

MATERIAL CHANGE REPORT

**Subsection 75(2) of the *Securities Act* (Ontario)
and equivalent sections in the securities acts of each of the other
provinces of Canada**

1. **Reporting Issuer**

Rockwater Capital Corporation (formerly McCarvill Corporation)
Suite 2400, BCE Place
161 Bay Street
Toronto, ON M5H 4A9

2. **Date of Material Change**

October 22, 2002

3. **Press Release**

A Press Release was issued in Toronto, Ontario on October 22, 2002 and subsequently filed on SEDAR.

4. **Summary of Material Change**

Rockwater Capital Corporation ("Rockwater") announced that it had completed its previously announced private placement, raising the final portion of the \$10 million issue.

5. **Full Description of Material Change**

Rockwater announced that it had completed its previously announced private placement, raising the final portion of the \$10 million issue. The final 2,650,000 common shares were issued at the original issue price of \$0.36 per share for gross proceeds of approximately \$1 million. The gross proceeds of the private placement will be used to fund Rockwater's focused growth.

6. **Reliance on Subsection 75(3) of the *Securities Act* (Ontario)**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Senior Officer**

For further information contact William Packham, President and Chief Executive Officer of Rockwater at (416) 865-4781.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 23rd day of October, 2002.

ROCKWATER CAPITAL CORPORATION

Per: "Robert Schultz"
Robert Schultz
Chairman