

FORM 27

Securities Act (Ontario)

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

1. **Reporting Issuer:**

Danbel Industries Corporation
222 Islington Avenue
Toronto, ON M8V 3W7

2. **Date of Material Change:**

February 2, 2000

3. **Publication of Material Change:**

Press Release issued on February 2, 2000

4. **Summary of Material Change:**

Danbel Industries Corporation ("Danbel") announced the acquisition of JSL Lighting Corp. ("JSL") and JSL Lighting Inc. ("JSL Inc."), pursuant to an Acquisition Agreement completed effective January 31, 2000. Danbel acquired all of the assets and assumed all liabilities of JSL and JSL Inc. as of October 1, 1999 for a purchase price of CDN\$13,000,000 and US\$4,360,000. Danbel also acquired all of the shares of JSL as of January 31, 2000 for consideration equal to the issuance of 435,965 common shares, a Promissory Note in the principal amount of CDN\$1,000,000, and consideration payable under a Non-Competition Agreement with the shareholder from whom Danbel purchased all of the outstanding shares of JSL.

Danbel obtained financing through a loan of CDN\$3,000,000 from a director of Danbel, and as consideration issued 360,000 shares and 360,000 warrants, each warrant exercisable at \$1.50 until July 31, 2001. The issuance of the 360,000 common shares is subject to the approval of Danbel's shareholders.

Finally, in conjunction with the acquisition of JSL, Danbel entered into a four year Employment Agreement with Irwin Beron, the President of JSL. Danbel has agreed under the terms of that Employment Agreement to issue 300,000 Performance Shares to Mr. Beron, which shares are subject to certain job related criteria and performance standards, and subject to the approval of Danbel's shareholders.

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

Please see Press Release attached hereto as Schedule "A".

SCHEDULE A

FOR IMMEDIATE RELEASE

Danbel Industries Corporation

TSE: DDI

CUSIP: 235858 10 7

Shares Outstanding: 5,834,177

DANBEL COMPLETES ACQUISITION OF TARGETCO

Complementary sales channels and product lines to build Danbel's offering

Toronto, Canada - February 2, 2000 - Danbel Industries Corporation announced today that it has closed its acquisition of JSL Lighting Corp. ("**JSL**") and JSL Lighting Inc. ("**JSL Inc.**"), previously referred to as "Targetco", pursuant to an acquisition agreement completed effective January 31, 2000.

HIGHLIGHTS:

- Danbel acquires complementary lighting products distributors, JSL and JSL Inc., for cash and stock
- JSL, with annual sales in excess of C\$30 million in Canada and the US, significantly strengthens Danbel's US product range and distribution channels in the commercial and industrial markets
- Irwin Beron, president of JSL, brings strategic and sales strength to Danbel
- Danbel will add JSL's revenues to its own top line effective October 1, 1999

Danbel, through its wholly owned subsidiaries, designs, manufactures, imports, and distributes a broad line of lighting fixtures, lamps, and light bulbs in Canada and the United States. The company's goal is to be a leading global supplier of lighting and related products.

JSL and JSL Inc. distribute high-quality industrial and commercial light bulbs and related products in Canada and the United States. Ten years old and profitable, they have generated annual sales in excess of C\$30 million, with more than 35 percent of that from their US customer base.

Under the terms of the acquisition agreement, Danbel has acquired all of the assets and assumed all liabilities of JSL and JSL Inc., as of October 1, 1999, for a purchase price of C\$13 million and US\$4,360,000 and all of the shares of JSL, as of January 31, 2000, for consideration equal to the issuance of 435,965 common shares, a promissory note in the principal amount of C\$1 million, and consideration payable under a non-competition agreement to the acquiring shareholder of JSL, M.Rab Holdings Limited, through whom Danbel completed the acquisition agreement. M.Rab Holdings Limited in turn had acquired all the issued and outstanding shares of JSL through a shotgun provision contained in the shareholder agreement for JSL. The financing of the share acquisition by M.Rab Holdings Limited under JSL's shotgun provision was completed through Danbel.

1140364 Ontario Corp., a wholly owned subsidiary of Danbel Industries Corporation, negotiated a C\$10 million credit facility with HSBC Bank Canada that is guaranteed by Danbel Industries Corporation.

In conjunction with the interim financing of the shotgun mechanism in JSL, Danbel obtained a loan of C\$3 million from a director of Danbel. As consideration for the financing, Danbel issued 360,000 common shares and 360,000 warrants, each warrant exercisable at C\$1.50 until July 31, 2001. The issuance of 360,000 common shares in connection with the financing is subject to the approval of Danbel's shareholders.

In addition, following completion of the acquisition agreement, Danbel announced that it has entered into a four-year employment arrangement with Irwin Beron, the President of JSL. Pursuant to the terms of that employment agreement, Danbel has also issued 300,000 performance shares for Mr. Beron, which shares are subject to certain job-related criteria, as well as the approval of Danbel's shareholders.

"This acquisition offers Danbel significant synergies and cross-marketing opportunities," said Les Bresge, Danbel's President and CEO. "We think there is exceptional value in the transaction with JSL, particularly given the experience and talent of Irwin Beron, whom we warmly welcome to Danbel."

"With JSL's extensive US distribution and Danbel's quality lighting products, I can see huge potential going forward," said Mr. Beron. "I am very excited at the possibilities I see arising from combining the strengths of both companies, which I think will be greater in tandem than alone."

Through the acquisition of JSL and JSL Inc., Danbel has acquired JSL's North American distribution for commercial and industrial lighting products, and has secured substantial distribution channels for all products Danbel now manufactures or distributes in the United States. The acquisition is to be effective for accounting purposes from October 1, 1999.

Following the completion of the acquisition agreement, and after shareholder approval, Danbel will have 6,930,142 common shares outstanding.

For further information, please contact:

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416-368-8770

This press release may contain forward-looking information with respect to Danbel and its subsidiaries and its investments. These statements involve risks and uncertainties that could cause actual results to differ materially from those contemplated. These risks and uncertainties include interest rate changes, currency fluctuations, changes in security prices, market conditions, prices of raw materials, general economic and other risks detailed from time to time in the publicly filed disclosure documents and securities commission reports of Danbel, its subsidiaries, and its investments.