

British Columbia Securities Commission

**QUARTERLY REPORT
FORM 61**

FOR QUARTER ENDED
00-09-30

DATE OF REPORT
00-11-14

NAME OF ISSUER
Triant Technologies Inc.

ISSUER'S ADDRESS
20 Townsite Road, 2nd Floor
Nanaimo, B.C.
V9S 5T7

ISSUER FAX NO.
(250) 754-2388

ISSUER TELEPHONE NO.
(250) 754-4223

CONTACT PERSON
Mark Stephens

CONTACT'S POSITION
Chief Financial Officer

CONTACT TELEPHONE NO.
(250) 754-4223

DIRECTOR'S FULL NAME
Paul O'Sullivan

DIRECTOR'S SIGNATURE
"Paul O'Sullivan"

DATE SIGNED
00-11-14

DIRECTOR'S FULL NAME
David Baird

DIRECTOR'S SIGNATURE
"David Baird"

DATE SIGNED
00-11-14

TRIANTECHNOLOGIES INC.

Schedule A

Financial Information

For the nine months ended September 30, 2000

See Attached Unaudited Consolidated Financial Statements

TRIANTECHNOLOGIES INC.

Consolidated Balance Sheets

September 30

(Expressed in Canadian Dollars)

(Unaudited)

	2000	1999
ASSETS		
CURRENT		
Cash and cash equivalents	\$13,216,235	\$ 2,069,991
Cash held in escrow	7,076,372	-
Accounts receivable	664,700	242,379
Share subscriptions receivable	-	7,516
Prepaid expenses and deposits	14,218	16,345
	20,971,525	2,336,231
Capital assets	195,652	104,329
	\$21,167,177	\$ 2,440,560
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 380,796	\$ 288,331
Deferred revenue	23,056	198,797
	403,852	487,128
Liability component of convertible debentures	-	513,728
	403,852	1,000,856
SHAREHOLDERS' EQUITY		
Equity component of convertible debentures	-	400,000
Special warrants	13,874,558	-
Share capital	21,983,957	14,888,104
Share subscriptions	-	21,250
Deficit	(15,095,190)	(13,869,650)
	20,763,325	1,439,704
	\$ 21,167,177	\$ 2,440,560

APPROVED BY THE BOARD OF DIRECTORS

(Signed) Paul J. O'Sullivan

Paul J. O'Sullivan, Director

(Signed) David L. Baird

David L. Baird, Director

TRIANTECHNOLOGIES INC.
Consolidated Statements of Loss and Deficit
(Expressed in Canadian Dollars)

(Unaudited)

	Three months ended September 30,		Nine Months ended September 30,	
	2000	1999	2000	1999
REVENUE				
Products	\$ 417,633	\$ 427,461	\$ 1,092,289	\$ 720,819
Services	8,302	6,693	15,798	21,308
	425,935	434,154	1,108,087	742,127
COST OF REVENUE				
Products	187,993	65,990	365,109	135,283
Services	3,201	3,194	6,053	9,950
	191,194	69,184	371,162	145,233
GROSS MARGIN	234,741	364,970	736,925	596,894
EXPENSES				
Interest on convertible debentures	-	37,860	34,418	111,000
Research and development	371,401	310,509	942,914	675,071
Selling, general and administrative	556,342	291,412	1,330,429	819,081
	927,743	639,781	2,307,761	1,605,152
LOSS FROM OPERATIONS	(693,002)	(274,811)	(1,570,836)	(1,008,258)
OTHER INCOME	270,135	32,980	358,972	34,647
NET LOSS FOR THE PERIOD	(422,867)	(241,831)	(1,211,864)	(973,611)
Deficit, beginning of period	(14,672,323)	(13,627,819)	(13,883,326)	(12,896,039)
Deficit, end of period	\$ (15,095,190)	\$ (13,869,650)	\$ (15,095,190)	\$ (13,869,650)
Loss per share	\$ (0.01)	\$ (0.01)	\$ (0.05)	\$ (0.05)
Weighted average number of common shares outstanding during the period	29,874,674	22,026,195	26,845,820	19,685,831
Number of common shares issued and outstanding, end of period	31,767,175	22,030,325	31,767,175	22,030,325

TRIANTECHNOLOGIES INC.
Consolidated Statements of Cash Flows

Nine Months ended September 30
(Expressed in Canadian Dollars)

(Unaudited)

	2000	1999
OPERATING ACTIVITIES		
Net loss for the period	\$ (1,211,864)	\$ (973,611)
Items not requiring cash		
Amortization	36,900	29,728
Accretion of liability component of convertible debentures	17,560	53,034
	(1,157,404)	(890,849)
Changes in operating assets and liabilities	(527,989)	(257,243)
	(1,685,393)	(1,148,092)
FINANCING ACTIVITIES		
Share capital, net of issue costs	6,167,895	3,097,039
Share subscriptions	(19,371)	(8,503)
Special warrants, net of issue costs	13,874,558	-
	20,023,082	3,088,536
INVESTING ACTIVITY		
Capital assets	(121,958)	(32,326)
Increase in cash and cash equivalents during the period	18,215,731	1,908,118
Cash and cash equivalents, beginning of period	2,076,876	161,873
Cash and cash equivalents, end of period	\$ 20,292,607	\$ 2,069,991
CASH AND CASH EQUIVALENTS REPRESENTED BY:		
Cash and cash equivalents	\$ 13,216,235	\$ 2,069,991
Cash held in escrow	7,076,372	-
	\$ 20,292,607	\$ 2,069,991
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Interest paid on convertible debentures	\$ 46,796	\$ 77,500
SUPPLEMENTAL NON-CASH FINANCING DISCLOSURE:		
Common shares issued on conversion of debentures	\$ 950,289	\$ -

TRIAnt TECHNOLOGIES INC.

Schedule B-1

Supplementary Information

For the nine months ended September 30, 2000

ANALYSIS OF MAJOR COST AND EXPENSE CATEGORIES

Cost of revenue

Materials and other	\$	209,916
Salaries and benefits		161,246
	\$	371,162

Research and development

Amortization	\$	18,450
Materials and other		92,444
Occupancy, office and other		188,402
Salaries and benefits		643,618
	\$	942,914

Selling, general and administrative

Advertising and marketing	\$	284,700
Amortization		18,450
Occupancy, office and other		149,060
Professional fees		83,243
Salaries and benefits		512,172
Trade shows and travel		282,804
	\$	1,330,429

Aggregate amount of expenditures made to parties not at arm's length

During the nine months ended September 30, 2000, the Company paid interest to directors of \$ 4,529 on convertible debentures with a face value of \$75,000. These debentures were converted into 30,000 common shares in March 2000.

TRIAnt TECHNOLOGIES INC.

Schedule B-2

Supplementary Information

For the third fiscal quarter ended September 30, 2000

(a) Securities issued during the period

Date of Issue	Number Issued	Type of Security	Type of Issue	Issue Price	Total Proceeds	Type of Consideration Paid	Commission
Note 1	1,687,500	Common shares	Note 1	\$0.65	\$ 1,096,875	Cash	n/a
Note 2	230,000	Common shares	Note 2	Note 2	\$ 137,300	Cash	n/a

Note 1: Exercise of share purchase warrants issued pursuant to a Private Placement of securities on October 1, 1998: 1,687,500 common shares were issued during the quarter pursuant to the exercise of warrants at an exercise price \$0.65 per share for total proceeds of \$1,096,875.

Note 2: Exercise of options issued under the Company's Share Incentive Plan: 230,000 common shares were issued during the quarter pursuant to the exercise of options at exercise prices ranging from \$0.55 to \$0.82 per share for total proceeds of \$ 137,300.

(b) Options granted during the period

Nil

TRIANTECHNOLOGIES INC.

Schedule B-3

Supplementary Information

For the third fiscal quarter ended September 30, 2000

(a) Authorized and issued share capital:

Class	Par Value	Authorized	Issued	Amount
Preferred	N.P.V.	100,000,000	Nil	n/a
Common	N.P.V.	100,000,000	31,767,175	\$21,983,957
Special Warrants	Note 1	Note 1	Note 1	\$13,874,558

Note 1: On June 28, 2000, the Company issued by way of private placement, 9,375,000 Special Warrants at a price of \$1.60 per Special Warrant for gross proceeds of \$15,000,000 (before Special Warrant issue costs of \$1,125,442 to September 30, 2000, including underwriters' fees of \$900,000). In addition, the Company issued 468,750 Special Brokers' Warrants to the underwriters as partial consideration for their services. On October 3, 2000, the Company obtained receipts from securities regulators in the provinces of British Columbia, Alberta, Ontario and Quebec for its final prospectus dated September 29, 2000 qualifying the distribution of 9,375,000 common shares upon the exercise of 9,375,000 the previously issued Special Warrants. Consequently, the Special Warrants were automatically exchanged for common shares on October 11, 2000. Also on October 3, 2000, as a result of the Company obtaining the receipts for its final prospectus, the 468,750 Special Brokers' Warrants were exchanged for 468,750 Compensation Warrants. Each Compensation Warrant entitles the holder to acquire one common share at a price of \$1.60 per share until December 28, 2001.

Note 2: Subsequent to the third quarter, the Company completed the acquisition of Advanced Profiling, Inc. in exchange for 300,000 common shares of the Company at a value of \$450,000. These shares are being held in escrow and will be released in four stages of 75,000 shares on each of October 6, 2001, January 6, 2002, April 6, 2002 and July 6, 2002, respectively. The Company has also agreed to pay a commission to each of the two vendors of 5%, 3% and 2% of the revenue recognized from the intellectual property of Advanced Profiling in each of the first, second and third years, respectively, following the completion of this acquisition.

Note 3: As at the date of this report, November 14, 2000, the issued share capital consisted of 41,442,175 common shares.

(b) Options and Warrants Outstanding:

Security	Number of Shares	Exercise Price	Expiry Date
Options	110,000	\$0.55	May 03, 2001
	30,000	\$0.55	Jun 27, 2002
	178,000	\$0.55	Feb 18, 2003
	125,000	\$0.55	Jul 06, 2003
	105,000	\$0.55	Aug 24, 2003
	732,500	\$0.82	Jun 30, 2004
	385,000	\$1.36	Dec 31, 2004
	65,000	\$1.40	Dec 31, 2004
	<u>140,000</u>	<u>\$2.15</u>	<u>Jun 30, 2005</u>
	<u>1,870,500</u>		
Common share purchase warrants	948,805	\$1.45	Jan 31, 2001
	10,000	\$0.75	Apr 30, 2001
	<u>15,000</u>	<u>\$0.90</u>	<u>May 31, 2001</u>
	<u>973,805</u>		
Special Warrants	Note 1	Note 1	Note 1
Special Brokers' Warrants	Note 1	Note 1	Note 1

Note 1: See Note 1 under item (a) above.

TRIAINT TECHNOLOGIES INC.

Schedule B-3 (Continued)

Supplementary Information

For the third fiscal quarter ended September 30, 2000

(c) Number of shares in escrow or subject to a pooling agreement:

Escrow – Employee Share Ownership Plan

As at September 30, 2000, a total of 125,905 common shares issued pursuant to the Employee Share Ownership Plan during the years ended December 31, 1999 and 1998 were held in escrow.

(d) List of Directors:

Frank Judge, Chairman of the Board

Paul O'Sullivan, *President & CEO*

David Baird ^{(1) (2)}

Robert Chamberlain ⁽²⁾

Robert Heath ^{(1) (2)}

Roger Kazanowski ⁽¹⁾

⁽¹⁾ Member of Audit Committee

⁽²⁾ Member of Corporate Governance Committee

TRIAINT TECHNOLOGIES INC.

Schedule C

Management Discussion

For the nine months ended September 30, 2000

Triant Technologies Inc. (CDNX:TNT; OTCBB:TNTTF) reported unaudited financial results for the third quarter and nine months ended September 30, 2000 (expressed in Canadian dollars) which reflected the continued commercialization efforts for the Company's *ModelWare/RT* suite of leading software products for equipment health monitoring and advanced fault detection, as well as further work under the follow-on Docklands Light Rail contract that was announced during the second quarter for Triant's Vehicle Health Monitoring systems.

OPERATING RESULTS FOR THE THIRD QUARTER

Revenue for the third quarter ended September 30, 2000 was \$425,935 compared to revenue for the third quarter ended September 30, 1999 of \$434,154. Third quarter revenue was attributable to both additional sales of *ModelWare/RT* to existing customers and work on the Docklands Light Rail contract. The Company's order backlog at September 30, 2000 was approximately \$1.8 million, which is expected to be realized over the next nine months.

Gross margin for the third quarter ended September 30, 2000 was \$234,741 (gross margin percentage of 55%) compared to a gross margin for the third quarter ended September 30, 1999 of \$364,970 (gross margin percentage of 84%). The change in gross margins and gross margin percentages mainly reflect the effect of the Docklands Light Rail contract margins in the current year, as well as additional investments in *ModelWare/RT* evaluation and support programs.

Expenses for the third quarter ended September 30, 2000 were \$927,743 compared to expenses for the third quarter ended September 30, 1999 of \$639,781. The increase in expenses mainly resulted from increases in research and development expense; and selling, general and administrative expenses. These increases mainly reflected increases in market development expenses and personnel to provide additional technical, sales and support resources for the current and anticipated growth in business opportunities.

Other income for the third quarter ended September 30, 2000 was \$270,135 compared to other income for the third quarter ended September 30, 1999 of \$32,980. The increase in other income resulted from interest earned on higher cash balances.

As a result, the net loss for the third quarter ended September 30, 2000 was \$422,867, or \$0.01 per share, compared to a net loss for the third quarter ended September 30, 1999 of \$241,831, or \$0.01 per share.

OPERATING RESULTS FOR THE FIRST NINE MONTHS

Revenue for the nine months ended September 30, 2000 was \$1,108,087 compared to revenue for the nine months ended September 30, 1999 of \$742,127. The increase in revenue was mainly attributable to work on the Docklands Light Rail contract in conjunction with additional sales of *ModelWare/RT* to existing customers.

Gross margin for the nine months ended September 30, 2000 was \$736,925 (gross margin percentage of 67%) compared to a gross margin for the nine months ended September 30, 1999 of \$596,894 (gross margin percentage of 80%). The change in gross margins and gross margin percentages mainly reflect the effect of the Docklands Light Rail contract margins in the current year, as well as additional investments in *ModelWare/RT* evaluation and support programs.

Expenses for the nine months ended September 30, 2000 were \$2,307,761 compared to expenses for the nine months ended September 30, 1999 of \$1,605,152. The increase in expenses mainly resulted from increases in research and development expense; and selling, general and administrative expenses. These increases mainly reflected increases in market development expenses and personnel to provide additional technical, sales and support resources for the current and anticipated growth in business opportunities.

TRIANTECHNOLOGIES INC.

Schedule C (Continued)

Management Discussion

For the nine months ended September 30, 2000

Other income for the nine months ended September 30, 2000 was \$358,972 compared to other income for the nine months ended September 30, 1999 of \$34,647. The increase in other income resulted from interest earned on higher cash balances.

As a result, the net loss for the nine months ended September 30, 2000 was \$1,211,864, or \$0.05 per share, compared to a net loss for the nine months ended September 30, 1999 of \$973,611, or \$0.05 per share.

LIQUIDITY AND CAPITAL RESOURCES

As at September 30, 2000, cash and cash equivalents (including cash held in escrow of \$7,076,372) were \$20,292,607 compared to \$2,069,991 at September 30, 1999, working capital was \$20,567,673 compared to \$1,849,103 at September 30, 1999, assets were \$21,167,177 compared to \$2,440,560 at September 30, 1999, and shareholders' equity was \$20,763,325 compared to \$1,439,704 at September 30, 1999. The increase in cash and cash equivalents was mainly attributable to the \$15 million Special Warrant financing that was underwritten by Spratt Securities Limited and Taurus Capital Markets Ltd during the second quarter, as well as to warrant and option exercises over the course of the current period. As indicated in the Company's final prospectus dated September 29, 2000, for which the Company obtained receipts on October 3, 2000 from securities regulators in the provinces of British Columbia, Alberta, Ontario and Quebec, the Company intends to use the proceeds from this financing to fund new business development programs, including sales and marketing of existing products; to fund research and development of existing and new technologies; and for general corporate purposes, including possible future acquisitions and investments.

QUARTERLY BUSINESS UPDATE AND STRATEGIC OVERVIEW

Our vision is to be a global leader in equipment health monitoring, advanced fault detection and sophisticated data analysis technology. We provide innovative software solutions that help our customers improve the productivity of their manufacturing equipment. And, while we remain focused on the semiconductor industry there is significant opportunity for our technology in other global industries.

Our core technology, UPM (Universal Process Modeling), is an advanced mathematical technique that can be used to model the behavior of any correlated system or process. To address the opportunity in the semiconductor manufacturing market we have developed our *ModelWare/RT* suite of products based on this core technology. And we have now put in place the required intellectual, operational, distribution and financial capabilities to harness the potential of this technology.

We continue to strengthen our position in the emerging equipment health monitoring and advanced fault detection business within the semiconductor industry and our current focus is on increasing revenue and generating net earnings from this industry. We are taking the necessary steps and making the required investments to position Triant for future growth within the semiconductor industry as well as additional market opportunities.

The semiconductor industry is still in an early stage of adopting equipment health monitoring and advanced fault detection technology such as Triant's *ModelWare/RT* solution, but there are strong signs that the adoption of this technology will accelerate as the benefits and competitive advantages are demonstrated.

Leading semiconductor manufacturers who have deployed *ModelWare/RT* in their critical production wafer fabrication plants (fabs) include Advanced Micro Devices (AMD), Cypress, Honeywell, LSI Logic, Motorola, Philips, and Samsung. In addition, we have successfully deployed *ModelWare/RT* as part of an evaluation program at other leading semiconductor manufacturers. We are working hard to expand the deployment of *ModelWare/RT* within our existing customer base and to turn successful evaluations into large-scale deployments. We expect 2001 to be a turning point in the accelerated adoption by the semiconductor industry of advanced process control (APC) applications such as *ModelWare/RT*.

TRIANTECHNOLOGIES INC.

Schedule C (Continued)

Management Discussion

For the nine months ended September 30, 2000

Our channel and OEM relationships in the semiconductor market are strong and we keep on looking for new partners that will give us access to new markets and new customers. We have also added to our internal sales and marketing capabilities to advance the understanding and awareness of the advantages of integrating equipment health monitoring and advanced fault detection in highly critical manufacturing processes. We are beginning to see progress in the semiconductor industry.

The semiconductor industry is focused on increasing efficiency and improving yield. In a recent presentation by AMD, titled "AMD Fault Detection and Classification using Triant ModelWare in Fab 25", AMD reported that a program involving *ModelWare/RT* helped cut scrap by 86% over a period of three quarters in one particular wafer processing application. Based on these results AMD is planning on expanding its use of *ModelWare/RT* in its fault detection and classification program.

The AMD presentation is an example of how the integration of *ModelWare/RT* can increase overall equipment effectiveness (OEE) and improve yield. We are building on this by investing in research and development to enhance our products and develop new products to address the requirements of both the semiconductor manufacturers and the semiconductor equipment manufacturers.

As the semiconductor industry increasingly becomes focused on OEE and improved yield and the combination of our channel partners and our increased sales and marketing capabilities, we believe our *ModelWare/RT* will gain momentum as the leading, technologically advanced equipment health monitoring and advanced fault detection solution.

In addition to the opportunity in the semiconductor industry there are a number of other industries that could benefit from our core UPM technology, such as human factors, power utility, aerospace, and other process-type industries.

We recently acquired Advanced Profiling, Inc., which has developed a unique and proprietary psychometric test, known as SF-1 that relies on Triant's UPM technology to turn the raw data from the test into useful metrics on personality. And to develop this opportunity we hired Ed Dow, Ph.D. as Director of Human Factors and Chuck Jones, Ph.D. as Senior Research Associate. Also, we recently hired Kevin Lorette, P.Eng., MBA as Director of New Business Development to pursue opportunities in areas outside the semiconductor industry and human factors and we are already seeing some serious interest in our technology from a number of other vertical markets.

We look forward to executing on our plan of investing in and leveraging our core UPM technology and applying it initially to the semiconductor industry where there is a great opportunity and then selectively diversifying into additional vertical markets.

Triant Technologies Inc. is a leader in semiconductor equipment health monitoring and advanced fault detection (EHM&AFD) solutions. Triant's principal product, ModelWare/RT, is an innovative software solution designed specifically for semiconductor manufacturers to detect and identify process and equipment faults in real-time and off-line. ModelWare/RT provides insight into equipment conditions and uses set-point and model-based alarms to quickly alert fab personnel of processing and equipment failures and benefits our customers by increasing overall equipment effectiveness, improving equipment maintainability and uptime, and increasing equipment throughput. Triant information is available via the Internet at www.triant.com

This management discussion contains forward-looking statements that are subject to various risks and uncertainties. The Company's actual results could differ materially from those anticipated in such forward-looking statements as a result of numerous factors that may be beyond the Company's control. Forward-looking statements are based on the expectations and opinions of the Company's management on the date the statements are made, and the Company assumes no obligation to update forward-looking statements should circumstances in management's expectations or opinions change.