This is the form of a material change report required under Section 85 (1) of the Securities Act.

FORM 27

Securities Act (British Columbia)
Material Change Report Under Section 85(1) of the Act

1. Reporting Issuer

Merit Industries Inc.
Suite 920 – 800 West Pender Street
Vancouver, BC V6C 2V6

2. Date of Material Change

August 10, 2000

3. Press Release

The Press Release for Merit Industries Inc. dated August 10, 2000 was forwarded to the Canadian Venture Exchange and disseminated via Canada Stockwatch, Market News, and George Cross News Letter.

A copy of the Press Release is attached as Schedule "A".

4. Summary of Material Change

See paragraph 5 below.

5. Full Description of Material Change

The Company announces that it has completed the acquisition, as described in the Company's press release dated July 24, 2000, of Raincoast Candle Co. Ltd. ("Raincoast") of Delta, BC, which has become a wholly owned subsidiary of the Company. The Company has issued 307,692 common shares and paid $153,466.77 as part of the closing of the acquisition. In addition, the Company is obligated to pay an additional $43,620 by November 30, 2000 and to issue an additional 158,328 of its common shares on November 30, 2000 to complete the required payments for the acquisition. These additional payments are subject to adjustment in certain circumstances, but in no event will the number of shares to be issued on November 30, 2000 in connection with the acquisition exceed 192,308.

In connection with the acquisition, Lynda Batista, the former President and former sole shareholder of Raincoast, has been appointed Vice President Sales and Product Development of Raincoast. The Company has granted her, subject to regulatory acceptance, share purchase options for 100,000 common shares at $0.44 per share for a period of five years.

The Company is also pleased to announce that it has entered into an agreement with HMS Consulting Inc. ("HMS") pursuant to which HMS will provide investor relations and public relations services to the Company. HMS, a boutique investor relations and public relations firm, specializes in managing investor, broker, analyst, and media relations for publicly traded companies. Compensation for the services will consist of $4,800 per month plus out of pocket expenses. The term of the agreement is for one year. In addition the Company has granted HMS, subject to regulatory acceptance, share purchase options for 30,000 common shares at $0.44 per share for a period of five years pursuant to the Company's stock option plan. HMS provides its full-service investor relations services from its corporate headquarters in Delta, British Columbia, Canada.

The Company has also granted to a consultant, subject to regulatory acceptance, share purchase options for 100,000 common shares at $0.44 per share for a period of five years pursuant to the Company's stock option plan.

Merit Industries Inc. ("Merit"), based in Vancouver, is a fully integrated developer, manufacturer and marketer of personal care products and is dedicated to being an international leader in the health and personal care products industry. The acquisition of Raincoast is the first acquisition by Merit after the completion of its recent reverse takeover on July 19, 2000 and reflects Merit's strategy to grow rapidly through acquisition of other successful companies in its industry. Merit, which is dedicated to being an international leader in the consumer goods industry, is the culmination of years of management experience in the consumer goods industry. Today Merit works closely with leading retailers across North America to produce innovative products that help these retailers maintain customers and build market share.

6. Reliance on Section 67(2) of the Act

N/A

7. Omitted Information

N/A

8. Senior Officers

The following Senior Officer of the Company is available to answer questions regarding this report:

William S. Harper, Director

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

The undersigned hereby certifies that the statements made in this report are true and correct.

DATED at Vancouver, British Columbia, this 10th day of August, 2000.

Merit Industries Inc.
(Name of Issuer)
Per:

"William S. Harper"
(Signature of authorized signatory)

William S. Harper, Director
(Name and office of authorized signatory)

SCHEDULE "A"

MERIT INDUSTRIES INC.

8898 Heather Street Suite 101 Vancouver, BC Canada Phone (604) 266-4910 Fax (604) 266-4917

August 10, 2000 **CDNX Symbol: MY**

Merit Industries Inc. Completes Acquisition of Raincoast Candle Co. Ltd. and Retains HMS Consulting as Investor Relations and Public Relations Counsel

NEWS RELEASE

Merit Industries Inc. ("MY-V") (the "Company") is pleased to announce that it has completed the acquisition, as described in the Company's press release dated July 24, 2000, of Raincoast Candle Co. Ltd. ("Raincoast") of Delta, BC, which has become a wholly owned subsidiary of the Company. The Company has issued 307,692 common shares and paid $153,466.77 as part of the closing of the acquisition. In addition, the Company is obligated to pay an additional $43,620 by November 30, 2000 and to issue an additional 158,328 of its common shares on November 30, 2000 to complete the required payments for the acquisition. These additional payments are subject to adjustment in certain circumstances, but in no event will the number of shares to be issued on November 30, 2000 in connection with the acquisition exceed 192,308.

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On Behalf of the Board of Directors
of Merit Industries Inc.
signed "Michael J. Volker"
Michael J. Volker
President

For further Information contact:

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