MATERIAL CHANGE REPORT

1. Reporting Issuer

SiGEM Inc.
50 Hines Road, Suite 240
Kanata, Ontario
K2K 2M5

2. Date of Material Change

February 15, 2000

3. Press Release

A press release reporting the material change described in this report was issued on February 17, 2000.

A copy of the press release is attached hereto as Schedule "A".

4. Summary of Material Change

See the press release attached hereto as Schedule "A".

5. Full Description of Material Change

On February 15, 2000 (the "Closing Date"), SiGEM Inc. (the "Corporation") completed the closing of a private placement of 7,200,000 special warrants of the Corporation (the "Special Warrants") at a price of $1.25 per Special Warrant (the "Issue Price") and an aggregate of $5,000,000 principal amount convertible debentures of the Corporation (the "Debentures") for aggregate gross proceeds of $14,000,000 in Canadian funds (the "Offering").

The Special Warrants and Debentures were sold pursuant to an Agency Agreement dated as of the Closing Date between the Corporation and Yorkton Securities Inc. and Canaccord Capital Corporation (collectively, the "Agents").

The principal amount of the Debentures (together with an early settlement fee equal to 10% of the principal amount of the Debentures purchased) are convertible, at no additional cost, into units of the Corporation (each, a "Unit"), consisting of one (1) common share of the Corporation ("Common Share") and one half of one (1/2) share purchase warrant ("Warrant"), at a conversion rate of $1.25 per Unit.

Each Special Warrant also entitles the holder thereof to acquire, at no additional cost, one (1) Common Share and one half of one (1/2) Warrant.

Each whole Warrant entitles the holder thereof to purchase one (1) Common Share at a price of $1.75 per Common Share for a period of 12 months from the Closing Date.

Both the Debentures and the Special Warrants are subject to a penalty clause which provides that, if a receipt for the final prospectus qualifying the Common Shares and Warrants underlying the Special Warrants and Debentures (the "Qualification Condition") is not obtained from the securities regulatory authorities in either of the Province of Ontario or Alberta on or before 5:00pm on June 13, 2000 (the "Qualification Deadline"), then, following the Qualification Deadline, the holders of the Special Warrants and Debentures (following conversion), as the case may be, in that Province shall be entitled to receive 1.035 Common Shares and 0.5175 Warrants on the exercise of any unexercised Special Warrants and any unconverted Debentures in lieu of one (1) Common Share and one half of one (1/2) Warrant.

On the Closing Date, the sum of $8,190,000 (the "Escrowed Proceeds"), being the amount equal to the gross proceeds of the Offering less (i) the sum of $4,600,000 which was delivered to the Corporation on closing; (ii) the Agents' fee (being 8.0% of the gross proceeds of the Offering); and (iii) the estimated out of pocket costs of the Agents and reasonable fees and disbursements of its counsel (plus applicable GST), was deposited into escrow with The Trust Company of Bank of Montreal (the "Escrow Agent") as interest bearing funds.

Subject to the conditions contained in the paragraph immediately below, the Escrowed Proceeds will remain in escrow until the later of: 5:00pm (Toronto time) on the fifth business day following (i) the Acquisition Deadline (as defined below); and (ii) the Qualification Deadline. After such time, any remaining Escrowed Proceeds shall immediately be released to the Corporation.

If (i) the Corporation has not completed the strategic acquisition of a company in a related filed prior to 5:00pm (Toronto time) on April 15, 2000 (the "Acquisition Deadline"), or (ii) a receipt for the final prospectus has not been issued by the securities regulatory authority in either the Province of Ontario or Alberta on or before the Qualification Deadline then, each holder of Special Warrants and Debentures, as the case may be, or in the case of (ii) above, each holder resident in the Province in which a receipt for the final prospectus has not been issued, shall have the right at any time prior to 5:00pm (Toronto time) on the fifth business day after the Acquisition Deadline or Qualification Deadline (as the case may be) to require the Corporation to use the Escrowed Proceeds to, in the case of the holder's of the Debentures, repay up to an amount equal to the holder's pro-rata portion of the Escrowed Proceeds (determined on the basis of the amount that the principal amount of the holder's Debentures and early settlement fee related thereto relates to the sum of the aggregate principal amount of all of the Debentures and related early settlement fees and the Special Warrants) of the aggregate principal amount of such holder's Debentures and related early settlement fee together with all accrued interest thereon and, in the case of a holder of Special Warrants, to repurchase for cancellation up to 50% of the holder's outstanding Special Warrants at a redemption price per Special Warrant equal to the Issue Price plus all accrued interest thereon. After payment of such amounts, the balance of the Escrowed Proceeds (if any), together with accrued interest thereon, shall be released to the Corporation.

If the Escrowed Proceeds are insufficient to satisfy the obligations of the Corporation to the holders of the Debentures and the Special Warrants pursuant to the preceding paragraph, the Corporation shall pay an amount which, together with the Escrowed Proceeds, will be sufficient to allow the Corporation to satisfy such obligations.

Prior to the Closing Date, the Offering was approved by the written consent of the holders of more than 50% of the outstanding shares of the Corporation.

In addition to the Agents' commission, the Corporation has granted the Agents warrants (the "Compensation Warrants") entitling the Agents to acquire, at no additional cost, an equal number of compensation options (the "Compensation Options"). The Compensation Options entitle the Agents to purchase up to an aggregate of 1,120,000 Units, consisting of one (1) Common Share and one half of one (1/2) Warrant, at a price of $1.25 per Unit for a period of two (2) years following the Closing Date.

6. Senior Officer

For further information, please contact:

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7. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Kanata, Ontario this 22nd day of February, 2000.

SIGEM INC.

Per: (signed) David Ellis
David Ellis, Chief Financial Officer

SCHEDULE “A”

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SiGEM

www.sigem.com

FOR IMMEDIATE RELEASE Canadian Dealing Network Symbol: SGEM

SIGEM COMPLETES $14M PRIVATE PLACEMENT FINANCING

- *Funds Acquisition and ePing Development Program* -

Kanata, Ontario, February 17, 2000 – SiGEM Inc. (“SiGEM” or the “Company”), a leading developer of low-power wireless location tracking systems and products, is pleased to announce that it has completed a private placement financing, previously announced on February 4, 2000, whereby SiGEM issued $5,000,000 principal amount of convertible debentures and 7,200,000 special warrants, at a price of $1.25 per special warrant for aggregate gross proceeds of $14,000,000 before deduction of commission and expenses. The private placement was completed through Yorkton Securities Inc. and Canaccord Capital Corp.

A large number of financial institutions participated in the financing, including some of Canada’s preeminent growth funds. The funds have become significant owners of the Company as a result of this offering.

Proceeds raised will be used for strategic acquisitions and to accelerate product development as well as provide additional working capital towards SiGEM’s business plan. Current acquisition targets are intended to support the ePing development program by acquiring existing software and enabling technologies required to drive the ePing technology, while adding research and development personnel and resources and GPS market applications that will leverage SiGEM’s location tracking products. Identification of SiGEM’s first target acquisition awaits regulatory and legal activity and approvals.

The principal amount of the debentures is convertible into units, each consisting of one common share and one-half of one common share purchase warrant of SiGEM at a conversion rate of $1.25 per unit, which will result in the issuance of 4.4 million units on conversion. Similarly, each special warrant is exercisable, for no additional consideration, to acquire one unit on the same terms and conditions as the debentures. The offering of the special warrants may result in the issuance of 8,320,000 units being issued by the Company assuming the exercise of certain compensation warrants granted to the Agents as part of this offering. Each whole common share purchase warrant will be exercisable into one common share at a price of $1.75 per share for a period of one year from the date of closing.

An aggregate of $4,600,000 of the gross proceeds was released to the Company at closing. The balance of the proceeds was placed in escrow and will be released to the Company upon the issuance of receipts for a final prospectus qualifying for distribution the common shares and purchase warrants to be issued upon conversion of the debentures and exercise of the special warrants. SiGEM will use its reasonable efforts to obtain a receipt for the final prospectus prior to June 13, 2000, failing which each unit will consist of 1.035 common shares and 0.5175 warrants.

"This capital injection will be instrumental in accelerating the Company's on-going 'ePing' development program," said John Roberts, President and CEO of SiGEM. "In addition to increasing our R&D resources, we can also accelerate our development plans through technology acquisition targets which already possess some of the technologies required for ePing".

Launched in late 1999, the ePing project represents plans for a family of low-power, low-cost small tracking devices. ePing powered products can be used for tracking people, assets, or virtually any object whose location needs to be known (or queried) at any particular moment in time. The name "ePing", refers to the electronic "ping" that the devices will emit to communicate their locations to users. The ePing tracking units will provide a cost-effective way to track almost anything. Application possibilities are enormous with mass market appeal.

ePing utilizes an integration of GPS location technologies, 2-way wireless communications, and the Internet for graphical web interfacing for users. The devices will be queried via the World Wide Web, or telephone interface, for location information, along with a myriad of other information possibilities regarding its situational status. Alternatively the devices can contact their owner with this information at regular intervals, or if a certain condition(s) or event(s) are met (movement, temperature changes, change in security conditions, entering or exiting defined perimeters, etc.).

The first ePing prototype models are expected to be available by the end of the second quarter for proof-of-concept demonstrations with SiGEM's existing carrier partners which includes Bell Mobility. The first ePing powered devices available for commercial applications are expected to be released before the end of the year. Early units will be utilized in applications for AVL (Automatic Vehicle Location), asset tracking and management, and remote asset management.

Based in Kanata, Ontario, Canada, SiGEM develops and supplies technologies for the global wireless location-tracking industry. SiGEM's patented products utilize GPS and wireless technologies to provide cost effective, low-power, 2-way wireless location tracking solutions, serving several market applications, including people and asset tracking. The Company maintains a high level of Research & Development expertise in wireless communication protocols, silicon and software with a focus on providing high quality solutions. SiGEM continues development of its core ePing wireless tracking solution for enterprise and consumer tracking applications. The common shares of SiGEM trade on the Canadian Dealing Network under the trading symbol "SGEM", with 14,655,868 common shares outstanding.

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