Form 27

SECURITIES ACT (Ontario)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE ACT

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

WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL——S.75"

ITEM 1 —— Reporting Issuer:

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

IMI International Medical Innovations Inc.
5955 Airport Road
Suite 222
Mississauga, Ontario
L4V 1R9

ITEM 2 —— Date of Material Change:

June 29, 1999

ITEM 3 —— Press Release:

State the date and place(s) of issuance of the press release issued pursuant to section 75(1) of the Act.

A press release was disseminated on June 30, 1999 through BCE - Emergis.

ITEM 4 —— Summary of Material Change:

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

Closing of private placement of 1,200,000 special warrants at a price of $1.00 per special warrant.

ITEM 5 —— Full Description of Material Change:

Supplement the summary required under Item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclosure those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely describes examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

See Schedule "A" for a copy of the press release issued on June 30, 1999.

ITEM 6 —— Reliance on Section 75(3) of the Act:

If the report is being filed on a confidential basis in reliance on section 75(3) of the Act, state the reasons for such reliance.

INSTRUCTION:

Refer to section 75 of the Act and to the Regulation concerning continuing obligations in respect of reports filed pursuant to section 75(3) of the Act.

N/A

ITEM 7 —— Omitted Information:

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but section 75(3) of the Act will no longer or will not be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to section 140(2) of the Act.

The reasons for the omissions may be contained in a separate letter filed as provided in section 4 of the Regulation.

N/A

ITEM 8 —— Senior Officers:

To facilitate any necessary follow-up by the Commission, give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom such senior officer may be contacted by the Commissions.

Ronald Hosking, Chief Financial Officer and Vice President, Finance - (905) 677-6235

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 change referred to herein.

DATED at Toronto, in the Province of Ontario, this 6th day of July, 1999.

“Ronald Hosking”
Ronald Hosking
Chief Financial Officer and Vice President, Finance

SCHEDULE "A"

INTERNATIONAL MEDICAL INNOVATIONS INC.

5955 Airport Road
Suite 222
Toronto, Ontario L4V 1R9
Phone: 905-677-6235
Fax: 905-677-4912

News Release

NOT FOR DISTRIBUTION TO U.S. NEWS WIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES

IMI COMPLETES PRIVATE PLACEMENT

Funds to Finance Clinical Development

Toronto: June 30, 1999/ BCE Emergis / - IMI International Medical Innovations Inc. (CDN: IMIN) announced today that it has completed the sale by way of private placement of 1,200,000 Special Warrants for an aggregate gross proceeds of $1,200,000.00. Dlouhy Investments Inc. acted as lead agent in connection with the private placement. The proceeds of the private placement will supplement the Company's cash resources and will be primarily used to fund the clinical development of the Company's products.

Each Special Warrant entitles the holder to receive, for no additional consideration, one common share of the Company and one-half of a common share Purchase Warrant. In the event a receipt for a final prospectus of the company is not obtained within 120 days following the closing date of the private placement, each Special Warrant will entitle the holder to receive, for no additional consideration, 1.1 common shares of the Company and one-half of a common share Purchase Warrant. One whole Purchase Warrant entitles the holder to acquire one common share of the Company upon the payment of the exercise price of $1.25 per common share (subject to adjustment) at any time prior to the second anniversary of the closing date of the private placement. The agents were issued broker compensation warrants exercisable into compensation options which will entitle the agents to acquire up to 120,000 common shares at an exercise price of $1.25 per share at any time prior to June 29, 2001.

"This increase in our capital resources will allow us to pursue our strategy of developing our Cholesterol 1,2,3, Colorectal Cancer and Kidney Stone products while negotiating with potential strategic partners. Further, these funds should carry us through the period where we expect to receive our first revenues" said Dr. Brent Norton. "We appreciate that, despite the difficult equity markets, both Canadian and U.S. sources of capital have recognized the progress IMI has been making in our product development and the clinical trials of our lead product and were prepared to invest in our future" continued Dr. Norton.

IMI is a Canadian specialty medical device company, dedicated to developing innovative products for rapid and early detection of life-threatening diseases. IMI has developed diagnostic tools in the field of "predictive medicine" for measuring cholesterol, determining kidney stone disease and two tests for the early detection of cancer. IMI is located in Mississauga, Ontario. Common shares of the Company are traded on the Canadian Dealing Network (CDN: IMIN – 12,794,849 shares outstanding).

For further information, contact:
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Fax: (905) 677-4912
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