

BC FORM 53-901F
(Previously Form 27)

Securities Act (BC)

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT
AND SECTION 151 OF THE SECURITIES RULES

ITEM 1 REPORTING ISSUER:

Rainbow Group of Companies Incorporated
751, 815 – 8th Avenue S.W.
Calgary, Alberta, T2P 3P2

ITEM 2 DATE OF MATERIAL CHANGE

March 2, 2004

ITEM 3 PRESS RELEASE

March 2, 2004, issued by Filing Services Canada.

ITEM 4 SUMMARY OF MATERIAL CHANGE

Rainbow Group of Companies announced its intention to proceed with a “Shares for Debt” application to the TSX Venture Exchange to settle an outstanding debt.

ITEM 5 FULL DESCRIPTION OF MATERIAL CHANGE

Rainbow Group of Companies Incorporated (the “Corporation”) announces its intention to proceed with a “Shares for Debt” application to the TSX Venture Exchange to settle an outstanding debt. The debt outstanding is approximately \$210,000 and approximately 1,750,000 common shares in the capital of the Corporation will be issued at a deemed price of \$0.12.

The issuance of common shares in the capital of the Corporation will not result in a change of control; is pursuant to exemptions from prospectus and registration requirements; and is subject to regulatory approval and applicable hold periods.

ITEM 6 RELIANCE ON SECTION 85(2) OF THE ACT

N/A

ITEM 7 OMITTED INFORMATION

N/A

ITEM 8 SENIOR OFFICERS

Neil McLennan, President and CEO
Margo Kaufmann, Sr. Vice President
Shari Pusch, Secretary

The name of the senior officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Margo Kaufmann, Sr. Vice President
Telephone: (780) 909-8079

ITEM 9 STATEMENT OF SENIOR OFFICERS

The foregoing accurately discloses the material changes referred to herein.

DATED: March 2, 2004 (Calgary, Alberta)

"Shari J. Pusch" (signed)

Shari J. Pusch
Secretary