ONTARIO
BRITISH COLUMBIA
ALBERTA

FORM 53-901F
(Previously Form 27)

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE SECURITIES ACT (ONTARIO), SECTION 85(1) OF THE SECURITIES ACT (BRITISH COLUMBIA), SECTION 118(1) OF THE SECURITIES ACT (ALBERTA)

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 AND MARKED "CONFIDENTIAL".*

NOTE ALSO THAT FOR A SEDAR FILING, THE PRESS RELEASE SHOULD BE FILED AS A SEPARATE DOCUMENT FROM THE FORM 53-901F.

Item 1. Reporting Issuer

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

Versatile Mobile Systems (Canada) Inc.
400-1190 Homer Street
Vancouver, B.C. V6B 2X6

Item 2. Date of Material Change

October 29, 2002

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 dated October 29, 2002 was forwarded to the Canadian Venture Exchange and disseminated via CCN Matthews, Canada Stockwatch and Market News.

A copy of the Press Release is attached as Schedule "A".

Item 4. <u>Summary of Material Change</u>

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

The Company announces appoints new President.

Item 5. <u>Full Description of Material Change</u>

Supplement the summary required under item 4 with the disclosure which 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.

The 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 described 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.

Versatile Mobile Systems (Canada) Inc. announces the appointment of Mr. Robert P. Polychron to the position of President, in addition to his current role as a Director of the Company.

For a full description of the material change, see Schedule "A".

Item 6. <u>Reliance on Section 85(2) of the Act and equivalent sections of other jurisdictions</u>

If the report is being filed on a confidential basis, state the reasons for such reliance.

Not Applicable.

Item 7. <u>Omitted Information</u>

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.

Not Applicable.

Item 8. **Senior Officer**

The following Senior Officer of the Company is available to answer questions regarding this report.

Martin Hope
Chief Financial Officer
(604) 683-2915

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, B.C., this 8th day of November, 2002.

VERSATILE MOBILE SYSTEMS (CANADA) INC.

Per:

" Martin Hope"
Martin Hope,
Chief Financial Officer

versatile
MOBILE SYSTEMS

Press Release

Versatile Mobile Systems Appoints New President

Seattle, WA- October 29, 2002 - Versatile Mobile Systems (Canada) Inc (TSX.V, symbol: VMS.V), a leading mobile commerce solutions provider, is pleased to announce the appointment of Mr. Robert P. Polychron to the position of President, in addition to his current role as a Director of the Company. He will also assume the position of President of Versatile Mobile Systems (USA) Inc, and will take up residence in Seattle, WA.

Mr. Polychron brings a wealth of experience to Versatile. His illustrious career spans three decades with a focus on Sales, Marketing, Product marketing and Technical Support. Mr. Polychron began his career at IBM serving in various technical capacities. Most recently he served as Executive Vice President of Sales and Marketing for Transcept (now OpenCell Corporation), a leader in RF products for the wireless industry. While at OpenCell he assisted in transitioning the company from a protocol-specific product emphasis to an open-standard based protocol agnostic supplier. In concert with OpenCell's CEO he successfully raised an excess of US$ 12 million of venture capital. He managed the team of Product Marketing, Marketing, Sales and Technical Support to successfully bring a new product family to market.

Prior to joining OpenCell, Mr. Polychron was Executive Vice President of Xedia Corporation, a venture-backed start-up company marketing a VPN Router. While at Xedia he personally secured Bay Networks as the anchor OEM account for the original Xedia products, which were a family of Ethernet switches. He assisted in transitioning the company from an Ethernet switch focus to a VPN router provider. He also structured the marketing strategy associated with the VPN router product line and personally secured UUNET as Xedia's launch customer. Xedia was sold to Lucent Technologies for US$ 250 million.

Prior to Xedia he held various senior executive positions at US Robotics Inc. (subsequently acquired by 3Com). As part of the senior management team, Mr. Polychron was responsible for all sales and marketing strategies as well as the follow-on execution of those plans. He transitioned the company from an OEM focus to a branded product profile, and was responsible for establishing a successful two-tier distribution strategy incorporating national and regional distribution. He managed a team of over 100 sales people, 50 technical support people, and 25 system engineers, during which time sales rose from US$ 20 million, to US $2.5 billion annually.

Prior to US Robotics Inc Mr. Polychron was Eastern Regional Manager for Telebit Corporation (1985-1986), a venture-backed start-up company specializing in high-speed communications that achieved a successful initial public offering, (subsequently acquired by Cisco). Previously (1982-1984) he was Eastern Regional Manager for Fortune Systems Corporation, a start-up desktop computer company making a Unix multi-user, multi-tasking office oriented product that achieved a successful initial public offering, (subsequently acquired by IBM).

Mr. Polychron holds an Executive M.B.A. form Stanford University, as well as a B.A. in Mathematics from Hofstra University in New York.

Press Release

"Versatile is looking forward to capitalizing upon Bob's extensive sales, marketing and start-up experience as we focus on further developing and expanding the market for our range of Mobile Business Solutions", said John Hardy, Chairman and CEO of Versatile. "Bob's ability to develop and deploy highly effective sales and marketing strategies will be invaluable to the Company's continued growth, and I look forward to working closely with him."

Mr. Polychron is equally enthusiastic regarding his new role at Versatile. "Being well versed in the both the Company's offerings and potential growth opportunities in this market," noted Mr. Polychron, " I feel that Versatile is well positioned to become a dominant player in the mobile commerce marketplace. I look forward to offering the guidance needed to optimize Versatile's success."

About Versatile Mobile Systems

Versatile Mobile Systems, with U.S. Headquarters in Lynnwood, WA, provides mobile business solutions that enable companies to improve sales, marketing and distribution of their products. By using Versatile Mobile's technology, companies in the consumer packaged goods, and transportation industries gain the benefits of supply chain visibility, shortened fulfillment cycles and improved customer satisfaction. Versatile Mobile Systems partners with technology leaders, such as Symbol Technologies. Versatile's international customer list includes Cadbury Schweppes, Elizabeth Arden, Ocado, Nordstrom Inc., Publix Supermarkets Inc.,K&L Distributors, Bridgford, Rug Doctor, Keebler, and Books are Fun Ltd., a division of the Reader's Digest Association. Additional information is available at www.versatilemobile.com.

FOR INVESTOR-RELATED INQUIRIES:

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The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

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