This is the form of material change report required under Section 85(1) of the Securities Act.

FORM 27

Securities Act

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE ACT

Item 1. Reporting Issuer

Imagis Technologies Inc.
Suite 1300, 1075 West Georgia Street
Vancouver, B.C. V6E 3C9

Item 2. Date of Material Change

January 18, 2001

Item 3. Press Release

British Columbia, January 18, 2001

Item 4. Summary of Material Change

Imagis Technologies Inc., (Imagis) announces that it has arranged, subject to regulatory approvals, a private placement of 350,000 shares at a price of $1.50 per share for total proceeds of $525,000. The placees will also be granted non-transferable warrants to purchase an additional 350,000 shares for a period of two years at a price of $1.50 per share.

The proceeds of the private placement will be used for working capital.

Imagis has also arranged a convertible loan of up to $200,000 of which Imagis has drawn down $100,000 to date.

Item 5. Full Description of Material Change

Imagis Technologies Inc., (Imagis) announces that it has arranged, subject to regulatory approvals, a private placement of 350,000 shares at a price of $1.50 per share for total proceeds of $525,000. The placees will also be granted non-transferable warrants to purchase an additional 350,000 shares for a period of two years at a price of $1.50 per share.

The proceeds of the private placement will be used for working capital.

Imagis has also arranged a convertible loan of up to $200,000 of which Imagis has drawn down $100,000 to date. The loan is repayable on December 31, 2001 and carries interest at a rate of 8% per annum. Imagis has agreed to pay to the lender a bonus equivalent to 20% of the value of the loan in shares, at a deemed price of $1.50 per share. The loan is convertible, at the election of the lender, into shares of Imagis at a deemed price of $1.50 per share.

Any securities issued pursuant to the private placement and the loan will be subject to a 4 month hold period expiring on May 18, 2001.

About Imagis Technologies Inc.
Imagis Technologies Inc., is an independent software developer of biometric solutions. Its ID-2000™ facial recognition technology is being used by international agencies in the justice and law enforcement market. ID-2000™ forms the basis of some of the world's largest criminal justice digital imaging systems. Imagis' product suite includes the flagship criminal database application CABS™, used by numerous law enforcement agencies. CABS™ provides an integrated view of data, arrest and booking information, evidence tracking and images, including faces. Imagis is currently expanding into new markets such as security, e-commerce and identity verification at high traffic locations including airports and casinos. Imagis markets its products through a global network of business partners.
http://www.imagis-cascade.com/

Item 6. **Reliance on Section 85(2) of th e Act**

N/A

Item 7. **Omitted Information**

None

Item 8. **Senior Officers**

The following senior officers of the Issuer are knowledgeable about the material change and may be contacted by the Commission at the address and telephone number:

Iain Drummond
President
Suite 1300 – 1075 West Georgia St.
Vancouver, B.C. V6E 3C9
Telephone: (604) 684-4691

Sandra Buschau
Corporate Secretary
Suite 1300 – 1075 West Georgia St.
Vancouver, B.C. V6E 3C9
Telephone: (604) 684-4691

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

January 22, 2001

"Sandra Buschau"
(signature)

Sandra Buschau
Name

Director & Corporate Secretary
Position

Vancouver, British Columbia
Place of Declaration