

THE PROSPECTUS GROUP INC.
246 Queen Street, 4th Floor
Ottawa, Ontario
K1P 5E4

December 5, 2002

ALBERTA SECURITIES COMMISSION
CONTINUOUS DISCLOSURE
4th Floor, 300 - 5th Avenue S.W.
Calgary, Alberta
T2P 3C4
Attention: Executive Director

ONTARIO SECURITIES COMMISSION
CONTINUOUS DISCLOSURE
Box 55
Toronto, Ontario
M5H 3S8
Attention: Executive Director

BRITISH COLUMBIA SECURITIES
COMMISSION
STATUTORY FILINGS
Suite 200, 865 Hornby Street
Vancouver, British Columbia
V6Z 2H4
Attention: Executive Director

Dear Sirs:

Re: The Prospectus Group Inc. (the “Corporation” or “Prospectus”) Material Change Report Under Section 146(1) of the *Securities Act* (Alberta), Section 75(2) of the *Securities Act* (Ontario), and Section 85(1) of the *Securities Act* (British Columbia)

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of the Corporation. For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta), Form 27 of the *Securities Act* (Ontario) and Form 27 of the *Securities Act* (British Columbia). Concurrent with this filing, this letter is being filed with the TSX Venture Exchange Inc., being the only exchange on which the Corporation's shares are currently listed.

Item 1 - Reporting Issuer

The Prospectus Group Inc.
246 Queen Street, 4th Floor
Ottawa, Ontario
K1P 5E4
Tel: (613) 232-1588
Fax: (613) 232-1453

Item 2 - Date of Material Change

December 2, 2002

Item 3 - News Release

A press release was issued on December 2, 2002.

Item 4 - Summary of Material Change

On December 2, 2002, the Corporation announced that it had signed a \$31.4 million USD binding letter of intent for the sale of nTelligence Access Solution in Colombia.

Item 5 - Full Description of Material Change

Prospectus announced that it has signed a binding Letter of Intent with the Corporacion Universitaria de Ciencia & Desarrollo (Uniciencia) of Medellin, Colombia, for the purchase of Prospectus' proprietary nTelligence Access Solution. The agreement, which is at arms length, will run for five years and has a value of \$6.3 million USD per year for a total of \$31.4 million USD (\$48 million CDN) over the period of the contract. With this agreement, the total value of nTelligence Access sales in Latin America will total \$35.2 million USD (~\$54 million CDN). Finalization of the agreement is conditional on financing.

Uniciencia-Medellin is part of a network of private institutions of higher learning located in eight Colombian cities. Medellin is Colombia's second largest city and a major industrial centre. Uniciencia-Medellin intends to use a part of the order to support administration, teaching and research. Workstations also will be provided to students at the time they register.

The parties have agreed to the terms and conditions of this transaction. It will start with a pilot project followed by delivery of a total of 15,000 workstations and required servers at a rate of 350 per month. This will be the first large-scale deployment of Prospectus' nTelligence Access Solution in Colombia.

Item 6 - Reliance on Section 146(2) of the *Securities Act* (Alberta), Section 85(2) of the *Securities Act* (British Columbia) and Section 75(3) of the *Securities Act* (Ontario)

N/A

Item 7 - Omitted Information

N/A

Item 8 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Marvin V. Bedward, President and Director
(613) 232-1588

Item 9 - Statement of a Senior Officer

The foregoing accurately discloses the material change referred to in this report.

DATED at Ottawa, Ontario, this 5th day of December, 2002.

Yours truly,
The Prospectus Group Inc.

Per: "*Signed*"
Marvin Bedward, President