MATERIAL CHANGE REPORT
Under Section 75(2) (Ontario)

Item 1 Reporting Issuer

FUNTIME HOSPITALITY CORP., 120 Interchange Way, Concord, Ontario L4K 5C3

Item 2 Date of Material Change

July 30, 2003

Item 3 Publication of the Material Change

Press Release issued at Toronto through Canada NewsWire on July 30, 2003 (see Schedule "A" attached).

Item 4 Summary of Material Change

The Corporation has entered into an agreement to sell its Dave & Buster's restaurant/entertainment business and assets located at The Interchange, Concord, Ontario to Dave & Buster's, Inc. of Dallas, Texas for the sum of U.S. $3.6 million, subject to adjustment, plus the assumption of certain liabilities. As part of the transaction, Funtime will surrender its rights to develop and own Dave & Buster's operations in Canada.

Item 5 Full Description of Material Change

A full description of the material change is set out in the Press Release, a copy of which is annexed as Schedule "A".

Item 6 Reliance on Section 75(3) of the *Act*

Not Applicable.

Item 7 Omitted Information

Not Applicable.

Item 8 Senior Officers

Enquiries may be directed to Michael Mandel, Chairman & C.E.O. of the Issuer (905) 760-7601.

Item 9 Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Toronto, Ontario
August 1, 2003

"MICHAEL MANDEL"
Michael Mandel

Schedule “A”

PRESS RELEASE
FUNTIME HOSPITALITY CORP.

Toronto, Ontario
July 29, 2003 **Trading Symbol: TSX-V (“YUN”)**

For Immediate Release

Funtime Hospitality Corp. announces that it has entered into an agreement to sell its Dave & Buster’s restaurant/entertainment business and assets located at The Interchange, Concord, Ontario to Dave & Buster’s, Inc. of Dallas, Texas. As part of the transaction, Funtime will surrender its rights to develop and own other Dave & Buster’s operations in Canada.

The purchase price for the assets and business to be sold is U.S. $3.6 million, subject to adjustment, payable in cash, plus the assumption of certain liabilities by the Purchaser. It is intended that after retiring all other outstanding debts and obligations, the balance of the sale proceeds will be distributed to the shareholders of the Corporation.

The completion of the transaction is subject to a number of conditions, including a satisfactory due diligence examination by the purchaser of the assets and business to be sold, the execution of formal transaction documents, and the obtaining of all necessary corporate regulatory approvals and consents. The closing is currently scheduled to take place on or about October 1, 2003.

The Toronto Venture Exchange has neither approved nor disapproved of the contents of this Press Release

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For further information, please contact:

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