No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. ***Information has been incorporated by reference in this prospectus from documents filed with securities commissions or similar authorities in Canada.*** *Copies of the documents incorporated herein by reference may be obtained on request without charge from the secretary of Intrinsyc Software International, Inc., at 10th Floor, 700 West Pender Street, Vancouver, British Columbia, Canada, V6C 1G8, telephone: (604) 801-6461 and are also available electronically at www.sedar.com.*

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act") or any state securities laws. Accordingly, these securities may not be offered, sold or otherwise disposed of, or delivered directly or indirectly in the United States of America or its territories or possessions or to U.S. persons (as defined in Regulation S under the 1933 Act) unless an exemption from registration under the 1933 Act and applicable state law is available. See "Plan of Distribution".

SHORT FORM PROSPECTUS

New Issue May 3, 2007

INTRINSYC SOFTWARE INTERNATIONAL, INC.

$20,000,400
33,334,000 Common Shares

Intrinsyc Software International, Inc. (the "Corporation") hereby qualifies for distribution in each of the provinces of Canada other than Québec an aggregate of 33,334,000 common shares (the "Common Shares") of the Corporation (the "Offering") at an offering price of $0.60 per Common Share (the "Offering Price"). The Offering Price was determined by negotiation between Canaccord Capital Corporation, Paradigm Capital Inc., Raymond James Ltd. and GMP Securities L.P. (together, the "Underwriters") and the Corporation.

The Common Shares of the Corporation are listed for trading on the Toronto Stock Exchange ("TSX") under the trading symbol "ICS". On May 2, 2007, the closing price of the Common Shares on the TSX was $0.66. The TSX has conditionally approved the listing of the Common Shares as well as the Common Shares issuable upon exercise of the Compensation Options (defined below). Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX.

Price: $0.60 per Common Share

	Price to the Public	Underwriters' Fee(1)	Net Proceeds to the Corporation(2)
Per Common Share	$0.60	$0.039	$0.561
Total(3)	$20,000,400	$1,300,026	$18,700,374

Notes:

(1) The Underwriters will receive compensation options (the "Compensation Options") entitling the Underwriters to subscribe for that number of Common Shares equal to 5% of the aggregate number of Common Shares sold under the Offering, including any Additional Common Shares (defined below) sold pursuant to the Over-Allotment Option (defined below). Each Compensation Option is exercisable to purchase one Common Share at the Offering Price for a period of 24 months following the Closing Date (defined below). This short form prospectus also qualifies the distribution of the Compensation Options. See "Plan of Distribution".

(2) After deducting the commission payable to the Underwriters equal to 6.5% of the aggregate proceeds of the Offering (the "Underwriters' Fee"), but before deducting expenses of the Offering, including listing fees, estimated to be approximately $500,000, which will be paid from the proceeds of the Offering.

(3) The Corporation has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part at any time for a period of 30 days, at the discretion of the Underwriters, enabling them to purchase up to an additional 5,000,100 Common Shares (the "Additional Common Shares") at the Offering Price per Additional Common Share. If the Over-Allotment Option is exercised in full, the price to the public, the Underwriters' Fee and the net proceeds to the Corporation will be $23,000,460, $1,495,030 and $21,505,430, respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Common Shares. References to Common Shares shall include the Additional Common Shares, if any. See "Plan of Distribution".

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. During the distribution of the Offering, the Underwriters may effect transactions in the Common Shares in accordance with applicable market stabilization rules. See "Plan of Distribution". Certificates evidencing the Common Shares will be available for delivery on the closing date of the Offering (the "Closing Date") which is expected to be on or about May 10, 2007, or at such later date as agreed to by the Corporation and the Underwriters, but in any event not later than May 30, 2007.

The Underwriters, as principals, conditionally offer the Common Shares, subject to prior sale, if, as and when issued by the Corporation and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement referred to under "Plan of Distribution" and subject to approval of certain legal matters relating to the Offering by Blake, Cassels & Graydon LLP, on behalf of the Corporation, and by Goodmans LLP, on behalf of the Underwriters.

Underwriters' Position	**Maximum size or number of securities held**	**Exercise period/ Acquisition date**	**Exercise price or average acquisition price**
Over-Allotment Option	up to 5,000,100 Common Shares	until 30 days following Closing Date	0.60
Compensation option	up to 1,916,705 Common Shares (assuming the over Allotment Option is exercised in full)	until 2 years following Closing Date	0.60
Any other option granted by issuer or insider of issuer	--	--	--
Total securities under option	up to 6,916,805	--	0.60
Other compensation securities	--	--	--

Investment in the Common Shares should be considered speculative due to various factors, including the nature of the Corporation's business. See "Cautionary Statement Regarding Forward-Looking Statements" and "Risk Factors".

The Corporation is continued under the Canada Business Corporations Act. The Corporation's head office is located at 10th floor, 700 West Pender Street, Vancouver, British Columbia, V6C 1G8. The Corporation's registered office is located at Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

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ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel for the Corporation, and Goodmans LLP, counsel for the Underwriters, the Common Shares offered hereby, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) ("Tax Act") and the regulations thereunder (the "Regulations") for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans and registered education savings plans (collectively, "Investment Plans").

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This short form prospectus, including the documents incorporated herein by reference, contains forward-looking statements concerning anticipated developments in the Corporation's operations in future periods, the adequacy of the Corporation's financial resources and other events or conditions that may occur in the future. Forward-looking statements are frequently, but not always, identified by words such as "expects," "anticipates," "believes," "intends," "estimates," "predicts," "potential," "targeted," "plans," "possible" and similar expressions, or statements that events, conditions or results "will," "may," "could" or "should" occur or be achieved. These forward-looking statements include, without limitation, statements about the Corporation's market opportunities, strategies, competition, expected activities and expenditures as the Corporation pursues its business plan, the adequacy of the Corporation's available cash resources and other statements about future events or results. Forward-looking statements are statements about the future and are inherently uncertain, and actual achievements of the Corporation or other future events or conditions may differ materially from those reflected in the forward-looking statements due to a variety of risks, uncertainties and other factors, such as business and economic risks and uncertainties, including, without limitation, those referred to and incorporated by reference in this short form prospectus under the heading "Risk Factors". The Corporation's forward-looking statements are based on the beliefs, expectations and opinions of management on the date the statements are made, and the Corporation does not assume any obligation to update forward-looking statements if circumstances or management's beliefs, expectations or opinions should change. For the reasons set forth above, investors should not place undue reliance on forward-looking statements.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents filed with the securities commissions or similar authorities in Canada are specifically incorporated by reference and form an integral part of this short form prospectus:

(a) annual information form of the Corporation for the year ended August 31, 2006, dated November 14, 2006 (the "Annual Information Form");

(b) audited comparative consolidated financial statements of the Corporation as at and for the year ended August 31, 2006 and the auditors' report thereon, filed on November 16, 2006 together with management's discussion and analysis (amended) for the year ended August 31, 2006 filed on November 28, 2006;

(c) unaudited interim consolidated financial statements of the Corporation as at and for the three and six months ended February 28, 2007, together with management's discussion and analysis for the periods then ended filed on April 10, 2007;

(d) management information circular (amended) of the Corporation dated November 14, 2006 prepared in connection with the Corporation's annual general meeting of shareholders held on December 13, 2006, filed on December 8, 2006; and

(e) material change report dated April 2, 2007 in respect of the announcement by the Corporation of its first design win for the Soleus™ product, filed on April 2, 2007.

Any material change reports (excluding confidential material change reports), any interim and annual consolidated financial statements, together with associated management's discussion and analysis, business acquisition reports, information circulars and annual information forms filed by the Corporation with various securities commissions or similar authorities in Canada after the date of this short form prospectus and prior to the termination of this Offering, shall be deemed to be incorporated by reference in this short form prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this short form prospectus to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded.

THE CORPORATION

Name and Incorporation

The Corporation was incorporated under the laws of Alberta on August 31, 1992 under the name I.T.C. Microcomponents Inc. and continued under the laws of British Columbia on July 19, 1995. The corporation changed its name to Intrinsyc Software, Inc. on June 16, 1997. Articles of Continuance were filed under the Canada Business Corporations Act on May 1, 2003 to continue the Corporation federally and changed the name of the Corporation from Intrinsyc Software, Inc. to Intrinsyc Software International, Inc. The Corporation's principal business office is 10th Floor, 700 West Pender Street, Vancouver, British Columbia, V6C 1G8, telephone (604) 801-6461, Fax (604) 801-6417 and its registered office is Suite 2600, Three Bentall Centre, 595 Burrard Street, Vancouver, British Columbia, V7X 1L3.

The Corporation has four wholly owned subsidiaries, Intrinsyc Software (U.S.A.), Inc., Intrinsyc Europe Limited (formerly NMI Electronics Limited), Linar Limited, and Intrinsyc Software (Barbados) Inc. Intrinsyc Software (U.S.A.), Inc. was incorporated under the laws of Washington State on March 25, 1997. Intrinsyc Europe Limited was incorporated under the laws of the United Kingdom on March 27, 1987. Linar Limited was incorporated under the laws of the United Kingdom on November 21, 1997. Intrinsyc Software (Barbados) Inc. was incorporated under the laws of Barbados on August 31, 2005.

BUSINESS OF THE CORPORATION

Corporate Overview

The Corporation is a mobility software and services company whose business is based on licensing software products developed in-house and providing systems integration services for the rapidly growing market of wireless handheld products including consumer mobile handsets, personal navigation devices, smart phones, industrial handhelds and other consumer converged devices. The Corporation is comprised of two main businesses, the wireless systems engineering business and the mobility software business.

The wireless systems engineering business, which is currently the major source of the Corporation's revenue, began as a general engineering service business but has recently been focused specifically on wireless engineering services resulting in accelerated revenue growth and enhanced profitability. The mobility software business, which is intended to become the primary source of revenue and profitability for the Corporation, is responsible for the development of the Corporation's 'Soleus™' consumer software product for wireless and handheld devices. The mobility software business released its first product to market in December 2006. These products and services are sold to original equipment manufacturers ("OEMs"), software and silicon providers and telecommunications service providers who deploy wireless products and services including consumer mobile handsets. The Corporation's software products and engineering services generate value for their customers by simplifying complex wireless technology development, allows customers to increase flexibility in design, which in turn allows customers to more rapidly respond to the demand for new features or services from its customers.

The Corporation has strategically positioned its product and service offerings to take advantage of an increasing trend in the industry towards mobility and "digital convergence" in wireless products. This digital convergence involves an anticipated convergence of four industries: the telecommunications industry; the computing industry; the entertainment industry; and the consumer electronics industry related to mobility products and services. The Corporation's business plan contemplates increased demand for its products and services as a result of this trend. Management believes that the Corporation's products, such as its licensable Soleus™ software product and its systems integration services, are key enablers in delivering new consumer handheld products including mobile handsets, smart phones and converged devices.

The Corporation markets its products and services through a worldwide sales and business development team which has bases of operation in the United States, Taiwan, Canada and the United Kingdom. Management believes that the recent expansion of regional sales operations to Taiwan and the United States allows the Corporation to reach key markets and prospective customers that will accelerate revenue growth. In 2007, the Corporation also implemented a strategy to partner with leading silicon vendors in order to seed the Soleus™ software platform on their computer chipsets enabling prospective OEMs to test and evaluate Soleus™ more easily. Management believes these strategic partnerships help both the silicon vendor and the Corporation to present a complete handheld platform solution, which strengthens the market position of Soleus™ with leading handset OEMs around the world.

Wireless Systems Engineering Business

The Corporation's wireless engineering services business has capabilities which enable it to market and deliver its services in the areas of wireless and handheld product development, silicon vendor platform development, software provider product development and carrier product customization and enablement. These capabilities were established over the past ten years by providing general embedded device engineering services; and over the past three years by developing an expertise in enterprise smart phone engineering, as well as the acquisition of key technical personnel. This has resulted in the Corporation developing core competencies in telephony, power management and Board Support Package ("BSP"), engineering which are complex essential elements required to build handheld products.

The wireless systems engineering business works on each of the key high-level operating systems currently in the market for mobility products: Microsoft® Windows® CE, Windows Mobile®, Symbian Software Ltd. ("Symbian") operating systems and Mobile Linux. In addition, the Corporation has achieved certification in leading wireless industry groups including the Nokia Forum Pro, OMAP™ Technology Center, and Symbian Platinum Partner program. The Corporation has achieved Microsoft® Windows® Embedded Gold Partner status and a preferred System Integrator status for ARM Intelligent Energy Management™ ("IEM"). In 2006 the Corporation won the 2006 Freescale Partner Software Solution. These credentials reflect the capabilities that the wireless systems engineering business has developed and enable management to market the Corporation's services to a broad market of OEMs, silicon and software vendors and carriers who are focused on the wireless and consumer handheld segment.

The wireless systems engineering business is managed by the Corporation's Engineering Services Group which has its primary engineering operation in Vancouver, Canada with a regional operation based in Birmingham, England. The Corporation is currently in the process of restructuring its Asian operations by closing its Singapore operation and establishing an operation in Taiwan.

Due to the breadth of its services and expertise, the Corporation has established a broad spectrum of customers in the supply chain for wireless and handheld products. The Corporation's customers include:

- OEMs including Motorola Corporation ("Motorola"), Nokia Products Limited ("Nokia") and Palm Inc. ("Palm");
- Silicon vendors including Texas Instruments Inc. ("Texas Instruments"), Freescale Semiconductor Inc., ("Freescale") and Marvell Technology Group Ltd. ("Marvell");
- Software providers including Symbian and Microsoft Corporation ("Microsoft"); and
- Service providers including British Telecom PLC ("BT Group") and Sprint Nextel Corporation ("Nextel").

Historically this business has employed both a fixed fee pricing model and a time and materials pricing model; however, management has recently increased the focus on fixed fee pricing models for certain engagements with large customers. This is attractive to certain customers as it reduces the risk of product development delays that result when the amount of resources or time needed for a specific project is under-estimated. This shift to higher gross margin engagements has been enabled by the Corporation's growing competencies in the complex wireless technology fields of telephony and power management.

The principal professional engineering service offerings provided by the Corporation are as follows:

- Turnkey design, product test and certification services for OEMs developing mobile devices using Microsoft® Windows Mobile®, Windows® CE, Linux or Symbian operating systems, including developing detailed product specifications in conjunction with OEM's product development team and managing in-market product testing;
- Telephony integration services for products running on second generation ("2G") and third generation ("3G") networks;
- Power management services for OEMs designing small form factor products which are needed to improve

battery life while simultaneously increasing applications and features that drive growth in power utilization;

- The development and certification of electronics boards, known as a board support package ("BSP"), used by silicon vendors and OEMs to load the software solution on each processor or chipset.
- Conducting feasibility studies, requirements analyses and architecture designs;
- Providing detailed technical training and support programs to OEMs; and
- Providing ongoing technical support and service and software maintenance to existing customers, typically contracted on the basis of annual service contracts.

Packaged solutions, known as service kits, are also offered by this business, which include:

- Windows Mobile® Board Support Package Kits: for implementing Windows Mobile® BSPs on a wide range of embedded processors from key silicon vendors for system integration;
- Windows® CE Board Support Package Kits: for implementing Windows® CE BSPs on a wide range of embedded processors from key silicon vendors for system integration;
- Power Management Kits: for product development to help reduce the total power consumption of the final product, improving its battery life and power management capabilities; and
- Windows Mobile® Quality Assurance Kits: to ensure the Windows Mobile® device in development receives independent validation and verification.

Mobility Software Business

Since 2004, the Corporation has been investing in the development of Soleus™, a consumer software product for wireless and handheld devices. The Corporation announced the production release of Soleus™ version 1.0 on December 21, 2006 and expects to generate revenue through software licensing agreements with OEMs from initial site licensing, annual support and maintenance and royalties which are generated on a per-unit-shipped basis. Revenues for this new business have begun in 2007 based on a recently signed license agreement announced on March 27, 2007.

Soleus™ is a complete handset software solution that includes a high level operating system, user interface generation tool, application software and pre-certified telephony capability. It is built on Microsoft® Windows® Embedded CE and includes a development environment that leverages the Microsoft tool chain. The application software includes the Corporation's developed application software and a portfolio of pre-certified third party applications which are designed specifically to address the consumer handheld device market including personal navigation devices, personal media players and mobile phones.

The mobile software business operations are based in Bellevue, Washington, U.S.A. with additional development support from key personnel in Vancouver, B.C., Canada. This group is based in Washington State specifically to allow for convenient co-location and collaboration with Microsoft.

Soleus™ Product Overview

Soleus™ is developed to operate on the Microsoft® Windows® CE operating system which Microsoft also uses as the underlying operating system for its Windows Mobile® software product. The Soleus™ platform uses the Microsoft developer tools which are used by thousands of Windows® application software developers and product developers worldwide.

The Soleus™ architecture provides a turnkey development platform that takes a modular "building block" approach that allows customers to more easily configure handset software. By delivering the product with a complete set of software elements, Soleus™ allows OEMs to more rapidly develop products. It also incorporates a user interface development tool which enables flexibility in the look and feel of the product. The software elements of Soleus™ are:

Soleus™ User Interface ("UI") framework and tools

The Soleus™ UI framework provides a set of common mobile device controls for application level development and separates the application logic from the application user interface ("UI") layer. In turn, the Soleus™ UI Framework enables changes to the UI which results in efficient development of differentiated user interfaces. By adding Soleus™ specific tools directly into the menu structure, developers can easily access Soleus™ design templates, applications and test support. The Soleus™ "plugs" into the Microsoft tool chain which allows developers to use a drag-and-drop interface for building the UI of Soleus™ based device applications. The Soleus™ UI Framework provides control of branding by implementing a customizable user interface that allows for differentiation in service offerings while maintaining consistent execution throughout the product line.

Soleus™ Telephony Stack

A "telephony stack" is the software that enables handsets to connect to cellular networks. This software must be certified by either a standards organization and/or a wireless carrier before devices using the software are allowed on the network. The PCS Type Certification Review Board ("PTCRB") has pre-certified the Soleus™ software telephony stack. The stack is a key Soleus™ component and, along with associated applications, effectively reduces the time to market for voice enabled devices.

Application Software

Soleus™ comes complete with a pre-certified Core Application Suite which includes the dialer, media player, phone settings, SMS messaging, contacts, call history, calendar, calculator, alarm, camera, user profile, themes, picture viewer, file explorer, connection manager, notes (text and voice) and telephony. It also provides a flexible framework that enables manufacturers, operators and developers to add their own applications or those developed by Independent Software Vendors ("ISVs"). The Corporation has partnered with select third-party ISVs who have developed best-of-breed applications. The portability of third-party applications and the Soleus™ suite of pre-certified applications provides Soleus™ customers with the ability to develop a portfolio of devices with an array of integrated applications.

Roadmap and Product Enhancements

To meet the industry demand for devices that operate on 3G and next generation wireless networks, research and development surrounding Soleus™ will continue to focus on developing current releases of radio technology and telephony that will allow the Corporation to market the product to an increasingly growing market. In addition, a new version of the Windows® Embedded operating system has been released and as a result, the Corporation has also transitioned development efforts from Windows® CE 5.0 to utilize the advancements of Windows® CE 6.0. The Soleus™ platform and UI Framework will continue to incorporate support for next generation hardware which enables the development of industry leading devices.

Go-To-Market and Customer Engagement

The market opportunity for the mobility software business stems from the global growth in wireless and handheld products and the competition between handset manufacturers that drives demand for new features and services. As a result, manufacturers are seeking solutions which enable multi-device development from a single silicon and software platform. Management believes that Soleus™ offers a software platform that enables handset manufacturers to reduce their development costs and bring their mobile handsets to market more quickly than legacy development platforms, while meeting the demands of the wireless carriers.

The Corporation is marketing the Soleus™ product both through direct sales engagements with handset OEMs and through strategic relationships with wireless silicon technology vendors Texas Instruments, Freescale and Marvell. Management believes that the Corporation's historical relationships with these companies enables the mobility software business to build software products with a highly informed understanding of how an entire handset is designed and delivered.

The Corporation is currently working with several handset manufacturers to bring Soleus-based handsets to market. On March 27, 2007, the Corporation announced it had signed a licensing agreement with a leading global supplier of personal navigation devices for the development of GPS-enabled mobile phones. This OEM licensee will use the Soleus™ development platform to integrate telephony features in its personal navigation products along with consumer-driven features, including a camera and media player. This partner is planning to have their Soleus™-

based product released for market testing by the end of 2007. Commercial production will follow the testing phase and royalty revenues are expected to be generated by such production.

In 2006, the Corporation also signed a software licensing agreement with Wistron Corporation, an original device manufacturer producing information and communications technology products. The Corporation is working to sign additional license agreements with a number of other handset OEMs.

Soleus™ Market Segments

As referenced above, Soleus™ is targeted at the large and diverse consumer handheld market segment. Within this segment, the Corporation has determined that Soleus™ is particularly compelling to four segments of the mobile device market:

1. Handheld Device Manufacturers who have chosen a Microsoft® Windows® CE platform. Products in this segment include handheld personal navigation devices and mobile digital TVs. These OEMs find Soleus™ compelling because it offers them a simple and inexpensive way to add wireless connectivity to their platforms. Connectivity (voice and/or data) is increasingly becoming a requirement for these devices and Soleus™ is the only complete Microsoft Windows® CE-based platform solution available in the market offering this capability.

2. Windows Mobile® OEMs and ODMs who do not have an existing consumer handset platform find Soleus™ compelling because it offers them a quick and cost effective way to access this very large market segment. Because Soleus™ is based on Microsoft Windows® CE and utilizes the same development tool environment as Windows Mobile®, these manufacturers are able to reuse significant investments in software and know-how to produce products uniquely suited to consumers.

3. Original device manufacturers and design houses that want to supply handsets to North American and European wireless carriers looking to enhance their branded service offerings. Microsoft handset platforms are trusted by operators in these markets and Soleus™ provides the additional flexibility to add applications and modify the user interface that operators are looking for.

4. OEMs and ODMs who currently use Linux Mobile. Soleus™ is an alternative to Linux Mobile for manufacturers of handheld devices. Soleus™ provides access to both the Microsoft "eco system" and development community. The applications are being developed based on Microsoft standards and the ease of development with the Microsoft tool chain are compelling to handset manufacturers.

This go-to-market strategy is based upon Soleus™ being complementary to Windows® based offerings and competing directly with Linux Mobile based software products.

Customer Value Drivers

Wireless and handheld product OEMs are the target customer segment for Soleus™ and management believes the product addresses their critical business issues of cost, time-to-market and differentiation for competitiveness, as follows:

<u>Lowers developer costs</u>
Product costs are rising for OEMs due to the need to compete with richer features and lower costs. Soleus™ provides a modular architecture and tool chain which enables OEMs to deliver additional handset designs based on a fixed R&D budget compared Mobile Linux, Symbian or legacy real time operation systems like Nucleus. A report released in July 2003 by Embedded Market Forecasters compared the total cost of development for Windows® Embedded (which includes Windows® CE and Windows® XP Embedded) and Linux. The report concludes that projects based on Windows® Embedded were completed 43% faster and at 68% lower cost, on average, than similar projects using embedded Linux.

<u>Faster Time-to-Market</u>
With its configurable software and user-interface, Soleus™ provides the handset manufacturer with the capability to respond quickly and effectively to changing market requirements driven by either consumer demand or carrier

requirements. Compared to many existing software solutions Soleus™ offers a complete platform with strong developer tools that reduces development time for new products. Many existing high level operating system solutions for handheld products require substantial system and software integration. This is particularly a challenge in the current environment where wireless carriers continue to invest in 3G and 4G networks and increasingly demand that new handsets take advantage of this new technology. Soleus™ is a complete solution that requires minimal software development for OEMs and is supported by a comprehensive developer tool chain that supports faster development.

Flexibility for User Interface Innovation
The Soleus™ platform enables manufacturers to quickly customize user interface elements without source code changes, which is substantial software development. Products can therefore be easily updated, re-branded, localized and repurposed. In addition, the ease of portability of applications to and from Microsoft's Windows Mobile® platforms provides a large application ecosystem for manufacturers to leverage in increasing their competitive position.

Power Management
Soleus™ is built on Microsoft Windows® CE 5.0, an operating system that has been on the market for more than a decade. Unlike Linux, which was ported from a desktop/server operating system, Windows® CE was built from the ground up to be a small embedded operating system. Management believes that this ability to run in a smaller footprint than other operating systems such as Linux allows the development of mobile handsets with less total memory, which in turn lowers the total bill-of-materials cost for a Soleus™-powered mobile handset.

Partner Value Drivers

The Corporation regards the silicon vendors as important partners, as a cooperative effort is required not only in the engineering effort required to allow Soleus™ to run on a new hardware or reference platform, but also in the sales and marketing efforts needed to bring certified designs to handset manufacturers. The Corporation creates value for its silicon vendor partners both through its sales and marketing efforts and by assisting the silicon vendors in demonstrating the advantages of their chip sets to the handset manufacturers.

The Corporation also regards independent software vendors ("ISVs") as partners who deliver additional value to OEMs by broadening an OEM's choice of applications for their products. These ISVs supplement Soleus™' core application software and currently include a Java Virtual Machine, WAP browser, predictive text, email POP/SMTP client, games, handwriting recognition, instant messenger and voice dialling. The Soleus™ platform provides ISVs with the opportunity to address both the smart phone and feature phone market. The Soleus™ toolset, which is based on the Microsoft Visual Studio and Platform Builder tools, is familiar to ISVs and provides a powerful development environment that improves their productivity.

Carrier Value Drivers

Wireless carriers work to tailor their handsets for the best delivery of their respective services. There are many examples of this, such as the Orange Signature handsets, in which the user-interface for all handsets, irrespective of manufacturer, has many common elements. Another example is Vodafone Live, with its branded browser interface for accessing online content. Soleus™ delivers value to Carriers because it allows them to fine-tune their customers' handset experiences by delivering tools which enable:

Control of Customer User-Experience and Handset Branding
The wireless carrier's branding is largely associated with the user-interface, which is the user-experience of a handset. Soleus™ enables the handset manufacturer to easily adapt the user experience to meet the carrier's branding requirements.

Custom Selection of Available Applications
To meet the needs of the specific market segment demands for applications and services, wireless carriers, and especially the MVNOs (a mobile carrier that does not own its own spectrum and, instead, buys minutes of use for sale to its own customers), need these key applications available on the handsets on their networks. Soleus™ is built as a modular platform with flexibility in configuration that simplifies the customization process necessary to install these applications on mobile devices.

Market Opportunity

Mobility Software Products

Merrill Lynch forecasts 2007 global handset unit shipment volume at 1.1 billion, increasing to 1.3 billion by 2010. Management believes that annual handset sales will continue to achieve all-time highs, and the Corporation believes that handset manufacturers face increasing pressure not only to increase the number of designs they bring to market, but also to bring those designs to market faster.

This growth is driven by the demand for mobile voice services and new mobility applications. The personal navigation handheld device market is a subset of the consumer handset market and is expected to grow as Location-based Services come to market. Location-based Services are software-based offerings to mobile users based on the geographic location of their handset and add a richer and more distinctive level of user experience with connectivity, data provision, and branding based on the physical location of the user as determined by the mobile device.

Management estimates that only a small percentage of consumer handheld devices that are currently being manufactured use a standard operating system, while the remainder are built on proprietary operating systems or on real-time operating systems, which management believes were built for an earlier generation of microprocessors. The market for consumer handheld devices has grown dramatically over the last decade, and management believes that these older operating systems and the tools needed to support them have not kept pace with the increased demands of the next generation of feature phones.

Management also believes that the handset manufacturers' business success requires, among other things, that they provide consumers with appealing, innovative designs, within an ever shrinking time-to-market framework, while simultaneously keeping their bill-of-material and engineering costs to a minimum. Industry analysts are reporting that existing software/hardware design paradigms for consumer handset devices are proving inadequate to meet these challenges. Management believes that a significant number of the proprietary software stacks are nearing obsolescence, and will not support handset manufacturer requirements for future success in the mobile handset business.

In addition to the challenges related to the number of designs, time to market and design costs, management also believes that the handset manufacturers are being pressured to add new features by the wireless carriers, who want to add new services that often cannot be served with existing handsets. The most obvious example of this involves 3G data capabilities, but is also represented by media requirements (pictures and music), and other revenue-generating data opportunities being developed by wireless carriers.

Management believes that the acceleration of wireless product applications and services provides an opportunity for both the Corporation's engineering services business and mobility software business which together deliver an end-to-end development solution that can contribute to lower development costs and faster product delivery to market.

As well, the Corporation's depth of knowledge in telephony software has been utilized for the development of the telephony and communications components of the Soleus™ platform. This enables the Corporation to provide OEMs with software products that are designed to reduce costs and accelerate go-to-market cycles for new handsets. Management expects some customers may choose to use the Corporation's engineering services to develop their Soleus™-based handset in order to take advantage of the Engineering Services Group's expertise and risk-reduction in shrinking time-to-market. Management believes this may generate incremental engineering services revenue for the Corporation.

Wireless Systems Engineering Services

Management continues to strategically align itself with Microsoft as a Top-Tier Systems Integrator for the Windows Mobile® operating system. With the market quickly moving to 3G and beyond, the increased complexity to implement the Radio Interface Layer ("RIL") in connected devices can slow down OEM/ODMs time-to-market. The Corporation's engineering services expertise in RIL integration continues to be a compelling time and cost savings option for OEM/ODMs worldwide and creates a significant market opportunity for wireless engineering services business.

In addition, the Corporation continues to position its expertise in power management with strategic customers. Mobile handsets and consumer electronics are continuing to converge, and as a result, application processors (CPUs) and high-level operating systems are required to operate the increasingly complex features, which require more power than legacy technology. OEM/ODMs are finding it challenging to extend the battery life on consumer handsets and converged devices to meet the increased power demand while exceeding consumer's expectations and experiences. The Corporation will continue to align resources to ensure that all its strategic accounts remain aware of its power management expertise.

Closely related to both telephony integration and power management is the Board Support Package ("BSP") work. Accounting for over half of the engineering services revenue, the Corporation's expertise around production quality BSP work is driven by the deep knowledge of high-level operating systems (Windows Mobile® and Embedded CE) and embedded CPUs. Developing drivers for new silicon computer chips to optimizing drivers based on the intended usage model of a mobile or handheld device are both areas of key strength for the Corporation.

Management believes that there is rapid growth taking place in the Asian market for mobile systems integration services due to the overall growth in the global handset market combined with substantial economic growth in Asian markets. Management also believes that Asian OEM's and ODM's are facing complex challenges in the areas of power management, telephony integration, and complex driver development and optimization, and its engineering service offerings can assist the Asian OEM's and ODM's in overcoming these challenges. The Corporation's recent expansion into the Asian market and the planned opening of a Taipei facility will offer support for the Soleus™ platform as well as engineering services sales opportunities in this market.

Enterprise Interoperability Solutions

In addition to the wireless engineering services and mobility software products businesses, the Corporation has a legacy software business which licenses networking software that bridges Microsoft® Windows® based systems to Java-based systems. It also provides product support and systems integration services to its customers, who include software vendors that embed the Corporation's products in their offerings, as well as a host of 'end-users' including major banking and pharmaceutical companies. Software revenue from this business has been decreasing as the volume and size of interoperability software product transactions declines due to the maturation of the markets into which the Corporation sells these software solutions.

Relationship with Microsoft

The Corporation has a 10-year relationship with Microsoft, beginning with the Corporation's position as one of the first Windows® CE systems integrators and ISVs in 1996, and continuing today as a Windows Mobile® 'gold partner' systems integrator. Intrinsyc is also a Gold Level Member of the Microsoft® Windows® Embedded Program ("WEP"), which enables WEP partners to bring their Windows® powered products to market faster. Many of the Corporation's engineers are dedicated to performing Windows® CE and Windows Mobile® engineering work for Microsoft's and the Corporation's joint customers.

Recent Developments

On July 24, 2006, the Corporation appointed Glenda M. Dorchak to the position of Chairman and CEO. On November 22, 2006, the Corporation appointed Mark W. Johnston to the role of Vice-President and General Manager, Worldwide Sales and Technical Marketing. In January 2007, Mr. Johnston assumed the additional responsibility for business development and is now Vice-President and General Manager, Worldwide Sales and Business Development. On March 27, 2007, the Corporation announced that it has entered into an agreement with a leading global manufacturer of personal navigation and handheld devices to license the Soleus™ software platform for the development of GPS-enabled mobile devices. This OEM licensee will use the Soleus™ development platform to integrate telephony features in its personal navigation products along with consumer-driven features, including camera, media player and more. The Corporation will work with this OEM to support its adoption of the Soleus™-development platform for its reference design and handset, which Management expects will be in the market in late calendar 2007, initially as test units, with production product for market release following the completion of in-market testing.

USE OF PROCEEDS

The estimated net proceeds of the Offering will be $18,200,374, after deducting fees payable to the Underwriters and the estimated expenses of the Offering of approximately $500,000, assuming no exercise of the Over-Allotment Option. If the Over-Allotment Option is exercised in full, the estimated net proceeds of the Offering to the Corporation will be $21,005,430, after deducting fees payable to the Underwriters and the estimated expenses of the Offering. The Corporation will use the net proceeds as follows:

Marketing, Research and Development of mobility software	$15,200,000
Working capital and general corporate purposes	3,000,374
Total:	$18,200,374

The Corporation intends to use the net proceeds of the Offering as stated in this prospectus. There may be circumstances, however, where for sound business reasons, a reallocation of funds may be necessary. See "Risk Factors".

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Corporation as at the dates indicated, and as adjusted to give effect to the issue of the Common Shares under the Offering. The table should be read in conjunction with the audited annual consolidated financial statements of the Corporation as at and for the year ended August 31, 2006 and management's discussion and analysis thereon and the unaudited interim consolidated financial statements of the Corporation as at and for the three and six months ended February 28, 2007 and management's discussion and analysis thereon, incorporated by reference in this short form prospectus.

	As at August 31, 2006	**As at February 28, 2007**	**As at February 28, 2007 after giving effect to the issue of Common Shares[(1)]**
Cash and cash equivalents	$22,487,076	$5,950,172	$24,150,546 [(1)(2)]
Long term debt	$7,617,946	Nil	Nil
Common Shares (unlimited authorized)	$74,623,739 (83,043,369 common shares)	$74,623,739 (83,043,369 common shares)	$92,824,113 [(3)] (116,377,369 common shares)

Notes:

(1) Assuming the issue of the 33,334,000 Common Shares under the Offering. If the Over-Allotment Option is exercised in full, the cash and cash equivalents, after deduction of the Underwriters' Fee and the estimated expenses for the Offering, would be $26,955,602, and the outstanding common shares of the Corporation would be 121,377,469.

(2) After deduction of the Underwriters' Fee and the estimated expenses of the Offering.

(3) Pursuant to the Underwriting Agreement, the Underwriters will be issued Compensation Options entitling the Underwriters to subscribe for that number of Common Shares equal to 5% of the aggregate number of Common Shares sold under the Offering, including any Additional Common Shares sold pursuant to the Over-Allotment Option. The Common Shares issuable upon exercise of the Compensation Options are not included in this figure.

DIVIDEND POLICY

The Corporation has never declared or paid any dividends. The Corporation currently intends to retain any future earnings to finance the development and growth of its business and does not expect to pay any cash dividends in the foreseeable future. Any decision to pay cash dividends after this offering will be at the discretion of the board of directors after taking into account such factors as the Corporation's financial condition, results of operations, current and anticipated cash needs, the requirements of any future financing agreements and other factors that the board of directors may deem relevant, with a view to paying dividends whenever operational circumstances permit.

PLAN OF DISTRIBUTION

Pursuant to an agreement entered into between the Corporation and the Underwriters on May 3, 2007 (the "Underwriting Agreement"), the Corporation has agreed to sell and the Underwriters have agreed to purchase on May 10, 2007, 33,334,000 Common Shares at a price of $0.60 per Common Share, payable in cash to the Corporation against delivery of share certificates representing the Common Shares purchased. The obligations of the Underwriters under the Underwriting Agreement may be terminated at their discretion on the basis of their assessment of the state of the financial markets and may also be terminated upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Common Shares if any of the Common Shares are purchased under the Underwriting Agreement.

Subscriptions for Common Shares will be received subject to rejection or allotment in whole or in part and the Corporation reserves the right to close the subscription books at any time without notice. Certificates evidencing the Common Shares will be available for delivery on the closing date of the Offering (the "Closing Date") which is expected to be on or about May 10, 2007, or at such later date as agreed to by the Corporation and the Underwriters, but in any event not later than May 30, 2007.

Pursuant to the Underwriting Agreement, the Corporation appointed the Underwriters to offer the Common Shares to the public in each of the provinces of Canada other than Québec. In consideration for such services, the Corporation has agreed to pay a commission to the Underwriters (the "Underwriters' Fee") of 6.5% of the gross proceeds of the Offering, including proceeds from the purchase of Additional Common Shares. Further, subject to regulatory approval, the Corporation has agreed to issue to the Underwriters on the Closing Date, Compensation Options entitling the Underwriters to subscribe for 5% of the number of Common Shares sold under the Offering, including any Additional Common Shares sold pursuant to the Over-Allotment Option, at an exercise price equal to the Offering Price. The Compensation Options will have a term of two years from the Closing Date.

The Corporation has granted the Underwriters an Over-Allotment Option, exercisable in whole or in part at any time for a period of 30 days from the Closing Date, at the discretion of the Underwriters, enabling them to purchase the Additional Common Shares at the Offering Price. If the Over-Allotment Option is exercised in full, an aggregate of 38,334,100 Common Shares will be sold and the price to the public, the Underwriters' Fee and the net proceeds of the Offering to the Corporation will be $23,000,460, $1,495,030 and $21,505,430 (before deducting expenses of the Offering), respectively. This short form prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Common Shares, and qualifies the Additional Common Shares.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at anytime during the period ending on the date the selling process for the Common Shares ends and all stabilization arrangements relating to the Common Shares are terminated, bid for or purchase Common Shares. The foregoing restrictions are subject to certain exceptions including (a) a bid for or purchase of Common Shares if the bid or purchase is made through the facilities of the TSX in accordance with the Universal Market Integrity Rules of Market Regulation Services Inc., (b) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation occurred before the period of distribution as prescribed by the rules, and (c) a bid or purchase to cover a short position entered into prior to the period of distribution as prescribed by the rules. The Underwriters may engage in market stabilization or market balancing activities on the TSX where the bid for or purchase of the Common Shares is for the purpose of maintaining a fair and orderly market in the Common Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The Common Shares offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), or any securities or "blue sky" laws of any of the states of the United States. Accordingly, the Common Shares may not be offered or sold within the United States except in accordance with an exemption from the registration requirements of the 1933 Act and applicable state securities laws. In addition, the Underwriting Agreement provides that (i) the Underwriters will offer and sell securities outside the United States only in accordance with Regulation S under the 1933 Act and (ii) will offer and sell securities within the United States (A) to qualified institutional buyers (as defined in Rule 144A under the 1933 Act) and otherwise in accordance with Rule 144A and/or (B) to accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) and otherwise in accordance with Rule 506 of Regulation D.

This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the Common Shares offered hereby in the United States. In addition, until 40 days after the commencement of the Offering, an offer or sale of the Common Shares within the United States by any dealer, whether or not participating in the Offering, may violate the registration requirement of the 1933 Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the 1933 Act.

The Corporation has agreed not to, directly or indirectly, offer, sell or otherwise dispose of, or enter into any agreement to offer, sell or otherwise dispose of, any securities of the Corporation for a period of 90 days following closing of the Offering without the prior written consent of the Underwriters, other than (a) pursuant to the Offering; (b) as a result of the exercise of outstanding options granted under the Corporation's stock option plan or rights granted under its shareholder rights plan; (c) the grant of options under the Corporation's stock option plan; or (d) pursuant to any convertible securities of the Corporation outstanding as of the date hereof.

The Corporation will apply to list the Common Shares on the TSX, as well as the Common Shares issuable upon exercise of the Compensation Options. Listing will be subject to the fulfillment by the Corporation of all the listing requirements of the TSX.

RISK FACTORS

An investment in the securities of the Corporation may be regarded as speculative due to the Corporation's stage of development. Risk factors relating to the Corporation could materially affect the Corporation's future results and could cause them to differ materially from those described in forward-looking statements relating to the Corporation. Prospective investors should carefully consider these risk factors along with the other matters set out this Prospectus.

The following are some of the risks that are associated with the Corporation's business and operations and should be carefully considered by any potential investor in the Corporation's shares:

Additional Financing

The Corporation currently operates at a loss and uses cash raised in capital markets to fund working capital. If adequate funds are not available with required or on acceptable terms, the Corporation may be required to delay, scale back or terminate its product development activities and sales and marketing efforts, and may be unable to continue operations. There can be no assurance that the Corporation will be able to obtain the additional financial resources required to compete in its markets on favorable commercial terms or at all. Any equity offering will result in dilution to the ownership interests of shareholders and may result in dilution of the value of such interests.

Research and Development

If the Corporation fails to develop new products, or if the products the Corporation develops are not successful, the Corporation's business could be harmed. Even if the Corporation does develop new products which are accepted by its target markets, the Corporation cannot assure that the revenue from these products will be sufficient to justify the Corporation's investment in research and development.

Major Industry Software Vendor Partners May Become Competitors

The Corporation relies on software developed by Microsoft and Symbian in order to develop and market its products and services. As the developer of Windows Mobile®, Windows® CE, Microsoft® .NET and Symbian-based software technologies, Microsoft or Symbian or both could add features to their operating systems and application product offerings that directly compete with the software products and services the Corporation provides. The ability of the Corporation's customers or potential customers to obtain software products and services directly from Microsoft or Symbian that compete with the Corporation's software products and services could harm the Corporation's business.

History of Losses

The Corporation has a history of losses, and there can be no assurance that the Corporation's revenue will continue to grow. As at February 28, 2007, the Corporation had an accumulated deficit of approximately $60.4 million. The Corporation's prospects must be considered in the context of its stage of development, the risks and uncertainties it faces, and the inability of the Corporation to accurately predict its operation results in the results of product development and sales and marketing initiatives. There can be no assurances that implementation of the Corporation's strategies will result in the Corporation becoming profitable.

Product Development and Technological Change

The market for the Corporation's products is characterized by rapidly changing technology, evolving industry standards and frequent new product introductions. To be successful, the Corporation will need to enhance existing products and to introduce new products and features in response to changing standards, customer requirements, and technological innovations by others. There can be no assurance that the Corporation will be successful in doing this in a timely manner or at all.

The software industry is characterized by a continuous flow of improved products which render existing products obsolete. There can be no assurance that products or technologies developed by others will not render the Corporation's products obsolete or non-competitive.

Dependence on a Small Number of Customers

The Corporation's revenue is dependent, in large part, on significant contracts from a limited number of customers. During the three months ended February 28, 2007, approximately 49% of the Corporation's consolidated revenue was attributable to its two largest customers. During the three months ended February 28, 2006 approximately 28% of the Corporation's consolidated revenue was attributable to its two largest customers. Management believes that revenue derived from current and future large customers will continue to represent a significant portion of total revenue. The inability to continue to secure and maintain a sufficient number of large contracts would have a material adverse effect on the business, financial condition, operating results and cash flows of the Corporation. Moreover, the success of the Corporation will depend in part upon its ability to obtain orders from new customers, as well as the financial condition and success of its customers and general economic conditions.

Stock Price Volatility

The market price for the common shares of the Corporation fluctuates significantly, and these fluctuations tend to be exaggerated if the trading volume is low. The market price of the common shares may rise or fall in response to announcements of technological or competitive developments, acquisitions or strategic alliances by the Corporation or its competitors, and the gain or loss by the Corporation of significant orders or broad market fluctuations.

Dependence on Management

The Corporation's future success depends on the ability of the Corporation's management to operate effectively, both individually and as a group. If the Corporation were to lose the services of any management employees, the Corporation may encounter difficulties finding qualified replacement personnel and integrating them into the management group.

Sales and Marketing and Strategic Alliances

If the Corporation is to become successful, it must continue to expand its sales and distribution channels and its marketing and technology alliances. There is no assurance the Corporation will be able to reach agreements with additional alliance or distribution partners on a timely basis or at all, or that these partners will devote sufficient resources to advancing the Corporation's interests.

The Corporation's strategic alliances with operating system vendors, semiconductor manufacturers, independent software vendors and systems integrators are a key part of the Corporation's overall business strategy. The Corporation cannot, however, be certain that it will be successful in developing new strategic relationships or that the Corporation's strategic partners will view such relationships as significant to their own business or that they will continue their commitment to the Corporation in the future. The Corporation's business, results of operation, financial condition and stock price may be materially adversely affected if any strategic partner discontinues its relationship with the Corporation for any reason. Additionally, the Corporation relies on the voluntary efforts of its strategic partners rather than compliance with contractual obligations, and there are no minimum performance requirements. Therefore, the Corporation cannot be certain that these relationships will be successful.

Length of Sales Cycle

The typical sales cycle of the Corporation's products and services is lengthy (generally between six and nine months), unpredictable, and involves significant investment decisions by prospective customers, as well as education of those customers regarding the use and the benefits of the Corporation's products and services. The purchase of the Corporation's products and services is often delayed while prospective customers conduct lengthy internal reviews and obtain expenditure approvals. Even after deciding to purchase the Corporation's products or services, the Corporation's customers tend, in some cases, to deploy the products slowly and deliberately depending on a variety of factors, including the skill level of the customer and the status of its own technology with which the Corporation's products are to integrate. As a result, the Corporation's quarterly financial results may vary significantly.

Intellectual Property Protection

The Corporation's ability to compete may be affected by its ability to protect its intellectual property. It relies primarily on a combination of copyright, trademark and trade secret laws, confidentiality procedures and contractual provisions to protect its intellectual property. While the Corporation believes that its products and technologies are adequately protected against infringement, there can be no assurance of effective protection. Monitoring and identifying unauthorized use of the Corporation's technology is difficult, and the prohibitive cost of litigation may impair the Corporation's ability to prosecute any infringement. The commercial success of the Corporation will also depend upon its products not infringing any intellectual property rights of others and upon no claims for infringement being made against the Corporation. The Corporation believes that it is not infringing any intellectual property rights of third parties, but there can be no assurance that such infringement will not occur. An infringement claim against the Corporation by a third party, even if it is invalid, could have a material adverse effect on the Corporation because of the costs of defending against such a claim.

Competition

Because of intense market competition, the Corporation may not succeed. Some of the Corporation's current and potential competitors have longer operating histories, stronger brand names and greater financial, technical, marketing and other resources than the Corporation. Current and potential competitors may also have existing relationships with many of the Corporation's prospective customers, and prospective OEM customers may be developing products for their own use that are comparable to the Corporation's products. In addition, the Corporation expects competition to persist and intensify in the future, which could adversely affect the Corporation's ability to increase sales.

International Expansion of Business Operations

The Corporation plans to increase international operations, including the establishment of a sales office and development centre in Asia, in the current fiscal year. International sales and the related infrastructure support operations carry certain risks and costs such as the administrative complexities and expenses of administering a business abroad; complications in both compliance with and also unexpected changes in regulatory requirements, foreign laws, international import and export legislation, trading policies, tariffs and other barriers; potentially adverse tax consequences; and uncertainties of law and enforcement relating to the protection of intellectual property and unauthorized duplication of software. There can be no assurance that these factors will not be experienced in the future by the Corporation or that they will not have a material adverse impact on the Corporation's business, results of operations and financial conditions.

Dependence on Market Acceptance of Mobile Devices and Inter-Operability Solutions

The market for mobile device and interoperability software and services is emerging and the potential size of this market and the timing of its development are not well known. As a result, the Corporation's profit potential is uncertain and the Corporation's revenue may not grow as fast as the Corporation anticipates, if at all. The Corporation is dependent upon the broad acceptance by business and consumers of mobile devices, particularly feature phones, as well as supporting applications, which will depend on many factors, including:

- the development of content and applications for mobile devices;
- the willingness of large numbers of consumers and businesses to use mobile devices such as feature phones, smartphones, PDAs, wireless gaming consoles, and other such specialized mobile devices such as set top boxes, handheld medical devices and industrial data collectors to perform functions currently carried out manually, by traditional PCs or by other electronic devises, including entertainment, personal communication, inputting and sharing data and connecting to the Internet; and
- the evolution of industry standards that facilitate the distribution of content over the Internet to these devices via wired and wireless telecommunications systems, satellite or cable.

Foreign Exchange Risk

A substantial portion of the Corporation's sales are denominated in United States dollars and are made to United States-based customers. Because the Corporation's operations are based in Canada and the United Kingdom, the Corporation is exposed to risks associated with fluctuations in the exchange rate between the United States dollar, the British pound and the Canadian dollar. If the Canadian dollar or British pound rise relative to the United States dollar, the Corporation's operating results may be adversely impacted. The Corporation has a foreign exchange hedging program that effectively hedges approximately 60% to 80% of its net monthly United States dollar receipts.

Potential Fluctuations in Quarterly Results

The Corporation's quarterly operating results may vary significantly depending on factors such as the timing of new product introductions and changes in pricing policies by the Corporation and its competitors, market acceptance of new and enhanced versions of the Corporation's products and the timing of significant orders. Because the Corporation's operating expenses are based on anticipated revenues and a high percentage of the Corporation's expenses are relatively fixed in the short term, variations in the timing of recognition of revenues can cause significant fluctuations in operating results from quarter to quarter and may result in unanticipated quarterly earnings shortfalls or losses. The market price of the Corporation's common shares may be highly volatile in response to such quarterly fluctuations.

Management of Growth

The Corporation's growth continues to place significant demands on its management and other resources. The Corporation's future results of operations will depend in part on the ability of its officers and other key employees to implement and expand operational, customer support and financial control systems and to expand, train and manage its employee base. The Corporation's future performance will also depend to a significant extent on its ability to identify, attract, train and retain highly skilled sales, technical, marketing and management personnel.

Acquisitions

The Corporation has, and from time to time in the future may, acquire businesses, products or technologies that it believes complement or expand its existing business. Acquisitions of this type involve a number of risks, including the possibility that the operations of the acquired business will not be profitable or that the attention of the Corporation's management will be diverted from the day-to-day operation of its business. An unsuccessful acquisition could reduce the Corporation's margins or otherwise harm its financial condition. Any acquisition could result in a dilutive issuance of equity securities, the incurrence of debt and the loss of key employees. The Corporation cannot ensure that any acquisitions will be successfully completed or that, if one or more acquisitions are completed, the acquired businesses, products or technologies will generate sufficient revenues to offset the associated costs of the acquisitions or other adverse effects.

Product Liability

The Corporation's license agreements with its customers typically contain provisions designed to limit the Corporation's exposure to potential products liability claims. There can be no assurance that such provisions will protect the Corporation from such claims. The Corporation does not maintain product liability insurance. A successful product liability claim brought against the Corporation could have a material adverse effect upon the Corporation's business, results of operations and prospects.

Use of Proceeds

The Corporation intends to use the estimated net proceeds, as determined by the Corporation's management in its sole discretion, for sales, marketing and research and development of the Soleus™ product offering and for general corporate purposes. See "Use of Proceeds". Management's failure to use such net proceeds effectively could have a material adverse affect on the Corporation's business, financial condition and operating status.

Future Share Sales

If the Corporation's shareholders sell substantial amounts of the Corporation's Common Shares following this Offering, the market price of the Corporation's Common Shares could decrease. Upon the completion of this Offering, the Corporation will have outstanding approximately 121,377,469 Common Shares (assuming the Over-Allotment Option is exercised in full and there is no exercise of the Corporation's outstanding stock options, stock purchase rights or warrants or conversion of any outstanding convertible debentures). Additionally, as of May 2, 2007, the Corporation has reserved for issuance 13,395,774 Common Shares under the Corporation's stock option plan and 19,680,845 Common Shares pursuant to outstanding warrants. The Corporation has agreed not to sell any Common Shares for a period of 60 days following the closing of this Offering, subject to certain exceptions. See "Plan of Distribution". The Underwriters may permit the sale of Common Shares in their sole discretion at any time and without prior public announcement.

Shareholders' Rights Plan

The Corporation has implemented a Shareholders' Rights Plan. The Shareholders' Rights Plan provides for substantial dilution to an acquirer making a take-over bid for the common shares of the Corporation unless the bid meets the requirements described in the Shareholders' Rights Plan. This could discourage a potential acquirer from making a take-over bid and make it more difficult for a third party to acquire control of the Corporation, even if such acquisition or bid would be beneficial to the Corporation's shareholders.

Non-recurring Costs

From time to time the Corporation may incur significant non-recurring charges as a result of business segment shut-down or corporate restructuring. These charges could have an adverse effect on the business, financial condition, operating results or cash flow of the Corporation.

DESCRIPTION OF SHARE CAPITAL

The Corporation's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of preferred shares. As at May 2, 2007, the Corporation had 83,043,369 Common Shares and no preferred shares issued and outstanding.

Common Shares

Each common share entitles the holder thereof to (i) dividends if, as and when declared by the directors of the Corporation (subject to the rights of the holders of another class or series of shares), (ii) one vote at all meetings of shareholders of the Corporation (except meetings at which only holders of a specified class of shares are entitled to vote), and (ii) participate on a *pro rata* basis, subject to the rights of the holders of another class of shares, in any distribution of the assets of the Corporation upon liquidation, dissolution or winding-up, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding-up its affairs.

Preferred Shares

If the directors create any series of preferred shares, such shares shall have the rights determined by the directors, provided that with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, the preferred shares rank in priority to the common shares and any other shares of the Corporation ranking junior to the preferred shares.

CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Corporation, and Goodmans LLP, counsel to the Underwriters, the following is a summary of the principal Canadian federal income tax considerations generally applicable to the acquisition, holding and disposition of Common Shares by holders who acquire Common Shares pursuant to this short form prospectus. This summary is applicable to a holder who, for purposes of the Tax Act, is resident or deemed to be resident in Canada, holds the Common Shares as capital property, and deals at arm's length and is not affiliated with the Corporation and the Underwriters. The Common Shares will generally be considered capital property to a holder unless either the holder holds such Common Shares in the course of carrying on a business of buying and selling securities or the holder has acquired the Common Shares in a transaction or transactions considered to be an adventure in the nature of trade. Certain holders who might not otherwise be considered to hold their Common Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election permitted by subsection 39(4) of the Tax Act to have the Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by such holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. This summary is not applicable to any holder which is a "specified financial institution" or a ''financial institution'' (both as defined in the Tax Act) or to any holder an interest in which would be a ''tax shelter investment'' (as defined in the Tax Act). This summary does not address the deductibility of interest by a holder who borrows money to acquire the Common Shares.

This summary is based on the current provisions of the Tax Act, the Regulations, all proposals to amend the Tax Act and the Regulations publicly announced by or on behalf of the Minister of Finance prior to the date hereof (the ''Proposals'') and counsel's understanding of the administrative and assessing practices and policies of the Canada Revenue Agency (''CRA'') which have been made publicly available prior to the date hereof. No assurance can be given that the Proposals will be enacted as proposed, if at all. This summary does not take into account or anticipate any other changes in law, whether by legislative, regulatory, administrative or judicial decision or action or changes in the administrative practices of CRA, is not exhaustive of all Canadian federal income tax considerations and does not take into account other federal tax considerations or provincial, territorial or foreign income tax legislation or considerations.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to an investment in Common Shares. The income and other tax consequences of acquiring, holding and disposing of Common Shares will vary according to the status of the holder, the province or provinces in which the holder resides or carries on business and, generally, the holder's own particular circumstances. Accordingly, the following description of income tax matters is of a general nature only and is not intended to constitute advice to any particular holder. Prospective holders should consult their own tax advisors with respect to the income tax consequences of investing in Common Shares, based on the holder's particular circumstances.

Disposition of Common Shares

In general, a holder of a Common Share will realize a capital gain (or capital loss) on a disposition, or a deemed disposition of such Common Share, equal to the amount by which the proceeds of disposition of the Common Share net of any costs of disposition, exceed (or are less than) the adjusted cost base of the Common Share to the holder. The cost of any Common Shares acquired pursuant to this Offering must be averaged with the adjusted cost base of all other common shares of the Corporation for the purpose of calculating capital gains or capital losses on subsequent dispositions of Common Shares.

A holder will be required to include in income one-half of the amount of any capital gain (a ''taxable capital gain'') realized in the year of a disposition of the Common Shares and will generally be entitled to deduct one-half of the amount of any capital loss (an ''allowable capital loss'') against taxable capital gains realized in the year of a disposition, the three preceding years or any subsequent year, to the extent and under the circumstances described in the Tax Act.

In general, in the case of a holder that is a corporation, the amount of any capital loss otherwise determined arising from a disposition or deemed disposition of Common Shares may be reduced by the amount of dividends previously received thereon, or deemed received thereon, to the extent and under circumstances prescribed in the Tax Act. Analogous rules apply where a corporation is, directly or through a trust or partnership, a member of a partnership or a beneficiary of a trust which owns Common Shares.

A holder that is, throughout the relevant taxation year, a ‘‘Canadian-controlled private corporation’’ as defined in the Tax Act may be liable to pay, in addition to the tax otherwise payable under the Tax Act, a refundable tax of 6 2/3% on certain investment income, including taxable capital gains, for the year.

Capital gains realized by an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act.

Dividends on Common Shares

Dividends received or deemed to be received on the Common Shares by an individual (including most trusts) will be included in computing the individual’s income for tax purposes and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from “taxable Canadian corporations” as defined in the Tax Act, including the new enhanced gross-up and dividend tax credit for eligible dividends paid after 2005 by “taxable Canadian corporations”, where these dividends have been designated as eligible dividends by the dividend-paying corporation. A holder that is a corporation will include dividends received or deemed to be received on the Common Shares in computing its income for tax purposes and generally will be entitled to deduct the amount of such dividends in computing its taxable income, with the result that no tax will be payable by it in respect of such dividends. Certain corporations, including private corporations or subject corporations (as such terms are defined in the Tax Act), may be liable to pay a refundable tax under Part IV of the Tax Act at the rate of 33 1/3% of the dividends received or deemed to be received on the Common Shares to the extent that such dividends are deductible in computing taxable income. This tax will be refunded to the corporation at a rate of $1 for every $3 of taxable dividends paid while it is a private corporation.

LEGAL MATTERS

Certain legal matters in connection with the Offering will be passed upon by Blake, Cassels & Graydon LLP, counsel to the Corporation, and by Goodmans LLP, counsel to the Underwriters.

INTEREST OF EXPERTS

As at the date hereof, the partners and associates of Blake, Cassels & Graydon LLP, as a group, and the partners and associates of Goodmans LLP, as a group, each beneficially own, directly or indirectly, in the aggregate, less than one percent of the securities of the Corporation.

Ernst & Young LLP, auditors of the Corporation, has advised the Corporation that it is independent within the meaning of the Professional Conduct of the Institute of Chartered Accountants of British Columbia and within the meaning of applicable securities laws of Canada.

Andrew McLeod, a partner of Blake, Cassels & Graydon LLP, is currently a director of the Corporation. No other person referenced above, nor any other employee or partner of the aforementioned partnerships, is currently expected to be elected, appointed or employed as a director, officer or employee of the Corporation or of any associate or affiliate of the Corporation.

AUDITOR, TRANSFER AGENT AND REGISTRAR

The auditors of the Corporation are Ernst & Young LLP, Chartered Accountants, of Vancouver, British Columbia.

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. at its principal offices in Vancouver, British Columbia and Toronto, Ontario.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces of Canada, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AUDITORS' CONSENT

We have read the short form prospectus of Intrinsyc Software International, Inc. (the "Company") dated May 3, 2007 relating to the qualification for distribution of Common Shares of the Company. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference in the above-mentioned prospectus of our report to the shareholders of the Company on the consolidated balance sheets of the Company as at August 31, 2006 and August 31, 2005, and the consolidated statements of operations and deficit and cash flows for each of the years in the two-year period ended August 31, 2006. Our report is dated October 16, 2006.

Vancouver, Canada	Ernst & Young LLP
May 3, 2007	Chartered Accountants

CERTIFICATE OF INTRINSYC SOFTWARE INTERNATIONAL, INC.

Dated: May 3, 2007

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada other than Québec.

"Glenda Dorchak"	*"Andrew Morden"*
GLENDA DORCHAK	ANDREW MORDEN
Chief Executive Officer	Chief Financial Officer

ON BEHALF OF THE BOARD OF DIRECTORS

"Robert Gayton"	*"George Duguay"*
ROBERT GAYTON	GEORGE DUGUAY
Director	Director

CERTIFICATE OF THE UNDERWRITERS

Dated: May 3, 2007

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of each of the provinces of Canada other than Québec.

CANACCORD CAPITAL CORPORATION

"Jean-Yves Bourgeois"
JEAN-YVES BOURGEOIS

PARADIGM CAPITAL INC.

"Ian Joseph"
IAN JOSEPH

RAYMOND JAMES LTD.

"Jimmy Leung"
JIMMY LEUNG

GMP SECURITIES L.P.

"Lorne Sugarman"
LORNE SUGARMAN