BASIS100 INC.
MATERIAL CHANGE REPORT UNDER SECTION 75(1)
OF THE ONTARIO SECURITIES ACT

1. Reporting Issuer

Principal Address:

Basis100 Inc.
Suite 2505
1 Adelaide Street East
Toronto, Ontario
M5C 2V9

2. Date of Material Change

December 24, 1999

3. Publication of Material Change

The press release attached as Schedule "A" was released over BCE Emergis E-News Services on January 7, 2000.

4. Filing of Material Change

Basis100 Inc. is a reporting issuer in Ontario, and its common shares are listed on The Toronto Stock Exchange under the symbol, “BAS”.

This material change report has been filed with the Ontario Securities Commission.

5. Full Description of the Material Change

The material change is described in the press release attached as Schedule "A".

6. Reliance on Section 75(4) of the Ontario Securities Act

Not applicable.

7. Senior Officers

The following senior officer of Basis100 Inc. may be contacted for additional information:

David W. Campbell
Chief Financial Officer
Basis100 Inc.
Suite 2505
1 Adelaide Street East
Toronto, Ontario
M5C 2V9
Tel: 416-364-6085, ext. 104
Fax: 416-364-2028

8. Statement of Senior Officer

The foregoing accurately discloses the material changes referred to herein.

DATED at Toronto, Ontario, this 7th day of January, 2000.

Sgd. "David W. Campbell

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David W. Campbell

For Immediate Release

CUSIP #: 070120 10 0

Basis100 Announces Termination of Software License and Operations Agreements

Toronto, CANADA, January 7, 2000 - Basis100 Inc. and Shorcan Brokers Limited have mutually agreed to terminate their License and Services Agreement and Operations Services Agreement, both dated May 1, 1999. Termination was effective December 24, 1999.

After operating under the current terms of both agreements since May 1, 1999, Basis100 and Shorcan believe that other emerging opportunities have effectively rendered the agreements outdated and restrictive. Both companies are focused on developing an effective electronic commerce opportunity in the Canadian Bond market; the prior agreements hindered them in this goal.

“Shorcan has provided us with great insight toward the development of a business model for our electronic commerce bond trading system,” stated Gary Bartholomew, Chairman and CEO of Basis100. “We look forward to working with Shorcan and other industry players as we move forward with this opportunity”.

Under the License and Services Agreement, Basis100 was to license the software developed and used by Shorcan in its institutional bond brokerage business. With Shorcan’s assistance, Basis100 had intended to adapt this software to an electronic commerce product for the retail bond market. Under the terms of this Agreement, Shorcan received 250,000 common shares of a predecessor corporation of Basis100. Under the Operations Services Agreement, Basis100 was to provide on-going operations and management services to support the Shorcan Bond Trading System. Shorcan was to pay Basis100 a monthly service fee.

In fiscal year 1999, Basis100 will write off the licensing fee consideration paid to Shorcan in 1999, which will result in a $1,000,000 write down. This write down will not affect the Company's cash position. The termination of the Operations Services Agreement has already been factored into Basis100's operating plans for FY2000 and will have a minimal impact on revenue.

Basis100 Inc. currently operates in North America and is listed on the Toronto Stock Exchange under the trading symbol BAS. A leading provider of Internet-based business-to-business and business-to-consumer e-commerce solutions, the company focuses on creating mortgage, consumer credit, securitization, and fixed income electronic marketplaces. Basis100 provides its technology as a service to financial institutions, intermediaries, and service providers.

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