FORM 27

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE B.C. SECURITIES ACT AND 118(1) OF THE ALBERTA SECURITIES ACT

Item 1. Reporting Issuer

Totally Hip Software Inc.
201 - 1040 Hamilton Street
Vancouver, B.C. V6B 2R9

Item 2. Date of Material Change

January 18, 2000

Item 3. Press Release

Press Release dated January 18, 2000 and disseminated to the Vancouver Stockwatch Magazine, Canadian Venture Exchange, B.C. Securities Commission, Alberta Securities Commission, Market News Publishing and George Cross News Letter.

Place of Issuance: Vancouver, British Columbia.

Item 4. Summary of Material Change

The Issuer announces a private placement and the grant of stock options. The Issuer also announces that it is not proceeding with a previously announced private placement.

Item 5. Full Description of Material Change

The Issuer announces that it has agreed to a private placement of its securities which will consist of the sale of 882,353 units at a price equal to yesterday's closing price of the Issuer's shares less the allowable discount. Each unit consists of one common share and one non-transferable share purchase warrant entitling the holder to purchase one additional common share of the Issuer at $0.63 per share if exercised during the first year of the warrant, and at $0.73 per share if exercised during the second year of the warrant. Management and employees will be participating in the private placement. A finder's fee will be paid in shares on a portion of the private placement. The proceeds from the private placement will be used for general working capital purposes. Any securities to be issued will be subject to hold periods as required by regulatory authorities.

The private placement is subject to acceptance for filing by the Canadian Venture Exchange.

The Issuer will not be proceeding with its $0.30 private placement announced October

19, 1999.

The Issuer announces that it has granted Incentive Stock Options on 1,428,500 shares of the Issuer's capital stock, exercisable up to five (5) years at a price of $0.51 per share, which price is not lower than the closing price of the Issuer's shares on the day prior to this announcement less the allowable discount.

The options granted may not be exercised until regulatory approval has been obtained.

Item 6. **Reliance on Section 85(2) of the B.C. Act and 118(2) of the Alberta Act**

The Issuer is not relying on Section 85(2) of the B.C. Act or 118(2) of the Alberta Act.

Item 7. **Omitted Information**

There is no omitted information.

Item 8. **Senior Officers**

Randall McCallum, President - 685-6525.

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED at the City of Vancouver, in the Province of British Columbia, this _____ day of January, 2000.

"Randall McCallum"
Randall McCallum, President