

EARTHWORKS INDUSTRIES INC.

FORM 51-102F3 MATERIAL CHANGE REPORT

1. Name and Address of Company:

Earthworks Industries Inc.
1608 - 675 West Hastings Street
Vancouver, BC V6B 1V2

2. Date of Material Change

December 23, 2009

3. News Release

December 29, 2009

4. Summary of Material Change

North Bay Corporation ("NB") and its subsidiary, Cortina Landfill Company ("CLC"), have terminated their agreements with the Company and its wholly owned subsidiary, Cortina Integrated Waste Management Inc. ("CIWM").

5. Full Description of Material Change

NB and its wholly owned subsidiary, CLC, have terminated their agreements with the Company and CIWM. The agreements effectively and principally granted to CLC an option to purchase 50% of the issued shares of CIWM from the Company for \$4,000,000 (U.S.) and provided for NB and CLC to advance monies toward the costs of developing CIWM's integrated waste management project in Colusa County, California, USA. The advances, which total approximately \$4,000,000, will now be repayable by CIWM to CLC, together with interest of 7.0% p/a non-compounded, by December 23, 2011.

The Company and CIWM propose to continue with the development of plans for the Colusa County project without any further involvement by North Bay or CLC.

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

Report is not being filed on a confidential basis.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

David B. Atkinson,
President and CEO
604-669-3143

9. Date of Report

January 5, 2010