

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

BC FORM 53-901F
(formerly Form 27)

Securities Act

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

Item 1. Reporting Issuer

Imagis Technologies Inc.
Suite 1630, 1075 West Georgia Street
Vancouver, B.C. V6E 3C9

Item 2. Date of Material Change

April 1, 2003

Item 3. Press Release

Vancouver, British Columbia, April 1, 2003

Item 4. Summary of Material Change

Imagis Technologies Inc. (the "Issuer") announces that its fiscal year revenues at December 31, 2002 were \$3,022,888, an increase of 44% over the previous fiscal year. The increased revenues were almost entirely due to higher software sales. Sales of the Company's software products rose 70% to \$2,584,039 this year as compared to \$1,519,925 for 2001.

The Company incurred a net loss for 2002 of \$6,951,393 or \$0.38 per share, which is 130% higher than the net loss incurred in 2001 of \$3,020,704 or \$0.21 per share.

Item 5. Full Description of Material Change

Imagis Technologies Inc. (the "Issuer") announces that its fiscal year revenues at December 31, 2002 were \$3,022,888, an increase of 44% over the previous fiscal year. The increased revenues were almost entirely due to higher software sales. Sales of the Company's software products rose 70% to \$2,584,039 this year as compared to \$1,519,925 for 2001. The increase in software sales revenues this year is primarily due to a major installation at a United Kingdom national police agency and the sale of a licensing agreement to Zixsys Inc., a subsidiary of SANYO Semiconductor Company as well as a significant increase in the total number of customers.

Overall, the Company incurred a net loss for 2002 of \$6,951,393 or \$0.38 per share, which is 130% higher than the net loss incurred in 2001 of \$3,020,704 or \$0.21 per share. While revenues rose 44% during the year, the Company continued to invest in the areas of sales and marketing, technology development, and administration resulting in higher operating expenses. The increase in operating costs during 2002 was due to higher levels of activity in all areas in anticipation of an increased level of demand for

the company's products, particularly in the security sector in the US. While the need for the US government to first build the security administration infrastructure has delayed any implementation so far, the significant opportunity for substantial expenditures on security/defense initiatives clearly remains. The Management of the company has implemented significant cost reduction strategies during the final quarter of 2002 and the current operating expense rate has been reduced significantly, to approximately \$7,000,000 per annum.

"For 2002 our revenues increased 44% compared to 2001," said Iain Drummond, President and CEO of Imagis. "The revenue growth is the result of continuing to succeed with existing and new opportunities for biometric software security applications domestically and internationally. During 2002 a complete management team, with a commensurate increase in costs, was assembled in order to enable us to compete with much larger companies. Prior investments in the areas of product and technology development as well as sales and marketing have helped drive our strong revenue growth to date while current expenditures are laying the foundation for what we are confident will be strong future growth."

During the year Imagis achieved several important milestones including the introduction of prototype products developed in conjunction with Imagis partners Zixsys Inc. (a subsidiary of SANYO Semiconductor Company) and Metorex Security Products Oy, (a subsidiary of OSI Systems Inc.), including Zixsys' Display ID Controller and Metorex's METOR-ID, with facial identification built into an intelligent metal detector unit. Imagis facial recognition technology was successfully deployed in conjunction with Tecnica Comercial Vilsa SA, HP (NYSE:HPQ), TAL Digital Digital Solutions, and Milestone Systems at the recent APEC Conference in Cabo San Lucas, Mexico. In addition, Imagis and Orion Scientific Systems Inc. completed the deployment of one of the largest digital image sharing systems in the United States located in Alameda County, CA.

Item 6. Reliance on Section 85(2) of the 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 1630 – 1075 West Georgia St.
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Telephone: (604) 684-2449

Rory Godinho
Corporate Secretary
Suite 1020 – 510 Burrard St.
Vancouver, B.C. V6C 3A8
Telephone: (604) 689-9930

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

April 1, 2003

"Rory Godinho"
(signature)

Rory Godinho
Name

Corporate Secretary
Position

Vancouver, British Columbia
Place of Declaration