

FORM 27

SECURITIES ACT MATERIAL CHANGE REPORT UNDER SECTION 67(1) OF THE ACT

- Item 1. Reporting Issuer

ALGORITHM MEDIA INC.
- Item 2. Date of Material Change

January 18, 2002
- Item 3. Press Release

Issued and distributed via fax to Canada Stockwatch, Market News and Stockhouse on January 18, 2002
- Item 4. Summary of Material Change

See attached copy of the January 18, 2002 News Release
- Item 5. Full Description of Material Change

See attached copy of the January 18, 2002 News Release
- Item 6. Reliance on Section 67(2) of the Act N/A
- Item 7. Omitted Information N/A
- Item 8. Senior Officer/Director

Roger Levens, Director of the Issuer, is knowledgeable about the material change and this report. He can be contacted at: (604) 293-2252
- Item 9. Statement of Senior Officer/Director

The foregoing accurately discloses the material change referred to herein.

"Roger Levens"
Roger Levens
Director

DATED at Burnaby, B.C. this 18th day of January, 2002



ALGORITHM MEDIA INC.

Canadian Venture Exchange, Symbol 'AMI'

PRESS RELEASE – January 18, 2002

Burnaby, British Columbia

Algorithm Media Inc. (the 'Company') announces it has paid off the all the long term debt of its Greenhouse Studios division. The debt was paid ahead of schedule out of operating cash flow. Algorithm Media will now have additional cash flow to use on creating its own music content. Greenhouse Studios is a music facility boasting 4 recording studios. Algorithm Media still has long term debt that it continues to reduce.

Greenhouse Studios recorded over 40 music albums in 2001. The Nickelback album 'Silver Side Up' recorded at Greenhouse Studios has now gone triple platinum in the United States and quadruple platinum in Canada. The facility also hosted recording sessions with International artists Roger Daltrey (the 'Who'), Dido, Michelle Wright and Nelly Furtado. Canadian artists included Noise Therapy, John Mann ('Spirit of the West'), Peppersands, Todd Kearns Band, Planet Smashers, Theory of a Deadman, Cherry Bomb, Superbeing 77 and Ten Dollar Thompson.

On the equipment front Greenhouse Studios added additional digital audio equipment and music equipment. New Protocols systems were added to handle the continued client demand for digital editing and finishing. Radar hard disc recording is now added to compliment the existing analog and digital tape recording systems.

Management is focused on music content creation in 2002.

"Roger Levens"

Roger Levens
Director

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The Canadian venture exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of the contents herein.