
THE RESEARCH WORKS, LLC

750 Ocean Royale Way, Suite 805, Juno Beach, Florida 33408
Telephone: (561) 427-7242 Web: www.stocksontheweb.com

AlphaTrade.com

Advertising Revenues Growing Strongly, Aided by the Desirable Demographic of the User Base for the Company's High-Quality Stock Quotes and Financial Data

Stock symbol: OTCBB:APTD

Stock price 5/10/06: \$0.28

52-week price range: \$0.21 - \$0.49

Average daily volume (3 months): 36,886

Shares outstanding (1/10/06): 30,218,865

Equity market capitalization: \$8.4 million

AlphaTrade.com ("APTD" or the "Company") offers comprehensive business and financial information, real-time stock market data and in-depth global news, all available through a growing variety of delivery systems. The user base represents a highly desirable demographic, and the long-term business model is based importantly upon growing the user base to attract advertising revenues.

Equity Ownership in the U.S. An estimated 91 million U.S. individuals own equities (2005 data), either directly or through mutual funds. Of those 91 million equity owners, an estimated 51% owned mutual funds, 39% both mutual funds and individual stocks, and 10% individual stocks only. Approximately 72% of equity investors owned equities outside of their employer-sponsored plans. The median percentage of household assets represented by equities was 55%.

Foreign investing is becoming more popular. Approximately 63% of all equity investors own foreign equities, up from 55% in 1999.

The majority of equity investors have long-term horizons and are not frequent traders. The share of investors who made one or more transactions during a given year held about steady at approximately 40% or so during the years 1999 through 2004. Of those who made one or more transactions in 2004, approximately 21% executed more than a dozen transactions. This represents a population of about 7.6 million very active investors.

In addition to this large group of very active investors, there is a sizable financial services industry that caters to investors in U.S. equities. This industry includes securities firms (investment banks, broker-dealers and mutual fund companies), which employ approximately 800,000 people; investment advisers; closed-end investment companies, exchange-traded funds; and hedge funds and other private investment partnerships.

(Source for the data in this section: Investment Company Institute at www.investmentcompanyinstitute.com).

Foreign Equity Markets In 2005, the U.S. represented approximately 30% of world GDP. Its markets, however, accounted for approximately 49% of worldwide market capitalization, followed by Japan with 11%; the United Kingdom, 10%; France, 5%; Germany, 4%; Canada, 3%; Switzerland, 3%; Italy, 3%; and all others 12%. (Source: Bernstein Research).

Business Strategy Overview AlphaTrade has devoted considerable effort to developing and marketing a proprietary, Internet-based software platform for high-quality stock quotes and financial data. These efforts have proven to be very successful, and the user base is expanding off of a modest foundation. This growth could pick up as the Company broadens its product offerings and launches awareness programs. At the same time, there is an opportunity to quicken the pace of growth by reducing the already low service prices.

Management is also developing the advertising business. The demographic profile of the Company's subscriber base is highly focused and very desirable. A number of early advertising initiatives have been tested, and 2006 is likely to see growth in this arena. Management is expected to experiment with various formats and price points in an effort to discover the optimal model. The longer-term potential for advertising revenues is quite large, and these revenues should sport very high gross margins.

Stock Quote Products The Company has developed three stock quote services, and there are a variety of service refinements and new services under development.

E-Gate stock quote service E-Gate is a high-performance stock market application that offers comprehensive business and financial information, real-time stock market data and in-depth global news, all at an affordable price. The service can be accessed from anywhere in the world on any Internet-connected computer.

The market data streams in real time, and the service covers stocks, options, e-minis, mutual funds and currencies, for all of the principal exchanges in North America, plus data from the London Stock Exchange. Features include real-time stock price charts, portfolio managers, investment tracking, Level II quotes, Nasdaq TotalView, most actives, news, option chain and streaming option chain, snap quotes, symbol lookup and customizable tickers. In addition, the Comparator feature allows E-Gate users to conduct their own due diligence by simultaneously evaluating multiple companies using user-defined financial data.

Nasdaq TotalView is an institutional strength platform designed to be the standard Nasdaq data feed for serious traders. It provides considerably more data than the legacy Level II system. TotalView shows every quote and order at every price level in the Nasdaq Market Center, and it displays all orders at every price level for each Nasdaq-listed security in the Brut facility. Data includes details about opening and closing orders

and likely clearing before the open and close crosses. AlphaTrade has TotalView available via its E-Gate system, and AlphaTrade's Jupiter is believed to be the only wireless provider of TotalView data.

The E-Gate base fee is \$17 per month, and there is a \$10 per month exchange communication fee. Optional add-ons include a variety of third party services, fundamental data, and exchange fees on an à la carte basis. The Company offers non-professionals a seven-day, no-risk free trial of E-Gate stock quote service. The average subscriber bill is approximately \$60 per month.

One of the Company's marketing techniques is to recruit affiliates who provide E-Gate through their web sites. There are presently scores of them. There are also a great number of affiliates who have implemented the Company's free E-Quote tools into their web sites to provide their site users free streaming stock quotes.

E-Trax stock market modules E-Trax modules are fully customizable, multi-channel, financial-content modules for third-party web sites. The modules include a watch list, snap quotes, charts, SEC filings, most actives, news and options. Add-on tools include profiles and financials. Since clients' requirements exhibit a wide range of variation, pricing is on a negotiated basis.

Jupiter wireless service This important wireless application is designed for investors and financial professionals who can't be tethered to a desktop. It feeds data to portable devices such as PDAs and smart phones that support JAVA/J2ME. These devices include RIM BlackBerry, Nokia, Palm OS, Window CE devices and Symbian OS (Sony Ericsson). The Company's ability to provide this service is facilitated by its web-based nature.

Jupiter includes snap quotes, portfolio manager (up to 10 portfolios for 60 symbols each), charts, news, Level 2/Nasdaq TotalView, and an ability to save preferences. Jupiter is the only wireless provider of Nasdaq's TotalView.

Existing E-Gate subscribers can purchase this service as an add-on, and people who desire Jupiter on a stand-alone basis can subscribe. The Company offers non-professionals a seven-day, risk-free trial.

On November 29, 2005, the Company added the first-ever multi-lingual slate of financial applications for wireless devices. Languages now include English, Chinese, French, Spanish, German, Italian and Portuguese.

AlphaTrade Financial Network ("AlphaTradeFN" at www.alphatradefn.com) This free web site provides investors with comprehensive stock market data, global news and financial information. It also includes a set of financial tools to help manage personal finances.

The site is designed to generate revenues through advertising to a highly targeted and desirable audience.

The number of visits to the site has been on an uptrend. Total visits for April 2006 were 158,353, versus 104,572 for October 2005.

Marketing Strategy for Stock Quote Products Management is striving to boost awareness of its products. Initiatives include trade shows, public relations, the hiring of direct salespeople, experimentation with infomercials, formation of strategic alliances, and free trials.

In addition, there appears to be a large foreign market potential. Services are already available in a variety of languages. Markets in China and India show tentative signs that they may eventually open up. There are a large number of Chinese companies showing interest in raising capital in North American securities markets.

Advertising Revenues Advertising might eventually become the principal engine for future revenue and earnings growth. The first advertising revenues were recognized during March-quarter 2005, and the amount has grown significantly since then. The gross margins on advertising are quite high.

Management has a variety of initiatives underway. These include display of corporate profiles, e-mail programs and banner ads. Advertising clients have included AskMeNow, Capital Hill Gold, On the Go, Paramount Gold, APEX, Azco Mining Incorporated, Grifco International Inc., and GanSu YaSheng Group.

The Company will likely experiment with a variety of advertising models this year. It needs to generate data on the effectiveness of ads for each given exposure profile, and it needs to refine its ad pricing.

Given the demographic profile of the Company's user base, the most promising clients are small-cap companies that desire exposure for their stocks. There is also strong potential for a variety of financial services firms. Users of the AlphaTrade services are highly likely to be active stock traders. Approximately 90% of them are males, and the ages are typically 25-60, with an average annual household income exceeding \$60,000.

New Product Development There are many opportunities for refinements and further developments of the platform. Fundamental data is being added to the services, and E-Trax modules are being expanded. Management sees great opportunity in foreign markets, and it is broadening its services to cater to the needs of foreign investors.

Intellectual Property The key proprietary asset is the software platform. The architecture is modular, and new products and features can be added "on the fly." There is no degradation of service as the number of users increases. Everything has been designed to be user-friendly and dependable.

Company History The Company was incorporated in the State of Nevada in June 1995 as Sierra Gold Development Corp. The name was changed to Honor One Corporation in October 1998, and to Alphatrade.com in January 2001. In January 2002, the Company effected a 1-for-50 reverse stock split.

Recent Developments

On May 10, 2006, the Company named NYC-based 5W Public Relations (www.5wpr.com), a fast-growing public relations firm, as its Agency of Record to provide a full service public relations and financial communications program.

On March 13, 2006, the Company announced a long-term agreement with TradeKing (www.tradeking.com), an Internet brokerage firm, whereby the companies will explore cross-marketing initiatives and opportunities.

On January 25, 2006, the Company announced that it had signed an agreement with AsiaInfo Holdings, a leading provider of telecom software solutions and security products in China. Under terms of the agreement, AlphaTrade will provide AsiaInfo with E-Trax, as well as advertising on AlphaTrade Financial Network.

On January 19, 2006, the Company announced that it will begin providing TheStreet.com content on the AlphaTrade Financial Network.

On November 29, 2005, the Company announced that Jupiter is available as a stand-alone product and that it is the only wireless provider of Nasdaq's TotalView product.

Shareholder Profile (December 31, 2005)

Penny Perfect (including 5,000,000 shares upon pfd. conversion)	12,941,620 shares
Gordon Muir (including 5,000,000 shares upon pfd. conversion)	12,716,320 shares
All executive officers and directors as a group (four persons)	25,677,940 shares

Note: These totals were computed in accordance with the rules of the SEC. Some of the shares may be double counted. Source: AlphaTrade.com

Balance Sheet on December 31, 2005 (in \$000s)

Cash & equivalents	147	Current liabilities	984
Other current assets	236	Long-term liabilities	0
Total current assets	383	Stockholders' equity	(234)
Other assets	367		
Total assets	750	Total liabilities & equity	750

Note: Unaudited. Source: AlphaTrade.com

On December 31, 2005, the Company had a working capital deficit of \$600,857. Current liabilities included related party payables of \$429,927. Stockholders' equity consisted of 2,000,000 shares of convertible preferred stock (10,000,000 authorized), each convertible into five shares of common stock at a conversion price of \$0.05 per share, and 28,898,865 shares of common stock (100,000,000 authorized). The accumulated deficit was \$26,375,208.

On December 31, 2005, there were 33,797,497 options and warrants outstanding at a weighted average exercise price of \$0.38. The great majority of these options and warrants were owned by Penny Perfect and Gordon Muir.

Income Statements (in \$000s, unless otherwise noted)

	<u>Q 3/05</u>	<u>Q 6/05</u>	<u>Q 9/05</u>	<u>2005</u>	<u>Q 3/06</u>
Subscription revenue	633	638	642	2,554	694
Advertising revenue	19	44	136	444	265
Other revenue	70	14	9	22	150
Total revenue	652	697	787	3,020	959
Gross profit	326	467	431	1,708	547
Gross margin (%)	50.0	67.0	54.8	56.6	57.0
Operating expenses	(446)	(447)	(455)	(2,236)	(995)
Net income (loss)	(120)	20	(24)	(527)	(448)
Other comprehensive income	0	0	0	186	(13)
Comprehensive income (loss)				(341)	(461)
EPS	\$(0.00)	\$0.00	\$(0.00)	\$(0.01)	\$(0.01)
Average # of shares (000s)	26,095	26,432	26,692	26,899	30,446

Note: Results for 2005 have not yet been audited. Source: AlphaTrade.com

For the first quarter ended March 31, 2006, revenues gained 47%, year to year, aided by a \$246,000 improvement in advertising revenue. The gross margin, which widened significantly to 57.0%, was aided by an improvement in the revenue mix. Gross profits jumped 68%. Professional fees were a heavy drag on the operating expense ratio, contributing to an increase in the operating loss to \$481,791 from \$120,310. The comprehensive loss per share was \$(0.02) versus \$(0.00). There was a 17% boost in the weighted average number of shares outstanding.

Revenues for 2006 are expected to post a significant increase, year to year. The user base should benefit from visibility initiatives in North America and abroad, and the spread of the Company's service to wireless devices. In addition, the advertising model is likely to be embraced on the desirable demographics of the subscriber base. The gross margin is likely to be quite high. There is little data, however, on which to predict levels of operating expenses, since the two largest ones appear to have a significant discretionary component. It is thus premature to estimate EPS.

Investors are cautioned that these estimates are subject to a myriad of uncertainties, and that changes in the assumptions underlying the estimates might have a significant negative impact on the results. There is no guarantee that actual results will equal those shown in this exercise.

Statements of Cash Flows (in \$000s, unless otherwise noted)

	<u>2005</u>	<u>2004</u>
Cash flows from operating activities:		
Net income (loss)	(527)	(2,061)
Other operating activities, net	573	2008
Net cash provided by (used in) operating activities	46	(53)
Cash flows from investing activities:		
Net cash provided by (used in) investing activities	(26)	(23)
Cash flows from financing activities:		
Proceeds from sale of common stock, net	49	149
Other financing activities, net	0	0
Net cash provided by (used in) financing activities	49	149
Net increase in cash & equivalents	68	73

Note: Unaudited. Source: AlphaTrade.com

Capital Resources and Requirements In the Company's 10-K filing for 2005, management stated that it expected cash flow generated by operations to be adequate to cover its cash needs for the following 12 months. Management further stated that it has proposed a private placement of common shares to expand market penetration and boost revenues, and that it is investigating acquisition targets and may decide to use the stock as consideration for any acquisition.

Selected Risk Considerations

- The target markets are competitive, and some of the competitors have substantial product development, marketing and financial resources.
- The Company is young and has not yet demonstrated an ability to generate sustained profits, and there are a large number of potentially dilutive options and warrants outstanding.
- There may be a future need for external financing to fully execute the Company's business plans. There is no guarantee that such financing will be available in a timely or cost-efficient fashion, if at all.
- The Company is heavily dependent on the services of its President/CEO and Chairman/Chief Technology Officer. These individuals together control a majority of

shareholders' voting rights, thereby pre-determining the outcome of all issues subject to shareholder vote.

- The stock is thinly traded, has exhibited price volatility, and is a "penny stock" subjecting broker-dealers to additional sales practice and disclosure requirements. The shares are appropriate only for high-risk-oriented investors.
- Additional risks are outlined in the Company's regulatory filings and investor materials, and these are hereby incorporated by reference.

Valuation of the Stock Traditional valuation metrics appear to be of little value in this situation. The Company is young and has yet to achieve sustained profitability. The advertising-based component of the business model, however, exhibits potential for strong revenue growth and high gross margins. Other positives include an expanding subscriber base and possibilities for strategic alliances. There are no readily apparent signs of undue balance sheet distress so common in other small-cap companies. In addition, management has considerable relevant experience.

If the Company achieves its revenue objectives for 2006 while keeping its operating expenses and share count under tight control, it is likely that the equity marketplace will reward it with a high valuation. Internet-advertising-based stock plays, even many tiers in size below Google Inc. (NasdaqNM:GOOG; P/E 71 and P/S 17), Yahoo! Inc. (NasdaqNM:YHOO; P/E 26 and P/S 8) and CNET Networks, Inc. (NasdaqNM:CNET; P/E 60 and P/S 4), typically sport very high valuations once they achieve operating profits.

Investors should recognize that these valuation thoughts highly speculative and subject to a myriad of uncertainties.

Officers and Directors (Ages are as of January 10, 2006.)

Penny Perfect (52), Co-Founder, CEO, President and a Director. Ms. Perfect has served as President and a Director since October 1999, and she was appointed as CEO in January 2004. Ms. Perfect has been in the stock market and related industries for more than 20 years and was President of her own firm from 1990 to 1999 providing investment banking and administration services to early-stage development companies.

Gordon Muir (52), Co-Founder, Chairman and Chief Technology Officer. Mr. Muir has served as Chairman and a Director since October 1999. He also served as the Company's CEO from February 2000 until January 2004. He has been an independent investor and business consultant since 1990.

Katharine Johnston (52), Principal Accounting Officer and a Director. Ms. Johnston has been a Director since January 2005. She has been with the Company since its inception.

Lisa McVeigh (43), Director. Ms. McVeigh has been a Director since January 2000.

She is Financial Officer with British Columbia Film.

Raymond Hatch (75), Director. Mr. Hatch has been a Director since September 2000. He joined Ridgewood Group International Ltd. as a Managing Partner in 1999.

William Scigliano (41), Director. Mr. Scigliano has been a Director of the Company since November 2005. He has more than 15 years of experience in investment banking, mergers and acquisitions, and commercialization of emerging technologies.

Address: Suite 1322, 1111 West Georgia Street, Vancouver, BC, V6E 4M3 Canada

Telephone: (604) 681-7503

Web site: www.alphatrade.com

Accountant or auditor: Williams & Webster, P.S. (Spokane). In their audit of Company's financial statements for 2005, the auditors expressed a "going-concern" qualification.

State or other jurisdiction of incorporation or organization: Nevada

Investor contact: Redwood Consultants, LLC at 415 884-0348

Media contact: Kevin Mecuri, 5W Public Relations, NYC, at (212) 999-5585

Disclosures: This report was prepared by The Research Works, LLC ("RW"). Effective December 15, 2005, in consideration for RW's equity research services relating to this Company, including this report, to be performed through January 10, 2007, the Company agreed to pay RW a fee of 312,500 shares of the Company's common stock (restricted and refundable under certain circumstances outlined in the agreement with the client). This report is based on RW's independent analysis and judgment. The materials upon which the information at this site is based were based on sources believed to be reliable, but RW does not guarantee the information's accuracy or completeness. Unless otherwise noted, any interpretations, earnings estimates, and conclusions contained in this report are those of RW. This report is not intended to constitute a recommendation for any particular investor to purchase or sell any particular security or that any particular security is suitable for any particular investor. This report should not be construed as a recommendation or request to engage in any transaction, or an offer or solicitation of an offer to buy or sell any security or investment, and investors are advised to consult their personal broker or investment advisor before making any investment decision concerning any of the companies mentioned herein. Use of this report may be subject to applicable rules of any self-regulatory organization of which you may be a member. The information contained in this report is subject to change without notice, and RW assumes no responsibility to update the information contained in this report. Subject to certain

restrictions posted in the Legal section of RW's web site (www.stocksontheweb.com), RW and its affiliated entities and persons may purchase and hold positions in the securities of its clients, but they are prohibited from selling any securities of a RW client during the RW service period to such client. © The Research Works, LLC 2006. Additional and supporting information is available upon request.

William J. Ritger, who authored this report, has more than 30 years of professional equity research experience. He has passed the Series 7 examination, and he holds a BA (Economics) from Duke University and an MBA (Finance) from Columbia Graduate School of Business Administration. Mr. Ritger certifies that the views expressed in this report are an accurate representation of his personal views about the Company and its publicly traded securities.

The Private Securities Litigation Reform Act of 1995 provides a safe harbor for forward-looking statements. In order to comply with the terms of the safe harbor, RW notes that except for the description of historical facts contained herein, this report may contain certain forward-looking statements that involve risks and uncertainties as detailed herein and from time to time in the Company's press releases and elsewhere. Such statements are based on RW's current expectations and are subject to a number of factors and uncertainties, which could cause actual results to differ materially from those described in the forward-looking statements. These factors include those described in the Company's press releases and SEC filings, all of which are hereby incorporated by reference. No forward-looking statements are a guarantee of future results or events, and one should avoid placing undue reliance on such statements.

May 10, 2006

William J. Ritger