**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1.** **Name and Address of Company**

*State the full name of your company and the address of its principal office in Canada.*

Strategem Capital Corporation (the "Company")
1550-1100 Melville Street
Vancouver, British Columbia
V6H 4A6

(the "Company")

**Item 2.** **Date of Material Change**

*State the date of the material change.*

June 3, 2005

**Item 3.** **News Release**

*State the date and method(s) of dissemination of the news release issued under section 7.1 of National Instrument 51-102.*

The Company's news release dated June 3, 2005 was disseminated by CCN Matthews on June 3, 2005.

**Item 4.** **Summary of Material Change**

*Provide a brief but accurate summary of the nature and substance of the material change.*

The Company announced a private placement financing to raise $102,600.

The Company also announced the granting of stock options to purchase 190,000 common shares.

**Item 5.** **Full Description of Material Change**

*Supplement the summary required under item 4 with sufficient disclosure to enable a reader to appreciate the significance and impact of the material change without having to refer to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also item 7.*

*Some examples of significant facts relating to the material change include: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the issuer or its subsidiaries. Specific financial forecasts would not normally be required.*

*Other additional disclosure may be appropriate depending on the particular situation.*

Subject to receipt of regulatory approval, the private placement will consist of the sale of 285,000 units, each unit consisting of one common share (a "Share") and one common share purchase warrant (a "Warrant"), for gross proceeds to the Company of $102,600. Each Warrant will be exercisable into one additional common share (a "Warrant Share") for two years at $0.40 per Warrant Share. The Shares and Warrant Shares will be subject to a four month hold period. The proceeds of the private placement will be used by the Company for working capital.

The Company also announced that it will grant stock options for the purchase of up to 190,000 common shares of the Company at an exercise price of $0.40 per share. The options will vest over a period of 18 months, and will expire in five years.

**Item 6.** **<u>Reliance on subsection 7.1(2) or (3) of National Instrument 51-102</u>**

*If this report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.*

Not Applicable.

**Item 7.** **<u>Omitted Information</u>**

*State whether any information has been omitted on this basis that it is confidential information.*

*In a separate letter to the applicable regulator or securities regulatory authority marked "Confidential" provide the reasons for your company's omission of confidential significant facts in the Report in sufficient detail to permit the applicable regulator or securities regulatory authority to determine whether to exercise its discretion to allow the omission of these significant facts.*

Not Applicable.

**Item 8.** **<u>Executive Officer</u>**

*Give the name and business telephone number of an executive officer of your company who is knowledgable about the material change and the Report, or the name of an officer through whom such executive officer may be contacted.*

Please contact Kenneth Morgan, President and CEO of the Company, at 604-692-0073.

**Item 9.** **<u>Date of Report</u>**

Dated June 9, 2005.

**STRATEGEM CAPITAL CORPORATION**

Per: "Kenneth Morgan"

Kenneth Morgan
President, Chief Executive Officer