

# MATERIAL CHANGE REPORT

## Pursuant to

**Section 85(1) of the *Securities Act* (British Columbia)**  
**Section 118(1) of the *Securities Act* (Alberta)**  
**Section 75(2) of the *Securities Act* (Ontario)**  
**Section 73 of the *Securities Act* (Quebec)**

### 1. Reporting Issuer

The name and address of the reporting issuer is Betacom Corporation Inc. (the “Corporation”), 450 Matheson Boulevard East, Unit 67, Mississauga, Ontario, L4Z 1R5.

### 2. Date of Material Change

The material change occurred on July 19, 2002.

### 3. Press Release

The press release reporting the material change was issued on July 22, 2002, in Toronto, Ontario.

### 4. Summary of Material Change

The Corporation issued and sold a convertible secured debenture (the “Debenture”) in a principal amount of \$2 million and warrants (the “Warrants”) to acquire up to 200,000 common shares of the Corporation. Reference is also made to the press release dated July 22, 2002 annexed hereto as Schedule “A”.

### 5. Full Description of Material Change

The Corporation issued and sold the Debenture and the Warrants on July 19, 2002. The Debenture matures on July 19, 2005 and bears interest at 10% per annum. The Debenture is convertible into common shares of the Corporation at the option of the Corporation at any time during the term of the Debenture provided that the trading price of the Corporation’s common shares during the relevant period equals or exceeds prescribed levels. The Debenture is convertible into common shares of the Corporation at the option of the holder at any time after January 19, 2004. The Debenture is convertible at a conversion price of \$0.50 per share if the Debenture is converted prior to July 19, 2004 and \$0.55 per share if the Debenture is converted after July 19, 2004 but prior to maturity. The Warrants entitle the holders thereof to acquire up to 200,000 common shares of the Corporation at any time and from

time to time until 5:00 p.m. (Eastern Standard Time) on September 1, 2003. The Warrants are exercisable at \$0.50 per share.

**6. Reliance on Section 75(3) of the *Securities Act* (Ontario)**

Not applicable.

**7. Omitted Information**

Not applicable.

**8. Senior Officer**

If further information is desired, please contact:

Douglas McIntyre  
Chief Financial Officer  
(905) 568-9977 ext. 229  
[mcintyre@betacom.com](mailto:mcintyre@betacom.com)

**9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

**SIGNED** this 29<sup>th</sup> day of July, 2002 at Mississauga, Ontario.

**BETACOM CORPORATION INC.**

By: “Douglas McIntyre”  
Douglas McIntyre  
Chief Financial Officer

**SCHEDULE "A"**  
**PRESS RELEASE**

See attached.

**For Immediate Release**

**TSX Venture:YCA**



**BETACOM**

## **Betacom Corporation Completes RoyNat Capital Inc. Financing.**

### **Private Placement of Convertible Debentures and Warrants**

**Toronto, Ontario, July 22, 2002.** Betacom Corporation Inc., (TSX Venture: YCA), announced today that it has met all the conditions required in the financing agreement announced on April 9<sup>th</sup>, 2002 and has completed its private placement with RoyNat Capital Inc. As announced, the financing totals \$ 2.5 million and is comprised of a three-year \$ 2.0 million subordinated debenture along with a \$500,000 bridge loan to be repaid within one year.

The Debenture matures on July 19, 2005 and bears interest at 10% per annum. The Debenture is convertible into common shares of the Company at the option of Betacom at any time during the term of the Debenture provided that the trading price of Betacom's common shares during the relevant period equals or exceeds prescribed levels. The Debenture is convertible into common shares of the Company at the option of the holder at any time after January 19, 2004. The Debenture is convertible at a conversion price of \$0.50 per share if the Debenture is converted prior to July 19, 2004 and \$0.55 per share if the Debenture is converted after July 19, 2004 but prior to maturity.

Warrants attached to the financing entitle RoyNat to acquire up to 200,000 common shares of the Company at any time and from time to time until 5:00 p.m. (Eastern Standard Time) on September 1, 2003. All Warrants are exercisable at \$0.50 per share.

Commenting at the closing, Doug McIntyre, Chief Financial Officer stated, "As a result of Betacom meeting pre-set goals and RoyNat's continuing confidence, we have completed the second tranche of financing. Betacom is now well positioned to further accelerate the delivery of our order backlog for the VisAble IMAGE™ and the VisAble Pod™."

Pursuant to applicable securities laws, the securities offered (and securities issuable on the exercise or conversion thereof) will be subject to a one-year hold period.

The TSX Venture Exchange has not reviewed and does not accept responsibility for the adequacy of this release.

### **About Betacom Corporation**

Betacom Corporation Inc. is a global world leader and innovator in the development of vision and technology solutions for independent living. Its high-technology based vision enhancement products address the needs of the 135 million individuals worldwide with age-related vision conditions. These conditions include: Diabetic Retinopathy, Macular Degeneration, Glaucoma, Retinitis Pigmentosa as well as others. Betacom Bridges, the adaptive technology division, develops, trains, supports and distributes solutions for those with learning,

communication and computer access needs. **To see video clips of Betacom in the News, visit us on the web at: [www.betacom.com](http://www.betacom.com)**

### **About RoyNat Capital**

RoyNat Capital is Canada's leading private sector merchant bank serving the long term capital needs of the Canadian mid-market. Incorporated in 1962, RoyNat Capital's merchant banking services include capital for major expansions, mergers and acquisitions, working capital and refinancing including recapitalizations for transition and succession. Within that framework of providing capital for growth, the company recently opened an office in the United States in large measure to make capital available to mid-market Canadian enterprises expanding south of the border. RoyNat Capital also provides strategic advisory and corporate finance services to assist with the development and execution of investment strategies for both companies and the individuals who own them. **RoyNat Capital is a member of the Scotiabank Group and can be visited at [www.roynat.com](http://www.roynat.com).**

---

This news release contains forward-looking statements that involve risks and uncertainties, which may cause actual results to differ materially from the statements made. Potentially, many factors could cause our actual results to vary materially from those described herein as intended, planned, anticipated or expected. Betacom Corporation Inc. does not intend and does not assume any obligation to update these forward-looking statements.

#### **Betacom Contact:**

Doug McIntyre, CFO,  
Betacom Corporation  
1-800-353-1107 (229),  
[McIntyre@Betacom.com](mailto:McIntyre@Betacom.com)

#### **Investor Relations: Canada**

Mark Brennan or John Lewis  
Linear Capital Corp.  
1-877-600-6001 or 416 364 2266  
[mark@linearcapital.com](mailto:mark@linearcapital.com) or  
[jrlewis@linearcapital.com](mailto:jrlewis@linearcapital.com)  
[www.linearcapital.com](http://www.linearcapital.com)

#### **Investor Relations: USA**

Ms. Beverly Jedynek  
Martin E. Janis & Co. Inc.  
1-312-943-1100 ext 12  
[b.jedynek-janispr@att.net](mailto:b.jedynek-janispr@att.net)