December 6, 1999

Alberta Securities Commission
Continuous Disclosure
21st Floor
10025 Jasper Avenue
Edmonton, Alberta
T5K 3Z5

Attention: Director

Dear Sir:

Re: Chartwell Technology Inc. - Material Change Report Under Section 118

This letter is intended as a statement setting forth certain matters that constitute a material change in the affairs of Chartwell Technology Inc. ("Chartwell"). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta).

Item 1 - Reporting Issuer

Chartwell Technology Inc.
Suite 700, Canada Place
407 - 2nd Street S.W.,
Calgary, Alberta
T2P 2Y3

Item 2 - Date of Material Change

The material change occurred on or about November 26 , 1999.

Item 3 - News Release

A Press Release was issued on November 26 , 1999 at Calgary through the Canada wide disclosure service of Canada NewsWire.

Item 4 - Summary of Material Change

The material change involves the sale and transfer of certain proprietary software and the assignment of certain software sub license agreements to a wholly-owned subsidiary of Chartwell, GamingTech Corporation ("GamingTech"). As a consequence of the sale and transfer, GamingTech has acquired the exclusive rights to all wagering or real money betting applications of certain software previously owned by Chartwell. The software which is the subject of the sale called Casino Casino. Chartwell is no longer in the business of selling or licensing the Casino Casino software in any real money betting or wagering applications.

Item 5 - Full Description of Material Change

Under the terms of an agreement dated as of November 1, 1999 (the "Sale Agreement") Chartwell and its wholly-owned U.S. subsidiary, Gateway Technology Inc. ("GTI") sold to a newly incorporated wholly-owned subsidiary of Chartwell, GamingTech, all of their right, title and interest in and to proprietary Internet gaming software known as Casino Casino and have assigned to GamingTech all of their interests in all existing sub license agreements of the Casino Casino software which related to real money betting or wagering.

The aggregate sale price of the software and the contractual rights under the assigned contract was $2,000,000 which was paid by GamingTech's issuance of demand promissory notes which bears interest at the rate of 5% per annum. The sale proceeds were allotted as to $1,775,000 to Chartwell and $225,000 to GTI.

Under the terms of the Sale Agreement, GamingTech acquired the source code and the exclusive right to utilize the Casino Casino software in all real money betting or wagering applications. Chartwell retains the right to utilize all or any part of the source code in all other applications including, entertainment, tournament play, prize awards and incentives applications. Chartwell's right to utilize the source code or any part thereof is conditional upon such use being permitted under Canadian law. In event of any dispute between Chartwell and GamingTech as to the authorized nature of a particular use of the source code, Chartwell is obligated to provide GamingTech with a legal opinion confirming that the particular use is permitted under Canadian law.

GamingTech is incorporated under the laws of Belize and has its registered office at 35 Barrack Road, Belize City, Belize and its corporate offices at 13½ Northern Highway, Cutoff Boom, Ladyville, Belize. Mr. Richard Latham is the President and currently the sole director of GamingTech. The business activities of GamingTech and those of Chartwell will be independent of one another. GamingTech and Chartwell will have no common officers, directors or employees. The business of GamingTech will be entirely under the control of the officers and directors of GamingTech.

GamingTech's business will be the sub licensing of Casino Casino, a Java based Internet casino software application. GamingTech will assume responsibility for product development, sales and customer support of the Casino Casino product and will assume responsibility for all of the obligations of Chartwell and GTI under the sub license agreements assigned to it. The Sale Agreement is effective November 1, 1999.

Chartwell's business is now focussed on the development and marketing of "play for fun" applications of the Casino Casino software and the development of new games as pure entertainment content for Internet Web sites, for advertising, prize awards and incentives applications and in tournament play applications. GTI's business is the marketing of Chartwell's "play for fun" software applications.

INTERNET GAMING

Chartwell understands that most of the existing and planned virtual casinos have organized their operations by signing agreements with foreign governments to allow them to operate casinos in those countries. This has been done because Internet gaming has not been sanctioned in Canada or the U.S.. Countries in which such Internet gaming has been authorized include Australia, Antigua, Belize, the British Virgin Islands, and other Caribbean nations (St. Kitts, Grenada) as well as certain European countries such as Gibraltar and Liechtenstein.

The ownership and operation of casino gaming facilities in Canada and the United States is subject to extensive provincial, state and federal regulation. GamingTech will only license its Casino Casino software to companies which hold valid gaming licenses in jurisdictions in which Internet gaming has been sanctioned. By virtue of the fact that GamingTech will not own or operate, directly or indirectly, any Internet casinos and will only license the Casino Casino software to companies operating in a legal jurisdiction outside of Canada and the United States, GamingTech does not believe it's business will be subject to Canadian or U.S. regulation.

Chartwell has received legal opinions from both Canadian and US legal counsel that the sale or licencing of the Casino Casino software, in the manner which is contemplated by GamingTech, is not in violation of current legislation.

Item 6

Not applicable

Item 7 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Darold H. Parken, President at (403) 261-6619

The foregoing accurately discloses the material change referred to herein.

DATED this 6th day of December, 1999.

Yours very truly,

CHARTWELL TECHNOLOGY INC.

Signed " Darold H. Parken"

Per: Darold H. Parken, President

cc. Canadian Venture Exchange
British Columbia Securities Commission

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