

This is the Form of material change report required under section 67(1) of the Securities Act.

FORM 27

Securities Act

**MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT**

Item 1. Reporting Issuer

INTERNATIONAL STARTECK INDUSTRIES LTD.(the "Company")  
C-89 Aalton Road, RR#1  
100 Mile House, B.C.,  
VOK 2E0

Item 2. Date of Material Change

August 31<sup>st</sup>, 2000.

Item 3. Press Releases

August 31<sup>st</sup>, 2000.

Item 4. Summary of Material Change

International StarTeck Industries Ltd. (the "Company") is pleased to announce that it has signed a contract with a company located in Japan to deliver prefabricated manufactured housing. The initial contract is for the delivery of one manufactured home to Japan with a setup crew to install and learn the Japanese methods of housing. The contract also includes an additional sales target of 50 manufactured homes per year. The total potential of the contract is \$1.27 million per year. The first delivery will be shipped from the Saskatoon manufacturing facility to Japan by the end of September 2000.

Item 5. Full Description of Material Change

"This is exceptional news for the company," says President Chris Wheeldon. "Our international marketing initiative is starting to pay handsome dividends. There is a huge demand for our type of products, and this has been clearly demonstrated by the number of inquiries and quote requests which our company has been receiving since our manufacturing acquisition in June. We are pursuing a number of other potential international contracts."

Manufacturing operations at the Saskatoon, Saskatchewan facility are successfully up and operating. Management's objective is to reduce operating costs and increase manufacturing efficiency at all levels of the manufacturing process. These cost savings will be passed along to StarTeck's customers providing "top quality", service, and excellent prices.

According to the latest Canadian Industry standards, prefabricated housing exports in the first quarter of 2000 were up 34 percent, and reached \$88.9 million. The U.S. continued to dominate the export market accounting for 62 percent of this total. Provincially, BC led all other regions of Canada with exports of \$35.6 million for the first three months of the year. Shipment to Japan and Asia has also improved. Japan Exports reached \$21.5 million during the first quarter of 2000.

Annualized domestic shipments of mobile homes increased 10 percent and reached \$332.9 million. The seasonally adjusted and annualized rate (SAAR) of housing starts in April reached 158,300 in Canada, 1.236 million in the U.S and 1.656 million in Japan respectively.

Item 6. Reliance on Section 67(2) of the Act

N/A

Item 7. Omitted Information

N/A

Item 8. Senior Officers

Dorothy Cadillac - Director  
(250) 395-1873

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

August 31<sup>st</sup>, 2000

Date

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(signature)

Dorothy Cadillac

Name

Director

Position

100 Mile House, B.C.

Place of Declaration