This is the form of a material change report required under Section 85(1) of the Securities Act.

FORM 27

SECURITIES ACT

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

Item 1. <u>Reporting Issuer</u>

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

Mercury Scheduling Systems Inc.
400 - 601 West Cordova Street
Vancouver, B.C. V6B 1G1

Item 2. <u>Date of Material Change</u>

May 12, 2000

Item 3. <u>Press Release</u>

June 6, 2000

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

The Issuer has signed an agreement with IBM for IBM to market the Issuer's products.

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

The Issuer's wholly owned subsidiary, Mercury Scheduling Inc. ("Mercury") and International Business Machines Corporation ("IBM") have signed that Master Relationship Agreement dated May 12, 2000 (the "Agreement") for the marketing of Mercury's airline scheduling computer programs. Under the Agreement, IBM may resell Mercury's products and pay Mercury a royalty as set out in the Agreement, or, IBM may assist Mercury in closing the sale of any of its products and be paid a fee for the marketing assistance. The territory for the Agreement is all countries in the world in which IBM directly or indirectly conducts business. The terms of the Agreement is five years with automatic one year renewals unless terminated as agreed.

Mercury for some time has had an alliance with IBM, being a member of IBM Solution Development Program and the Agreement now significantly enhances and advances Mercury's IBM alliance.

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

Not Applicable

Item 7. Omitted Information

None

Item 8. Senior Officers

Graham Whitmarsh, President and C.E.O.
(604) 683-8668

Item 9. Statement of Senior Officer

"The foregoing accurately discloses the material change referred to herein."

"Graham Whitmarsh" - signed June 6, 2000 Vancouver, B.C.
Graham Whitmarsh
President and Chief Executive Officer
Mercury Scheduling Systems Inc.

MERCURY News Release
Leaders in Airline Operations Software
VSE:MRY

For Immediate Release **June 6, 2000**

Mercury announces strategic marketing agreement with IBM

Mercury's Magellan system to be marketed worldwide through new IBM E-business initiative for airline industry

Vancouver, B.C. — Mercury Scheduling Systems Inc. (MYSYF:OTCBB; MRY:CDNX) has announced a strategic marketing agreement with IBM, linking Mercury with the world's largest information technology company and fast-tracking Mercury's Magellan crew scheduling and crew communications systems for immediate availability to the airline industry market place.

At an international press briefing in Sydney, Australia, today IBM announced that Mercury's Magellan system will be marketed to existing and potential IBM customers as part of a new e-business initiative for the airline industry called "ConnectEdge." IBM ConnectEdge is an innovative combination of leading edge IBM and Business Partner solutions, provided within a framework that allows these solutions to be integrated with each other and with legacy systems.

"Today marks a milestone in the execution of our strategic business plan at Mercury and our move forward to aggressively market our unique software solutions for the airline industry," said Graham Whitmarsh, President and CEO of Mercury. "The fact that our programs have been chosen for ConnectEdge by IBM speaks volumes about the systems we have been working so hard to develop and are now delivering to airlines around the world."

"Through IBM ConnectEdge, Mercury will be able to utilize IBM's infrastructure and vast global sales and technical resources. This relationship will enable Mercury to access new customers quickly and effectively, simplifying our sales process and reducing product marketing and distribution costs in the process. We are fortunate to be in this position at this early stage of our product marketing efforts," Whitmarsh added.

Ian McClenaughan, general manager, IBM ConnectEdge said "While formulating the components and strategy for ConnectEdge, we thoroughly reviewed Mercury's flight crew scheduling systems and it quickly became clear that their offerings, such as Magellan, meet a huge need in the airline industry. We welcome Mercury Systems into the ConnectEdge family of solutions, and look forward to working with them to help airlines implement new operations strategies while driving down the cost of doing business."

MERCURY **News Release**

Leaders in Airline Operations Software

VSE:MRY

About Mercury Systems

Mercury is emerging as a leading supplier of airline crew management systems worldwide. Improving the effectiveness of crew management is an opportunity which offers airlines great potential for savings, as crew costs can make up 20 % of overall airline expenses, often exceeding aircraft and fuel costs. Airline spending in the field of crew management and field support has been estimated at well over a billion dollars.

Mercury Scheduling Systems Inc. is a software development company that licenses some of the most innovative airline operations software in the world. With a broad range of software products, Mercury is positioned to meet the needs of all sizes of airlines. The company has an established client base of 25 airlines, including leading companies such as British Airways Regional, DHL Airlines, Canada 3000, WestJet, Aloha Airlines, Legend Airlines and Ansett Australia. Mercury is one of 30 select companies that make up the CDNX Technology Index, which contains 80% of the top technology listings by market cap.

On behalf of the Board of Directors of Mercury Scheduling Systems Inc.,

Graham Whitmarsh, President & CEO

INQUIRIES MAY BE DIRECTED TO:

Investor Relations: Steve Johnson (604) 683-8668 or toll-free at 1-888-614-1111
or email to investors@mercury.bc.ca

Media Contact: Kate James, Kate James & Company (604) 266-8780
or email to katejames@mercury.bc.ca

Or visit our website: http//www.mercury.bc.ca

For more information on IBM ConnectEdge, visit http://www.ibm.com/industries/travel/ConnectEdge.

Mercury Scheduling Systems Inc., Suite 400, 601 W. Cordova St., Vancouver, BC, Canada V6B 1G1