# FORM 51-102F3

## Material Change Report

**ITEM 1. NAME AND ADDRESS OF COMPANY**

Calypso Acquisition Corp. (the "Company")
PO Box 39523, White Rock, British Columbia V4B 5L6

**ITEM 2. DATE OF MATERIAL CHANGE**

June 2, 2005

**ITEM 3. NEWS RELEASE**

Issued June 2, 2005 and distributed through the facilities of Stockwatch.

**ITEM 4. SUMMARY OF MATERIAL CHANGE**

See attached news release.

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

See attached news release.

**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 on the basis that it is confidential information.

**ITEM 8. EXECUTIVE OFFICER**

Contact: John B. Gill
Telephone: 604-682-0168

**ITEM 9. DATE OF REPORT**

DATED at Vancouver, B.C., this 3rd day of June, 2005.

**CALYPSO ACQUISITION CORP.**

P.O. Box 39523
White Rock, British Columbia V4B 5L6

Tel: 604-628-0168

FOR IMMEDIATE RELEASE NEX: CLP.H

**Debt Settlement and Private Placement**

**Vancouver, BC – June 2, 2005 -** The Company has negotiated the settlement of approximately $140,000 in debt owed to arm's length parties, by the issuance of units at $0.08 per unit, each unit comprising one share and one share purchase warrant exercisable at $0.105 per share for a period of 12 months.

The Company has also negotiated a non-brokered private placement of 4.375 million units at $0.08 per unit to raise gross proceeds of $350,000 and a convertible loan of $150,000. Proceeds of the private placement and convertible loan will be used for working capital.

Each unit issuable in the private placement will comprise one share and one share purchase warrant, each warrant exercisable to acquire one additional share at a price of $0.105 for a period of 12 months. Proceeds of the private placement will be used for working capital. A finder's fee will be payable in accordance with NEX policies.

The convertible loan will be for a term of two years and bear interest at the rate of LIBOR plus 2% per annum. Principal and interest outstanding under the loan will be convertible into units of the Company at $0.105 per unit, each unit comprising one share and one share purchase warrant, each warrant exercisable to acquire one additional share for 12 months at $0.105 per share. A finder's fee will be payable in accordance with NEX policies.

The transactions are all subject to regulatory approval. The Company is continuing its review of possible acquisition opportunities.

The Company has been advised by its controlling shareholder, Brazilia Holdings Ltd., that it has sold the shares it holds in the Company to a number of unrelated accredited investors.

On Behalf of the Board of Directors

(signed) "*John B. Gill*"______
John B. (Jack) Gill
Director