MATERIAL CHANGE REPORT

1. **Reporting Issuer**

   Quorum Growth Inc., 150 King Street West, Suite 1505, P.O. Box 5, Toronto, Ontario, M5H 1J9.

2. **Date of Material Change**

   April 21,1997.

3. **Press Release**

   A press release was issued in Toronto, Ontario on February 26, 1997, and disseminated through the facilities of Canada NewsWire Ltd. A copy of such press release is attached hereto as Schedule "A".

4. **Summary of Material Change**

   Quorum Growth Inc. (the "Company") announced that it received a proposal to privatize the Company which proposal would result in securityholders receiving cash for their securities, and the Company's securities no longer being listed on The Toronto Stock Exchange. The proposed cash payments are payable to securityholders as follows: $8.00 per Common Share, $8.00 per First Preference Share, Series 2 and $0.15 per Common Share Purchase Warrant.

5. **Full Description of Material Change**

   The Company announced that it received a proposal to privatize the Company, which proposal would result in securityholders receiving cash for their securities, and the Company's securities no longer being listed on The Toronto Stock Exchange. The proposed cash payments are payable to securityholders as follows: $8.00 per Common Share, $8.00 per First Preference Share, Series 2 and $0.15 per Common Share Purchase Warrant. The total payment is expected to be approximately $78,238,000. This will include the payment of the second quarter dividend, usually payable on April 30, 1997, in the regular amount of $0.1125 per First Preference Share, Series 2 plus the pro rata amount for the portion of the following quarter to holders of record as at the Effective Date of the transaction, expected to be on or before May 23, 1997, accrued to and payable on such date.

   Subject to shareholder approval, the proposed privatization transaction will be effected by an amalgamation between the Company and a new private company, pursuant to which, shareholders will receive new redeemable preference shares.

6. **Reliance on Subsection 75(3) of the *Securities Act* (Ontario)**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Senior Officer**

Ted Atkinson, Chief Financial Officer, SunLife Tower, 150 King Street West, Suite 1505, Toronto, ON M5H 1J9; Phone: (416) 971-6998; Fax: (416) 971-5955.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 1st day of May, 1997.

(signed)
Ted Atkinson,
Chief Financial Officer

SCHEDULE "A"

PRESS RELEASE
QUORUM GROWTH INC.

FOR IMMEDIATE RELEASE

QUORUM GROWTH INC. ANNOUNCES PROPOSAL TO PRIVATIZE

TORONTO, Ontario (April 21, 1997) - Quorum Growth Inc. (TSE:QI, QI.PR.A, QI.WT.A) announced today that it has received a proposal to privatize the Company that will result in securityholders receiving cash for their securities, and the Company's securities no longer being listed on The Toronto Stock Exchange. This proposal culminates a lengthy process by the Company's Management and Board of Directors to resolve two key issues that have impeded Quorum's growth and the maximization of shareholder value - a persistent market discount of the Company's shares to its net asset value, and the consequent inability to raise equity capital not excessively dilutive to shareholders.

The proposed cash payments are payable to securityholders as follows: $8.00 per Common Share, $8.00 per First Preference Share, Series 2 and $0.15 per Common Share Purchase Warrant, representing premiums to market prices of 25%, 23% and 150%, respectively as of the close of business on April 18, 1997. The total payment is expected to be approximately $78,238,000. This will include the payment of the second quarter dividend, usually payable on April 30, 1997, in the regular amount of $0.1125 per First Preference Share, Series 2 plus the pro rata amount for the portion of the following quarter to holders of record as at the Effective Date of the transaction, expected to be on or before May 23, 1997, accrued to and payable on such date.

Subject to shareholder approval, the proposed privatization transaction will be effected by an amalgamation between the Company and a new private company, pursuant to which, shareholders will receive new redeemable preference shares. The resultant redeemable preference shares will be immediately redeemed for cash. The Common Share Purchase Warrants shall be redeemed by the Company immediately prior to the Effective Date of the transaction. Quorum Funding Corporation, the manager of the Company, has engaged J.P. Morgan & Co. Incorporated to advise and arrange the financing of this cash offer through a group of 19 institutional investors, approximately half of whom are existing Quorum shareholders.

"This is a win/win solution to a chronic problem," said Wanda Dorosz, Quorum's President and Chief Executive Officer. "The securityholders are able to tender their securities at a premium. And as a result of this transaction, the Company will be able to raise equity capital - a vital ingredient to our overall growth- without excessive shareholder dilution concerns."

In order to evaluate the proposal fairly, Quorum's Board of Directors established a Special Committee of independent board members, consisting of Peter Lougheed as Chairman, Walter Arbuckle, Wilson Parasiuk, David Rattee and Michael Wilson. The Special Committee retained the services of First Marathon Securities Limited to prepare a valuation of the Common Shares of the Company, and to deliver an opinion as to the fairness of the terms of the proposal. First Marathon has concluded that the terms of the amalgamation and related transaction are fair from a financial point of view to the holders of Common Shares, First Preference Shares, Series 2 and Common Share Purchase Warrants.

"After careful consideration, including a review of the valuation and other analysis by First Marathon, it is the opinion of the Special Committee that the terms of the proposal are fair and reasonable. The Board of Directors firmly believes this action is in the best interests of all Quorum securityholders, and has therefore unanimously recommended that shareholders approve the privatization proposal," said Mr. Lougheed.

"The road to resolve the discount has been lengthy and exhaustive, including a share restructuring two years ago," said Ms. Dorosz. "Following a review of all the strategic alternatives, this proposal is the best available option for both the Company and its securityholders."

J.P. Morgan has also been retained to act as soliciting dealer manager for the Company.

Quorum shareholders will be asked to approve the proposal at the Company's Annual and Special Meetings of Shareholders and Information Meeting of Warrantholders to be held at the Sheraton Centre, Essex Room, 123 Queen Street West in Toronto on May 16, 1997, commencing at 10:00 a.m. (Toronto time). The formal Warrantholders Meeting will be held at the offices of Quorum Funding Corporation, 150 King Street West, Suite 1505 in Toronto on May 19, 1997 at 10:00 a.m. (Toronto time). Full details of the proposed privatization are set forth in a proxy circular being concurrently distributed to securityholders. The proposal is subject to all necessary regulatory and stock exchange approvals.

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Not for dissemination on U.S. wire services

For more information, please contact:

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