

MATERIAL CHANGE REPORT

Form 51-102F3

Section 7.1 of National Instrument 51-102

Item 1. Name and Address of Company

The Griffin Corporation
73 King Street West, 2nd Floor
Kitchener, ON
Canada
N2G 1A7

Telephone: (519) 744-4400
Facsimile: (519) 744-5500

Item 2. Date of Material Change

March 26, 2007

Item 3. News Release (including date and method of dissemination)

A new release was issued via CCN Matthews on March 26, 2007

Item 4. Summary of Material Change

The Griffin Corporation announced the outcome of the Application made to the Ontario Superior Court of Justice by Gerald Kluwak against the Corporation and its Chairman following the results of the Annual Meeting of shareholders held on Friday, July 21, 2006.

Item 5. Full Description of Material Change

The Griffin Corporation announced the outcome of the Application made to the Ontario Superior Court of Justice by Gerald Kluwak against the Corporation and its Chairman following the results of the Annual Meeting of shareholders held on Friday, July 21, 2006. The Application was filed by Gerald Kluwak on behalf of himself and other members of the Dissident Group of Shareholders, namely Joseph Schillaci and John Arnold, raising objection to a ruling made by the Chairman at the Annual Meeting.

To summarize the background for the benefit of the shareholders, a Dissident Information Circular was mailed by Joseph Schillaci, John Arnold and Gerald Kluwak ("Concerned Shareholders") a few days prior to the Annual Meeting soliciting proxies to vote in favour of a new slate of directors and included information of a general nature regarding the manner in which the Concerned Shareholders would operate the Corporation. The Dissident Circular also provided certain specific information concerning the transactions on properties bought and sold from related parties.

At the meeting, the Chairman's position was that the Dissident Circular failed to mention the process taken by the Corporation to execute these transactions in accordance with all necessary regulatory requirements, which were set out and approved at the Special Shareholders Meeting held on December 22, 2005. The said transactions were also duly reported in the Management Information Circular, Financial Statements and MD& A for the financial year ended December 31, 2005, for the information of all shareholders. It was

the position of the Corporation and the Board that the Dissident Circular did not fairly and accurately represent the events that have transpired during the last year with the Corporation since there was an inherent implication in the Dissident Circular to that effect. The Board, as well as the management of Griffin, took an aggressive stand on such misrepresentations.

Following the Annual Meeting, the Corporation was served with an Application by Gerald Kluwak under the Business Corporations Act R.S.O 1990 Ch. B.16, issued from the Superior Court of Justice, Commercial List at Toronto, against the Corporation and its Chairman Mr. Irwin W.Pasternak, to set aside the decision made by the Chairman disallowing dissident proxies at the Annual Meeting of Shareholders held on July 21, 2006. The Corporation took the position that the decision of the Chairman was correct and that the dissident information circular used to solicit proxies was deficient.

The Ontario Superior Court of Justice at Toronto rendered a decision with respect to the Application where it stated that the dissident proxy circular was materially misleading in that it deprived shareholders of sufficient information to form a reasoned and informed judgment. The Court went on to state ".....omissions from the dissident proxy circular created a very different view of important events in the recent past of the Corporation than what really occurred. The omissions create innuendoes of dishonesty, or perhaps a breach of contract, when the true factual record is quite different". The Court indicated that there was a substantial likelihood that a reasonable shareholder would have been misled by the dissident's circular and the missing or misstated facts would be considered important by reasonable shareholder in deciding how to vote for the board of directors. Further, the Court was of the view that, while the Chairman's actions were *not* made in bad faith, and made with the assistance of legal advice, they did not promote the integrity of Griffin's voting procedures and hence ruled that a new election be held at a date that will give sufficient time for the dissident group to correct the material misstatements in the dissident proxy circular and for management to amend the management circular, if they wish. The Court later went on to clarify that a shareholders meeting to elect the directors be held on March 9, 2007 and the Record Date for the shareholders entitled to vote was to be May 23, 2006. The Corporation filed an appeal on the decision rendered by the Ontario Superior Court of Justice and also brought a Motion for Stay of Proceedings on the clarification, as the Record Date set by the Court would deprive new shareholders of their entitlement to vote at the new Annual Meeting.

On January 25, 2007, Justice Carnwath of the Ontario Divisional Court ordered that the decision rendered by Madam Justice Mesbur dated January 5, 2007 be stayed pending appeal. This Stay was granted with the consent of the Dissident Shareholders. The effect of the Stay resulted in the requirement of rescheduling of the shareholders meeting previously directed by Justice Mesbur or, if Griffin's appeal is successful, an elimination of the requirement to hold such a meeting.

Following the stay been granted, certain members of the dissident group approached a majority shareholder of the Corporation to sell their shares in the Corporation, as the Dissident shareholders realized that they could not win the appeal following certain disruptions in the Dissident group and the fact that the Ontario Superior Court of Justice had rendered the Dissident Circular as materially misleading, the allegations imposed against the Corporation and its Chairman could not be established. The Dissident Shareholders after losing out on the application have now withdrawn the application filed by Gerald Kluwak and have agreed to extend their support to the Management group, if need be. This has resulted in the Corporation's current management prevailing over the

Dissident group and the elimination of the requirement to hold a shareholders' Meeting immediately.

The Corporation and its management are confident of achieving business growth with the withdrawal of the Dissident members who were disrupting the Corporation from continuing with its day to day business affairs. The Corporation will keep its shareholders informed of the Annual Meeting that shall be held in accordance with the regulations.

Item 6. Reliance on Section 7.1(2) or (3) of National Instrument 51-102

Not applicable

Item 7. Omitted Information

Not applicable

Item 8. Executive Officer

Inquiries in respect of the material change referred to herein may be made to:

Irwin W. Pasternak, Chairman and/or
Amin S. Visram, President and CEO
Tel (905) 744-4400

Item 9. Date of Report

This report is dated as of the 28th day of March, 2007.