

MATERIAL CHANGE REPORT

PURSUANT TO

**SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA)
SECTION 118(2) OF THE SECURITIES ACT (ALBERTA)
SECTION 84(1) OF THE SECURITIES ACT (SASKATCHEWAN)
SECTION 75(2) OF THE SECURITIES ACT (ONTARIO)
SECTION 73 OF THE SECURITIES ACT (QUEBEC)
SECTION 81(2) OF THE SECURITIES ACT (NOVA SCOTIA)**

1. Reporting Issuer:

Northern Financial Corporation (“NFC” or the “Corporation”)
formerly Digital Gem Corporation
150 Eglinton Ave. East
Suite 5000
Toronto, ON
M4P 1E8

2. Date of Material Change:

October 3, 2000

3. Press Release:

A press release of the Corporation was issued on October 13, 2000

4. Summary of Material Change:

The Corporation announced that it has changed its name to Northern Financial Corporation.

5. Full Description of Material Change:

The Corporation filed an amendment to its Articles of Incorporation on October 3, 2000 which effected the change of name of the Corporation to Northern Financial Corporation. The change of name was approved by a special resolution of the shareholders of the Corporation at the annual meeting held on September 29, 2000.

The Corporation believes that the new name reflects the evolution of the Corporation into an Internet financial services company while emphasizing the strengths of Northern Securities Inc., a wholly-owned subsidiary of the Corporation.

The Corporation's trading symbol on the Toronto Stock Exchange (the "TSE") will change to "NFC" once the Corporation has completed the required regulatory filings. The TSE has approved the change of name conditional upon receiving such documentation.

The October 13, 2000 press release of the Corporation, which is incorporated by reference and filed herewith, is attached.

6. Reliance on Confidentiality Provisions of Securities Legislation:

Not applicable.

7. Omitted Information:

Not applicable.

8. Senior Officers – For Further Information Contact:

For further information, please contact Vic Alboini, President and Chief Executive Officer of the Corporation and Chief Executive Officer of Northern Securities Inc. at (416) 350-8879 or Don Robson, Chief Financial Officer of NFC at (416) 642-8938.

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, Ontario this 13th day of October, 2000.

**NORTHERN FINANCIAL
CORPORATION**

per: **"Vic Alboini"**

**Vic Alboini, President and Chief
Executive Officer**

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

PRESS RELEASE

For Immediate Release

NORTHERN FINANCIAL CORPORATION

(TSE: GEM)

October 13, 2000

DIGITAL GEM BECOMES NORTHERN FINANCIAL CORPORATION

TORONTO, ONTARIO – Digital Gem Corporation announced that it has changed its name to Northern Financial Corporation (“NFC”) pursuant to articles of amendment which were filed on October 3, 2000. The change of name was approved at the Corporation’s annual shareholders meeting on September 29, 2000.

Subject to completing the requisite regulatory filings, the Corporation’s trading symbol on the Toronto Stock Exchange will become “NFC”.

Vic Alboini, President and Chief Executive Officer of NFC commented: “Our new name recognizes our mission through Northern Securities to be Canada’s premier Internet Investment Bank by creating value for growing issuers and investors. As the first investment bank in Canada to have both an online trading business and online public offering business, our clear focused strategy is to continue our growth as a small cap oriented investment bank with a strong Internet distribution system.”

Northern Financial Corporation and its subsidiary, Northern Securities, is Canada’s Internet Investment Bank which raises capital online for small market capitalization companies and provides online trading services at its website www.enorthern.com.

FOR FURTHER INFORMATION PLEASE CONTACT:

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OR

Northern Financial Corporation

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