

This is the form of a material change report required under section 85(1) of the *Securities Act* (British Columbia) and section 151 of the Securities Rules.

FORM 27

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

ITEM 1. REPORTING ISSUER

Imperial Ginseng Products Ltd.

ITEM 2. DATE OF MATERIAL CHANGE

May 31, 2000

ITEM 3. PRESS RELEASE

CCN	May 31, 2000
EDF	May 31, 2000
Canada Stock Watch	May 31, 2000
George Cross Newsletter	May 31, 2000
Market News Publishing	May 31, 2000
Canadian Imperial Ginseng Farms Ltd.	May 31, 2000
Canadian Imperial Ginseng Ontario Ltd.	May 31, 2000

ITEM 4. SUMMARY OF MATERIAL CHANGE

The Company will convert approximately \$150,000 of its 1994 Convertible Bonds and \$25,000 of its 1995 Convertible Bonds to Common Shares subject to regulatory approval. The Company will also convert \$25,000 of 1994 Convertible Bonds to Preferred Shares subject to regulatory approval. The Company has also settled \$12,800 of debt, subject to regulatory approval.

ITEM 5. FULL DESCRIPTION OF MATERIAL CHANGE

Shares for Debt Settlement and Long-Term Debt Conversion

Imperial Ginseng Products Ltd. ("Imperial" or the "Company") reports that, subject to regulatory approval, \$150,000 of its 1994 Convertible Bond issue and \$25,000 of its 1995 Convertible Bond issue will be converted to common shares of Imperial. Bonds and accrued interest totaling \$184,097 will be converted at a price of \$0.65 per common share with total common shares to be issued totaling 283,226.

These common shares will be issued subject to a hold period with 25% of the common shares released after 4 months, and an additional 25% released every 4 months thereafter.

In addition, the Company has further settled, subject to regulatory approval, \$12,800 of debt arising from commission payable in common shares of Imperial. The Company will issue 19,692 common shares at a price of \$0.65 per common shares. These common shares will be subject to a one-year hold period.

Imperial is also pleased to announce that pursuant to the terms of its previously issued Bonds, holders of \$25,000 convertible bonds have exercised their right and converted their Bonds to Preferred Shares of Imperial. The Preferred Shares are units consisting of Class "A" Preferred Shares of the Company and Royalty Participation Units. The Class "A" Preferred Shares are non-voting, convertible shares issued with an average dividend rate of approximately 12.5% at a price of \$1.00 per share. The Class "A" Preferred Shares are convertible to common shares of the Company at a price at \$1.00 per common share with such conversion price increasing by \$0.25 per common share on January 31 of each year starting January 31, 2001. Common shares of the Company issued as a result of any conversion of the Preferred Shares would be subject to a one-year hold period expiring May 31, 2001.

The 25,000 Royalty Participation Units issued as part of the units on a one for one basis with the Class "A Preferred Shares, carry a royalty entitlement consisting of the proceeds from one-half acre of ginseng from each of the 2003, 2004, 2005 and 2006 harvests per 1 million Royalty Participation Units.

The Preferred Shares, subject to certain restrictions and penalties are, after December 31, 2000, retractable at the option of the holder and are redeemable by the Company. Dividends on the Class "A" Preferred Shares are cumulative and, like the royalty due on the Royalty Participation Units, can be paid, at the option of the Company, in cash or common share of the Company priced at their then current price.

ITEM 6. RELIANCE ON SECTION 85(2) OF THE ACT

Not Applicable.

ITEM 7. OMITTED INFORMATION

Not Applicable.

ITEM 8. SENIOR OFFICERS

Name: James Chang
 Title: President and Chief Executive Officer
 Phone No.: (604) 689-8863

Name: Stephen P. McCoach
Title: Co-Chairman
Phone No.: (604) 689-8863

Name: Hugh R. Cartwright
Title: Co-Chairman
Phone No.: (604) 689-8863

ITEM 9. STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

June 1, 2000
Date

Per: "James Chang"
Signature

James Chang
Name of Officer

President & Chief Executive Officer
Title of Officer

Vancouver, British Columbia
Place