

Form 27

**MATERIAL CHANGE REPORT UNDER SECTION 75(2)  
OF THE SECURITIES ACT (ONTARIO)**

**ITEM 1      REPORTING ISSUER**

The full name of the reporting issuer is HARROWSTON INC. whose principal office in Canada is located at 181 Bay Street, Suite 3820, Toronto, Ontario M5J 2T3.

**ITEM 2      DATE OF MATERIAL CHANGE**

The date of the material change herein reported is April 3, 2000.

**ITEM 3      PRESS RELEASE**

The press release issued pursuant to section 75(1) of the *Securities Act* (Ontario) was issued on April 3, 2000 at Toronto.

**ITEM 4      SUMMARY OF MATERIAL CHANGE**

Harrowston Inc. announced the completion of the acquisition of a 50% interest in Key Media Ltd., Canada's third largest English language magazine company. It is the first acquisition for Harrowston's newly created media company that will deliver branded content and entertainment across a range of media platforms and evolving technology.

**ITEM 5      FULL DESCRIPTION OF MATERIAL CHANGE**

Harrowston Inc. announced the creation of a new media company that will deliver branded content and entertainment across a range of media platforms and evolving technology. The company's first investment is a 50% investment in Key Media Ltd., whose pre-eminent brands include *Toronto Life*, *WEDDINGBELLS*, and *Fashion File TV*, brands offering substantial growth through e-commerce opportunities, new media formats and geographic expansion. Key Publishers Company Ltd., whose principal shareholder is Michael de Pencier, will retain the other 50% of Key Media.

Key Media is Canada's third largest English language magazine company with more than 35 years of experience. Current revenues of over \$30 million are growing significantly with the U.S. expansion of *WEDDINGBELLS* – now published in six major U.S. markets including New York, Chicago, Los Angeles and Dallas – all serving the US \$45 million wedding industry.

Key Media's brands include *Toronto Life*, the premier city magazine in Canada; *WEDDINGBELLS*, one of North America's leading wedding magazines published in 10 Canadian cities and six U.S. cities; *Where*, the popular visitor magazine published in nine Canadian markets and expanding into an additional two in 2000; *Quill and Quire*, the prestigious, award-winning trade bible of Canada's book publishing industry for more than 75 years; *Fashion*, the popular Canadian fashion magazine; *Fashion File TV*, the internationally

syndicated fashion TV program; and *The Ag Dealer*, Canada's dominant used equipment magazine and dealer web site for the agricultural industry.

For additional information, see the press releases dated February 16, 2000 and April 3, 2000 attached hereto as Schedules "A" and "B", respectively.

**ITEM 6      CONFIDENTIAL REPORT**

Not applicable.

**ITEM 7      OMITTED INFORMATION**

No significant facts have been omitted from this report.

**ITEM 8      SENIOR OFFICER**

Deborah Barrett, Senior Vice President and Chief Financial Officer of Harrowston Inc., is the officer knowledgeable about the details of this material change report and she may be contacted at (416) 956-7004.

**THE FOREGOING ACCURATELY DISCLOSES THE MATERIAL CHANGE REFERRED TO HEREIN, IN WITNESS WHEREOF THIS REPORT IS EXECUTED AT TORONTO THIS 10th DAY OF APRIL, 2000.**

\_\_\_\_\_  
"Deborah Barrett"  
Deborah Barrett  
Sr. Vice President and CFO

## SCHEDULE "A"

### **Harrowston Acquires 50% Stake in Publisher of *Toronto Life*, WEDDINGBELLS First Step in Growth of New North American Media Company**

*TORONTO, Ont., February 16, 2000*  
(TSE:HRW.A)

Harrowston Inc. announced today the creation of a new North American media company that will deliver branded content and entertainment across a range of media platforms and evolving technology.

The company's first investment is a 50% interest in Key Media Ltd., whose pre-eminent brands include *Toronto Life*, WEDDINGBELLS, *Where*, *Fashion* and *Fashion File TV*, brands offering substantial growth through e-commerce opportunities, new media formats and geographic expansion.

"We intend to build a premier media business built upon a strong foundation of successful brands to capitalize on the rapid growth of this sector," said Brent Belzberg, President and Chief Executive Officer of Harrowston.

Jim Warrillow, formerly President of Maclean Hunter Publishing Ltd., will be Chief Executive Officer of the new company. "Relevant, quality content is the key to growth in a digital environment," said Mr. Warrillow. "We will drive growth by extending our brands across media platforms, developing new concepts, acquisitions and strategic alliances."

Key Media is Canada's third largest English language magazine company with more than 35 years of experience. Current revenues of over \$30 million are growing significantly with the U.S. expansion of WEDDINGBELLS - now published in six major U.S. markets including New York, Chicago, Los Angeles and Dallas - all serving the US \$45 billion wedding industry.

Key Media combines award-winning expertise in city and regional magazine publishing with unmatched editorial integrity. Key Media's strong focus on local editorial makes it highly relevant to consumers and a must-buy for national and retail advertisers.

"Trusted, authoritative content provided by creative writers and artists is the foundation of our success," said Bill Duron, President of Key Media. "We will now have the chance to expand our content across a much wider canvas and develop new products suited to a multi-media platform. Harrowston's financial resources and management expertise will help us to accelerate the development of several new opportunities and fully realize the potential of our valuable collection of brands," he added.

**Harrowston Inc.**

**Harrowston Acquires 50% Stake in Publisher of *Toronto Life*, *WEDDINGBELLS***

**Page 2**

This transaction is expected to close on March 15, 2000. Key Publishers Company Ltd., whose principal shareholder is Michael de Pencier, will retain the other 50% of Key Media.

Key Media's brands include *Toronto Life*, the premier city magazine in Canada; *WEDDINGBELLS*, one of North America's leading wedding magazines published in 10 Canadian cities and six U.S. cities; *Where*, the popular visitor magazine published in nine Canadian markets and expanding into an additional two in 2000; *Quill and Quire*, the prestigious, award-winning trade bible of Canada's book publishing industry for more than 75 years; *Fashion*, the popular Canadian fashion magazine; *Fashion File TV*, the internationally syndicated fashion TV program; and *The Ag Dealer*, Canada's dominant used equipment magazine and dealer web site for the agricultural industry.

Harrowston is a Canadian company dedicated to building long-term shareholder value and consistent earnings by pursuing a growth strategy built on internal expansion and acquisitions. Its operating businesses include Marsulex Inc., which provides environmental compliance solutions to the mining, oil refining and electrical power generation industries; and Anchor Lamina Inc., a major manufacturer and supplier of die sets, mould bases and related accessories in North America and Europe.

- 30 -

For further information:

Company Contact:

Debbie Barrett  
Senior Vice President and  
Chief Financial Officer  
(416) 956-7004

Media Contact:

Laurie Ludwick  
(416) 944-1257

NNNN

## **SCHEDULE “B”**

### **Harrowston Completes Acquisition of 50 Percent Stake in Publisher of *Toronto Life*, *WEDDINGBELLS***

*TORONTO, Ont., April 3, 2000*  
*(TSE:HRW)*

Harrowston Inc. today announced the completion of the acquisition of a 50 percent interest in Key Media Ltd., Canada’s third largest English language magazine company.

The acquisition is the first for Harrowston’s new media company, created to deliver branded content and entertainment across a range of media platforms and evolving technology. Key Media’s pre-eminent brands, including *Toronto Life*, *WEDDINGBELLS*, *Where*, *Fashion* and *Fashion File TV*, offer substantial growth through e-commerce opportunities, new media formats and geographic expansion.

Harrowston is a Canadian company dedicated to building long-term shareholder value and consistent earnings by pursuing a growth strategy built on internal expansion and acquisitions. Its operating businesses also include Marsulex Inc., which provides environmental compliance solutions to the mining, oil refining and electrical power generation industries; and Anchor Lamina Inc., a major manufacturer and supplier of die sets, mould bases and related accessories in North America and Europe.

- 30 -

For further information:

Debbie Barrett  
Senior Vice President and  
Chief Financial Officer  
(416) 956-7004

NNNN