**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1.** **Name and Address of Company**

Anthony Clark International Insurance Brokers Ltd.
Suite 355, 10333 Southport Road S.W.
Calgary, Alberta
T2W 3X6

**Item 2.** **Date of Material Change**

November 26, 2004

**Item 3.** **News Release**

Press release was issued at Calgary, Alberta on November 26, 2004.

**Item 4.** **Summary of Material Change**

The Company announced the release of revised financial statements for year ending March 31, 2004.

Accordingly, the audited financial statements and management's discussion and analysis have been amended and re-filed on SEDAR.

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

Amendment to 2004 Audited Financial Statements:

The Company announced that subsequent to completion and issuance by the Company of its March 31, 2004 audited consolidated financial statements, the Company has re-assessed the determination of the purchase price paid for the acquisition of Vista International Insurance Brokers ("Vista") and the allocation of the purchase price to the identifiable assets acquired based upon applicable Canadian accounting standards. The Company has determined that the fair value of vendor debt issued on the Vista acquisition was $886,112 less than the face value of that debt if financing for this acquisition had been arranged through a third party lender. The revised financial statements now reflect the reduction in the Vista purchase price by that amount. In addition, the Company has also reduced the amount of the purchase price allocated to customer accounts acquired and non-compete contracts for both the Vista and Johns acquisition to reflect their estimated fair values at the date of acquisition based on applicable Canadian accounting standards. Certain other minor changes have been made to reflect the reclassification of a foreign currency translation gain of $66,446, as previously reported, to shareholders' equity as a cumulative translation adjustment.

The Company also determined that the net proceeds from the private placement of common shares should have been reflected as cash rather then as an account receivable. Further, it determined that an amount should have been allocated to the warrants issued at the time of the private placement. The Company also has reflected the receipt of financing and subsequent repayment during the year of amounts pursuant to the Paragon financing.

Subsequent Event:

The Company was in non-compliance of certain financial covenants prescribed in the loan agreements with its lenders. The financial covenants relate to maintenance of a certain level of tangible net worth (TNW), minimum interest coverage ratio (MICR) and a minimum ratio of total liabilities to TNW. However, its lenders have agreed to waive the Company's non-compliance of these covenants to September 30, 2004 and the Company is in discussions with its lenders to alter or replace these covenants with those that can be reasonably maintained by the Company. The Company expects to continue to be in non-compliance of these covenants for the foreseeable future until an agreement has been reached with the lenders to amend the loan agreements. The Company anticipates that it will be able to obtain further waivers or amendments of the Company's financial covenants from its lenders but this cannot be guaranteed.

The corrections to the 2004 audited financial statements are summarized in the attached Schedule "A" to this Material Change Report.

**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**

The following Executive Officer of the Company is available to answer questions regarding this report:

Primo Podorieszach,
President and Chief Executive Officer
Telephone: (250) 376-1782

**Item 9.** **Date of Report**

Dated at Vancouver, British Columbia, this 30th day of November, 2004.

**SCHEDULE "A"**
**(to Material Change Report dated November 30, 2004)**

**Balance Sheet:**

| | As previously reported | As revised | Change |
|---|---|---|---|
| Cash and cash equivalents | $ 1,675,657 | $ 1,989,663 | $ 314,006 |
| Customer accounts | 5,901,399 | 5,027,401 | (873,998) |
| Goodwill | 5,948,216 | 5,459,185 | (489,301) |
| Other intangible assets | 178,468 | 663,551 | 485,083 |
| Long-term debt | 8,714,176 | 8,014,044 | (700,132) |
| Accounts receivable | 1,649,781 | 1,335,775 | (314,006) |
| Share capital | 10,001,138 | 9,897,116 | (104,022) |
| Contributed surplus | – | 104,022 | 104,022 |
| Deficit | 3,383,595 | 3,502,196 | 118,601 |
| Cumulative translation adjustment | 64,987 | 845 | (64,142) |

**Statement of operations:**

| | As previously reported | As revised | Change |
|---|---|---|---|
| Foreign currency loss (gain) | $ (66,446) | $ – | $ (66,446) |
| Earnings before interest, taxes depreciation and amortization | 324,948 | 258,502 | (66,446) |
| Interest and financing costs | (878,528) | (941,153) | (62,625) |
| (Loss) earnings before depreciation and amortization | (553,580) | (682,651) | (129,071) |
| Depreciation and amortization | (491,495) | (481,025) | 10,470 |
| Loss before income taxes | (1,045,075) | (1,163,676) | (118,601) |
| Net loss | (932,897) | (1,051,498) | (118,601) |
| Earnings per common share-basic and diluted | (0.12) | (0.14) | (0.02) |

**Statement of cash flows**

| | As previously reported | As revised | Change |
|---|---|---|---|
| Cash flows from (used in) operating activities: | | | |
| Depreciation and amortization | $ 491,495 | $ 481,025 | $ (10,470) |
| Foreign exchange gain | (66,446) | – | 66,446 |
| Amortization of discount on Kabaker note | – | 62,625 | 62,625 |
| Accounts receivable | 611,060 | 297,054 | 314,006 |
| Restricted cash | (522,619) | – | 522,619 |
| Litigation liability | 522,619 | – | (522,619) |
| Cash flows from (used in) operating activities | (900,293) | (586,287) | 314,006 |

| | As previously reported | As revised | Change |
|---|---|---|---|
| **Cash flows from (used in):** | | | |
| Financing activities: | | | |
| Proceeds of long-term debt | $ 4,428,478 | $ 6,632,353 | $ 2,203,875 |
| Repayment of long-term debt | – | (2,199,696) | (2,199,696) |
| Cash flows from (used in) financing activities | 3,529,886 | 3,534,065 | 4,179 |
| Cash flows from (used in) investing activities: | | | |
| Other assets | 4,178 | – | (4,178) |
| Cash flows from (used in) investing activities | (4,673,344) | (4,677,522) | (4,178) |
| | (2,043,751) | (1,729,745) | 314,006 |
| Cash and cash equivalents, end of year | $ 1,675,657 | $ 1,989,663 | $ 314,006 |

Cash and cash equivalents is comprised of:

| | | | |
|---|---|---|---|
| Cash | $365,000 | $ 679,006 | $ 314,006 |
| Term deposits maturing within ninety days | 1,310,657 | 1,310,657 | – |
| | $1,675,659 | $ 1,989,663 | $ 314,006 |