

TO OUR SHAREHOLDERS

I am pleased to present R.A.N.K.I.N. Technologies Inc. results for the first quarter ended July 31, 1999. These results are compared to those of R.A.N.K.I.N. Research Corporation, which was a private company throughout the compared period.

Revenues increased 115% to \$739,235 from \$343,973 in last year's comparable quarter. Net income before taxes was \$156,754 (\$0.007 per share) in this quarter ended July 31, 1999.

In the quarter ended July 31, 1999, sales of Boomerang® units rose by 148% to 1,762 units from 710 a year earlier. These results reflect sales in Quebec and Ontario only and do not include sales in the Province of British Columbia. Contributing significantly to the growth in the province of Quebec, in particular, are agreements signed with major insurance companies, which have specified in their underwriting guidelines, that a Boomerang unit must be installed in vehicles with high probability of theft.

Advances in Research and Development and improvements in efficiencies of production have enabled Rankin to realize reduced costs of production thus contributing to a significant increase in gross margin. We expect this to continue.

We appreciate your continued support.



Peter Lashchuk  
*President*



**STATEMENT OF EARNINGS**

FOR THE QUARTER ENDED JULY 31

	1999	1998
		(UNAUDITED)
<b>REVENUES</b>	<b>\$739,235</b>	<b>\$343,973</b>
<b>DIRECT COSTS</b>		
Inventory –beginning of period	54,950	26,241
Purchases and direct costs	369,026	285,761
Inventory –end of period	(126,997)	(90,241)
	296,979	221,761
Gross Margin	442,256	122,212
<b>OPERATING EXPENSES</b>		
Selling	143,987	53,640
General and administrative	139,674	70,225
Financial	1,841	425
	285,502	124,290
<b>NET EARNINGS (NET LOSS) BEFORE INCOME TAXES</b>	<b>\$156,754</b>	<b>\$(2,078)</b>
<b>EARNINGS PER SHARE</b>	<b>\$ 0.007</b>	<b>N/A</b>
<b>CLASS "A" SHARES ISSUED</b>	<b>22,000,000</b>	<b>N/A</b>

**STATEMENT OF CASH FLOWS**

FOR THE QUARTER ENDED JULY 31

	1999	1998
		(UNAUDITED)
<b>FUNDS PROVIDED (USED)</b>		
<b>OPERATING ACTIVITIES</b>		
Net earnings (net loss)	\$156,754	\$(2,078)
Amortization	10,622	4,392
Changes in non-cash operating elements of working capital	(240,628)	9,116
Cash flows used in operating activities	(73,252)	11,430
<b>FINANCING ACTIVITIES</b>		
Loans payable, directors	(2,265)	(6,000)
Cash flows used in financing activities	(2,265)	(6,000)
<b>INVESTING ACTIVITIES</b>		
Acquisition of business, net of cash acquired	367,918	-
Addition to fixed assets	(24,501)	(83,985)
Addition to patents	(1,287)	(325)
Cash flows used in investing activities	342,130	(84,310)
<b>CASH AND CASH EQUIVALENTS INCREASE (DECREASE)</b>	<b>266,613</b>	<b>(78,880)</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD</b>	<b>70,401</b>	<b>( 2,189)</b>
<b>CASH AND CASH EQUIVALENTS, END OF THE PERIOD</b>	<b>\$337,014</b>	<b>\$( 81,069)</b>