

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**

September 8, 2000

3. **Press Release**

The Press Release for Merit Industries Inc. dated September 8, 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 proposes to complete, subject to regulatory acceptance, a non-brokered private placement in the amount of 430,000 units at a price of \$0.36 per unit (a "Unit"). Each Unit consists of one common share and one-half share purchase warrant, each full share purchase warrant entitling the holder thereof to purchase one additional common share in the capital of Merit for \$0.50 for a period of two years following closing. The Company intends to use the net proceeds of the offering for general working capital purposes.

Merit is also pleased to announce that Mr. Bryan G. Banks has been appointed Controller of the Company.

In addition, the Company announces it has cancelled 18,750 performance escrow shares that were previously issued to a former officer and director of the Company.

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 8th day of September, 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**

September 8, 2000

CDNX Symbol: MY

Merit Industries Inc. Proposes to Complete Private Placement and Appoints Controller

NEWS RELEASE

Merit Industries Inc. ("MY-V") ("Merit" or the "Company") is pleased to announce that it proposes to complete, subject to regulatory acceptance, a non-brokered private placement in the amount of 430,000 units at a price of \$0.36 per unit (a "Unit"). Each Unit consists of one common share and one-half share purchase warrant, each full share purchase warrant entitling the holder thereof to purchase one additional common share in the capital of Merit for \$0.50 for a period of two years following closing. The Company intends to use the net proceeds of the offering for general working capital purposes.

Merit is also pleased to announce that Mr. Bryan G. Banks has been appointed Controller of the Company.

In addition, the Company announces it has cancelled 18,750 performance escrow shares that were previously issued to a former officer and director of the Company.

On Behalf of the Board of Directors
of Merit Industries Inc.

signed "Michael Volker"

Michael Volker
President and Director