MATERIAL CHANGE REPORT

Subsection 75(2) of the *Securities Act* (Ontario)
and the equivalent Sections under the *Securities Act* (Alberta), the *Securities Act* (British Columbia) and the *Securities Act* (Quebec)

1. **Reporting Issuer**

   YBM Magnex International, Inc., 110 Terry Drive, Newtown, Pennsylvania 18940, U.S.A.

2. **Date of Material Change**

   March 31, 1998

3. **Press Release**

   A Press Release was issued in Newtown, Pennsylvania on March 31, 1998 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**

   YBM Magnex International, Inc. announced on March 31, 1998 that it has completed the acquisition from Philips Electronics UK Limited of its rare earth permanent magnet business ("Philips REPM"), part of the Philips Magnetic Products Group.

5. **Full Description of Material Change**

   YBM Magnex International, Inc. ("YBM") announced on March 31, 1998 that it has completed the acquisition from Philips Electronics UK Limited of its rare earth permanent magnet business ("Philips REPM"), part of the Philips Magnetic Products Group. Philips REPM has facilities in Southport and Burscough, England, and had sales in 1997 of US $20 million.

   YBM intends to change Philips REPM's focus to include supplying high quality permanent magnets in all product segments and to target Western European markets.

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

   Not applicable.

7. **Omitted Information**

Not applicable.

8. **Senior Officer**

Jacob G. Bogatin, President and Chief Executive Officer, at the address above or at (215) 579-0400.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at Newtown, Pennsylvania this 7th day of April, 1998.

"Daniel E. Gatti"
Daniel E. Gatti
Vice President Finance and Chief Financial Officer

Schedule "A"

YBM MAGNEX INTERNATIONAL, INC.

NEWS RELEASE

FOR IMMEDIATE RELEASE

Trading Symbol: YBM

TheToronto Stock Exchange

YBM COMPLETES ACQUISITION OF PHILIPS REPM

NEWTOWN, PENNSYLVANIA, March 31, 1998 - YBM Magnex International, Inc. ("YBM"), today announced that it has completed the acquisition of the rare earth permanent magnet business of Philips Electronics ("Philips REPM") in Southport and Burscough, England. The primary business of this company is the production and marketing of high energy neodymium permanent magnets. YBM will operate these facilities under the name of Crumax Magnetics, Ltd., a wholly owned subsidiary of YBM.

This acquisition will expand YBM's presence in Western Europe, as well as its worldwide customer base and bring to YBM additional intellectual property and patent rights.

The acquisition of Philips REPM follows YBM's recent acquisitions of Crumax Magnetics, Inc. ("Crumax") in Elizabethtown, Kentucky and Crusteel Magnetics Limited in the United Kingdom. Both Philips REPM and Crumax bring to YBM excellent management with experience in operating well known established permanent magnetic operations. YBM expects the acquisition of Philips REPM to be as successful as the Crumax acquisition, which is profitable and meeting YBM's expectations. This acquisition is part of YBM's global strategy to be the world's leading producer of high energy permanent magnets.

YBM's primary business is serving the rapidly growing global market for high-energy permanent magnets. YBM is a public company trading on The Toronto Stock Exchange under the symbol YBM.

For more information, call:

James J. Held
Vice President Business Development
and Investor Relations
(215) 579-0400