

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 Inc.
201 - 1040 Hamilton Street
Vancouver, BC V6B 2R9

Item 2. Date of Material Change

March 19, 14 & 10, 2003

Item 3. Press Release

Press Releases dated March 19, 14 and 10, 2003 disseminated to 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 Mr. James Boyce and Mr. Kirk Shaw as new directors elected to the board by the members at its Annual General Meeting held on March 14, 2003. The new directors join Mr. David Dicaire, Chairman and President, and Mr. Michael Shaff and Mr. Timothy Daum to form the five-person board as elected by the members. The members also approved a special resolution providing for up to a 1 new for 7 old consolidation of the common share capital and a change of name to Consolidated Totally Hip Inc. or such other name as the Board of Directors may approve. Totally Hip intends to move quickly to announce whether a share consolidation will take place or the selected ratio. Totally Hip also received member approval of the proposed stock option plan for the Company. The share consolidation and change of name (if proceeded with), as well as the stock option plan are subject to acceptance for filing by the TSX Venture Exchange.

The Issuer also announced that Mr. David B. Dicaire has been appointed Chairman of the Board, CEO and President of Totally Hip Inc and the resignation of Mr. Stephen B. Simpson from his position in the company as Chairman, Director, CEO and President.

The Issuer also announces the release of HipFlics 1.2 for Mac OS X with support for MPEG-4 video and AAC audio encoding. With the wide adoption of QuickTime 6 and

its support for the industry standard MPEG-4 streaming technology, HipFlics OS X users now have the ability to author ISO compliant MPEG-4 video and AAC audio files.

Item 5. Full Description of Material Change

The Issuer announces Mr. James Boyce and Mr. Kirk Shaw as new directors elected to the board by the members at the Annual General Meeting held on March 14, 2003.

Mr. Kirk Shaw brings extensive experience from founding and leading a Vancouver based production and multimedia group including acting as President of Insight Film and Video Productions. He is regarded as one of Vancouver's more prolific television producers, with a dozen documentaries, music videos, three current national television series and several commercials to his credit. Insight is also producing next generation interactive DVD computer games for the consumer market. Mr. Shaw has also been involved with the successful management and financing of public companies for over 20 years.

Mr. James Boyce has been an active participant in the computer industry in Vancouver since graduating from Simon Fraser University with a degree in Business Administration and Computer Science. Mr. Boyce is currently the Owner and President of Access Computer Rentals servicing the technology and hardware needs of the Education, Trade Show and Convention industries. He previously started and sold PC Technologies and brings additional independent public company and software company experience to Totally Hip's board.

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“I was asked to join the Totally Hip team to bring a fresh perspective to the company from outside of the software industry and help its management to refocus and broaden

its revenue opportunities as well as to completely review and retool its core business products consistent with the changes to the marketplace.” said Simpson.

“In one very intense effort over the past year, we have accomplished these goals. We have launched a major new release of our flagship software, plus introduced new avenues for revenues that exploit our resident talents for interactive software development. My job is done now and I need to devote my time to my existing business interests, although I will not be far away from this exciting company”.

The Issuer also announced the release of HipFlics 1.2 for Mac OS X with support for MPEG-4 video and AAC audio encoding. With the wide adoption of QuickTime 6 and its support for the industry standard MPEG-4 streaming technology, HipFlics users now have the ability to author ISO compliant MPEG-4 video and AAC audio files. The MPEG-4 encoding capability is in addition to all the other great codecs already available in HipFlics.

Whether new to digital video encoding or already an advanced user or professional, HipFlics offers both functionality and simplicity inside one affordable and easy to use application. Amateurs get a simple interface and ease of use while more advanced users can take advantage of features such as unlimited custom settings for codecs and filters, batch processing, multiple video codec application, custom watermarking, “live” previewing, cropping and resizing. With the release of HipFlics 1.2 this process has become even easier, faster and users now have the ability to encode their media assets into the industry standard and non-proprietary MPEG-4 format.

What is truly incredible is that HipFlics 1.2 for Mac OS X in digital download format is now only \$49.95 US and \$34.95 US for educational customers. HipFlics 1.2 is also available on CD-ROM at an additional cost. Existing registered users are eligible for a free upgrade. For upgrades or information on a Windows version please contact Totally Hip at sales@totallyhip.com.

Some of the new features and enhancements in the HipFlics 1.2 release for Mac OS X are:

- Ability to create MPEG-4 movies in either .mov or .mp4 format
- Faster compression engine
- Expanded codec view
- Support for new QuickTime 6 effects and transitions

HipFlics is the easiest to use compression tool available for consumers and professionals today. Reviewers in both the professional and consumer markets have highly rated HipFlics including being awarded the highest achievable Freakin’ Awesome by MacAddict magazine.

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 – 604 685 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 25th day of March, 2003.

“David Dicaire”
David B. Dicaire, President