FORM 53-901.F

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. Reporting Issuer

TALUS VENTURES LTD.
501 – 675 West Hastings Street
Vancouver, B.C. V6B 1N2

Item 2. Date of Material Change

December 5, 2001

Item 3. Press Release

News release dated December 5, 2001 was issued in Vancouver, BC and disseminated through Canada Stockwatch and Market News and Canada News Wire.

Item 4. Summary of Material Change

The Issuer has entered into a letter of intent to acquire 100% of SolutionInc Limited ("SolutionInc"), a private Nova Scotia company focused on the development and distribution of high performance server software products. SolutionInc is widely held, with in excess of 70 shareholders, no one shareholder holding more than a 20% equity interest. As consideration therefore, the Issuer has agreed to issue to the shareholders of SolutionInc 24,178,524 of its common shares at a deemed price of $0.33 per share. A finder's fee of 500,000 shares of the Issuer is payable to an independent third party with respect to the acquisition. The Issuer also announced that it will be completing a non-brokered private placement of 2,272,728 units totalling $750,000.

Item 5. Full Description of Material Change

The Issuer has entered into a letter of intent dated December 4, 2001 (the "Agreement") with SolutionInc and the shareholders thereof to acquire 100% of SolutionInc, a private Nova Scotia company based in Halifax, Nova Scotia, focused on the development and distribution of high performance server software products.

Under the terms of the Agreement, the Board of Directors representing the shareholders of SolutionInc (the "Sellers") have agreed that the Issuer will purchase all of the issued and outstanding shares, options and warrants of SolutionInc (the "SI Shares") in consideration of the Issuer issuing to the Sellers 24,178,524 of its common shares (the "Payment Shares") at a deemed price of $0.33 per share. As the transaction will constitute a reverse take-over under the policies of the Canadian Venture Exchange, the Payment Shares will be subject to such escrow requirements as may be imposed by the Exchange and will be subject to the hold period imposed by the *Securities Act* (British Columbia).

SolutionInc is widely held, with in excess of 70 shareholders, no one shareholder holding more than a 20% equity interest. The Payment Shares will be allocated among the Sellers in proportion to their percentage ownership in SolutionInc. The Agreement was negotiated at arm's length.

Since its formation in 1997, SolutionInc has focussed its efforts on providing high performance server software applications for IP provisioning and network management for broadband networks. SolutionInc's award winning and multiple patent-pending flagship product, SolutionIP™, facilitates connecting and managing mobile users of broadband wired and wireless networks in public access areas such as hotels, multi-dwelling units, multi-tenant units, campuses, retail stores, public access areas and airports as well as large organizations with IP-Virtual Private Networks.

The technology is web-tone media (wired, optical, or wireless) and infrastructure (DSL, wireless, switched, cable) agnostic and is designed to widely accepted standards to operate equally well in all broadband network environments.

SolutionInc's server software and tools provide a seamless solution for end users to self-provision true zero touch plug and go connectivity, allowing carriers and service providers to deploy networks, push content, increase user profiling, and offer extended, billable services to end-users with shorter deployment time, lower costs, and higher quality of service.

SolutionInc's customers are the network equipment manufacturers, companies like Elastic Networks and General Dynamics and Internet service providers, like AT&T and Verizon. SolutionIP™ is currently installed in over 100 commercial installations and is generating revenue on a monthly basis of approximately $100,000 (as at October 31, 2001) from license fees for SolutionIP™ Server Software products and annual software subscription and support services fees.

The purchase and sale of the SI Shares pursuant to the terms of the Agreement is subject to the following conditions precedent:

(1) the completion of due diligence, to the satisfaction of the Issuer, with respect to SolutionInc;

(2) the completion of due diligence, to the satisfaction of the Sellers, with respect to the Issuer;

(3) the change of corporate name of the Issuer to such name as acceptable to SolutionInc, the Exchange and the British Columbia Registrar of Companies;

(4) the tendering of resignations of all of the Issuer's current directors except Mr. Donald McInnes; and the appointment of SolutionInc's replacement representatives to the Issuer's board of directors;

(5) the passing of resolutions by the shareholders of the Issuer approving the transactions contemplated hereby;

(6) the cancellation of the Issuer's previously announced private placement offering of 940,000 units at a price of $0.16 per unit and the option to earn a 50% interest in the Red Rock Project located in Northwestern Ontario;

(7) the Issuer raising prior to the closing of the acquisition at least $1,500,000, which funds will be made available to SolutionInc as to a minimum of $300,000 during the period prior to closing, and the balance upon closing;

(8) the reservation of 2,400,000 incentive stock options for directors, officers and employees; and

(9) receipt of written notice from the Exchange that it has accepted the Agreement for filing. SolutionInc and the Issuer agree to use their collective best efforts to obtain such approval as expeditiously as is reasonably possible.

Upon satisfactory completion of legal and technical due diligence by the Issuer and its sponsor, the Issuer will enter into a formal purchase agreement with SolutionInc and the Sellers.

Change in Board

Donald McInnes has agreed to act as the President of the Issuer until the completion of the acquisition of SolutionInc. Greg Wilson has resigned as President but will remain as a director of the Issuer until the contemplated transaction herein is completed.

It is proposed that Michael Anaka, Gerald Doucet, Andrew McLeod and Michael Ryan, principals of SolutionInc, will be appointed to the Issuer's board of directors following the resignations of existing board members. The following provides information regarding each member of the proposed board of directors of the Issuer:

Donald McInnes, Director, Talus Ventures Corp.
Vancouver, British Columbia
Donald McInnes is the president of a number of publicly traded mineral exploration companies and provides public company management services through his private company, McGillicutty Management Corp. He is also the President of the British Columbia and Yukon Chamber of Mines.

Michael Anaka (B.A., C.A.) President and CEO, Director of SolutionInc
Halifax, Nova Scotia
Michael Anaka brings more than 20 years of international business experience to the Talus Board of Directors. In his former position as Partner with PricewaterhouseCoopers ("PwC"), Michael was a senior member of the Global Technology Industry Group for PwC, and provided guidance to companies ranging from start-ups to large multi-nationals. He has participated in a range of acquisitions and divestitures and has led a number of public and private financings.

Gerald Doucet (LLB, Q.C) Chairman, SolutionInc Board of Directors
Halifax, Nova Scotia
Gerry Doucet is the former Chairman of the Atlantic Provinces Economic Council, and sits on the board of two publicly traded technology companies. Mr. Doucet was formerly a practicing barrister in Nova Scotia and a three-term member of the Nova Scotia Legislature, which included serving as Minister of Education.

Michael Ryan, Director of SolutionInc

Halifax, Nova Scotia
With a Bachelor of Science in Chemistry, Mr. Ryan built an environmental management and hazardous waste business that was sold to Philip Environmental. Mr. Ryan is a shareholder in and a director of over 10 start-up ventures.

Andrew McLeod (BPR) Executive Vice President, Director of SolutionInc
Halifax, Nova Scotia
Andrew McLeod is a co-founder of SolutionInc, and brings more than 12 years of entrepreneurial experience to his role as Executive Vice President. Andrew was active in the early days of consumer Internet service provision first in Project Management then as a Director with HookUp Communications, a publicly traded national Internet service provider, and its franchised-based Auracom Internet Services division.

Private Placement

In order to satisfy the financing condition of the Acquisition, the Issuer (i) expects to have exercised a number of outstanding options and warrants; and (ii) has negotiated, subject to the acceptance of the Exchange, a non brokered private placement totalling $750,000. These funds will be raised by the Issuer issuing up to 2,272,728 units at a price of $0.33 per unit. Each unit will be comprised of one common share and one non-transferable share purchase warrant entitling the holder to acquire one additional common share of the Issuer for a period of two years at a price of $0.45.

The funds raised by way of this private placement will be advanced to SolutionInc for its use in (i) intensifying marketing and sales activities; (ii) ongoing development of strategic and channel partners; (iii) maintaining feature edge over competitors; and (iv) developing product enhancements.

Sponsor

Yorkton Securities Inc., subject to completion of satisfactory due diligence, has agreed to act as sponsor to Talus Ventures Corp. in connection with the transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion. Yorkton will receive a fee of $25,000 (plus GST) for acting as sponsor.

In view of the above transactions, the Issuer announces that it will not be proceeding with the non-brokered private placement of 940,000 units and the agreement with Fronteer Development Group to earn a 50% interest in the Red Rock Project in Northeastern Ontario, announced in its News Release dated November 1, 2001.

In accordance with Exchange policy, the Issuer's shares are currently halted from trading. Trading will resume upon the Issuer's sponsor having made adequate filing with the Exchange.

Item 6. **<u>Reliance on Section 85(2) of the Act</u>**

If the report is being filed on a confidential basis in reliance on Section 85(2) of the Act, state the reasons for such reliance.

N/A.

Item 7. Omitted Information

N/A.

Item 8. Senior Officers

Donald McInnes
President Telephone: (604) 682-8414

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 20th day of December, 2001.

TALUS VENTURES CORP.

Per:

Donald McInnes

Donald McInnes,
President