FORM 27
SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 118(1) OF THE ACT

Item 1 Reporting Issuer

Rainbow Group of Companies Inc.
("Rainbow" or the "Corporation")
17724 – 102 Avenue
Edmonton, Alberta T5S 1H5

Item 2 Date of Material Change

March 14, 2000

Item 3 Press Release

News Release issued on March 14, 2000.

Item 4 Summary of Material Change

Rainbow announced that it will commence with a private placement offering consisting of 5,000,000 units with a purchase price of $1.15 per unit.

Item 5 Full Description of Material Change

Rainbow announced that it will commence with a private placement offering consisting of 5,000,000 units with a purchase price of $1.15 per unit. Each unit will consist of one Common Share and one Share Purchase Warrant. Each warrant will entitle the holder to purchase an additional common share at a price of $1.75 per share if exercised before the first anniversary of the closing date or $2.50 per share if exercised before the second anniversary. The warrants expire two years after the closing date.

The shares sold under the private placement will be subject to a four months hold period. Finders fees may be paid in connection with this private placement in accordance with the Canadian Venture Exchange rules.

Item 6 Reliance on Section 118(2) of the Act

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Senior Officers

Riad Chehayeb, Vice President-Operations, is knowledgeable about this report. His business telephone number is (780) 408-3853.

Item 9 Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Edmonton, Alberta the18th day of September, 2000.

"Signed"

Riad Chehayeb
Vice President, Operations