

This is the form of 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**

1. Reporting Issuer

Algorithm Media Inc.  
3955 Graveley Street  
Burnaby, B.C. V6C 3T4

2. Date of Material Change

January 26, 2000

3. Press Release

January 26, 2000

4. Summary of Material Change

The Company announced that it has negotiated a debt settlement by way of the issuance of 226,245 shares of the Company at the price of \$0.40 per share to a number of creditors to settle an aggregate of \$226,245 owed to the creditors. Also announced was the resignation of Rick Benwick as a director of the Company.

5. Full Description of Material Change

See 4 above.

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

N/A

7. Omitted Information

N/A

8. Senior Officers

Contact Person: Roger Levens  
Business Telephone: 291-0978

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, B.C. this 26th day of January, 2000.

ALGORITHM MEDIA INC.

Per: "Roger Levens"

Roger Levens, C.E.O. and Director  
(Name & Title of Signatory)