FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. <u>Name and Address of Company</u>

Algorithm Media Inc.
203 – 409 Granville Street
Vancouver, BC V6C 1T2

Item 2. <u>Date of Material Change</u>

March 24, 2009

Item 3. <u>News Release</u>

News Release dated March 24, 2009 and disseminated to the Vancouver Stockwatch Magazine, B.C. Securities Commission, Alberta Securities Commission, and Market News Publishing.

Place of Issuance: Vancouver, British Columbia.

Item 4. <u>Summary of Material Change</u>

The Issuer announces closing of its private placement and provides an update on related party transaction.

Item 5. <u>Full Description of Material Change</u>

Private Placement

The Issuer announces that, further to its news release of January 27, 2009, it has closed its non-brokered private placement of 10,000,000 units of its securities at a price of $0.05 per unit which raised $500,000 for the Issuer. Each unit consists of one common share in the capital of the Issuer and one non-transferable share purchase warrant, each such warrant entitling the holder to acquire one additional common share of the Issuer at a price of $0.10 per share for one year. The units and the underlying shares are subject to a hold period and may not be traded prior to July 7, 2009. The funds are for general working capital purposes.

Related Party Transaction

The private placement is a related party transaction for the Issuer as three insiders of the Issuer participated in the placement: Linda Smith, President and a director of the Issuer, acquired 800,000 units representing 5.8% of the issued shares of the Issuer;

Karen Law, a director of the Issuer, acquired 1,000,000 units representing 7.2% of the issued shares of the Issuer; and Ryan Krell, a director of the Issuer, acquired 200,000 units representing 1.4% of the issued shares of the Issuer. For each of these directors, the securities purchased in the private placement are their only holdings of securities of the Issuer. The placement was approved unanimously by the two directors not involved in the placement, the three interested directors not participating in the vote.

For related party transactions, Multilateral Instrument 61-101 of the Ontario Securities Commission (the "Instrument"), which has been adopted by the TSX Venture Exchange, in Part 5 - Related Party Transactions, sets out requirements for a formal valuation and minority shareholder approval for such transactions and also provides certain exemptions from these requirements. For this private placement, the Issuer is relying on the exemption provided in subsection 5.5(b) of the Instrument with respect to the formal valuation requirement as the Issuer is not listed on the Toronto Stock Exchange, the New York Stock Exchange, the American Stock Exchange, the NASDAQ Stock Market or any other stock exchange outside Canada or the United States. The Issuer is also relying on the exemption provided in paragraph 5.7(1)(b) of the Instrument with respect to the minority shareholder approval requirement on the basis that the fair market value of the related party transaction is less than $2,500,000.

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

The Issuer is not relying on Subsection 7.1(2) or (3) of National Instrument 51-102.

Item 7. Omitted Information

There is no omitted information.

Item 8. Executive Officer

Darcy Krell, Director - (604) 831-2735

Item 9. Date of Report

Dated at the City of Vancouver, in the Province of British Columbia, this 26th day of March, 2009.

"Darcy Krell"
Darcy Krell, CFO