This is the form of a material change report required under section 85 (1) of the *Securities Act* 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 SECURITIES ACT

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under section 85 (1) of the *Securities Act* (the "Act") must be sent to the British Columbia Securities Commission (the "Commission") in an envelope addressed to the Commission and marked "Continuous Disclosure."

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS, PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND PLACE EVERYTHING THAT IS REQUIRED TO BE FILED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1: Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer.

SEXTANT ENTERTAINMENT GROUP INC.
3rd Floor – 1380 Burrard Street
Vancouver, British Columbia, Canada V6Z 2H3

(the “Company”)

Item 2: Date of Material Change

State the date of the material change.

June 13, 2001

Item 3: Press Release

State the date and place(s) of issuance of the press release issued under section 85 (1) of the Act.

The press release was issued by the Company on June 15, 2001 in Vancouver, British Columbia through the facilities of Canada News Wire. See attached.

Item 4: Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Hearthstone Investments Ltd. ("Hearthstone") became the registered owner of certain common shares of the Company with the result that Hearthstone owns or has voting control of over 20% of the outstanding shares of the Company.

Item 5: Full Description of Material Change

Supplement the summary required under Item 4 with the disclosure that should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely describes examples of some of the facts that may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

On June 13, 2001, the Company's transfer agent processed the registration of 1,893,140 common shares of the Company in Hearthstone's name. The change of registered ownership was effective June 6, 2001.

Hearthstone was previously the registered owner of 932,600 common shares, and also has the power to vote an additional 500,000 shares. As such, the Company understands that Hearthstone is the registered owner of or has the power to vote a total of 3,325,740 shares, which represents approximately 37% of the issued and outstanding shares of the Company. As such, Hearthstone is a "control person" as defined in section 1 of the Securities Act (British Columbia), and holds a sufficient number of shares of the Company to affect materially the control of the Company for the purposes of the Securities Act (Ontario) and the Securities Act (Alberta).

The Company's press release dated May 10, 2001 and its material change report dated May 22, 2001 disclosed that a private investment company had obtained the right to acquire 1,893,140 shares as well as 625,000 bonus shares and voting control over 500,000 shares. Hearthstone is that investment company.

Item 6: Reliance on section 85 (2) of the Act

If the report is being filed on a confidential basis in reliance on section 85 (2) of the Act, state the reasons for that reliance.

Instruction:

Refer to section 85 (3) of the Act concerning continuing obligations regarding reports filed under this subsection.

N/A

Item 7: Omitted Information

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but section 85 (3) of the Act will no longer or will not be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any omission in sufficient detail to permit the Commission to exercise its discretion under section 169 (4) of the Act.

The reasons for the omission may be contained in a separate letter filed as provided in section 151 of the Rules.

N/A

Item 8: Senior Officers

Give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom the Commission may contact that senior officer.

Ian Fodie, Chief Financial Officer (604) 642-5400

Item 9: Statement of Senior Officer

Include a statement in the following form signed by a senior officer of the reporting issuer:

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, B.C. this 25th day of June, 2001.

"*Ian Fodie*"

Ian Fodie, Chief Financial Officer

c4746
r f BC-Sextant-share-ownersh   06-15 0267
News release via Canada NewsWire, Toronto 416-863-9350

Attention Business Editors:
Sextant announces change in share ownership

VANCOUVER, June 15 /CNW/ - Sextant Entertainment Group Inc. (CDNX:YSX.U) -- Sextant Entertainment Group Inc. (the "Company") announced today that it has been informed that Hearthstone Investments Ltd. ("Hearthstone") has registered 1,893,140 common shares of the Company in its name. Hearthstone was previously the registered owner of 932,600 common shares, and also has the power to vote an additional 500,000 shares. As such, the Company understands that Hearthstone is the registered owner of or has the power to vote a total of 3,325,740 shares, which represents approximately 37% of the issued and outstanding shares of the Company. As such, Hearthstone is a "control person" as defined in section 1 of the Securities Act (British Columbia), and holds a sufficient number of shares of the Company to affect materially the control of the Company for the purposes of the Securities Act (Ontario) and the Securities Act (Alberta).

Sextant Entertainment Group Inc. is a fully integrated content production and management company producing award-winning, quality entertainment for global audiences of all ages. Sextant creates, develops, finances, produces and distributes premium branded entertainment for worldwide television, theatrical distribution and exploitation.

%SEDAR: 00004827E
-0-   06/15/2001

/For further information: www.sextantentertainment.com, Ian Fodie, Chief Financial Officer, Sextant Entertainment Group Inc., Tel: (604) 642-5400, Fax: (604) 642-5440; or contact - msintzel(at)genoainc.com, Meg Sintzel, Genoa Communications Management, Tel: (416) 962-3300, Fax: (416) 962-3301/
(YSX.U.)

CO: Sextant Entertainment Group Inc.
ST: British Columbia
IN: ENT
SU:

-30-

CNW 21:21e 15-JUN-01