks, uncertainties and assumptions that are difficult to predict, including those noted in the documents incorporated by reference. Entheos Technologies undertakes no obligation to update publicly any forward-looking statements as a result of new information, future events or otherwise, unless required by law. Readers should, however, carefully review the risk factors included in this and other reports or documents filed by Entheos from time to time with the Securities and Exchange Commission, particularly the Quarterly Reports on Form 10-QSB and any Current Reports on Form 8-K.

THE COMPANY

Entheos Technologies Inc. ("Entheos" or the "Company"), through its wholly owned subsidiary, Email Solutions, Inc., operates as an application service provider developing reliable, scalable, real time, high volume outsourced email services. The Company also operates a media streaming portal website (www.whatsonline.com) and a website focused on the home improvement market (www.callapro.com). On March 21, 2001, Entheos announced its plans to sell both of its online properties due to low traffic and lack of meaningful revenues from the sites. To date, the Company has not received any offers of interest from prospective purchasers of the Company s online assets.

The Company was incorporated under the laws of the State of Utah on July 14, 1983, under the name of Far West Gold, Inc. On May 9, 1996, the stockholders authorized a name change to Far West Resources, Inc. On June 30, 1997, the stockholders authorized a name change to American Alliance Corporation and authorized a change in the state of domicile from Utah to Nevada. In January 1999, the company entered into the field of targeted Internet streaming with the launch of www.eviewonline.com, which was subsequently merged with www.whatsonline.com. On May 20, 1999, the Company changed its name to WhatsOnline.com, Inc.

At the Annual Meeting of Shareholders held on June 30, 2000, the shareholders of the Company approved a proposal to permit the Company's Board of Directors, in its discretion, to change the Company s name from WhatsOnline.com, Inc. to Entheos Technologies, Inc. and approved a forward two to one stock split of the Company's authorized, and issued and outstanding shares of common stock. On September 15, 2000, the Company purchased 100% of the voting common stock of Email Solutions, Inc., a Nevada corporation, for $283,000. On July 12, 2001, the Company s shareholders approved a 25:1 reverse split of the Company s common stock, with the par value remaining the same.

Email Solutions Inc.

Through its wholly owned subsidiary, Email Solutions, Inc., Entheos Technologies is evolving as an Application Service Provider (ASP) developing reliable, scalable, real time, high volume

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outsourced email services. An ASP is a third-party service firm, which deploys, manages, and remotely hosts a pre-packaged software application through centrally located servers.

As businesses rely more on email services to communicate with and market to existing and potential customers, the costs and resources required to implement email communication systems in-house may lead many companies to seek an outsourced solution to their email services needs. By outsourcing their email service functions clients eliminate the need to lease, buy and continually upgrade bandwidth, hardware and software, and recruit and retain systems engineers and skilled personnel to run and monitor their email service systems and campaigns.

Currently, the Company has engineered and is now developing an application capable of delivering over 1,000,000 customized (mail-merged) messages per hour, with a technology backbone capable of handling upwards of

20,000,000 emails per day.

Employees

At December 31, 2001, the Company employed 5 full time and 1 part-time person. To the best of the Company's knowledge, none of the Company's officers or directors is bound by restrictive covenants from prior employers. None of the Company's employees are represented by labor unions or other collective bargaining groups. The Company considers its relationship with its employees to be excellent.

Risk Factors of the Business

Lack of Operating History:

Our business is subject to the risks inherent in the establishment of a new business. Specifically, in formulating our business plan, we have relied on the judgment of our officers, directors and consultants but have not conducted any formal independent market studies concerning the demand for our services.

We have had limited revenues since inception. In 2001, we had revenues of $463,288. We have not been profitable, experiencing an accumulated loss of $2,542,960 through 2001. Even if we become profitable in the future, we cannot accurately predict the level of, or our ability to sustain profitability. Because we have not yet been profitable and cannot predict any level of future profitability, you bear the risk of a complete loss of your investment in the event our business plan is unsuccessful.

Intense Competition: The market for our services is intensely competitive, constantly evolving and subject to rapid technological change. We expect the intensity of competition to increase in the future. Increased competition may result in price reductions, changes in our pricing model, reduced gross margins and loss of market share, any one of which could materially damage our business. Many of our competitors have more resources and broader and deeper customer access than we do. In addition, many of these competitors have or can readily obtain extensive knowledge of our industry. Our competitors may be able to respond more quickly than we can to new technologies or changes in Internet user preferences and devote greater resources than we can to the development, promotion and sale of their services. We may not be able to maintain our competitive position against current and future competitors, especially those with significantly greater resources.

Dependence On Key Personnel:

We depend on the continued service of our key technical, sales and senior management personnel. In particular, the loss of the services of Mr. Kesar S. Dhaliwal, our President and Chief Executive Officer, or other senior management personnel, individually or

as a group, could cause us to incur increased operating expenses and divert other senior management time in searching for their replacements. We do not have employment agreements with any employee, nor do we maintain any key person life insurance policies for any of our key employees. The loss of any of our key technical, sales or senior management personnel could harm our business. In addition, we must attract, retain and motivate highly skilled employees. We face significant competition for individuals with the skills required to develop, market and support our services. We may not be able to recruit and retain sufficient numbers of highly skilled employees, and as a result our business could suffer.

Dependence on One Customer:

In 2001, all of our total ASP revenues were generated from services provided to Innotech Corporation. The Company and Innotech Corporation have a common Director and majority shareholder. Our business, results of operations and financial condition could be materially adversely affected by the loss of this one customer, and such a loss could be concentrated in a single quarter. Further, if we do not continue to attract other customers, our business, results of operations and financial condition could be materially adversely affected.

Capacity Restraints: The satisfactory performance, reliability and availability of email services and network infrastructure are critical to our reputation and our ability to attract and retain customers. If our volume of email traffic increases, we will need to expand and upgrade our technology and network infrastructure. We may not be able to accurately project the rate or timing of these increases, if any, in the use of our services or to expand or upgrade our systems and infrastructure in a timely manner to accommodate these increases.

We use internally developed software and systems for operating our email services. If we add new features and functionality to our services, we could be required to develop or license additional technologies. Our inability to add additional software and hardware or upgrade our technology or network infrastructure could cause unanticipated system disruptions, slower response times, impaired quality of the users' experience, delays in accounts receivable collection or losses of recorded financial information. Our failure to provide new features or functionality also could result in these consequences. We may be unable to effectively upgrade and/or expand our systems in a timely manner or to integrate smoothly any newly developed or purchased technologies with our existing systems. These difficulties could harm or limit our ability to expand our business.

Inability to Obtain Funding: We may not be able to obtain additional funding when needed, which could limit future expansion and marketing opportunities and result in lower than anticipated revenues. We may require additional financing to further develop our business and to pursue other business opportunities. If the market price of the common stock declines, some potential financiers may either refuse to offer us any financing or will offer financing at unacceptable rates or unfavorable terms. If we are unable to obtain financing on favorable terms, or at all, this unavailability could prevent us from expanding our business, which could materially impact our future potential revenues.

Adverse Effect of Shares Eligible for Future Sale: Future sales of large amounts of common stock could adversely effect the market price of our common stock and our ability to raise capital.

Future sales of our common stock by existing stockholders pursuant to Rule 144 under the Securities Act of 1933, or following the exercise of outstanding options and warrants, could adversely affect the market price of our common stock. Substantially all of the outstanding shares of our common stock are freely tradable, without restriction or registration under the Securities

Act, other than the sales volume reporting and transaction restrictions of Rule 144 applicable to shares held beneficially by persons who may be deemed to be affiliates. Our directors and executive officers and their family members are not under lockup letters or other forms of restriction on the sale of their common stock. The issuance of any or all of these additional shares upon exercise of options or warrants will dilute the voting power of our current stockholders on corporate matters and, as a result, may cause the market price of our common stock to decrease. Further, sales of a large number of shares of common stock in the public market could adversely affect the market price of the common stock and could materially impair our future ability to generate funds through sales of common stock or other equity securities.

Dependence on Third Parties: We are highly dependent on third parties for the provision of bandwidth and other services. If these third parties are not able to fulfill their responsibilities to us on schedule or if the technology developed by them for our use does not function as anticipated, our business may suffer materially.

Our Properties May Not be Saleable: Due to the rapid deterioration of market valuations for many Internet based ventures, our planned sale of WhatsOline.com and CallAPro.com may not generate enough to recoup our development costs.

Potential Fluctuations in Quarterly Results: Significant variations in our quarterly operating results may adversely affect the market price of our common stock. Our operating results have varied on a quarterly basis during our limited operating history, and we expect to experience significant fluctuations in future quarterly operating results. These fluctuations have been and may in the future be caused by numerous factors, many of which are outside of our control. We believe that period-to-period comparisons of our results of operations will not necessarily be meaningful and that you should not rely upon them as an indication of future performance. Also, it is likely that our operating results could be below the expectations of public market analysts and investors. This could adversely affect the market price of our common stock.

Intellectual Property:

The Company relies on a combination of trademark, copyright law, trade secret protection, confidentiality agreements and other contractual arrangements with employees, vendors and others to protect its rights to intellectual property. Theses measures, however, may be inadequate to deter misappropriation of proprietary information. Failure to adequately protect its intellectual property could harm the Company's brand, devalue its proprietary content and affect the Company's ability to compete effectively.

Environmental Matters:

The Company believes it conducts its business in compliance with all environmental laws presently applicable to its facilities. To date, there have been no expenses incurred by the Company related to environmental issues.

Government Regulation:

The Company is not subject to any direct governmental regulation other than the securities laws and regulations applicable to all publicly owned companies, and laws and regulations applicable to businesses generally.

ITEM 2: PROPERTIES

The Company's office is located at 15 Wertheim Court, Suite 311, Richmond Hill, Ontario, L4B 3H7. This office is 2180 square feet and is leased for approximately $4,100 Canadian per month, until January, 2003.

ITEM 3: LEGAL PROCEEDINGS

The Company is not involved in any pending legal proceedings.

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

There were no matters submitted to a vote of the security holders in the fourth quarter of 2001.

PART II

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

(a) Market Information

The Company's Common Stock is listed on the Over the counter Bulletin Board market under the symbol "ETHO". The following table sets forth the high and low closing prices for the periods indicated:

<u>High</u>

<u>Low</u>

First Quarter 2000

$ n/a

$ n/a

Second Quarter 2000

$ n/a

$ n/a

Third Quarter 2000

$ n/a

$ n/a

Fourth Quarter 2000

$ 4.75

$ 2.34

First Quarter 2001

$ 1.00

$ 0.53

Second Quarter 2001

$ 0.75

$ 0.63

Third Quarter 2001

$ 0.20

$ 0.20

Fourth Quarter 2001

$ 0.31

$ 0.25

From the first quarter of 2000 to the third quarter of 2000, shares of the Company were quoted on the Pink Sheet market.

(b) Holders

As at March 15th, 2002, there were approximately 313 registered stockholders of record of the Company's Common Stock.

(c) Dividend Policy

The Company has never paid a dividend and does not anticipate paying any dividends in the foreseeable future. It is the present policy of the Board of Directors to retain the Company's earnings, if any, for the development of the Company's business.

ITEM 6: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and notes thereto included in Item 7 of this Form 10-KSB. Except for the historical information contained herein, the discussion in this Annual Report on Form 10-KSB contains certain forward-looking statements that involve risk and uncertainties, such as statements of the Company's plans, objectives, expectations and intentions. The cautionary statements made in this document should be read as being applicable to all related forward-looking statements wherever they appear in this document. The Company's actual results could differ materially from those discussed here. Factors that could cause differences include those discussed in "Risk Factors of the Business", as well as discussed elsewhere herein.

OVERVIEW

Entheos Technologies Inc. ("Entheos" or the "Company"), through its wholly owned subsidiary, Email Solutions, Inc., operates as an ASP developing reliable, scalable, real time, high volume outsourced email services. The Company also owns a media streaming portal website (www.whatsonline.com) and a website focused on the home improvement market (www.callapro.com). On March 21, 2001, the Company announced its plans to sell both of its online properties due to low traffic to and lack of meaningful revenues from the sites. To date, the Company has not received any offers of interest from prospective purchasers of the Company s online assets.

RESULTS OF OPERATIONS

Revenues. The Company generated revenues of $463,288 for the year ended December 31, 2001, versus $153,711 for the year ended December 31, 2000. This increase of $309,577, or 201%, is a direct result of a greater volume of emails being sent by the Company s principal client, Innotech Corporation, which became a client of the Company during the fourth quarter of 2000. The Company and Innotech Corporation have a common Director and majority shareholder.

Cost of Revenues. During 2001, the Company incurred $258,609 in cost of revenues, an increase of 484% over 2000 expenses of $44,268. The increase is primarily attributable to additional costs related to forwarding a larger volume of emails, as well as continued development of the Company s ASP emailing infrastructure.

General and Administrative Expenses. During 2001, the Company incurred $558,771 in general and administrative expenses, a decrease of 42% over 2000 expenses of $967,594. The decrease is primarily attributable to lower salary and employee benefit costs due to a lower number of employees.

Interest Income. Interest income was $36,127 and $86,604 for the years ended December 31, 2001, and 2000, respectively. Interest earned in the future will be dependent on Company funding cycles and prevailing interest rates.

Provision for Income Taxes. As of December 31, 2001, the Company's accumulated deficit was $2,542,960 and as a result, there has been no provision for income taxes to date.

Net Loss. For the year ended December 31, 2001, the Company recorded a net loss of $317,965, or 0.16 per share, versus a net loss of $771,547, or $0.39 per share, for the same twelve-month period ending December 31, 2000.

LIQUIDITY AND CAPITAL RESOURCES

At December 31, 2001, the Company had a cash balance of $826,603 compared to a cash balance of $938,147 at December 31, 2000.

During 2001, net cash flows used in operating activities was $71,544, versus net cash flows used in operating activities of $656,524 in 2000, primarily due to a lower net loss. During 2001, net cash flows used in investing activities was $40,000, primarily due to a loan to an officer of the Company.

The Company s principal source of liquidity is cash in bank and for the next twelve months, the Company has sufficient cash to meet its operating needs. The Company incurs management fees from the services of its president and majority shareholder at the rate of $12,000 per month, which will result in a decrease in the Company s cash position unless the debt is converted to equity in lieu of cash paid.

Due to the "start up" nature of the Company's businesses, the Company expects to incur losses as it expands. The Company expects to raise additional funds through private or public equity investment in order to expand the range and scope of its business operations. The Company will seek access to private or public equity but there is no assurance that such additional funds will be available for the Company to finance its operations on acceptable terms, if at all. See "Risk Factors of the Business" for additional details.

RELATED PARTY TRANSACTIONS

Officer loans at December 31, 2001 represent a loan in the amount of $40,000 dated September 10, 2001, to the president of the Company, plus $767 accrued interest. The terms of the loan include interest at 6.25 percent per annum, with both the principal and interest due at maturity, which is September 10, 2003.

During 2001 and 2000, the Company charged $144,000 and $100,000, respectively, to operations for management and consulting fees incurred for services rendered by the Chairman and principal stockholder. Included in accounts payable at December 31, 2001 and 2000, is a payable of $188,667 and $88,000, respectively, for these fees. During 2001, the Company paid $22,847 to an employee who is also a stockholder for consulting services rendered.

On September 15, 2000, the Company purchased 100% of the voting common stock of Email Solutions, Inc., a Nevada corporation, from Innotech Corporation (formerly known as Equityalert.com, Inc.), for $283,000. Email Solutions, Inc. s assets consist primarily of software and computer hardware equipment used in the emailing of the public company and mutual fund news alerts. Entheos provides emailing services for Innotech Corporation. The director and majority shareholder of Innotech Corporation is also the director and majority shareholder of Entheos Technologies, Inc. The Company recorded the purchase at net book value in a manner similar to a pooling of interests because the purchase occurred between entities under common

control. The excess of the cost of the acquired company over the net assets acquired at their book values were charged to additional paid in capital, which was $27,591.

All of the Company s revenues were derived from one customer, Innotech Corporation. The director and majority shareholder of Innotech Corporation is also a director and majority shareholder of Entheos Technologies, Inc.

ITEM 7: FINANCIAL STATEMENTS

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INDEPENDENT AUDITORS   REPORT

To the Board of Directors and Shareholders of

Entheos Technologies, Inc.

We have audited the accompanying consolidated balance sheets of Entheos Technologies Inc. (the Company), as of December 31, 2001 and 2000, and the related consolidated statements of operations, stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements present fairly, in all material respects, the consolidated financial position of the Company at December 31, 2001 and 2000, and the consolidated results of its operations and its consolidated cash flows for the years then ended, in conformity with generally accepted accounting principles in the United States.

/s/ Clancy and Co., P.L.L.C.

Clancy and Co., P.L.L.C.

Phoenix, Arizona

February 22, 2002

ENTHEOS TECHNOLOGIES, INC.

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2001 AND 2000

ASSETS	2001	2000
Current Assets		
Cash	$ 826,603	$ 938,147
Accounts Receivable Related Party (Note 3)	152,009	153,711
Prepaid Expenses	2,721	0
Total Current Assets	981,333	1,091,858
Property and Equipment, Net (Note 2)	173,727	305,862

Other Assets				
Security Deposit		8,423		0
Officer Loans Related Party (Note 3)		40,767		0
Intangible Assets, net of amortization of $11,250		0		38,750
		49,190		38,750
Total Assets	$	1,204,250	$	1,436,470

LIABILITIES AND STOCKHOLDERS EQUITY

Current Liabilities				
Accounts Payable	$	2,127	$	17,049
Accounts Payable Related Party (Note 3)		188,667		88,000
Total Current Liabilities		190,794		105,049
Commitments and Contingencies		None		None
Stockholders' Equity				
Preferred Stock: $0.0001 Par Value, Authorized: 10,000,000				
Issued and outstanding: None		None		None
Common Stock: $0.00001 Par Value, Authorized: 200,000,000				
Issued and Outstanding, 1,970,887		20		20
Additional Paid In Capital		3,556,396		3,556,396
Accumulated Deficit		(2,542,960)		(2,224,995)
Total Stockholders' Equity		1,013,456		1,331,421
Total Liabilities and Stockholders Equity	$	1,204,250	$	1,436,470

The accompanying notes are an integral part of these financial statements

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ENTHEOS TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF OPERATIONS

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

Year Ended December 31:		2001		2000
Revenues Related Party (Note 3)	$	463,288	$	153,711
Cost of Revenues (Officer Wages: $106,267 [2001] and $15,940 [2000])		258,609		44,268
Gross Margin		204,679		109,443
General and Administrative Expenses				
Management and Consulting Fees Related Party (Note 3)		166,847		100,000
Officer Wages		21,253		111,580
Salaries and Wages		83,161		311,653
Depreciation and Amortization		139,635		183,088
Other Operating Expenses		147,875		261,273
Total General and Administrative Expenses		558,771		967,594
Operating Loss		(354,092)		(858,151)
Interest Income		36,127		86,604
Net Loss Available to Common Stockholders	$	(317,965)	$	(771,547)
Basic Loss Per Share of Common Stock	$	(0.16)	$	(0.39)
Weighted Average Number of Common Shares Outstanding		1,970,887		1,970,887

The accompanying notes are an integral part of these financial statements

ENTHEOS TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS EQUITY

FOR THE YEARS DECEMBER 31, 2001 AND 2000

	Preferred Stock	Common Shares		Stock Amount		Additional Paid In Capital		Retained Earnings (A Deficit)		Total
Balance, December 31, 1999	0	1,970,887		20		3,583,987		(1,453,448)	$	2,130,559
Purchase of Subsidiary (Note 3)						(27,591)				(27,591)
Loss, year ended December 31, 2000		-		-		-		(771,547)		(771,547)
Balance, December 31, 2000	0	1,970,887		20		3,556,396		(2,224,995)		1,331,421
Loss, year ended December 31, 2001		-		-		-		(317,965)		(317,965)
Balance, December 31, 2001	0	1,970,887	$	20	$	3,556,396	$	(2,542,960)	$	1,013,456

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

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ENTHEOS TECHNOLOGIES, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000

Year ended December 31:	2001	2000
Cash Flows From Operating Activities		
Net Loss	$ (317,965)	$ (771,547)
Adjustments to Reconcile Net Loss to Net Cash Used In Operating Activities		

Depreciation and Amortization	139,635	183,088
Write off Goodwill	31,250	0
Changes in Assets and Liabilities		
(Increase) Decrease in Accounts Receivable	1,702	(153,711)
(Increase) Decrease in Prepaid Expenses	(2,721)	0
(Increase) Decrease in Security Deposits	(8,423)	1,322
(Increase) Decrease in Accrued Interest Receivable	(767)	0
Increase (Decrease) in Accounts Payable	85,745	84,324
Total Adjustments	246,421	115,023
Net Cash Flows Used In Operating Activities	(71,544)	(656,524)
Cash Flows From Investing Activities		
Officer Loans	(40,000)	0
Purchase of Property and Equipment	0	(27,807)
Investment in Subsidiary	0	(283,000)
Net Cash Flows Provided By Investing Activities	(40,000)	(310,807)
Cash Flows From Financing Activities	-	-
Increase (Decrease) in Cash and Cash Equivalents	(111,544)	(967,331)
Cash and Cash Equivalents, Beginning of Year	938,147	1,905,478
Cash and Cash Equivalents, End of Year	$ 826,603	$ 938,147
Cash paid for interest and income taxes:	-	-

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

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ENTHEOS TECHNOLOGIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

NOTE 1 ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Operations.

Organization. Entheos Technologies, Inc. (the Company) is a Nevada corporation with an authorized capital of 200,000,000 shares of $0.00001 par value common stock and 10,000,000 shares of $0.0001 par value preferred stock.

On July 29, 1999, the Company filed articles of incorporation in the province of Ontario to form a wholly owned subsidiary, Whatsonline.com Corp. On October 5, 2000, the Company filed amended articles of incorporation to change the name to Entheos Technologies Corp.

On January 28, 2000, the Company filed articles of incorporation in the State of Nevada to form a wholly owed subsidiary, Callapro.com, Inc. The authorized capital is 100,000,000 shares of $0.00001 par value common stock and 5,000,000 shares of $0.0001 par value preferred stock.

On August 3, 2000, the Company filed amended articles of incorporation in the State of Nevada to change its name to Entheos Technologies, Inc. and to increase the authorized capital of the Company by 100,000,000 shares of $0.00001 common stock and 5,000,000 of $0.0001 par value preferred stock.

On September 15, 2000, the Company purchased 100% of the voting common stock of Email Solutions, Inc., a Nevada corporation, for $283,000. Assets acquired consisted primarily of software and computer hardware equipment used in the emailing of news alerts. See Note 3.

On July 12, 2001, the Company s shareholders approved a 25:1 reverse split of the Company s common stock, with the par value remaining the same.

Nature of operations. The Company is an Application Service Provider (ASP) providing reliable, real time, high volume outsourced email service. The Company s provides emailing services to the membership base of a related company, Innotech Corporation

Summary of Significant Accounting Policies.

Accounting Method - The Company financial statements are prepared using the accrual method of accounting.

Principles of Consolidation - The consolidated financial statements include the accounts of Entheos Technologies, Inc. (a Nevada corporation) and its wholly owned subsidiaries, Callapro.com, Inc. (a Nevada corporation), Email Solutions, Inc. (a Nevada corporation), and Entheos Technologies, Corp (an Ontario providence corporation). All significant intercompany balances and transactions have been eliminated in consolidation.

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ENTHEOS TECHNOLOGIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

Business Combinations - The Company recorded the purchase of its subsidiary, Email Solutions, Inc., at net book value in a manner similar to a pooling of interests because the purchase

occurred between entities under common control. The excess of the cost of the acquired company over the net assets acquired at their book values were charged to additional paid in capital.

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the 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 period. Actual results could differ from those estimates.

Cash and Cash Equivalents - The Company considers all highly liquid instruments purchased with an original maturity of three months or less to be cash equivalents.

Concentration of Credit Risk The Company maintains U.S. dollar cash balances in Canadian banks that are not insured. All of the Company s revenues were derived from one customer, Innotech Corporation. The director and majority shareholder of Innotech Corporation is also a director and majority shareholder of Entheos Technologies, Inc.

Fixed Assets and Depreciation - Fixed assets are stated at cost and are depreciated under the straight line method over the estimated useful life of the assets for financial statement purposes, and on accelerated methods for tax purposes. Repairs and maintenance are charged to operations as incurred.

Intangible Assets - Intangible assets represent the Company name and are recorded at cost in accordance with Accounting Principles Board (APB) Opinion No. 17, Intangible Assets. The Company amortizes the intangible assets using the straight-line method over its estimated useful life. Continually, the Company evaluates whether the estimated useful life used to amortize the intangible asset is appropriate due to changing facts and circumstances resulting in increases or decreases in the asset s estimated useful life, and records the change prospectively. During the fourth quarter of 2001, the Company wrote off the entire amount and charged to operations $31,250. Amortization expense charged to operations during 2001 and 2000 was $7,500 and $10,000, respectively.

Long-Lived Assets The Company records impairment losses on long-lived assets used in operation when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets carrying amount.

Revenues and Accounts Receivables - Revenues are derived from providing emailing services and are recognized when the services are performed, which is in accordance with SEC Staff Accounting Bulletin (SAB) 101, Revenue Recognition in Financial Statements. Accounts receivable for both periods presented represents one customer. The Company uses the direct

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ENTHEOS TECHNOLOGIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

write-off method for receivables which is not in accordance with generally accepted accounting principles, but the departure is not material to the financial statements.

Advertising Costs - Advertising costs are expensed as incurred. Total advertising costs charged to operations for the years ended December 31, 2001 and 2000 were $2,477 and $11,334, respectively.

Cost Recognition - Cost of sales includes all direct material and labor used to provide the emailing services. General and administrative costs are charged to operating expenses as incurred.

Income Taxes - The Company accounts for income taxes under the provisions of SFAS No. 109, Accounting for Income Taxes. Under SFAS No. 109, deferred income tax assets and liabilities

are computed for differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future, based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation

allowances are established when necessary, to reduce deferred income tax assets to the amount expected to be realized.

Stock-Based Compensation - The Company accounts for stock-based compensation using the intrinsic value method prescribed in Accounting Principles Board Opinion No. 25, Accounting

for Stock Issued to Employees. Compensation cost for stock options, if any, is measured as the excess of the quoted market price of the Company s stock at the date of grant over the amount an

employee must pay to acquire the stock. SFAS No. 123, Accounting for Stock-Based Compensation, established accounting and disclosure requirements using a fair-value-based method of accounting for stock-based employee compensation plans. The Company has elected to remain on its current method of accounting as described above, and has adopted the disclosure requirements of SFAS No. 123.

Earnings Per Share - Basic earnings or loss per share is based on the weighted average number of common shares outstanding. Diluted earnings or loss per share is based on the weighted average number of common shares outstanding and dilutive common stock equivalents. Basic earnings/loss per share is computed by dividing net income applicable to common stockholders (numerator) by the weighted average number of common shares outstanding (denominator) for the period. All earnings or loss per share amounts in the financial statements are basic earnings or loss per share, as defined by SFAS No. 128, Earnings Per Share. Diluted earnings or loss per share does not differ materially from basic earnings or loss per share for all periods presented. All per share and per share information are adjusted retroactively to reflect stock splits and changes in par value.

Capital Structure - The Company discloses its capital structure in accordance with SFAS No. 129, Disclosure of Information about Capital Structure, which establishes standards for disclosing information about an entity s capital structure.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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Comprehensive Income The Company includes items of other comprehensive income by their nature in a financial statement and displays the accumulated balance of other comprehensive income separately from retained earnings and additional paid in capital in the equity section of

the balance sheet. For the periods presented, other comprehensive income (loss) includes unrealized losses on marketable equity securities.

Business Segment Information - The Company operates in one industry segment, that being providing high volume outsourced email services.

Foreign Currency Translation - The Company maintains both U.S. Dollar and a Canadian Dollar bank account at a financial institution in Canada. Transactions gains and losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency, which is the U.S. Dollar, are included in the results of operations as incurred. Revenues and expenses are translated at average exchange rates in effect during each period.

Start-up Expenses The Company accounts for start-up costs in accordance with Statement of Position (SOP) 98-5, Reporting on the Costs of Start-up Activities. SOP 98-5 provides

guidance on the financial reporting of start-up and organization costs and requires such costs to be expensed as incurred. During 2000, the Company charged off $649 of organization costs. The transaction did not have a material effect on the financial statements.

Fair Value of Financial Instruments - For certain of the Company s financial instruments, including cash and cash equivalents, accounts receivable, prepaid expenses, accounts payable and accrued liabilities, and debt, the carrying amounts approximate fair value due to their short maturities.

Reclassification - Certain prior period amounts have been reclassified to conform to the current year presentation. These changes had no effect on previously reported results of operations or total stockholders equity.

Recent Accounting Pronouncements - The Financial Accounting Standards Board (FASB) has issued the following pronouncements, none of which are expected to have a significant affect on the financial statements:

SFAS No.141, Business Combinations. SFAS No. 141 requires that all business combinations be accounted for under the purchase method of accounting. SFAS No. 141 also changes the criteria for the separate recognition of intangible assets acquired in a business combination. SFAS No. 141 is effective for all business combinations initiated after June 30, 2001.

SFAS No. 142, Goodwill and Other Intangible Assets. SFAS No. 142 addresses accounting and reporting for intangible assets acquired, except for those acquired in a business combination. SFAS No. 142 presumes that goodwill and certain intangible assets have indefinite useful lives. Accordingly, goodwill and certain intangibles will not be amortized but rather will be tested at least annually for impairment. SFAS No. 142 also addresses accounting and reporting for

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ENTHEOS TECHNOLOGIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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goodwill and other intangible assets subsequent to their acquisition. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001.

SFAS No. 143, Accounting for Asset Retirement Obligations. SFAS No. 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. SFAS No. 143 is effective for financial

statements issued for fiscal years beginning after June 15, 2002.

FASB issued SFAS No. 144, Accounting for the Impairment or Disposal of Long-Lived Assets. This statement addresses financial accounting and reporting for the impairment or disposal of long-lived assets. SFAS No. 144 is effective for financial statements issued for fiscal years beginning after December 15, 2001, and interim periods within those fiscal years.

Pending Accounting Pronouncements - It is anticipated that current pending accounting pronouncements will not have an adverse impact on the financial statements of the Company.

NOTE 2 - PROPERTY AND EQUIPMENT

Property and Equipment consists of the following at December 31:

	2001	2000
Computer Equipment	$ 413,808	$ 413,808
Computer Software	70,890	70,890
Furniture and Fixtures	11,614	11,614
Total	496,312	496,312
less Accumulated Depreciation	322,585	190,450
Net Book Value	$ 173,727	$ 305,862

Depreciation expense charged to operations during 2001 and 2000 was $132,135 and $173,088, respectively.

NOTE 3 - RELATED PARTY TRANSACTIONS

Officer loans at December 31, 2001 represent a loan in the amount of $40,000 dated September 10, 2001, to the president of the Company, plus $767 accrued interest. The terms of the loan include interest at 6.25 percent per annum, with both the principal and interest due at maturity, which is September 10, 2003.

During 2001 and 2000, the Company charged $144,000 and $100,000, respectively, to operations for management and consulting fees incurred for services rendered by the Chairman and principal stockholder. Included in accounts payable at December 31, 2001 and 2000, is a payable of $188,667 and $88,000, respectively, for these fees. During 2001, the Company paid $22,847 to an employee who is also a stockholder for consulting services rendered.

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ENTHEOS TECHNOLOGIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

On September 15, 2000, the Company purchased 100% of the voting common stock of Email Solutions, Inc., a Nevada corporation, from Innotech Corporation (formerly known as Equityalert.com, Inc.), for $283,000. Email Solutions, Inc. s assets consist primarily of software

and computer hardware equipment used in the emailing of the public company and mutual fund news alerts. Entheos provides emailing services for Innotech Corporation. The director and

majority shareholder of Innotech Corporation is also the director and majority shareholder of Entheos Technologies, Inc. The Company recorded the purchase at net book value in a manner similar to a pooling of interests because the purchase occurred between entities under common

control. The excess of the cost of the acquired company over the net assets acquired at their book values were charged to additional paid in capital, which was $27,591.

All of the Company s revenues were derived from one customer, Innotech Corporation. The director and majority shareholder of Innotech Corporation is also a director and majority shareholder of Entheos Technologies, Inc.

NOTE 4 - INCOME TAXES

There is no current or deferred tax expense for any of the periods indicated, due to the Company s loss position. The benefits of timing differences have not been previously recorded. The deferred tax consequences of temporary differences in reporting items for financial statement and income tax purposes are recognized, as appropriate. Realization of the future tax benefits related to the deferred tax assets is dependent on many factors, including the Company s ability to generate taxable income within the net operating loss carryforward period. Management has considered these factors in reaching its conclusion as to the valuation allowance for financial reporting purposes and has recorded a 100% valuation allowance against the deferred tax asset. The income tax effect, utilizing a 35% income tax rate, of temporary differences comprising the deferred tax assets and deferred tax liabilities is a result of the following at December 31:

	2001	2000
Deferred Tax Asset		
Net Operating Loss Carryforwards	$ 804,790	$ 710,914
Start-up Expenses	36,181	67,834
Deferred Tax Liabilities		
Depreciation	(7,893)	(15,377)
Net Deferred Tax Asset	833,078	763,371
Valuation Allowance	(833,078)	

(763,371)

Net Deferred Tax Asset

$ 0

$ 0

The net change in the valuation allowance for 2001 was an increase of $69,707 and for 2000 was an increase of $272,754, which are principally the result of net operating loss carryforwards.

The Company has available net operating loss carryforwards of approximately $2,300,000 for tax purposes to offset future taxable income which begin to expire through the year 2021. Pursuant to the Tax Reform Act of 1986, annual utilization of the Company s net operating loss carryforwards may be limited if a cumulative change in ownership of more than 50% is deemed to occur within any three-year period.

NOTE 5 - STOCK OPTIONS

On July 12, 2001, the Company shareholders approved the adoption of the 2001 Stock Option Plan with 20,000,000 common shares reserved for issuance thereunder. As of the date of issuance of these financial statements, no shares have been granted under the plan. During the fourth quarter of 2001, the Company canceled all of the outstanding options granted under the 1997 and 1998 Stock Option plans, which provided for the granting of stock options to officers and key employees.

The objectives of these plans include attracting and retaining the best personnel, providing for additional performance incentives, and promoting the success of the Company by providing employees the opportunity to acquire common stock. Options outstanding under the Company s two stock option plans were granted at prices which were either equal to or above the market value of the stock on the date of grant.

The status of the Company s stock option plans are summarized below as of December 31:

	Number of Option Shares	Price
Granted Under the 1997 Stock Option Plan	100,000	$ 1.00
Granted Under the 1998 Stock Option Plan	96,000	1.00
Options Outstanding at December 31, 1998	196,000	1.00
Exercised Under the 1997 Stock Option Plan	(3,200)	1.00
Options Outstanding at December 31, 1999 and 2000	192,800	1.00
Canceled during 2001	192,800)	1.00
Options Outstanding at December 31, 2001	0	

The weighted average exercise price of the 192,800 options outstanding at the beginning of the year was $1.00.

NOTE 6 - WARRANTS

As of the date of issuance of these financial statements, there are 240,000 warrants outstanding to purchase common stock at $1.00 per share until November 23, 2004. The warrants were not valued because the exercise price equaled or exceeded the exercise price on the grant date.

NOTE 7 - COMMITMENTS

The Company leases office space and equipment under various noncancelable operating agreements which expire principally in January 2003, and also include certain renewal options. Rent expense charged to operations for 2001 and 2000 was $88,110 and $84,178, respectively. Future minimum rental commitments are as follows: 2002: $39,888 and $2,180.

ENTHEOS TECHNOLOGIES, INC.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2001 AND 2000

NOTE 8 INTERIM INFORMATION

The Company s quarterly financial report for the quarter ended March 31, 2001 inadvertently included only two months of sales, whereas the quarter ended June 30, 2001 included four months of sales. Accordingly, the periods above should have reported the following net losses and related loss per share amounts, which have been adjusted for the reverse stock split, respectively, as follows: March 31-$103,592 and $0.04; June 30-$69,587 and $0.05. There was no effect on the cumulative results of operations.

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

None.

ITEM 9: DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Set forth below is certain information regarding each of the directors and officers of the Company:

KESAR S. DHALIWAL (Age 40) President and Chief Executive Officer, Director. Mr. Dhaliwal has international business management experience in North America, Asia and Europe. Between 1993 and just prior to joining WhatsOnline.com in December 1998, Mr. Dhaliwal lead two technology companies which developed and marketed real time Internet based information technology platforms to financial services institutions. From 1986 through 1993, Mr. Dhaliwal was the Chief Strategic Officer and Investment Officer for a large multi-national Singapore based conglomerate. His duties included expanding the company's diverse operations into shipping, construction, hospitality and entertainment. From 1984 through 1986, Mr. Dhaliwal was president of an international hospitality company, where he developed and executed the company's expansion strategy from North America to Europe and Asia. Mr. Dhaliwal joined the Company as a director and its President and Chief Executive Officer on December 1st, 1998.

HARMEL S. RAYAT (Age 40). Chairman, Director. Mr. Rayat has been in the venture capital industry since 1981. Between January 1993 and April 2001, Mr. Rayat served as the president of Hartford Capital Corporation, a company that provides financial consulting services to emerging growth corporations. From April 2001 through January 2002, Mr. Rayat acted as an independent consultant advising small corporations. Since January 2002, Mr. Rayat has been president of Montgomery Asset Management Corporation, a privately held firm providing financial consulting services to emerging growth corporations. Mr. Rayat is also a Director of Innotech Corporation, Enterprise Technologies, Inc and Zeta Corporation. Mr. Rayat has served as a Director of the Company since March 18th, 1996.

HERDEV S. RAYAT (Age 44), Secretary, Treasurer, Director. Since 1994, Mr. Rayat has served as President of Thor West Management Group, Inc., a privately held management and consulting services company. Mr. Rayat is also a Director of e.Deal.net, Inc. He has served on the Board of Entheos Technologies since April 10, 2001.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires the Company's directors, officers and persons who own more than 10 percent of a registered class of the Company's equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("the Commission"). Directors, officers and greater than 10 percent beneficial owners are required by applicable regulations to furnish the Company with copies of all forms they file with the Commission pursuant to Section 16(a). Based solely upon a review of the copies of the forms furnished to the Company, the Company believes that during fiscal 2001 all filing requirements applicable to its directors and executive officers were not satisfied.

ITEM 10: EXECUTIVE COMPENSATION

The following table shows, for the three-year period ended December 31, 2001, the cash compensation paid by the Company, as well as certain other compensation paid for such year, to the Company's Chief Executive Officer and the Company's other most highly compensated executive officers. Except as set forth on the following table, no executive officer of the Company had a total annual salary and bonus for 2001 that exceeded $100,000.

Summary Compensation Table

Name and Principal Position	Year	Salary	Bonus	Other	Securities Underlying Options Granted	All Other Compensations
Kesar S. Dhaliwal	2001	$127,520	$0	$0	0	$0
CEO, President, Director	2000	$127,520	$0	$1494	0	$0
	1999	$76,712	$0	$0	0	$0
Harmel S. Rayat*	2001	$43,333	$0	$29,706	0	$0
Chairman, Director	2000	$12,000	$0	$0	0	$0
	1999	$200,000	$0	$0	0	$0
Herdev S. Rayat	2001	$0	$0	$0	0	$0
Secretary, Treasurer, Director	2000	$0	$0	$0	0	$0
	1999	$0	$0	$0	0	$0

*During 2001 and 2000, the Company accrued $144,000 and $100,000, respectively, to operations for management and consulting fees incurred for services rendered by the Chairman and principal stockholder. Of the $100,000 accrued in 2000, $12,000 was paid in 2000 and $43,333 in 2001.

STOCK OPTION GRANTS IN 2001

Shown below is further information regarding employee stock options awarded during 2001 to the Company s officers and directors:

Number of

% of Total

Securities

Options

Underlying

Granted to

Exercise

Expiration

Name

Options

Employees

Price

Date

None

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ITEM 11: SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth, as of March 15th, 2002, the beneficial ownership of the Company's Common Stock by each director, executive officer of the Company and each person known by the Company to beneficially own more than 5% of the Company's Common Stock outstanding as of such date and the executive officers and directors of the Company as a group.

Person or Group	Number of Shares of Common Stock	Percent
Harmel S. Rayat (1) 216-1628 West First Avenue Vancouver, B.C. V6J 1G1 Canada	649,648	32.9%
Kesar S. Dhaliwal 311- 15 Wertheim Court Richmond Hill, Ontario L4B 3H7	0	0.0%
Herdev S. Rayat 214 - 1628 West First Avenue Vancouver, B.C. V6J 1G1 Canada	51,040	2.6%

Directors and Executive Officers

700,688

35.5%

as a group (3 persons)

(1) Includes 9,648 shares held by Tajinder Chohan, Mr. Rayat's wife. Mr. Rayat disclaims beneficial ownership of the shares beneficially owned by his wife.

ITEM 12: CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

Officer loans at December 31, 2001 represent a loan in the amount of $40,000 dated September 10, 2001, to the president of the Company, plus $767 accrued interest. The terms of the loan include interest at 6.25 percent per annum, with both the principal and interest due at maturity, which is September 10, 2003.

During 2001 and 2000, the Company charged $144,000 and $100,000, respectively, to operations for management and consulting fees incurred for services rendered by the Chairman and principal stockholder. Included in accounts payable at December 31, 2001 and 2000, is a payable of $188,667 and $88,000, respectively, for these fees. During 2001, the Company paid $22,847 to an employee who is also a stockholder for consulting services rendered.

On September 15, 2000, the Company purchased 100% of the voting common stock of Email Solutions, Inc., a Nevada corporation, from Innotech Corporation (formerly known as Equityalert.com, Inc.), for $283,000. Email Solutions, Inc. s assets consist primarily of software and computer hardware equipment used in the emailing of the public company and mutual fund news alerts. Entheos provides emailing services for Innotech

Corporation. The director and majority shareholder of Innotech Corporation is also the director and majority shareholder of Entheos Technologies, Inc. The Company recorded the purchase at net book value in a manner similar to a pooling of interests because the purchase occurred between entities under common control. The excess of the cost of the acquired company over the net assets acquired at their book values were charged to additional paid in capital, which was $27,591.

All of the Company s revenues were derived from one customer, Innotech Corporation. The director and majority shareholder of Innotech Corporation is also a director and majority shareholder of Entheos Technologies, Inc.

ITEM 13: EXHIBITS AND REPORTS ON FORM 8-K

The exhibits listed in the accompanying index to exhibits are filed as part of this Annual Report on Form 10KSB.

No reports on Form 8-K were filed during the Company's fourth fiscal quarter.

SIGNATURES

Pursuant to the requirements of Sections 13 or 15 (d) of the Securities and Exchange Act of 1934, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized on this 19th day of February, 2003.

ENTHEOS TECHNOLOGIES, INC.

(formerly WhatsOnline.com, Inc.)

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By: Stanley D. Wong

President and CEO

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

Signature

Title

Date

Director and Chairman

February 19, 2003

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Harmel S. Rayat

Signature

Title

Date

Director, Secretary/Treasurer

February 19, 2003

____

Terry DuMoulin

CERTIFICATIONS

I, Stanley D. Wong, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Entheos Technologies, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

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

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

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

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

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

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

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

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

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

Date: February 19, 2003

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Stanley D. Wong

Chief Executive Officer

I, Terry DuMoulin, certify that:

1. I have reviewed this quarterly report on Form 10-QSB of Entheos Technologies, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

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

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

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

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

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

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

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

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

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

Date: February 19, 2003

Terry DuMoulin

Principal Financial Officer