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.*

BC FORM 53 – 901F
(Previously Form 27)

Securities Act

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

Item 1: Reporting Issuer

Imperial Ginseng Products Ltd. (the "Company")

Item 2: Date of Material Change

June 27, 2002

Item 3: Press Release

CCN	June 27, 2002
EDF	June 27, 2002
Canada Stock Watch	June 27, 2002
Market News Publishing Inc.	June 27, 2002
NASDAQ (US)	June 27, 2002

Item 4. Summary of Material Change

Imperial announces that it has received regulatory approval to issue, and subsequently issued 536,283 of its Class "A" Preferred Shares to Qwest Bancorp Ltd., a company with directors in common, in settlement of $536,283 of current debt owing.

Item 5. Full Description of Material Change

Imperial announces that it has received regulatory approval to issue, and subsequently issued 536,283 of its Class "A" Preferred Shares to Qwest Bancorp Ltd., a company with directors in common, in settlement of $536,283 of current debt owing.

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 12.5% at a price of $1 per share. The Class "A" Preferred Shares are convertible to common shares of the Company at a price of $0.11 per common share with such conversion price increasing by $0.25 per common share on January 31 of each year starting January 31, 2003. 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 June 27, 2003.

The 536,283 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 2004, 2005, 2006 and 2007 harvests per 1 million Royalty Participation Units.

The Preferred Shares, subject to certain restrictions and penalties are, after December 31, 2003, 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 shares 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 27, 2002
Date

Per: *"James Chang"*
Signature

James S. Chang
Name of Officer

President & Chief Executive Officer
Title of Officer

Vancouver, British Columbia
Place