

FORM 27
Securities Act (Ontario)

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

Item 1. Reporting Issuer

Phoenix Capital Inc.
Suite 200
56 Temperance Street
Toronto, Ontario
M5H 3V5

Item 2. Date of Material Change

A material change took place on July 20, 2001.

Item 3. Press Release

On July 23, 2001 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 23rd day of July, 2001.

PHOENIX CAPITAL INC.

Per: "James Hamilton"

James Hamilton



PHOENIX CAPITAL INC.

Suite 200, 56 Temperance Street, Toronto, Ontario, M5H 3V5
Tel. (416) 861-1940 Toll Free 1-888-448-7791 Fax (416) 861-0128

Schedule "A"

PRESS RELEASE

FOR IMMEDIATE RELEASE JULY 23, 2001

Phoenix Capital Inc. (CDNX - Common Shares – "PNX", Non Voting Shares - "PCIQ.A", Series C Debentures "PNX.DB", Series D Debentures "PNX.DB.D") – Phoenix Capital Inc. announces that the formal offer dated June 12, 2001, for units of Relax Hotels Windsor 1988 Limited Partnership expired on July 20, 2001. Phoenix Capital Inc. has taken up 103 units.

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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For further information contact: James D. Hamilton
President
Phoenix Capital Inc.
(416) 861-1940

e-mail: inquiry@phoenixcapital.com