

**Form 27 - Material Change Report under Section 75(2) of the Act**  
*Securities Act*

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**ITEM 1 - REPORTING ISSUER**

PINEWEST RESOURCES INC.

**ITEM 2 - DATE OF MATERIAL CHANGE**

August 21, 2000

**ITEM 3 - PRESS RELEASE**

Please refer to the press release (the "Press Release") which was disseminated on August 21, 2000 through the Canadian Corporate News Service, a copy of which is annexed hereto as Schedule "A".

**ITEM 4 - SUMMARY OF MATERIAL CHANGE**

Pinewest has entered into a binding letter of intent to acquire 100% of DWX Canada Inc. of Toronto, Ontario and DataWorx Information Systems, Inc. of Denver, Colorado (collectively "DWX") by payment of 8,750,000 common shares of Pinewest to the shareholders of DWX. This transaction is subject to DWX completing a non-brokered private placement of between \$600,000 (the "Minimum Financing") and \$750,000 (the "Maximum Financing") by September 1, 2000. The financing will consist of Units priced at \$0.40 per Unit. Each Unit will consist of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one further common share at a price of \$0.80 per share. The 2.5 million currently issued and outstanding common shares of Pinewest will be consolidated on a one for two basis leaving existing Pinewest shareholders with 1.25 million shares in the restructured Pinewest.

Prior to Closing, Pinewest will transfer all of its assets and liabilities to a subsidiary on a tax free roll-over basis and all of the shares of the subsidiary will be distributed pro rata to the existing shareholders of Pinewest as a return of paid up capital.

Pinewest currently has 2,500,000 issued and outstanding common shares of which 573,750 are held in escrow. Following the completion of this transaction, there will be 11,500,000 issued and outstanding common shares (13,000,000 fully diluted) if the Minimum Financing is completed and 11,875,000 issued and outstanding common shares (13,750,000 fully diluted) if the Maximum Financing is completed.

**ITEM 5 - FULL DESCRIPTION OF MATERIAL CHANGE**

Please refer to the Press Release.

Pinewest is a reporting issuer in the Province of Ontario. The common shares of Pinewest are currently halted by the Canadian Dealing Network pending its review of Pinewest's application for quotation of the new business by Pinewest and the shareholder meeting in connection with the proposed transaction. A new quotation application will be filed with the CDN shortly. There are 2,500,000 issued and outstanding common shares of which 573,750 are held in escrow. Following the completion of this transaction, there will be 11,500,000 issued and outstanding common shares (13,000,000 fully diluted) if the Minimum Financing is completed and 11,875,000 issued and outstanding common shares (13,750,000 fully diluted) if the Maximum Financing is completed.

**ITEM 6 - RELIANCE ON SECTION 75(3) OF THE ACT**

Not Applicable

**ITEM 7 - OMITTED INFORMATION**

Not Applicable

**ITEM 8 - SENIOR OFFICERS**

John F. O'Donnell, President  
401 Bay Street, Suite 1900  
Toronto, ON M5H 2Z1  
(416) 214-5207

**ITEM 9 - STATEMENT OF SENIOR OFFICER**

The foregoing accurately discloses the material change referred to herein.

Dated at Toronto this 21<sup>st</sup> day of August, 2000.

**PINEWEST RESOURCES INC.**

Per: "John F. O'Donnell"  
John F. O'Donnell, President

## SCHEDULE "A"

FOR IMMEDIATE RELEASE

August 21, 2000

### **Pinewest Resources Inc. acquires DataWorx**

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Pinewest is pleased to announced that it has entered into a binding letter of intent to acquire 100% of DWX Canada Inc. of Toronto, Ontario and DataWorx Information Systems, Inc. of Denver, Colorado (collectively "DWX") by payment of 8,750,000 common shares of Pinewest to the shareholders of DWX. This transaction is subject to DWX completing a non-brokered private placement of between \$600,000 (the "Minimum Financing") and \$750,000 (the "Maximum Financing") by September 1, 2000. The financing will consist of Units priced at \$0.40 per Unit. Each Unit will consist of one common share and one common share purchase warrant, each warrant entitling the holder to purchase one further common share at a price of \$0.80 per share. The 2.5 million currently issued and outstanding common shares of Pinewest will be consolidated on a one for two basis leaving existing Pinewest shareholders with 1.25 million shares in the restructured Pinewest. The transaction is subject to any necessary corporate or regulatory approvals.

DataWorx is an application service provider (ASP) for professionals in vertical markets specializing in digital object management in the "information utility" industry. DataWorx' business is providing 'secure document management and depository' services. DataWorx is targeting the medical/health care vertical market first and is focused on physicians, medical professionals and health care institutions. The legal and law enforcement markets will be addressed after successful launch of the health care products and services.

DataWorx is developing a product, MediWorx, offering a voice capture and input device bundled with a secure voice document delivery service for the transcription and document delivery markets (Phase I). MediWorx will later be expanded to handle images such as x-ray, ultra-sound and MRI images (Phase II). MediWorx will eventually combine all digital documents handling capabilities as part of an Electronic Medical Record (EMR) securely stored or distributed as necessary (Phase III)

The DataWorx products, services and solutions provide each user with:

- ! Confidentiality & Security: Sophisticated levels of security throughout the product
- ! File and Image Handling Capabilities: Secure Internet connections and familiar commands
- ! Document Movement: Securely move files (documents or images) among authorized individuals
- ! Storage & Retrieval: Store documents and retrieve those needed for patient care from database
- ! Product Migration: New product capabilities will be added to the secure platform
- ! Transcription: A strong starting point to capture users, offer new capabilities regularly
- ! Advanced Capabilities: Product elements migrate to smart cards and future technologies
- ! Document Embedded Features: Must digitally sign to open and read important/confidential text

The MediWorx offering (Phase 1) consists of a digital recorder, an interface device to load digital recordings into a client PC, a transcription service, and a secure document storage and distribution service. MediWorx uses advanced security allowing the exchange of digital voice recordings, images, and documents over the Internet.

MediWorx provides the health care professionals with a highly secure, timely and cost effective way of managing electronic medical documentation. The MediWorx product will evolve through specific progressive phases to become a digital document and Electronic Medical Records handling product and service. Databases of patient information will be securely stored and moved about as required by the patient care process. DataWorx will incorporate the usage of new technologies, such as smart cards for storage of patient information, as they become accepted by the industry.

Currently, health care in the United States is more than a \$1 trillion industry representing 14 percent of the gross domestic product and is growing at 10 percent per year. At its present rate of expansion research analysts expect American health care costs will reach \$2 trillion by the year 2010 according to *The Offsite Management and Storage of Digital Information*: Source-Paine Webber February 2000. According to Stephen Fitzgibbons of Hambrecht & Quist, "Of the roughly \$1 trillion spent on health in the United States in 1998, an estimated \$250 billion relates to the delivery of unnecessary care, the performance of redundant tests, and the incidence of excessive administrative costs." Dataworx is one of a group of technology that is positioned, with current and future MediWorx solutions, to play a significant role in this 'Inefficiency Improvement Opportunity' and therefore become a major factor in the control of overall health care expenditure.

The U.S. Health Care Financing Administration (HCFA) in November 1998 reversed its prohibition of using the Internet to transmit Medicare data. In January 2001 the Health Insurance Portability and Accountability Act (HIPAA) becomes final and law requiring, among other things, compliance with standard procedures including patient confidentiality with minimum levels of 128 bit encryption. These events open up the opportunity to transmit medical information over the Internet.

### **Spin Out of Mining Assets to Subsidiary and Distribution of Shares**

Prior to Closing, Pinewest will transfer all of its assets and liabilities to a subsidiary on a tax free roll-over basis and all of the shares of the subsidiary will be distributed pro rata to the existing shareholders of Pinewest as a return of paid up capital. Pinewest's primary asset is an undivided 50% working interest in three patented mining claims (the "Property") in Chester Township, Porcupine Mining Division, Ontario consisting of 54.37 hectares situated on the northern part of Clam Lake. Pinewest acquired its interest by incurring exploration expenditures of \$210,000 on the Property. Following is a summary of a report of work. The 1999 exploration program consisted of compilation of previous work and geological mapping of the Property; 27.5 km line-cutting; mechanical stripping, washing and trenching of 1100 m of trenches; magnetometer, Real Section IP and Resistivity surveys at a scale of 1:2,500 over the entire property; drilling of 3 NQ diameter holes totalling 677 m to test the strike and depth extension of the main gold-copper mineralization and IP conductors; assaying and whole rock geochemistry; and staking additional claims.

A proton-precession magnetometer survey of the Property showed a northwest-trending sequence of rocks with generally low magnetic relief and a magnetic signature similar to the ore-bearing Main Vein that outcrops at the Baxter shaft. Two diabase dikes cross the Property.

A Quantec IP Inc. survey was conducted over the entire Property and in detail over the apparent NW strike extension of the Baxter mineralization. The axes of major conductors, isolated anomalies and resistive units, trend parallel to stratigraphy. The results are consistent with steeply-dipping beds of alternating silica-rich (more resistive rocks) and units with disseminated sulfides (showing higher chargeability).

Critical geological relations are based on interpretation of the 1999 core, and mechanically stripped and washed trenches, which reveal greater detail than does outcrop. Contrary to all previous descriptions, current work has shown that the Property is largely underlain by an Archean turbidite sequence. Stratigraphy can be correlated over at least 375 m between Holes 99-1, 2 and 3. The geological structure of the Property is revealed by graded bedding in drill core and shows that the central part of Property is underlain by a steeply dipping, overturned, isoclinally folded turbidites sequence. Tops face south, and dips are north 45-85°. A fault trending 100° located north of the Base Line was interpreted from its geophysical response and it was subsequently confirmed in a stripped trench. The dip and direction of displacement is unknown. Metamorphic grade on the Property is upper greenschist facies (biotite is rare).

Mineralization in core and trenches, consists of disseminations and veinlets of pyrite, pyrrhotite and chalcopyrite and the same, bedded, sulfides associated with conformable quartz and carbonate. Thin beds of gold-bearing pyrite-pyrrhotite-chalcopyrite-sphalerite occur mainly in quartz veins in the upper (chloritic)

portion of metamorphosed turbidite flows. Gold concentration is generally directly correlated with amount of sulfide. Visible gold is rare. Some mineralization occurs in sulfidic metasediment. 3-5 cm thick beds of massive pyrrhotite and massive chalcopyrite were encountered. Mineralization is best explained as syn-sedimentary, hydrothermal in origin and is the result of ponding of metalliferous brines in small irregularities on an Archean sea floor in an environment of elevated heat flow and proximal turbidite sedimentation.

Mechanical stripping exposed massive pyrite, pyrrhotite and chalcopyrite-bearing horizons along strike from the Main vein and in several other areas on the Property. The best gold assay from the current program, **22.8 g/t** (0.733 oz/ton) was obtained from new mineralization found during mechanical stripping on the NW shore of Clam Lake. A massive conformable chalcopyrite-pyrrhotite unit was traced over 100 m and carried up to **5.28% Cu** and **182 g/t Ag** over 5 cm. The best assay from drilling returned 3500 ppb Au over 0.50 metres in Hole 99-1 at 45 m. depth. The Main vein was intersected at a depth of 169 m below the Baxter shaft in Hole 99-2, but it did not return economic gold grades.

In conclusion, gold mineralization and associated traces of base metals are widespread on the Property and in the area in general. Grades range up to 149 g/t Au underground at the Baxter shaft and 22.8 g/t Au from new surface exposures. Width range up to 2 m.

Further exploration on the Property is warranted. Newly discovered showings need to be further stripped and sampled and explored with shallow drill holes. An IP survey should be done to trace sulfide-rich units in outcrop and shallow subsurface and an IP high centred on Line 3+75N, 2+25W should be stripped and sampled. Further drilling will be required to block out underground reserves. The west boundary of the Property and the Yeo-Chester Twp line needs to be located accurately. Regionally, the economics of small scale production from several high grade showings in the area should be examined. Also, syn-sedimentary criteria and stratigraphic control should be kept in mind when exploring and evaluating gold occurrences in the area.

Pinewest is a reporting issuer in the Province of Ontario. The Canadian Dealing Network (CDN) advised that Pinewest's common shares will be available for trading under the symbol **PWES** but without visible quotation due to the change of business that will result from the proposed acquisition. A new quotation application will be filed with the CDN shortly. There are 2,500,000 issued and outstanding common shares of which 573,750 are held in escrow. Following the completion of this transaction, there will be 11,500,000 issued and outstanding common shares (13,000,000 fully diluted) if the Minimum Financing is completed and 11,875,000 issued and outstanding common shares (13,750,000 fully diluted) if the Maximum Financing is completed.

For further information, please contact:

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**James R. Bateman**, President of DWX Canada Inc., 2221 Yonge Street, Suite 403, Toronto, Ontario M4S 2B4 Canada **T: 416-322-1164; F: 416-322-6975; e-mail: jamie@dataworxsystems.com**

Concerning the Property, please contact **Dr. Ulrich Kretschmar**, Manager of Exploration and Director, **T: 705-326-1010; F: 705-325-4591; e-mail: ulrich.kretschmar@encode.com**