

**Material Change Report under Section 75(2)
of the *SECURITIES ACT* (ONTARIO)**

1. Reporting Issuer

Chapters Online Inc.
82 Peter Street
Toronto, Ontario
M5V 2G5

2. Date of Material Change

March 14, 2001

3. Press Release

Press release, attached hereto as Schedule "A", was released on March 14, 2001 and disseminated using the facilities of Canada Newswire.

4. Summary of Material Change

Chapters Online Inc. (the "Company") is restructuring to reduce its operating costs. The company will be reducing 41 staff positions.

5. Full Description of Material Change

On March 14, 2001, the Company announced the completion of a restructuring plan that began in November 2000. The changes will ultimately reduce operating costs, and streamline administration.

The Company will be reducing 41 staff positions in areas primarily focused on Web site development and merchandising.

6. Reliance on Section 75(3)

Not Applicable

7. Omitted Information

Not Applicable

8. Senior Officer

Heather Reisman
Chief Executive Officer
416-243-3138 ext 333

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto this 14th day of March 2001.

(signed) "Heather Reisman"
Heather Reisman
Chief Executive Officer

Chapters Online completes restructuring

Changes ensure long-term business success for online retailer

TORONTO, March 14 /CNW/ - Chapters Online Inc (TSE: COL), today announced the completion of a restructuring plan that began in November 2000. The changes will ultimately reduce operating costs, and streamline administration.

The company will be reducing 41 positions in areas primarily focused on Web site development and merchandising. David Hainline, Chief Operating Officer will also be leaving the organization "David was instrumental in launching Chapters Online and played a pivotal role in creating Canada's premier e-tailer..." said Peter Cooper, President, Chapters Online. "...with the foundation David and his team have laid, and the positive restructuring, we plan to bring this business to new levels of success."

All changes were strictly business decisions and do not reflect the merit of the affected employees. The company has made every effort to make the necessary changes as swiftly as possible to ensure affected employees are treated as fairly as possible. Any future changes are expected to be achievable through attrition.

"Changes of this nature are the toughest part of any business," said Peter Cooper, President, Chapters Online. "We thank all of our Chapters Online employees for their hard work and patience through this transition. For those who will be departing, thank you and we wish you all the best in your future endeavors."

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For further information: Mary-Alice Schmidt, Vice President, Human Resources and Organizational Development, Chapters Inc., (416) 243-3138 x269