

This is a form of a material change report required under Section 85(1) of the *Securities Act*.

**FORM 27**  
**Securities Act**

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

**NOTE:** This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

**NOTE:** Every report required to be filed under section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

**NOTE:** WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS, PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

**Item 1.      Reporting Issuer**

**Octagon Industries Inc.** (the "Issuer")  
1 International Boulevard  
Toronto, Ontario M9W 6H3  
Telephone: (416) 798-4441

**Item 2.      Date of Material Change**

February 23, 2000

**Item 3.      Press Release**

A press release was issued in Toronto, Ontario on March 8, 2000 and was disseminated through Stockwatch, George Cross, and Market News, and copies were filed with the Canadian Venture Exchange and the British Columbia and Alberta Securities Commissions.

**Item 4.      Summary of Material Change**

Private Placement

The Issuer has completed the private placement of eight convertible debentures in the aggregate principal amount of \$815,000.

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

Private Placement

The Issuer has completed the private placement of eight convertible debentures in the aggregate principal amount of \$815,000. The Canadian Venture Exchange accepted the private placement for filing on February 23, 2000.

The convertible debentures will be due on September 30, 2000, with interest payable quarterly at the rate of 8% per annum. The principal amount of the debentures may be converted, on or before the due date, into units at the deemed price of \$0.30 per unit. Each unit will consist of one common share and one non-transferable share purchase warrant. Each warrant will entitle the holder to purchase one additional share for two years from the conversion date at a price of \$0.30 if exercised during the first year and at a price of \$0.35 if exercised during the second year.

The shares and the warrant shares issuable on conversion are subject to a four month hold period in British Columbia expiring on June 23, 2000.

A list of the debentureholders are as follows:

<b>Name and Address</b>	<b>Principal Amount of Convertible Debenture</b>
Robert Garner 585 Atherly Road, Unit 204 Orillia, Ontario L3V 7L5	200,000
Warren Manis 313 Hillhurst Boulevard Toronto, Ontario M6B 1M9	30,000
Martin F. Ingham 864755 – 4 <sup>th</sup> Line, Adjaza Township Loretto, Ontario L0N 1L0	15,000
Robert Molyneux 47 Elm Street Toronto, Ontario M4W 1N6	20,000
Sheldon Inwentash 126 Old Forest Hill Road Toronto, Ontario M5T 2R9	100,000
Dunhampton Investments Ltd. 517 Fairlawn Avenue Toronto, Ontario M5M 1V3	50,000
Donald B. Dymont Holdings Ltd. 517 Fairlawn Avenue Toronto, Ontario M5M 1V3	200,000
David A. Williams 90 Roxborough Street East Toronto, Ontario M4W 1V8	200,000

TOTAL	815,000
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The Issuer intends to use the proceeds of the private placement to fund the expansion of marketing of the FRIGOPUB and to fund the purchase of additional cooling units to fulfill forthcoming orders.

**Item 6. Reliance on Section 85(2) of the Act**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Senior Officers**

The Senior Officer of the Issuer who is knowledgeable about the material change and the report is James Leworthy, Secretary, (416) 798-4441.

**Item 9. Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated this 8<sup>th</sup> day of March, 2000

**OCTAGON INDUSTRIES INC.**

By: "*James Leworthy*" \_\_\_\_\_

Secretary \_\_\_\_\_  
(Official Capacity)

James Leworthy \_\_\_\_\_

(Please print here name of individual whose signature appears above.)