

This is the form of a material change report required under Section 85(1) of the *Securities Act* and section 151 of the *Securities Rules*.

**BC FORM 53-901F  
(Previously Form 27)**

**SECURITIES ACT**

**MATERIAL CHANGE REPORT**

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: If this report is filed on a confidential basis, put at the beginning of the report in block capitals "CONFIDENTIAL – SECTION 85", and file in an envelope marked "Confidential – Attention: Supervisor, Financial Reporting".

**Item 1.        Reporting Issuer**

KEY CAPITAL GROUP INC.  
Suite 1370, 1140 West Pender Street  
Vancouver, BC, V6E 4G1

**Item 2.        Date of Material Change**

August 6, 2003

**Item 3.        Press Release**

The date of the press release issued pursuant to section 85(1) of the Act with respect to the material change disclosed in this report is August 6, 2003. The press release was issued in Vancouver, British Columbia through the facilities of the TSX Venture Exchange, Market News and through Canada Stockwatch.

**Item 4.        Summary of Material Change**

New director appointed.

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

The Company announced the appointment of the Honourable Edward M. Lawson, Senator, to the Board of Directors of Key Capital Group Inc. A Canadian Senator for over 30 years, Senator Lawson brings significant business experience, corporate knowledge and industrial background to Key Capital Group Inc. In his various capacities, he has represented British Columbians in an exceptional manner.

In addition to his parliamentary career, the Honourable Edward Lawson has been a strong effective and innovative trade union representative and leader, holding the rare distinction of being elected for four consecutive 5 year terms as an International Vice President of the International Brotherhood of

Teamsters. Senator Lawson is a founding member of the Vancouver Police Foundation where he continues to serve in his 27<sup>th</sup> year. He was also the longest serving director of the Vancouver Canucks of the NHL. Known for his active charitable and community works throughout North America, the Senator is also a noted humourist and speaker, sharing his talents with others. Although a Vancouver resident, Senator Lawson and his wife Beverly, enjoy golf at their Palm Desert home during the winters.

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

Not applicable

**Item 7. Omitted Information**

Not applicable

**Item 8. Senior Officer**

The following senior officer of the Issuer is knowledgeable about the material change disclosed in this report.

Reimar Koch, President  
Business Telephone No.: 604-688-8656

**Item 9. Statement of Senior Officer**

The undersigned, President of the Issuer, hereby certifies that the foregoing accurately discloses the material change referred to herein.

Executed at Vancouver, B.C. this 12th day of August, 2003.

*"Reimar Koch"*

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Reimar Koch, President