

**FORM 27**

**SECURITIES ACT**

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

**Item 1.        Reporting Issuer**

Ballad Enterprises Ltd.  
501 - 905 West Pender Street  
Vancouver, BC V6C 1L6

**Item 2.        Date of Material Change**

May 11, 2000

**Item 3.        Press Release**

Press Release dated May 11, 2000 and disseminated to the Vancouver Stockwatch Magazine, B.C. Securities Commission, Market News Publishing and George Cross News Letter.

Place of Issuance: Vancouver, British Columbia.

**Item 4.        Summary of Material Change**

The Issuer is pleased to announce that Geoff Phillips, the founder of Cybernet Express Co., of San Diego, California has agreed to join the Issuer's Advisory Board. Mr. Phillips is an experienced entrepreneur who has been involved in the area of telecommunications with an emphasis on the Internet. As a member of the advisory committee, he will consult with and assist management in evaluating business opportunities. The Issuer holds an option to acquire up to 70% of Private Delivery®

**Item 5.        Full Description of Material Change**

The Issuer is pleased to announce that Geoff Phillips, the founder of Cybernet Express Co., of San Diego, California has agreed to join the Issuer's Advisory Board. Cybernet is the developer of Private Delivery®. Mr. Phillips is an experienced entrepreneur who established and led several private companies prior to developing the initial plan for Private Delivery. His involvement has been principally in the area of telecommunications with emphasis on the Internet.

He has provided technical expertise to companies spanning IT and e-business research marketing, e-business shopping and e-commerce workforce -enhanced applications. In 1994 he formed Tenacity Marketing Group to study and facilitate trends in the telecommunications arena with emphasis on the Internet and related fields. From 1983 to 1994, Mr. Phillips served as President and C.E.O. of Tic-La-Dex Business Systems, Inc., a multi-division organization created from personally developed Time Management patents which, through his efforts, gained international recognition and contracts for services in the fields of custom design printing as well as digital transfer and desktop publishing conversion.

Mr. Phillips received his education in Business Law, Commerce and Economics in South Africa and resides in Del Ray, California. Mr. Phillips has extensive experience in private consulting and patent development in addition to his technical business experience. As a member of the advisory committee, he will consult with and assist management in evaluating business opportunities.

The Issuer holds an option to acquire up to 70% of Private Delivery®.

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

The Issuer is not relying on Section 85(2) of the Act.

**Item 7. Omitted Information**

There is no omitted information.

**Item 8. Senior Officers**

Anthony J. Beruschi, President - (604) 682-7159.

**Item 9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

**DATED** at the City of Vancouver, in the Province of British Columbia, this 16<sup>th</sup> day of May, 2000.

“Ray Roland”  
Ray Roland, Director