BRITISH COLUMBIA
ALBERTA

MATERIAL CHANGE REPORT

Section 85(1) of the *Securities Act* (British Columbia) and corresponding provisions of the securities legislation in other Provinces

Item 1 - Reporting Issuer:

MDI Technologies, Inc.
11432 Tesson Ferry Road
St. Louis, Missouri 63123
Phone: 800.552.9846

Item 2 - Date of Material Change:

August 23, 2001

Item 3 - Press Release:

The Press Release dated August 23, 2001 was disseminated via Canada Stockwatch and Market News.

A copy of the Press Release is attached as Schedule "A".

Item 4 - Summary of Material Change:

The Company announces that, subject to regulatory approval, it has granted incentive stock options to certain directors and employees, for the purchase of up to 300,000 shares exercisable for a period of five years at a price of US$0.21 per share. In addition, the Company has agreed, also subject to regulatory approval, to re-price 122,416 outstanding stock options, previously granted on December 8, 2000. The exercise price of these options will be decreased from US$1.75 to US$0.21. The expiry date will remain at December 8, 2005.

Item 5 - Full Description of Material Change:

Supplement the summary required under Item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7.

This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form.

The above list merely described examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

For a full description of the material change, see Schedule “A”.

Item 6 - Reliance on Section 85(2) of the Act:

Not Applicable.

Item 7 - Omitted Information:

Not Applicable.

Item 8 - Senior Officer:

Todd A. Spence
11432 Tesson Ferry Road
St. Louis, Missouri 63123
Phone: 800.552.9846

Item 9 - Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, BC, this 23rd day of August, 2001.

MDI TECHNOLOGIES, INC.

Per:

“Todd A. Spence”
Todd A. Spence,
President and CEO

IT IS AN OFFENCE FOR A PERSON OR COMPANY TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THE REGULATION THAT, AT THE TIME AND IN LIGHT OF CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

Schedule “A”

MDI Technologies, Inc.

940 West Port Plaza Drive
St. Louis, Missouri 63146

DATE: August 23, 2001 **CDNX TRADING SYMBOL: MDD.U**

<u>NEWS RELEASE</u>

MDI Technologies, Inc. Announces Granting and Re-pricing of Stock Options

St. Louis, Missouri – August 23, 2001. MDI Technologies, Inc. (the “Company”), formerly Panoramic Care Systems, Inc., announces that, subject to regulatory approval, it has granted incentive stock options to certain directors and employees, for the purchase of up to 300,000 shares exercisable for a period of five years at a price of US$0.21 per share.

In addition, the Company has agreed to re-price 122,416 outstanding stock options, previously granted on December 8, 2000. The exercise price of these options will be decreased from US$1.75 to US$0.21. The expiry date will remain at December 8, 2005.

About MDI Technologies, Inc.

MDI develops and markets a family of software products for the healthcare industry. Such products deliver an innovative system that allows long-term care facilities the ability to run clinical and accounting software applications over the Internet. In addition, MDI provides assessment tools and staging criteria for customized patient care in the long-term care segment of the healthcare market. In 1999, MDI began deploying its first product via the ultra-thin client technology based on Microsoft’s Windows 2000 Terminal Server and Citrix MetaFrame. Such technologies allow the company to deliver its product offerings via the Internet from one central location, providing significant cost savings for both MDI and its customers. MDI shares are traded under the name of MDI Technologies, Inc. on the CDNX under the symbol MDD.U.

On behalf of the Board of Directors

“Todd A. Spence”
Todd A. Spence, CEO

Contact information: For MDI Technologies, Inc.: Todd A. Spence, CEO
Tel: (314) 439-6400, e-mail tas@mdistl.com