Form 51-102F3

Material Change Report

1. Name and Address of Company

Bridges Transitions Inc. ("**Bridges**")
Suite 200 – 1628 Dickson Avenue
Kelowna, B.C. V1Y 9X1

2. Date of Material Change

July 21, 2006.

3. News Release

A news release was issued on July 21, 2006 through CCN Matthews and was filed with regulatory authorities in Canada.

4. Summary of Material Change

On July 21, 2006 Xap Corporation completed its acquisition of Bridges by way of a statutory plan of arrangement.

5. Full Description of Material Change

Xap Corporation has completed its acquisition of Bridges by way of a statutory plan of arrangement. Under the plan of arrangement 1239381 Alberta Inc. (the "**Purchaser**") acquired 11,762,979 common shares of Bridges, representing 100% of the issued and outstanding common shares of Bridges. Shareholders are entitled to receive $0.98 for each common share held. In addition, the Purchaser acquired 1,190,800 options to acquire common shares, which represents 100% of the issued and outstanding options. Optionholders are entitled to receive $0.01 for each option with an exercise price greater than or equal to $0.98 and for each option held with an exercise price lower than $0.98, the difference between $0.98 and the exercise price. The options were terminated upon acquisition by the Purchaser. As part of the transaction Bridges amalgamated with the Purchaser, a wholly-owned subsidiary of Xap. An application has been made to the TSX to delist the common shares of Bridges and Bridges will cease to be a reporting issuer in due course. The fiscal year end for Bridges will be December 31.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

No significant facts otherwise required to be disclosed in this report have been omitted.

8. Executive Officer

The following executive officer of Bridges is knowledgeable about the material change and may be contacted by any of the Securities Commissions in respect to the change:

John C. Simmons

Director
(250) 869-4200

9. Date of Report

July 21, 2006.