This is the form of a material change report required under section 85(1) of the *Securities Act* (British Columbia) and section 118(1) of the *Securities Act* (Alberta).

FORM 27

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer.

FirstClass Systems Corporation (the “Company”)
119 - 7565 132nd Street
Surrey, British Columbia
V3W 1K5

2. Date of Material Change

August 13, 1998

3. Press Release

The press release was issued on August 13, 1998 and was disseminated by Canada Stockwatch.

4. Summary of Material Change

FirstClass Systems Corporation (the “Company”) announces the completion of a private placement of 1,423,000 common shares at a price of $0.40 per share and a private placement of 950,000 Senior Preferred Shares at a price of $0.40 per Senior Preferred Share (the “Private Placement”) for total proceeds of $949,200.

5. Full Description of Material Change

See attached press release

6. Reliance on Section 85(2) of the *Securities Act* (British Columbia) or Section 118(2) of the *Securities Act* (Alberta)

This report is not being filed on a confidential basis.

7. Omitted Information

No information has been intentionally omitted from this form.

8. Senior Officers

Michael Leedham
Secretary and director
(604) 592-0552

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated at Surrey, British Columbia, on August 13, 1998.

FIRSTCLASS SYSTEMS CORPORATION

Michael Leeham (signed)

"Michael Leedham"

Michael Leedham, Secretary