MATERIAL CHANGE REPORT

Securities Act (Ontario)
Securities Act (Quebec)

1. Reporting Issuer:

Argus Corporation Limited (“Argus”)

2. Date of Material Change:

July 2, 2004

3. News Release:

A News Release in the form of Schedule “A” annexed hereto, being a Status Report Update, was disseminated on July 2, 2004.

4. Summary of Material Change:

Argus Corporation Limited ("Argus") provided a status update on its preparation of financial statements to be filed and other related matters and additional information regarding its subsidiary Hollinger Inc.

Argus owns 61.8% of the Retractable Common Shares of Hollinger Inc.

The status update was provided pursuant to the alternative information guidelines of the Ontario Securities Commission (the “OSC”). These guidelines contemplate that Argus will normally provide bi-weekly updates on its affairs until it is able to be current with its public filing obligations. The last status update of Argus was included in its News Release of June 18, 2004.

The OSC issued a permanent Management and Insider Cease Trade Order (the “Order”) against Argus on June 3, 2004 following the issuance of a temporary Management and Insider Cease Trade Order on May 25, 2004. The Order was issued as a result of Argus not being able to complete and file its financial statements for the first Quarter of 2004 together with its related Management’s Discussion and Analysis (“MD&A”) when due on May 15, 2004.

This delay in filing resulted from a change in accounting guidelines. Argus is now required to file its financial statements on a basis of consolidation with those of Hollinger Inc. However, Hollinger Inc. has been unable to complete its financial statements due to a material change in its relationships with Hollinger International Inc. (“International”).

The OSC issued Management and Insider Cease Trade Orders on June 1, 2004 against each of Hollinger Inc. and International for the failure of each to file their audited financial statements for the year ended on December 31, 2003, interim financial statements for the first Quarter of 2004 and related MD&A reports.

Argus continues to devote significant resources to the completion and filing of its financial statements as soon as possible.

The Audit Committee of Argus met on June 25, 2004 with a representative of Argus’ new auditor, Zeifman and Company, LLP, Monique Delorme, the Chief Financial Officer of Argus and Adrian M.S. White, who was subsequently appointed Acting Chief Financial Officer of Hollinger Inc., to review the preparation of Argus’ draft financial statements and related MD&A.

Argus’ Audit Committee is to meet again on July 8, 2004 to review progress in this regard.

Argus continues to communicate with the OSC to review how to appropriately deal with sophisticated accounting issues that have resulted from the changed circumstances between Hollinger Inc. and International and changes in accounting policy.

At its meeting on June 25, 2004, Argus’ Audit Committee reviewed and approved its Change of Auditor Notice with respect to the advice of PricewaterhouseCoopers LLP on June 1, 2004 that it would not be standing for re-election as the auditor of Argus. The Audit Committee further reviewed the letters of PricewaterhouseCoopers LLP and Zeifman and Company, LLP with respect to that Change of Auditor Notice.

On June 25, 2004, Argus declared regular quarterly dividends to be paid on August 1, 2004 to the holders of record of its Class A and Class B Preference Shares at the close of business on July 16, 2004. The dividends to be paid are respectively 62½ cents per share on the Class A Preference Shares $2.50 Series, 65 cents per share on the Class A Preference Shares $2.60 Series and 67½ cents per share on the Class B Preference Shares 1962 Series.

Since the last Status Report of Argus, International announced on June 22, 2004 that it had agreed to sell its United Kingdom assets including the Telegraph for a purchase price of $729.5 million pounds in cash (approximately US $1,327.4 million). The proposed sale is to Press Acquisitions Limited, a company controlled by Sir David Barclay and Sir Frederick Barclay, owners of The Scotsman newspaper, a British retail chain and the Ritz hotel of London, who had earlier attempted to complete a take-over bid for all of the shares of Hollinger Inc. Aidan Barclay, the son of Sir David Barclay, is the Chairman of Press Acquisitions Limited.

The intended purchase amount includes 64.5 million pounds (approximately US $117.3 million) of cash on the balance sheet of the Telegraph Group. International announced that the transaction was expected to result in a cash-free / debt-free price of approximately 665 million pounds (approximately US $1,210 million).

Hollinger Inc. announced that same day that it considered that shareholders approval was required for the potential sale. It stated: “Hollinger Inc. has not made a final determination as to the desirability of the proposed transaction, since we have not been provided with all of the necessary information, including details regarding the transaction, possible alternatives and future plants for the company, to make such a decision. We believe, however, that all shareholders should be provided with sufficient information to evaluate the proposed transaction, to weigh it against alternative opportunities that may be available to the company and to determine whether they believe the proposed transaction represents the best way to maximize shareholder value.”.

Certain discussions were then held with International respecting this matter. On July 1, 2004, Hollinger Inc. announced that it had filed a Complaint in Delaware Chancery Court seeking to have the Court require that International submit the potential sale of its U.K. assets to ratification by its shareholders.

That Complaint is scheduled to be heard in Delaware on July 23, 2004.

Hollinger Inc. announced on June 29, 2004 that it had appointed Adrian M.S. White to be its Acting Chief Financial Officer replacing Frederick A. Creasey on a temporary basis.

It further announced that it was devoting resources to the completion and filing of its financial statements as soon as practicable and that it was taking steps to require International to provide access to its financial records, management personnel and its auditors’ working papers to allow for the preparation and audit of its financial statements.

Hollinger Inc. further announced on June 29, 2004 that it would be prevented from honouring further retractions of its Retractable Common Shares and Series II Preference Shares unless an anticipated June 30, 2004 reporting default under the terms of its senior secured notes due 2011 was remedied or waived.

Hollinger Inc. advised on June 29, 2004 that 22,149,958 of its Series II Preference Shares had been submitted for retraction and the retractions were honoured since June 15, 2004 and that 10,188,978 shares of Class A Common Stock of International were issued in connection with those retractions. As a result, the equity interest of Hollinger Inc. in International has been reduced to 18.2% from 29.7%.

Hollinger Inc. further advised on June 29, 2004 that 1,068,603 of its Retractable Common Shares had been submitted for retraction since May 31, 2004 for aggregate consideration of $9,617,427 in cash. Hollinger Inc. announced that it was not able to complete the retractions of any of its Retractable Common Shares submitted after May 31, 2004 or Series II Preference Shares submitted after June 30, 2004 as such retractions would unduly impair its liquidity.

Retractions of the outstanding shares of Hollinger Inc. submitted after those dates were suspended until further notice.

Vice-Chancellor Strine of the Delaware Chancery Court granted an Order and Final Judgment on June 28, 2004 as against Hollinger Inc., its wholly-owned subsidiary 504468 N.B. Inc. and Lord Black, including that Hollinger Inc. and Lord Black are jointly liable to pay US $21,154,025.92 (including interest to June 1, 2004) to International. This amount represents amounts that Hollinger Inc. received on account of certain non-competition payments. Further interest will accrue from June 1, 2004.

By that Order and Final Judgment, Lord Black is further liable to pay to International US $8,693,053.66 (including interest to June 1, 2004 with further interest to accrue thereafter).

Amongst other terms of that Order, each of Hollinger Inc., 504468 N.B. Inc. and Lord Black were further enjoined from taking any steps to pursue or to consummate any transaction in violation of the Restructuring Proposal dated November 15, 2003.

Hollinger Inc. has previously announced that it believes there are meritorious grounds for appeal of this Order and Final Judgment and is considering its options.

5. Full Description of Material Change:

The News Release annexed hereto as Schedule "A" provides a full description of the information included in this Material Change Report subject to the additional information set out above.

6. Reliance on Confidentiality Provisions of Securities Legislation

This report is not being filed on a confidential basis.

7. Omitted Information:

No significant facts remain confidential in, and no information has been omitted from, this report.

8. Senior Officer:

For further information, please contact Peter G. White, Executive Vice-President and Secretary, at (416) 363-8721 or by fax at (416) 363-4187.

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario the 6th day of July, 2004.

ARGUS CORPORATION LIMITED

"Peter G. White"

Per: ______________________________

Name: Peter G. White
Title: Executive Vice-President and Secretary

SCHEDULE "A"

ARGUS CORPORATION LIMITED

STATUS UPDATE REPORT

Toronto, Canada, July 2, 2004 - Argus Corporation Limited ("Argus") (TSX: AR.PR.A, AR.PR.D, AR.PR.B) today provided a status update on its preparation of financial statements to be filed and other related matters and additional information regarding its subsidiary Hollinger Inc.

Argus owns 61.8% of the Retractable Common Shares of Hollinger Inc.

This update is provided pursuant to the alternative information guidelines of the Ontario Securities Commission (the "OSC"). These guidelines contemplate that Argus will normally provide bi-weekly updates on its affairs until it is able to be current with its public filing obligations.

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The Order was issued as a result of Argus not being able to complete and file its financial statements for the first Quarter of 2004 together with its related Management's Discussion and Analysis ("MD&A") when due on May 15, 2004.

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Argus continues to devote significant resources to the completion and filing of its financial statements as soon as possible. The Audit Committee of Argus met on June 25, 2004 with a representative of Argus' new auditor, Zeifman and Company, LLP, Monique Delorme, the Chief Financial Officer of Argus and Adrian M.S. White, who was subsequently appointed Acting Chief Financial Officer of Hollinger Inc., to review the preparation of Argus' draft financial statements and related MD&A.

Argus continues to communicate with the OSC to review how to appropriately deal with sophisticated accounting issues that have resulted from the changed circumstances between Hollinger Inc. and International and changes in accounting policy.

At its meeting on June 25, 2004, Argus' Audit Committee reviewed and approved its Change of Auditor Notice with respect to the advice of PricewaterhouseCoopers LLP on June 1, 2004 that it would not be standing for re-election as the auditor of Argus. The Audit Committee further reviewed the letters of PricewaterhouseCoopers LLP and Zeifman and Company, LLP with respect to that Change of Auditor Notice.

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Hollinger Inc. announced that same day that it considered that shareholders approval was required for the potential sale. It stated: "Hollinger Inc. has not made a final determination as to the desirability of the proposed transaction, since we have not been provided with all of the necessary information, including details regarding the transaction, possible alternatives and future plants for the company, to make such a decision. We believe, however, that all shareholders should be provided with sufficient information to evaluate the proposed transaction, to weigh it against alternative opportunities that may be available to the company and to determine whether they believe the proposed transaction represents the best way to maximize shareholder value.".

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Hollinger Inc. announced on June 29, 2004 that it had appointed Adrian M.S. White to be its Acting Chief Financial Officer replacing Frederick A. Creasey on a temporary basis. It further announced that it was devoting resources to the completion and filing of its financial statements as soon as practicable and that it was taking steps to require International to provide access to its financial records, management personnel and its auditors' working papers to allow for the preparation and audit of its financial statements.

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Hollinger Inc. has previously announced that it believes there are meritorious grounds for appeal of this Order and Final Judgment and is considering its options.

There has been no other material change from the information contained in Status Update Report on June 18, 2004.

For further information, please call:

Monique L. Delorme
Chief Financial Officer,
Argus Corporation Limited
Tel: 416-363-8721

Peter G. White
Executive Vice-President and Secretary
Argus Corporation Limited
Tel: 416-363-8721