

BC FORM 53-901F

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, BC V6B 2R9

Item 2. Date of Material Change

October 31, 2001

Item 3. Press Release

Press Release dated October 31, 2001 and disseminated to the Vancouver Stockwatch Magazine, B.C. Securities Commission, Alberta Securities Commission, Market News Publishing, Star Data Terminal Quotation System, Bloomberg Terminal Quotation Service, Dow Jones Financial Services and various other commercial news disseminators.

Place of Issuance: Vancouver, British Columbia.

Item 4. Summary of Material Change

The Issuer announces the release of HipFlics Version 1.1 an easy to use desktop digital video compressing and processing tool.

Item 5. Full Description of Material Change

The Issuer announces the release of HipFlics Version 1.1 an easy to use desktop digital video compressing and processing tool. The HipFlics 1.1 upgrade is immediately available for Macintosh Classic, OS X and Windows operating systems. HipFlics 1.1 is now the most economical video compression tool supporting all QuickTime 5 codecs, including Sorenson Video 3.

“Totally Hip Software is pleased to release HipFlics 1.1 which is the first cross platform video compression tool to fully support all of QuickTime 5’s codecs. HipFlics does for video compression what Apple’s iMovie does for video editing. HipFlics allows everyday consumers to produce high quality video for the web or CD-ROM easily and quickly”, said Mr. David Gratton, Vice President of Marketing and Sales for the Issuer.

Video editors can use HipFlics 1.1’s elegant drag and drop interface and timeline based control to process almost any digital video with ease. HipFlics is a video compression

tool that features an intuitively designed interface that allows users to easily process their digital videos. Professional features like multiple codec application, cropping, watermarking, and filter application enables users to quickly produce great video that is ready for the web or CD-ROM. For larger projects HipFlics 1.1 even supports multiple preview windows, batch processing and the saving and exporting of settings.

HipFlics 1.0 was the first OS X compatible digital video compression and enhancement tool. The new version 1.1 release has significant performance improvements over 1.0, and now fully supports all of the compression codecs released with QuickTime 5. HipFlics 1.1 includes support for VP3, the open source codec from On2, as well as the Sorenson Video 3 codec.

Additional HipFlics product information, web sales and demo versions can be obtained at www.totallyhip.com. Retail pricing is \$99.95 US and registered owners of version 1.0 can obtain a free upgrade. Educational discounts are available by contacting sales@totallyhip.com.

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

David Dicaire, 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 31st day of October, 2001.

“David B. Dicaire”

David B. Dicaire, President