# MATERIAL CHANGE REPORT

1. **Reporting Issuer:**

   Meta Health Services Inc. ("Meta" or the "Corporation")
   Suite 700, 333 Fifth Avenue SW
   Calgary, Alberta T2P 3B6

2. **Date of Material Change:**

   November 15, 2000 and November 17, 2000

3. **News Release**

   Media releases disclosing the details outlined in this Material Change Report, copies of which are attached hereto, were issued by the Corporation on November 15, 2000 and November 17, 2000 and disseminated through the facilities of Canada NewsWire and would have been received by the Alberta Securities Commission, British Columbia Securities Commission and the Canadian Venture Exchange Inc. where the securities of the Corporation are listed and posted for trading, in the normal course of its dissemination.

4. **Summary of Material Change:**

   The Corporation has commenced the liquidation of the assets of its subsidiary Medcare Logistics Inc. ("Medcare") in connection with the Corporation's continued efforts to refocus its operations on the manufacturing and distribution of niche pharmaceuticals through its wholly owned subsidiary Theramed Corporation ("Theramed"). In connection with the decision to discontinue Medcare's operations and proceed with the liquidation of the assets of Medcare and as a result of the general non-performance of Medcare since its acquisition, the board of directors have approved, subject to receipt of applicable regulatory approvals, the reorganization of the share capital of Meta and its subsidiary Medcare (the "Reorganization"). In connection therewith private companies owned by John McCutcheon and Gary Lovell, both of whom are directors of the Corporation, have agreed to the cancellation of an aggregate of 3,190,000 common shares of the Corporation issued to such companies in connection with the Corporation's acquisition of Medcare. In addition, each of John McCutcheon and Gary Lovell have further agreed to the cancellation of 162,500 options to purchase common shares previously granted to each such director and certain other directors or former directors of the Corporation have agreed to sell, and where applicable transfer with an escrow, an aggregate of 634,500 common shares to certain new or nominee directors of the Corporation at a price of $0.50 per common share, subject to receipt of applicable regulatory approvals.

   Pursuant to the Reorganization, the board of directors of the Corporation have also agreed to make application to the applicable regulatory authorities to obtain approval for the conversion of all of the currently issued and outstanding series A 7% cumulative preferred shares of Medcare into preferred shares of Meta on terms similar to the terms of the currently outstanding Medcare preferred shares.

Meta has completed a private placement of 2,550,447 units ("Units") at a price of $0.72 per Unit for gross proceeds of $1,836,321.84, each Unit consisting of one common share and one half of one common share purchase warrant, each whole warrant entitling the holder thereof to acquire one common share at a price of $1.00 per common share for a period of twelve months. The Corporation intends to use the net proceeds of the private placement to finance the accelerating growth of the Corporation's wholly owned subsidiary Theramed Corporation as a niche pharmaceutical manufacturer and distributor. Theramed will apply the funds to acquire pharmaceutical licences and co-production agreements including repayment of a bridge loan used to acquire certain hormones in Canada, to purchase additional inventory and for working capital.

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

On November 15, 2000 the Corporation announced a continuation of its efforts to focus the Corporation's operations on the manufacture and distribution of niche pharmaceuticals through its wholly owned subsidiary Theramed by commencing the liquidation of the assets of its subsidiary Medcare, a distributor of home health care products and services to pharmacies, medical supply stores and nursing homes, originally acquired by the Corporation on February 17, 1999. Since its acquisition, this subsidiary has accumulated losses and has been unable to establish consistent break even operations. Management of the Corporation believes that Medcare will not become profitable without the investment of substantial capital, which capital management of the Corporation believes should be allocated to the operations of Theramed rather than Medcare. As a result, the Board of Directors has determined that it is in the best interests of the Corporation's shareholders to discontinue the operations of Medcare and commence the liquidation of its assets.

Gary Lovell, Meta's President and Chief Executive Officer, commented that "by discontinuing Medcare's operations as a distributor of home health care products and services the Corporation will be able to focus its efforts on the expansion and growth of Theramed's business as a manufacturer and distributor of niche pharmaceutical products".

In connection with the decision to discontinue Medcare's operations and proceed with the liquidation of the assets of Medcare and as a result of the general non-performance of Medcare since its acquisition, the Board of Directors have approved, subject to receipt of applicable regulatory approvals, the reorganization of the share capital of Meta and its subsidiary Medcare. In connection with the Reorganization, McCutcheon Management Ltd. and Matanza Holdings Inc., private companies owned by John McCutcheon and Gary Lovell, respectively, both of whom are directors of the Corporation, have agreed to the cancellation of an aggregate of 3,190,000 common shares of the Corporation issued to McCutcheon Management Ltd. and Matanza Holdings Inc. in connection with the Corporation's acquisition of Medcare, all of which are currently subject to certain time release and performance escrow agreements under the policies of the Canadian Venture Exchange Inc. ("CDNX"). Each of John McCutcheon and Gary Lovell have further agreed to the cancellation of an aggregate of 162,500 options to purchase common shares previously granted to each such director at an exercise price of $0.15 per common share. Certain other directors or former directors of the Corporation have agreed to sell, and where applicable transfer within escrow, an aggregate of 634,500 common shares acquired, directly or indirectly, prior to the Corporation's initial public offering or pursuant to the exercise of options, to certain new or nominee directors of the Corporation at a price of $0.50 per common share, subject to receipt of applicable regulatory approvals.

Pursuant to the Reorganization, the Board of Directors of the Corporation have also agreed to make application to the applicable regulatory authorities to obtain approval for the conversion of all of the currently issued and outstanding Series A 7% cumulative preferred shares of Medcare ("Medcare Preferred Shares") into preferred shares of Meta ("Meta Preferred Shares") on terms similar to the terms of the currently outstanding Medcare Preferred Shares. In particular, each Meta Preferred Share shall be convertible at a price of $0.72 per share, or such other escalating prices as the CDNX shall approve, into common shares for a term equivalent to the maximum period acceptable to the CDNX and the dividends payable on the Meta Preferred Shares shall, at the discretion of the Board of Directors of Meta, be paid in common shares based on a conversion ratio to be determined in accordance with the five day weighted average trading price of the common shares on the CDNX immediately prior to the due date of such dividends.

After giving effect to the Reorganization, including the cancellation of an aggregate of 3,190,000 common shares, the Corporation will have 9,673,333 common shares issued and outstanding and 245,000 common shares reserved for issuance under a directors, officers, employees and key consultants share option plan.

On November 17, 2000, Meta completed a private placement of 2,550,447 Units at a price of $0.72 per Unit for gross proceeds of $1,836,321.84 (the "Private Placement"). Each Unit consists of one common share and one-half of one common share purchase warrant ("Warrant"). Each whole Warrant entitles the holder thereof to acquire one common share at an exercise price of $1.00 per common share until November 16, 2001. Meta did not retain an agent in connection with the Private Placement, but has paid a registered dealer a 3% commission in connection with the sale of 420,000 Units, for a total fee of $9,072.

The net proceeds of the Private Placement, after deduction of the expenses of the offering, will be used by the Corporation to finance the accelerating growth of its wholly owned subsidiary Theramed as a niche pharmaceutical manufacturer and distributor. Theramed will apply the funds to acquire pharmaceutical licenses and co-production agreements including repayment of a bridge loan used to acquire certain hormones in Canada, to purchase additional inventory and for working capital.

Meta is currently pursuing the acquisition of a number of new pharmaceutical licences and co-production agreements and strategic co-marketing agreements for niche pharmaceuticals. Mr. Lovell, commented that he believes "Meta, through its wholly owned subsidiary Theramed, is positioned to become the leading Canadian speciality pharmaceutical manufacturer through the acquisition of niche pharmaceuticals from multi national pharmaceutical companies and strategic co-marketing agreements with leading speciality manufacturers".

6. **Reliance on Confidentiality Provision:**

Not Applicable

7. **Omitted Information:**

Not Applicable

8. **Senior Officer**:

For further information, please contact Gary J. Lovell, President and Chief Executive Officer of the Corporation at Telephone (604) 341-6337 or Facsimile (604) 466-0070.

9. **Statement of Senior Officer:**

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

DATED the 21st day of November, 2000 at the City of Vancouver, in the Province of British Columbia.

(signed) "Gary J. Lovell"
Gary J. Lovell
President
Meta Health Services Inc.

cc: Canadian Venture Exchange Inc.

**META HEALTH SERVICES INC.**
**MEDIA RELEASE**

# META ANNOUNCES SHAREHOLDERS MEETING AND INTENTION TO LIQUIDATE ASSETS OF SUBSIDIARY MEDCARE LOGISTICS INC. AND REORGANIZE SHARE CAPITAL

**Symbol: MHS -- CDNX** November 15, 2000

Calgary, November 15, 2000 - Meta Health Services Inc. ("Meta" or the "Corporation") announced today that it has called an annual meeting of the shareholders of the Corporation for December 8, 2000 to be held at the offices of the Corporation's subsidairy, Theramed Corporation ("Theramed"), 681 Edwards Boulevard, Toronto, Ontario, to receive the Audited Financial Statements of the Corporation for the year ended July 31, 2000, to elect five directors, to appoint auditors and to transact such other business as may be properly brought before the meeting. The Board of Directors of the Corporation has fixed the record date for the meeting at the close of business on October 30, 2000, as such only shareholders of the Corporation of record as at that date will receive the Corporation's Notice of Meeting, Information Circular and Instrument of Proxy.

The Corporation also announced a continuation of its efforts to focus the Corporation's operations on the manufacture and distribution of niche pharmaceuticals through its wholly owned subsidiary Theramed by commencing the liquidation of the assets of its subsidiary Medcare Logistics Inc. ("Medcare"), a distributor of home health care products and services to pharmacies, medical supply stores and nursing homes, originally acquired by the Corporation on February 17, 1999. Since its acquisition, this subsidiary has accumulated losses and has been unable to establish consistent break even operations. Management of the Corporation believes that Medcare will not become profitable without the investment of substantial capital, which capital management of the Corporation believes should be allocated to the operations of Theramed rather than Medcare. As a result, the Board of Directors has determined that it is in the best interests of the Corporation's shareholders to discontinue the operations of Medcare and commence the liquidation of its assets.

Gary Lovell, Meta's President and Chief Executive Officer, commented that "by discontinuing Medcare's operations as a distributor of home health care products and services the Corporation will be able to focus its efforts on the expansion and growth of Theramed's business as a manufacturer and distributor of niche pharmaceutical products".

In connection with the decision to discontinue Medcare's operations and proceed with the liquidation of the assets of Medcare and as a result of the general non-performance of Medcare since its acquisition, the Board of Directors have approved, subject to receipt of applicable regulatory approvals, the reorganization of the share capital of Meta and its subsidiary Medcare (the "Reorganization"). In connection with the Reorganization, McCutcheon Management Ltd. and Matanza Holdings Inc., private companies owned by John McCutcheon and Gary Lovell, respectively, both of whom are directors of the Corporation, have agreed to the cancellation of an aggregate of 3,190,000 common shares of the Corporation issued to McCutcheon Management Ltd. and Matanza Holdings Inc. in connection with the Corporation's acquisition of Medcare, all of which are currently subject to certain time release and performance escrow agreements under the policies of the Canadian Venture Exchange Inc. ("CDNX"). Each of John McCutcheon and Gary Lovell have further agreed to the cancellation of an aggregate of 162,500 options to purchase common shares previously granted to each such director at an exercise price of $0.15 per common share. Certain other directors or former directors of the Corporation have agreed to sell, and where applicable transfer within escrow, an aggregate of 634,500 common shares acquired, directly or indirectly, prior to the Corporation's initial public offering or pursuant to the exercise of options, to certain new or nominee directors of the Corporation at a price of $0.50 per common share, subject to receipt of applicable regulatory approvals.

Pursuant to the Reorganization, the Board of Directors of the Corporation have also agreed to make application to the applicable regulatory authorities to obtain approval for the conversion of all of the currently issued and outstanding Series A 7% cumulative preferred shares of Medcare ("Medcare Preferred Shares") into preferred shares of Meta ("Meta Preferred Shares") on terms similar to the terms of the currently outstanding Medcare Preferred Shares. In particular, each Meta Preferred Share shall be convertible at a price of $0.72 per share, or such other escalating prices as the CDNX shall approve, into common shares for a term equivalent to the maximum period acceptable to the CDNX and the dividends payable on the Meta Preferred Shares shall, at the discretion of the Board of Directors of Meta, be paid in common shares based on a conversion ratio to be determined in accordance with the five day weighted average trading price of the common shares on the CDNX immediately prior to the due date of such dividends.

After giving effect to the Reorganization, including the cancellation of an aggregate of 3,190,000common shares, the Corporation will have 9,673,333 common shares issued and outstanding and 245,000 common shares reserved for issuance under a directors, officers, employees and key consultants share option plan.

Meta is currently pursuing the acquisition of a number of new pharmaceutical licences and co-production agreements and strategic co-marketing agreements for niche pharmaceuticals. Mr. Lovell, commented that he believes "Meta, through its wholly owned subsidiary Theramed, is positioned to become the leading Canadian speciality pharmaceutical manufacturer through the acquisition of niche pharmaceuticals from multi national pharmaceutical companies and strategic co-marketing agreements with leading speciality manufacturers".

For further information, please contact Gary J. Lovell, President and Chief Executive Officer of Meta at Phone: (604) 341-6337 or Fax (604) 466-0070, or John O. McCutcheon, Director of Meta at Phone: (403) 261-7305 or Fax: (403) 265-3026.

**META HEALTH SERVICES INC.**
**MEDIA RELEASE**

**META ANNOUNCES CLOSING OF PRIVATE PLACEMENT OF UNITS**

**Symbol: MHS -- CDNX** November 17, 2000

Calgary, November 17, 2000 - Meta Health Services Inc. (“Meta” or the “Corporation”) announced today that it has closed its previously announced private placement (see media release dated September 5, 2000) of units ("Units") by issuing an aggregate of 2,550,447 Units at a price of $0.72 per Unit for gross proceeds of $1,836,321.84 (the "Private Placement"). Each Unit consists of one common share and one-half of one common share purchase warrant ("Warrant") and is subject to a minimum one year hold period, unless a statutory exemption or order may be relied upon. Each whole Warrant entitles the holder thereof to acquire one common share at an exercise price of $1.00 per common share until November 16, 2001. Meta did not retain an agent in connection with the Private Placement, but has paid a registered dealer a 3% commission in connection with the sale of 420,000 Units, for a total fee of $9,072.

The net proceeds of the Private Placement, after deduction of the expenses of the offering, will be used by the Corporation to finance the accelerating growth of its wholly owned subsidiary Theramed Corporation ("Theramed") as a niche pharmaceutical manufacturer and distributor. Theramed will apply the funds to acquire pharmaceutical licenses and co-production agreements including repayment of a bridge loan used to acquire certain hormones in Canada, to purchase additional inventory and for working capital.

Meta is currently pursuing a number of potential acquisitions of licenses in the pharmaceutical industry and opportunities to enter strategic co-marketing agreements for niche pharmaceuticals.

For further information, please contact Gary J. Lovell, President and Chief Executive Officer of Meta at Phone: (604) 341-6337 or Fax (604) 466-0070, or John O. McCutcheon, Director of Meta at Phone: (403) 261-7305 or Fax: (403) 265-3026.