

**FORM 27**  
**MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE SECURITIES ACT**  
**(BRITISH COLUMBIA) AND SIMILAR PROVISIONS OF OTHER APPLICABLE**  
**LEGISLATION**

**ITEM 1.        *REPORTING ISSUER***

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

Burntsand Inc.  
304 The Eastmall, Suite 500  
Toronto, Ontario M9B 6E4

**ITEM 2.        *DATE OF MATERIAL CHANGE***

April 26, 2002

**ITEM 3.        *PRESS RELEASE***

**State the date and place of issuance of the press release.**

A press release was issued by the Company on April 26, 2002 at Toronto, Ontario.

**ITEM 4.        *SUMMARY OF MATERIAL CHANGE***

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

On April 26, 2002, Burntsand announced that it will reduce its costs during the second quarter of 2002 through a staff reduction of approximately 50 people.

**ITEM 5.        *FULL DESCRIPTION OF MATERIAL CHANGE***

Burntsand announced on April 26, 2002 its intention to reduce its staff by approximately 50 people in various locations during the second quarter of 2002. This reduction in costs will be made in order to maintain a balance between capacity and short-term market demand. The Company will maintain all of its current offices and services to customers.

**ITEM 6.        *RELIANCE ON CONFIDENTIAL FILING PROVISIONS OF THE SECURITIES ACT***

**If the report is being filed on a confidential basis in reliance on Section 85(2) of the Act, state the reasons for such reliance.**

Not Applicable.

**ITEM 7.        *OMITTED INFORMATION***

No significant facts have been omitted from this report.

**ITEM 8. SENIOR OFFICERS**

For more information, contact Blair Baxter, Chief Financial Officer of Burntsand, at (416) 234-3852.

**ITEM 9. STATEMENT OF SENIOR OFFICER**

**Include a statement in the following form signed by a senior officer of the reporting issuer: "The foregoing accurately discloses the material changes referred to herein."**

The foregoing accurately discloses the material changes referred to herein.

DATED at Toronto, Ontario, this 3<sup>rd</sup> day of May, 2002.

(signed) Blair Baxter

Signature of a senior officer of the reporting issuer

Blair Baxter, Chief Financial Officer & Secretary

This is the form to be completed as required under Section 151 of the Securities Rules.