

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

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: If this Report is filed on a confidential basis, put at the beginning of the Report in block capitals “Confidential – Section 85”, and file in an envelope marked “Confidential – Attention: Supervisor, Financial Reporting”.

Item 1. Name and Address of Reporting Issuer

Sextant Entertainment Group Inc.
3rd Floor – 1380 Burrard Street
Vancouver, B.C. V6Z 2H3

Item 2. Date of Material Change

January 31, 2002

Item 3. Date and Place of Issuance of Press Release

January 31, 2002 – Vancouver, B.C.

Item 4. Summary of Material Change

The Company reduces staff to concentrate on core business units.

Item 5. Full Description of Material Change

Sextant Entertainment Group Inc. (“Sextant”, the “Company”) has reduced staff in its animation, production and post-production divisions to concentrate on the company’s core businesses of television production and distribution.

“The changes made today will result in significant cost savings and allow Sextant to concentrate on our core businesses most efficiently. The reduction in staff is an unfortunate but necessary action and we will support the departing personnel

however possible” said Matthew O’Connor, the Company’s President of Production and Corporate.

“We are thankful for our talented and dedicated staff during this period of restructuring and look forward to future success with our streamlined organization” said Matthew O’Connor.

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.

Item 6. Reliance on Section 85(2) of the Act

Not applicable.

Item 7. Omitted Information

None.

Item 8. Name & Business Telephone Number of Senior Officer to Contact

Ian Fodie, Chief Financial Officer
Business Telephone: 604-642-5400

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, B.C., the 7th day of February, 2002.

“Ian Fodie”
(Signature)

Ian Fodie
(name of senior officer - please print)

INSTRUCTIONS:

- Item 1 - State the full name and address of the principal office in Canada of the reporting issuer.
- Item 3 - State the date and place(s) of issuance of the press release issued under section 85(1) of the Act.
- Item 4 - Provide a brief but accurate summary of the nature and substance of the material change.

- Item 5 - 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 which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

- Item 6 - 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.

For continuing obligations regarding reports filed under this subsection, refer to Section 85(3) of the Act and Part 3.4 of the SEDAR Filer Manual.

- Item 7 - 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 in an envelope marked "Confidential – Attention: Supervisor, Financial Reporting".

- Item 8 - 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.