**FORM 27**
SECURITIES ACT
MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT

**1. Reporting Issuer**
FirstClass Systems Corporation

**2. Date of Material Change**
31 July 2000

**3. Press Release**
The press release was issued on the 31 July 2000 and was disseminated by Stockwatch.

**4. Summary of Material Change**
Announcement of the proposed appointment of Kevin Cornell as Director and Chairman which is expected to be approved by the shareholders at the AGM held on 30 August 2000.

**5. Full Description of Material Change**
Mr. Cornell is the President of Inprise/ Borland Canada with responsibilities for all field operations in Canada, Brazil, Latin America and, most recently, the U.S. Mr. Cornell will replace Mr. Ken Tongue, who will step down as Chairman.

At Inprise/Borland, Mr. Cornell oversees a staff of 142 located in Toronto, Montreal, São Paulo, Brazil, Scotts Valley, California and offices across the U.S. His division is targeted to contribute approximately US$120 million in revenues to Inprise's worldwide sales. Inprise/Borland is a leading provider of Internet infrastructure and application development tools.

“Kevin's proven experience in the area of technology solutions will be an invaluable asset to this company as we continue to advance our e-learning solution platform,” said Bruce Stewart, COO. “In particular, this important addition to our board of directors will assist our plans to expand into new markets, add new high profile corporate clients, and strike up new partnerships.”

"I look forward to assisting the management team at FirstClass through the successful implementation of the various initiatives signed to date and currently under negotiation," commented Mr. Cornell. "FirstClass has achieved a number of important milestones and have struck alliances with first-tier companies such as IBM, AT&T, Chubb, and Clearnet Communications. The innovative use of the Internet to deliver training for emerging technologies where and when students can best learn is an area of rapid growth. People that want to expand their knowledge can do so in a format and timing that meets their needs and lifestyles. FCS is in a unique position to offer this technology and be part of a new era in education. As well, the new management additions point to a very promising future for the Company."

*Background*

Mr. Cornell has led the restructuring of the Canadian and Brazilian divisions over the past 18 months. These subsidiaries are now the fastest growing divisions within Inprise. Because of this success, Mr. Cornell was invited to include the U.S. field operation in his region. When Mr. Cornell joined Inprise his region generated 4% of the worldwide sales of Inprise. With the inclusion of the U.S. operation, it now accounts for 60% of the overall revenue of Inprise. Major sales included 724 solutions, Clearnet, Ericsson, and Canadian Depository for Securities.

Mr. Cornell has significant skills and expertise in corporate and divisional restructuring and in developing and defining new technologies and applications as they emerge.

**6. Reliance on Section 67(2) of the Act**
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**

Kulwant Sandher
Chief Financial Officer
Telephone: (604) 592-0552

**9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at Surrey on the 8th day of August, 2000.

**FIRSTCLASS SYSTEMS CORPORATION**

Per:

*"Kulwant Sandher"*
*Chief Financial Officer*