



**MATERIAL CHANGE REPORT  
FORM 27  
SECURITIES ACT (NOVA SCOTIA) AND (ONTARIO)**

Material Change Report under Section 81(2) of the *Securities Act* (Nova Scotia) and Section 75(2) of the *Securities Act* (Ontario)

1. Reporting Issuer:

ITI Education Corporation  
Suite 1900, 1969 Upper Water Street, Purdy's Tower 2  
Halifax, NS B3J 3R7

2. Date of Material Change:

January 5, 2000

3. Press Release:

The Press Release describing the material change referred to herein was released on January 5, 2000 and filed by ITI on SEDAR.

4. Summary of Material Change:

National Bank of Canada has purchased a loan portfolio of ITI's wholly owned subsidiary, Education Financial Services Inc. for net proceeds to ITI of approximately \$10.6 million.

5. Full description of the Material Change:

National Bank of Canada has purchased from ITI's wholly owned subsidiary, Education Financial Services Inc. ("EFSI") a loan portfolio with principal and accrued interest of approximately \$11.4 million from EFSI's total loan portfolio of approximately \$12 million. EFSI was created to assist students to finance their education at ITI Information Technology Institutes. The parties previously announced on December 6, 1999 their intention to proceed with this transaction.

Net proceeds to ITI, after deducting a discount of 6.25% and expenses of the transfer, are approximately \$10.6 million and will significantly improve ITI's working capital position. The proceeds from the sale of the student loan portfolio will be used by ITI to finance the expansion of new schools in the United States in the year 2000.

EFSI and National Bank of Canada have also expressed their intention to enter into an agreement which will provide that EFSI will act as National Bank's agent for the distribution of National Bank's new student loan program for students at ITI's Canadian schools. The agreement will establish National Bank of Canada as ITI's preferred Canadian supplier of customized loan products to assist qualified students with financing for tuition and living expenses while enrolled at ITI. The new loan program will provide ITI students with convenient access to highly competitive loan products that are customized to meet their unique needs. ITI has similar arrangements in the United States with Bank of America and Key Bank.

EFSI will continue to provide unsecured tuition loans for deserving ITI students who are unable to obtain financing from traditional sources.

ITI Education Corporation, through ITI Information Technology Institute, is a North American leader in postgraduate information technology education. Founded in 1984, ITI Information Technology Institute services the U.S. market through direct partnerships with leading North American companies and is Canada's largest single source of new IT graduates. ITI operates institutes in Halifax, Moncton, Ottawa, Toronto, Mississauga, Calgary, Vancouver and Denver, and is in the process of opening new institutes in Portland, Oregon and Seattle, Washington. ITI has recently embarked on a North American expansion plan that will see the company grow to 25 schools graduating 10,000 e-business professionals by 2003.

*Certain statements in this release may constitute "forward-looking statements" and involve known and unknown risks, uncertainties, and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any performance or achievements expressed or implied by such forward looking statements.*

6. Reliance on Section 81(3) of the *Securities Act* (Nova Scotia) and Section 75(2) of the *Securities Act* (Ontario):

N/A

7. Omitted Information:

N/A

8. Senior Officers:

For more information contact:

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9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

**DATED** at Halifax, Nova Scotia this 13<sup>th</sup> day of January, 2000.

**ITI EDUCATION CORPORATION**

[signed] "Trevor Pitcher",  
VP Finance and Administration

**IT IS AN OFFENCE UNDER THE SECURITIES ACT AND THE SECURITIES REGULATION FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.**