FORM 27
Securities Act (Ontario)

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

Item 1. **Reporting Issuer**

Phoenix Capital Inc.
Suite 1805
80 Richmond Street West
Toronto, Ontario
M5A 2A4

Item 2. **Date of Material Change**

A material change took place on May 28, 1999.

Item 3. **Press Release**

On May 28, 1999, a news release in respect of the material change was released by telecopier through the facilities of Canadian Corporate News.

Item 4. **Summary of Material Change**

The material change is fully described in the Company's press release which is attached as Schedule "A" and is incorporated herein.

Item 5. **Full Description of Material Change**

A full description of the material change is contained under Item 4.

Item 6. **Reliance on Section 75(3) of the Act**

The report is not being filed on a confidential basis.

Item 7. **Omitted Information**

No information has been omitted.

Item 8. **Senior Officer**

James Hamilton, President, at (416) 861-1940.

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, this 31st day of May, 1999.

PHOENIX CAPITAL INC.

Per: (Signed)
James Hamilton, President

SCHEDULE "A"

PHOENIX CAPITAL INC.

Suite 1805, 80 Richmond Street West, Toronto, Ontario, M5H 2A4
Tel. (416) 861-1940 Toll Free 1-888-448-7791 Fax (416) 861-0128

PRESS RELEASE

FOR IMMEDIATE RELEASE

Lodge at Kananaskis and Mountain Inn at Ribbon Creek Takeover amended

May 28, 1999

Phoenix Capital Inc. ASE– "PNX" Non Voting Shares - CDN "PCIQ.A" Series C Debentures - ASE "PNX.DB". Phoenix Capital Inc. wishes to announce that, it has amended its takeover offers dated May 14, 1999, for all of the outstanding class A Units of The Lodge at Kananaskis Limited Partnership and for all of the outstanding class A Units of The Mountain Inn at Ribbon Creek Limited Partnership. The amendments clarify certain terminology in the offers relating to the method by which Unitholders may retain the Right of Use and accompanying Vacation Exchange Right. All other terms and conditions of the offers remain the same.

The offers are open for acceptance until 4:30 p.m. (Toronto time) on June 9, 1999, unless further extended or withdrawn.

The Alberta Stock Exchange has neither approved nor disapproved the information contained herein.

For further information contact:

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