

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

DIGITAL VENTURES INC.

Suite 1150 – 355 Burrard Street
Vancouver, British Columbia
V6C 2G8

Item 2. Date of Material Change

July 12, 2000

Item 3. Press Release

July 12, 2000, in Vancouver, British Columbia

Item 4. Summary of Material Change

The Company announced that it has closed its private placement of 1,400,000 special warrants at \$0.22 per special warrant.

Item 5. Full Description of Material Change

Further to the news release of April 18, 2000, the Company announces that it has closed its private placement of 1,400,000 special warrants at a price of \$0.22 per special warrant for total proceeds of \$308,000. Each special warrant shall be exercisable, for no additional consideration, into one unit of the Company, each unit consisting of one common share and one non-transferable share purchase warrant entitling the holder thereof to purchase an additional common share for a period of two years at a price of \$0.29 per share.

The special warrants will be convertible into units on the earlier of April 18, 2001 and the date that is 5 days from the date the Company receives a receipt for an Exchange Offering Prospectus or other disclosure document which qualifies the distribution of the units. The Company has agreed to use its reasonable efforts to file such disclosure document. In the event the Company does not receive a receipt for a qualifying offering from the Canadian Venture Exchange Inc. on or before November 12, 2000, the holders of the special warrants are entitled to receive one common share and 1.1 warrants (in lieu of one common share and one warrant) in exchange for each special warrant at no additional cost.

The securities issued pursuant to this private placement are subject to resale restrictions expiring at midnight on July 12, 2001.

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

N/A

Item 7. Omitted Information

N/A

Item 8. Senior Officers

Marshall R. Bertram, President
(604) 688-0607

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

July 12, 2000
Date

"Marshall Bertram"
(signature)

Marshall R. Bertram
Name

President
Position

Vancouver, British Columbia
Place of Declaration