Form 27

Securities Act (Alberta)

MATERIAL CHANGE REPORT UNDER
SECTION 118(1) OF THE SECURITIES ACT (ALBERTA)

Item 1 Reporting Issuer:

Video Headquarters Inc. (the "Corporation" or "Video")
6201 - 46 Avenue
Red Deer, Alberta,
T4N 6Z1

Item 2 Date of Material Change:

October 18, 2000

Item 3 News Release:

A news release was issued on October 19, 2000

Item 4 Summary of Material Change:

Mr. Trevor Hillman, President and C.E.O, reports that Video has completed a third and final closing of its previously announced private placement of Units of Video in reliance upon the prospectus and registration exemptions contained in the *Securities Act* (Alberta). Video has issued 15,666 Units for aggregate proceeds of $58,750.Video previously issued 240,205 Units for aggregate proceeds of $900,768.75 on June 28, 2000 and 110,868 Units for aggregate proceeds of $415,755 on August 31, 2000. There will not be any additional closings of this private placement.

The Units of Video consist of one common share of Video and one warrant to purchase one common share of Video. Each Unit was sold for $3.75 per Unit. Each common share purchase warrant will entitle the holder thereof to purchase one common share of Video at any time on or before the date that is two years from the date of closing at an exercise price of $5.00 per common share in the first year and at an exercise price of $6.00 in the second year.

Item 5 Full Description of Material Change:

Mr. Trevor Hillman, President and C.E.O, reports that Video has completed a third and final closing of its previously announced private placement of Units of Video in reliance upon the prospectus and registration exemptions contained in the *Securities Act* (Alberta). Video has issued 15,666 Units for aggregate proceeds of $58,750.Video previously issued 240,205 Units for aggregate proceeds of $900,768.75 on

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Item 6 Reliance on Section 118(2) of the Securities Act:

N/A

Item 7 Omitted Information:

N/A

Item 8 Senior Officers:

The name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report is as follows:

Trevor M. Hillman, President and Chief Executive Officer
Telephone: 403.346-8119 Facsimile: 403.309-5511

Item 9 Statement of Senior Officer:

The foregoing accurately discloses the material change referred to in this report.

Dated this 18th day of October, 2000 in the City of Red Deer, in the Province of Alberta.

VIDEO HEADQUARTERS INC.

"Trevor M. Hillman"

Per: ______________________________

Trevor M. Hillman
President and CEO

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REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.