

**FORM 18.1
Securities Act (Saskatchewan)**

**FORM 26A
Securities Act (Newfoundland)**

**FORM 27
Securities Act (Ontario, Alberta and Nova Scotia)**

**FORM 53-901F
Securities Act (British Columbia)**

**MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE ONTARIO SECURITIES ACT
MATERIAL CHANGE REPORT UNDER SECTION 84(1) OF THE SASKATECHEWAN SECURITIES ACT
MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE BRITISH COLUMBIA SECURITIES ACT
MATERIAL CHANGE REPORT UNDER SECTION 81(2) OF THE NOVA SCOTIA SECURITIES ACT
MATERIAL CHANGE REPORT UNDER SECTION 76(2) OF THE NEWFOUNDLAND SECURITIES ACT
MATERIAL CHANGE REPORT UNDER SECTION 146(1) OF THE ALBERTA SECURITIES 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 October 21, 2002.

Item 3. Press Release

On October 21, 2002 a news release in respect of the material change was released 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 Ontario Securities Act, Section 85 (2) of the British Columbia Securities Act, Section 81(3) of the Nova Scotia Securities Act, Section 76(3) of the Newfoundland Securities Act and Section 146(2) of the Alberta Securities 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 22nd day of October, 2002.

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

October 21, 2002

Press Release

The directors of Phoenix Capital Inc. ("Phoenix") have approved the formation of Phoenix Capital Investment Fund (the "Trust"), a private equity trust to be managed by Phoenix.

Subject to any required regulatory approval and certain other conditions, the Trust intends to issue units for a maximum consideration of \$50 million (CDN) which will be used to acquire interests in a number of real estate syndicates and limited partnerships. In addition, the Trust intends to make an offer to acquire common shares and non-voting shares of Phoenix at fair value, to be determined by an independent valuation. The offer will be in cash or Trust units, at the election of offeree shareholders. The Trust will also issue Trust units pursuant to an agreement for the cancellation of outstanding warrants to purchase common shares of Phoenix.

The terms of the Trust provide for a preferred return to investors, an incentive based return to the manager, and liquidation of the Trust in 2008.

Phoenix Capital Inc. invests in income-generating real estate through the purchase of interests in limited partnerships and syndications.

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

For further information contact:

James D. Hamilton or
Michael Pereira
Phoenix Capital Inc.
inquiry@phoenixcapital.com
Phone: (416) 861-1940
Toll Free: (888) 448-7791
Fax: (416) 861-0128