Form 51 – 102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

RDM Corporation ("RDM")
4-608 Weber Street North
Waterloo, ON N2V 1K4

Item 2 Date of Material Change

December 23, 2004

Item 3 News Release

RDM Corporation (TSX: RC) issued a press release in respect of this material change on December 23, 2004.

Item 4 Summary of Material Change

On December 23, 2004, RDM issued 1,400,000 common shares and share purchase warrants exercisable to purchase 700,000 common shares of RDM at $1.35 per share to Dynamic Venture Opportunities Fund Ltd. ("DVOF") for gross proceeds of $1,400,000.

Item 5 Full Description of Material Change

On December 23, 2004, RDM, a leading developer of specialized software and hardware products for electronic payment processing, announced the closing of a $1.4 million financing by way of a non-brokered equity private placement with DVOF.

Under terms of the investment, DVOF received 1,400,000 common shares of RDM at an issue price of $1.00 per share. As additional consideration, RDM issued to DVOF share purchase warrants exercisable to purchase 700,000 common shares of RDM at $1.35 per share for a term of 2 years.

RDM plans to use the net proceeds of the private placement for general corporate purposes.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No information has been omitted from this material change report.

Item 8 Executive Officer

For additional information with respect to this material change, the following person may be contacted:

Jim Kopperson – Chief Financial Officer & VP of Corporate Development
(519) 746-8483, ext. 284

Item 9 Date of Report

December 31, 2004.