

CHUM LIMITED

MATERIAL CHANGE REPORT

To: British Columbia Securities Commission
Alberta Securities Commission
Saskatchewan Securities Commission
Manitoba Securities Commission
Ontario Securities Commission
Commission des valeurs mobilières du Québec
New Brunswick Office of the Administrator, Dept. of Justice, Securities Branch
Nova Scotia Securities Commission
Prince Edward Island Registrar of Securities
Securities Commission of Newfoundland and Labrador

Item 1. Reporting Issuer

CHUM Limited
1331 Yonge Street
Toronto, Ontario
M4T 1Y1

Item 2. Date of Material Change

June 25, 2003

Item 3. Press Release

CHUM Limited (“CHUM” or the “Company”) issued a press release on June 25, 2003, which is attached as Schedule “A”.

Item 4. Summary of Material Change

On June 25, 2003, CHUM and Allan Waters Enterprises Limited (“AWEL”) announced that they had entered into an agreement to sell to a syndicate of underwriters, led by TD Securities Inc., 1,700,000 and 59,400 Non-Voting Class B Shares, respectively, at a price of \$50.50 per share. The gross proceeds to CHUM and AWEL from the offering will be \$85,850,000 and \$2,999,700, respectively. CHUM also granted an option to the underwriters, exercisable up to 2 business days prior to closing of the offering, pursuant to which the underwriters can purchase up to an additional 400,000 Non-Voting Class B Shares at a price of \$50.50 per share.

On June 25, 2003, the Company also announced that its Board of Directors had approved the submission of a special resolution to shareholders at an annual and special meeting to be held in December, 2003. The special resolution relates to

the Company's plan to seek approval for a proposed subdivision of its outstanding Non-Voting Class B Shares, more commonly known as a "stock split". Shareholders will be asked to give authority to the Company's Board of Directors to implement a split of its outstanding Non-Voting Class B Shares within a specified range of stock split ratios, in its sole discretion, at any time prior to January 31, 2004. If a split is determined to be in the best interests of the Company and its shareholders, the Board of Directors will select a ratio within the range of a two-for-one to three-for-one stock split.

Item 5. Full Description of Material Change

On June 25, 2003, CHUM and AWEL, a private corporation owned by certain members of the Waters family, announced that they had entered into an agreement to sell to a syndicate of underwriters, led by TD Securities Inc., 1,700,000 and 59,400 Non-Voting Class B Shares, respectively, at a price of \$50.50 per share. The gross proceeds to CHUM and AWEL from the offering will be \$85,850,000 and \$2,999,700, respectively. CHUM also granted an option to the underwriters, exercisable up to 2 business days prior to closing of the offering, pursuant to which the underwriters can purchase up to an additional 400,000 Non-Voting Class B Shares at a price of \$50.50 per share.

The offering is being made by means of a short form prospectus to be filed in all provinces of Canada. Closing of the offering is expected to occur on or about July 14, 2003 and is subject to approval by securities regulators. CHUM intends to use the net proceeds to it from the offering to reduce indebtedness owed to its lenders under its credit agreement. The resulting increased credit availability under its credit agreement will provide enhanced flexibility to finance strategic opportunities as they arise. CHUM will not receive any of the proceeds from the offering by AWEL and AWEL intends to distribute the net proceeds to it from the offering to Sheryl Bourne, a shareholder of AWEL and a director of CHUM.

On June 25, 2003, the Company also announced that its Board of Directors had approved the submission of a special resolution to shareholders at an annual and special meeting to be held in December, 2003. The special resolution will relate to the Company's plan to seek approval for a proposed subdivision of its outstanding Non-Voting Class B Shares and outstanding common shares ("Common Shares"), more commonly known as a "stock split". Shareholders will be asked to give authority to the Company's Board of Directors to implement a split of its outstanding Non-Voting Class B Shares and Common Shares, in its sole discretion, at any time prior to January 31, 2004. If a split is determined to be in the best interests of the Company and its shareholders, the Board of Directors will select a ratio within the range of a two-for-one to three-for-one stock split. Materials related to the shareholders meeting will be filed with regulatory authorities and mailed to shareholders in the normal course in advance of the meeting.

Item 6. Confidential Filing

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officer

For further information, contact:

Mr. Taylor C. Baiden, CHUM Limited at 416-926-4000.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 3rd day of July, 2003.

CHUM LIMITED

Per: “Taylor C. Baiden”
Name: Taylor C. Baiden
Title: Vice-President Finance and Treasurer
and Secretary

SCHEDULE "A"

CORRECTION FROM SOURCE: CHUM Announces Bought Deal Financing for \$88,849,700, Proposed Share Split and Preliminary Estimates of Third Quarter Revenue and EBITDA

TORONTO, June 25, 2003 - CHUM Limited (TSX: CHM, CHM.B) and Allan Waters Enterprises Limited ("AWEL"), a private corporation owned by certain members of the Waters family, announced today that they have entered into an agreement to sell to a syndicate of underwriters, led by TD Securities Inc., 1,700,000 and 59,400 Non-Voting Class B Shares, respectively, at a price of \$50.50 per share. The gross proceeds to CHUM and AWEL from the offering will be \$85,850,000 and \$2,999,700, respectively. CHUM has also granted an option to the underwriters, exercisable up to 2 business days prior to closing of the offering, pursuant to which the underwriters can purchase additional Non-Voting Class B Shares. The offering is being made by means of a short form prospectus to be filed in all provinces of Canada. Closing of the offering is expected to occur on or about July 14, 2003 and is subject to approval by securities regulators. CHUM intends to use the net proceeds to it from the offering to reduce indebtedness owed to its lenders under its credit agreement. The resulting increased credit availability under its credit agreement will provide enhanced flexibility to finance strategic opportunities as they arise. CHUM will not receive any of the proceeds from the offering by AWEL and AWEL intends to distribute the net proceeds to it from the offering to Sheryl Bourne, a shareholder of AWEL and a director of CHUM Limited.

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act.

The Company also announced today that its Board of Directors has approved the submission of a special resolution to shareholders at an annual and special meeting to be held in December, 2003. The special resolution relates to the Company's plan to seek approval for a proposed subdivision of its outstanding Non-Voting Class B Shares (more commonly known as a "stock split"). Shareholders will be asked to give authority to the Company's Board of Directors to implement a split of its outstanding Non-Voting Class B Shares, in its sole discretion, at any time prior to January 31, 2004. If a split is determined to be in the best interests of the Company and its shareholders, the Board of Directors will select a ratio within the range of a two-for-one to three-for-one stock split. Materials related to the shareholders meeting will be filed with regulatory authorities and mailed to shareholders in the normal course in advance of the meeting.

CHUM is also pleased to announce today estimates of certain preliminary financial results for its third quarter ended May 31, 2003. For the quarter, the Company expects revenue to be in the range of \$140 million to \$142 million and EBITDA in the range of \$26 million to \$27 million (compared with revenues of \$131 million and EBITDA of \$22 million for the same three month period last year). EBITDA is defined as earnings before interest, income taxes, depreciation, minority interests, interest and other income, and gain on exchange of assets. This supplementary earnings measure does not have a standardized meaning prescribed by Canadian generally accepted accounting principles and may not be comparable to similar measures presented by

other companies nor should it be viewed as an alternative to net earnings. It is a measure utilized by investors in determining the ability of the Company to generate cash from operations and cover financial charges. The Company's operations for the quarter performed in line with expectations. Based on these preliminary results, the Company expects operating performance to exceed budget for fiscal 2003. The EBITDA estimate includes an anticipated increase in pension costs of \$1.0 million to \$1.1 million related in part to a funding shortfall, on a solvency basis, in the CHUM employees pension plan and in part to a change in certain actuarial assumptions underlying the plan. The amount of any pension related costs expensed by the Company in any fiscal year depends, in part, on capital market conditions. Final results for the quarter are to be announced as scheduled on July 23, 2003.

Additional Information

CHUM Limited (<http://www.chumlimited.com>), one of Canada's leading media companies and content providers, owns and operates 29 radio stations, eight local television stations and 17 specialty channels, as well as an environmental music distribution division. In addition to its international licensing arrangements and joint ventures, the Company's original content is seen in over 150 countries worldwide. CHUM content is also provided to online audiences on new media platforms, including interactive television, wireless services and exclusive CHUM-branded Internet properties.

Safe Harbor Statement

This press release contains forward-looking statements that are based on current expectations, including statements regarding the timing of certain events. These forward-looking statements entail various risks or uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Important factors that could cause such differences include the risks and uncertainties described under the heading "Risk Factors" in the Company's interim MD&A (copies of which are available through the website maintained by the Canadian Securities Administrators and the Canadian Depository for Securities Limited at www.sedar.com).

Contact Information

/For further information: Taylor C. Baiden, Vice President, Finance and Treasurer and Secretary, CHUM Limited, (416) 926-4000/

CO: CHUM Limited

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