

Form 27

SECURITIES ACT (Ontario)
SECURITIES ACT (British Columbia)
SECURITIES ACT (Manitoba)
SECURITIES ACT (Alberta)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE SECURITIES ACT (ONTARIO)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE SECURITIES ACT (BRITISH COLUMBIA)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE SECURITIES ACT (MANITOBA)

MATERIAL CHANGE REPORT UNDER SECTION 75(2) OF THE SECURITIES ACT (ALBERTA)

WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL—S.75".

ITEM 1 — Reporting Issuer:

BSM Technologies Inc.
334 Rowntree Dairy Road,
Vaughan, Ontario
L4L 8H2

ITEM 2 — Date of Material Change:

May 5, 2003

ITEM 3 — Press Release:

State the date and place(s) of issuance of the press release issued pursuant to section 75(1) of the Act.

A press release in respect of the material change was disseminated on May 5, 2003, through Filing Services Canada Inc.

ITEM 4 — Summary of Material Change:

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

The material change is fully described in the Company's press release attached hereto as Schedule "A", which press release is incorporated herein.

ITEM 5 — Full Description of Material Change:

Supplement the summary required under Item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference 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.

This description of the significant facts relating to the material change will therefore include some or all of the following: 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 reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely describes examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

The material change is fully described in the Company's press release attached hereto as Schedule "A", which press release is incorporated herein.

ITEM 6 — Reliance on Section 75(3) of the Act:

If the report is being filed on a confidential basis in reliance on section 75(3) of the Act, state the reasons for such reliance.

The report is not being filed on a confidential basis.

INSTRUCTION:

Refer to section 75 of the Act and to the Regulation concerning continuing obligations in respect of reports filed pursuant to section 75(3) of the Act.

ITEM 7 — Omitted Information:

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but section 75(3) of the Act will no longer or will not be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report.

State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to section 140(2) of the Act.

The reasons for the omissions may be contained in a separate letter filed as provided in section 4 of the Regulation.

No relevant information has been omitted.

ITEM 8 — Senior Officers:

To facilitate any necessary follow-up by the Commission, give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom such senior officer may be contacted by the Commissions.

Mr Jasbinder S Mann-Chief Financial Officer
Tel: 905-265-9047

ITEM 9 — Statement of Senior Officer:

Include a statement in the following form signed by a senior officer of the reporting issuer:—

The foregoing accurately discloses the material change referred to herein.

DATED at Vaughan, in the Province of Ontario, this 14th day of May, 2003 .

JASBINDER S MANN
JASBINDER S MANN

Chief Financial Officer-BSM Technologies Inc.

SCHEDULE "A"



BSM Technologies Inc. 334 Rowntree Dairy Rd, Vaughan, ON, L4L 8H2

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BSM DISCONTINUES OPERATIONS OF ENCORE ASSET SERVICES INC.

VAUGHAN, ON, May 5, 2003 - BSM Technologies Inc. (TSX-Venture: BSM) today announced that it has discontinued operations at its subsidiary, Encore Asset Services Inc. to focus its full attention on the wireless Automated Vehicle Security and Location (AVSL) business.

"As announced at our AGM BSM Technologies Inc. is focusing its attention on the wireless Automated Vehicle Security and Location (AVSL) business." said Nick Cirella, President BSM. "The business of Encore has continued to decline over the last two years as a direct result of the downturn in the technology sector. We saw what was happening to the technology sector last year and, as a result, strategically positioned the company to be a leader in a new and emerging technology. That of the Automated Vehicle Security and Location (AVSL) business." He goes on to say. "With the purchase of HGI Wireless Inc. in January of this year BSM is now positioned to realize profits and growth in an exciting market."

BSM Technologies Inc. has established itself as one of the premium manufacturers of innovative wireless asset tracking and management solutions through its acquisition of HGI Wireless Inc. in January 2003. Its premier product "**Stinger**", developed in cooperation with the Minneapolis Police Department and Minneapolis Auto Theft Prevention Task Force, is an integrated hardware/software wireless solution designed for surveillance and tracking of vehicles and mobile assets in high-risk operations such as Law Enforcement Bait and Covert Operations. BSM now actively markets its follow-on products in the Corporate and Executive Security, Loss Prevention, Tractor-Trailer, Hazardous Material Transport and Armored Vehicle Fleets markets. BSM products are currently utilized by over 110 law enforcement agencies in U.S. States and in Canada.

About BSM Technologies Inc. (TSX VENTURE: BSM)

BSM Technologies Inc. is a provider of innovative wireless solutions to law enforcement. Using sophisticated technologies such as, digital mapping, GPS and wireless communications, HGI Wireless designs, develops and integrates AVL systems that enable its customers to monitor assets and/or exchange mission-critical information with mobile units in real-time. Its proprietary software and customizable hardware product, offers seamless, wireless communications over radio, cellular or satellite networks, geo-fencing and self-monitoring. HGI Wireless is headquartered in Vaughan, Ontario, with offices in the U.S. in Florida, and Washington. Read more about BSM at <http://www.bsmtechnologies.com> <http://www.hgiwireless.com>

Contacts:

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