FORM 27

Securities Act

MATERIAL CHANGE REPORT UNDER
SECTION 75(2) OF THE *SECURITIES ACT (*ONTARIO)
SECTION 146(1) OF THE *SECURITIES ACT* (ALBERTA)
SECTION 85(1)(b) OF THE *SECURITIES ACT* (BRITISH COLUMBIA)

ITEM 1 Reporting Issuer:

MediSystem Technologies Inc.

ITEM 2 Date of Material Change:

July 21, 2005

ITEM 3 News Release

July 21, 2005 News Release Attached

ITEM 4 Summary of Material Change:

MediSystem has signed a binding offer with Versant Partners Inc. to place 2,436,636 Common Shares of MediSystem to institutional shareholders in a private placement at an issue price of $2.75 per share.

ITEM 5 Full Description of Material Change

See attached news release

ITEM 6 Reliance on Section 146(2) of the Securities Act

n/a

ITEM 7 Omitted Information:

n/a

ITEM 8 Senior Officers:

Further information relating to this Material Change Report may be obtained from:

Risa Appleton, Chief Financial Officer, at: 416-441-2293 (phone); 416-441-9234 (fax); or gchin@imedisystem.com

ITEM 9 Statement of Senior Officer:

The foregoing accurately discloses the material change referred to in this report.

DATED as of July 21, 2005, in Toronto, Ontario.

MediSystem Technologies Inc.

Per: signed "Risa Appleton"
Risa Appleton, Chief Financial Officer

c: TSX
Attention: Filings

IT IS AN OFFENCE UNDER THE *SECURITIES ACT* AND THE *SECURITIES REGULATION* 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 THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

MEDISYSTEM TECHNOLOGIES INC. ANNOUNCES $6,775,000 PRIVATE PLACEMENT

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July 21, 2005 – MediSystem Technologies Inc. (the "Corporation"), announced today that it has entered into an agreement with a syndicate of underwriters led by Versant Partners Inc., pursuant to which the underwriters will purchase from the Corporation 2,463,636 common shares of the Corporation ("Offered Shares") on a "bought deal" basis at a price of $2.75 per Offered Share for gross proceeds of approximately $6,775,000. The proceeds will be used by the Corporation for repayment of certain indebtedness and general working capital purposes.

The offering is anticipated to close on or about August 11, 2005. The Offered Shares will be subject to resale restrictions for a period of four months from the closing date, under applicable securities legislation. Completion of the private placement will be subject to a number of conditions including, but not limited to, the approval of the Toronto Stock Exchange.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless an exemption from such registration is available.

About Medisystem Technologies Inc.
The MediSystem Pharmacy unit of the company is an accredited pharmacy in Ontario whose principal activity is the distribution of pharmaceutical products to long-term care facilities through its proprietary automated multi-dose drug delivery system. MediSystem's proprietary software meets the specific billing requirements of the Ontario Ministry of Health; dispenses prescriptions on specific days of the week, even in partial doses; and allows changes to drug regimens within a seven-day dispensing cycle to save drug wastage.

MediSystem is a public company listed under the symbol "MDY" on the TSX.

FOR FURTHER INFORMATION PLEASE CONTACT:

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