Form 27

SECURITIES ACT (Ontario)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE ACT

NOTE: This form is a guideline only. A letter or other document may be used if the substantive provisions of this form are complied with.

WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL——S.75".

ITEM 1 —— **Reporting Issuer:**
State the full name and address of the principal office in Canada of the reporting issuer.

Advantex Marketing International Inc.
491 Eglinton Ave West, Third Floor
Toronto, Ontario M5N 1A8

ITEM 2 —— **Date of Material Change**:

May 23, 2001

ITEM 3 —— **Press Release:**
State the date and place(s) of issuance of the press release issued pursuant to section 75(1) of the Act.

A press release in respect of the material change was disseminated on May 23, 2001 through Canada NewsWire, Canadian Disclosure Network.

ITEM 4 —— **Summary of Material Change:**
Provide a brief but accurate summary of the nature and substance of the material change.

The material change is fully described in the Company's press release attached hereto as Schedule "A", which press release is incorporated herein.

ITEM 5 —— **Full Description of Material Change:**
Supplement the summary required under Item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclosure those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely describes examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

The material change is fully described in the Company's press release attached hereto as Schedule "A", which press release is incorporated herein.

ITEM 6 —— Reliance on Section 75(3) of the Act:

If the report is being filed on a confidential basis in reliance on section 75(3) of the Act, state the reasons for such reliance.

The report is not being filed on a confidential basis.

INSTRUCTION:

Refer to section 75 of the Act and to the Regulation concerning continuing obligations in respect of reports filed pursuant to section 75(3) of the Act.

ITEM 7 —— Omitted Information:

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but section 75(3) of the Act will no longer or will not be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to section 140(2) of the Act.

The reasons for the omissions may be contained in a separate letter filed as provided in section 4 of the Regulation.

No information has been omitted.

ITEM 8 —— Senior Officers:

To facilitate any necessary follow-up by the Commission, give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom such senior officer may be contacted by the Commissions.

Allison L. Smith, President

ITEM 9 —— Statement of Senior Officer:

Include a statement in the following form signed by a senior officer of the reporting issuer:—

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, in the Province of Ontario, this 25th day of May, 2001.

"Allison L. Smith"
Allison L. Smith, President

Schedule "A"

ADVANTEX

NEWS RELEASE

ADVANTEX ANNOUNCES 35% REVENUE GROWTH AND IMPROVED THIRD QUARTER RESULTS

For Immediate Release
ADX: TSE

Toronto, May 23, 2001, - Advantex Marketing International Inc. ("TSE:ADX") announced today its financial results for the third quarter ended March 31, 2001. Revenue for the third quarter was $19,387,000, an increase of $5,045,000 or 35% over revenue of $14,342,000 for the same period last year. The net loss for the quarter was $435,000 or $0.01 per share, compared to a net loss of $994,000 or $0.03 per share for the third quarter last year, an improvement of $559,000. The improved quarterly results are primarily attributable to the Advantex Division, the driving force in the Company's growth. Deferred and capitalized expenses relating to the start-up of the online business totalled $1,338,000 this quarter, compared to $361,000 during the same period last year.

Revenue for the nine months ended March 31, 2001 was $63,874,000, an increase of 30% from $49,261,000 for the same period last year. Year to date net income was $81,000 or $0.00 per share, an improvement of $816,000 or $0.02 per share, compared to a net loss of $735,000 or $0.02 per share last year. Deferred and capitalized expenses relating to the start-up of the online business totalled $3,171,000 for the nine months ended March 31, 2001, compared to $740,000 for the same period last year.

"The improvement in our financial results this quarter over last year reflects the ongoing growth of our core loyalty marketing business," said G. Randall Munger, Chairman and Chief Executive Officer of Advantex. "We are pleased with our progress."

In the fourth quarter, Advantex began operating its online business with the launch of the first of the Company's online initiatives, an online loyalty marketing program for US Airways. Advantex expects to continue to launch online programs for its other corporate partners throughout 2001.

About Advantex Marketing International Inc.

Advantex Marketing International Inc. is a leading consumer marketing firm, specializing in private label online and offline customer loyalty marketing programs. Advantex programs strengthen the bonds between major organizations and their valued customers, while building new and ongoing relationships between those customers and participating merchants. Advantex partners include US Airways, Air Canada, The Canadian Imperial Bank of Commerce, The Bank of Nova Scotia, The New York Times, and other major North American corporations, as well as an extensive list of retailers, restaurants, golf courses, and resorts. Advantex is a public company, traded on the Toronto Stock Exchange under the symbol "ADX". Our web site is www.advantex.com

For further information please contact:

Lisa S. Levstein
Director, Communications and Investor Relations
Tel: (416) 481-5657, ext. 260
E-mail: lisa.levstein@advantex.com

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED BALANCE SHEETS (unaudited)

AS AT	MARCH 31,2001	JUNE 30, 2000
(in thousands)	($)	($)
ASSETS		
Current:		
Cash and cash equivalents	1,868	5,032
Accounts receivable	2,647	2,980
Purchased receivables	2,158	3,712
Inventory	785	1,442
Prepaid expenses and sundry assets	372	382
	7,830	13,548
Long term:		
Capital and other assets	7,012	3,626
TOTAL ASSETS	14,842	17,174
LIABILITIES		
Current:		
Loan payable	0	2,335
Accounts payable and accrued liabilities	4,441	4,708
	4,441	7,043
SHAREHOLDERS' EQUITY		
Class A preference shares	4	4
Common shares	18,810	18,621
	18,814	18,625
Contributed surplus	60	60
Deficit	(8,473)	(8,554)
	10,401	10,131
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	14,842	17,174

CONSOLIDATED STATEMENTS OF OPERATIONS (unaudited)

	THREE MONTHS ENDED MARCH 31		NINE MONTHS ENDED MARCH 31	
(in thousands except loss per common share)	2001	2000	2001	2000
	($)	($)	($)	($)
REVENUE	19,387	14,342	63,874	49,261
OPERATING EXPENSES				
Product, production and distribution	17,399	12,782	56,845	42,479
Selling	1,321	1,355	4,179	3,996
General and administrative	997	931	2,417	2,847
	19,717	15,068	63,441	49,322
INCOME (LOSS) BEFORE AMORTIZATION AND INTEREST	(330)	(726)	433	(61)
Amortization	103	110	316	307
Interest	2	158	36	367
NET INCOME (LOSS)	(435)	(994)	81	(735)
LOSS PER COMMON SHARE	(0.01)	(0.03)	0.00	(0.02)

CONSOLIDATED STATEMENTS OF DEFICIT (unaudited)

NINE MONTHS ENDED MARCH 31	2001	2000
(in thousands)	($)	($)
BALANCE AT THE BEGINNING OF THE YEAR	(8,554)	(7,514)
Net Income (Loss)	81	(735)
BALANCE AT THE END OF THE YEAR	(8,473)	(8,249)

ADVANTEX MARKETING INTERNATIONAL INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (unaudited)

(in thousands)	THREE MONTHS ENDED MARCH 31 2001 ($)	THREE MONTHS ENDED MARCH 31 2000 ($)	NINE MONTHS ENDED MARCH 31 2001 ($)	NINE MONTHS ENDED MARCH 31 2000 ($)
CASH WAS PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net loss	(435)	(994)	81	(735)
Item not involving cash: Amortization of capital assets	103	110	316	307
Item not involving cash: Amortization of deferred financing charges	0	73	0	96
	(332)	(811)	397	(332)
Net change in non-cash working capital items	1,037	50	2,288	439
Cash provided by (used in) operating activities	705	(761)	2,685	107
FINANCING ACTIVITIES				
Loan payable	0	(165)	(2,335)	113
Debenture payable	0	(1,300)	0	(1,300)
Issue of capital stock	0	10,000	0	10,000
Issue costs	0	(900)	0	(900)
Exercise of warrants/options	32	142	189	827
Cash provided by (used in) financing activities	32	7,777	(2,146)	8,740
INVESTING ACTIVITIES				
Capital and other assets	(233)	(327)	(906)	(573)
Start up costs	(1,201)	(294)	(2,797)	(740)
Cash used in investing activities	(1,434)	(621)	(3,703)	(1,313)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(698)	6,395	(3,164)	7,534
Cash and Cash equivalents (bank indebtedness), beginning of period	2,566	482	5,032	(657)
CASH AND CASH EQUIVALENTS , END OF PERIOD	1,868	6,877	1,868	6,877

Notes to the Consolidated Financial Statements:

The interim financial statements should be read in conjunction with the 2000 annual consolidated financial statements.

1. Significant Accounting Policies

   The interim financial statements follow the same accounting policies and methods of their applications as the 2000 annual consolidated financial statements.