

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
Suite 2400, BCE Place
161 Bay Street
Toronto, ON M5J 2S1

2. **Date of Material Change**

February 6, 2003

3. **Press Release**

A Press Release was issued in Toronto, Ontario on February 6, 2003 and subsequently filed on SEDAR.

4. **Summary of Material Change**

Rockwater Capital Corporation ("Rockwater") announced that it has completed the second tranche of its previously announced private placement, raising gross proceeds of \$500,500 through the sale of 650,000 Rockwater Series "B" Special Warrants.

5. **Full Description of Material Change**

Rockwater announced that it has completed the second tranche of its previously announced private placement, raising gross proceeds of \$500,500 through the sale of 650,000 Rockwater Series "B" Special Warrants. Each Series "B" Special Warrant entitles the holder to receive one Rockwater Common Share for no additional consideration. The remaining portion of the private placement is expected to close by early March 2003.

All proceeds derived from the sale of the Series "B" Special Warrants will be used by Rockwater for general working capital.

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 Fulton, Chief Operating Officer of Rockwater at (416) 874-8011.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 11th day of February, 2003.

ROCKWATER CAPITAL CORPORATION

Per: "William Fulton"
William Fulton
Chief Operating Officer