FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company (Reporting Issuer):

Hip Interactive Corp.
240 Superior Drive
Mississauga, Ontario
L5T 2L2

ITEM 2 Date of Material Change:

November 10, 2004

ITEM 3 News Release:

The Company issued a press release on Wednesday, November 10, 2004.

ITEM 4 Summary of Material Change:

The Company announced that it had completed a private placement of 14,814,815 common shares raising gross proceeds of $16 million. All common shares of the offering were subscribed by Crescendo Partners II L.P. Series W. Crescendo Partners is an investment management firm based in New York. A copy of the full text of the release is attached as Schedule "A" hereto.

ITEM 5 Full Description of Material Change:

On Wednesday, November 10, 2004, Hip Interactive Corp. ("Hip" or the "Corporation"), announced that it had completed a private placement of 14,814,815 common shares raising gross proceeds of $16 million. All common shares of the offering were subscribed by Crescendo Partners II L.P. Series W. Crescendo Partners is an investment management firm based in New York.

In conjunction with closing, Eric Rosenfeld, President and Chief Executive Officer of Crescendo Partners L.P., has been appointed a member of the Board of Directors of the Corporation. Mr. Rosenfeld is a director of many companies in which Crescendo has invested including AD OPT Technologies, Inc., Sierra Systems Group Inc., BCE Emergis Inc. and CPI Aerostructures, Inc. Mr. Rosenfeld also served as Chairman of the Board of Spar Aerospace Limited from 1999 through 2001. He is a regular guest lecturer at Columbia Business School and has served on numerous panels at Queen's University Business Law School Symposia and McGill Law School. He received an MBA from Harvard University.

TD Securities Inc. acted as financial advisor to the Corporation in connection with the financing. The net proceeds from the financing will substantially enhance the Corporation’s balance sheet and will be used to fund investments in Hip’s two strategic businesses - *Hip Games*™ and *Hip Gear*™.

ITEM 6 **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable

ITEM 7 **Omitted Information:**

Not Applicable

ITEM 8 **Executive Officer:**

Mr. Arindra Singh
President and Chief Executive Officer
Hip Interactive Corp.
240 Superior Drive
Mississauga, ON
L5T 2L2
Telephone: (905) 362-3760

ITEM 9 **Date of Report:**

November 12, 2004

ITEM 10 **Statement of Senior Officer:**

Not Applicable

The foregoing accurately discloses the material change referred to herein.

DATED at Mississauga, in the Province of Ontario, this 12th day of November, 2004.

“Arindra Singh”
Arindra Singh
President and Chief Executive Officer

Schedule "A"

FOR IMMEDIATE RELEASE **November 10, 2004**

HIP INTERACTIVE CORP. ANNOUNCES COMPLETION OF $16 MILLION PRIVATE PLACEMENT

Hip Interactive Corp. (TSX:HP), Canada's leading provider of electronic entertainment, including video games, PC games, accessories and movies, announced today that it has completed a private placement of 14,814,815 common shares raising gross proceeds of $16 million. All common shares of the offering were subscribed by Crescendo Partners II L.P. Series W. Crescendo Partners is an investment management firm based in New York.

In conjunction with closing, Eric Rosenfeld, President and Chief Executive Officer of Crescendo Partners L.P., has been appointed a member of the Board of Directors of the Corporation. Mr. Rosenfeld is a director of many companies in which Crescendo has invested including AD OPT Technologies, Inc., Sierra Systems Group Inc., BCE Emergis Inc. and CPI Aerostructures, Inc. Mr. Rosenfeld also served as Chairman of the Board of Spar Aerospace Limited from 1999 through 2001. He is a regular guest lecturer at Columbia Business School and has served on numerous panels at Queen's University Business Law School Symposia and McGill Law School. He received an MBA from Harvard University.

TD Securities Inc. acted as financial advisor to the Corporation in connection with the financing. The net proceeds from the financing will substantially enhance the Corporation's balance sheet and will be used to fund investments in Hip's two strategic businesses - *Hip Games*™ and *Hip Gear*™.

Arindra Singh, President and CEO of Hip Interactive, commented, "We are delighted to have completed this financing with Crescendo Partners L.P. and equally delighted to have Eric Rosenfeld appointed to our Board. He has played a key role creating shareholder value in many companies he has invested in. We believe this financing gives us the resources to pursue effectively the Corporation's significant growth opportunities."

Eric Rosenfeld commented "I am very excited to have the opportunity to work with Hip Interactive to create shareholder value. We like the long-term prospects of the video game industry and we are thrilled to partner with a great management team led by Arindra".

About Hip Interactive

Hip Interactive (www.hipinteractive.com) is a leading provider of electronic entertainment products, including PC and video games, movies, video arcade games, and proprietary games, branded as Hip Games™, and accessories, branded as Hip Gear™. The Company distributes all first party products, including Sony, Microsoft and Nintendo hardware, software and accessories, as well as third party licensed video game software. With offices across North America and in Europe, Hip uses its distribution business to leverage into higher margin, higher growth areas of the electronic entertainment industry, such as licensing, publishing and its proprietary games and accessories. Hip Interactive trades on The Toronto Stock Exchange under the trading symbol "HP".

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This document may contain forward-looking statements, relating to the Company's operations or to the environment in which it operates, which are based on Hip Interactive's operations, estimates, forecasts and projections. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict, and/or are beyond Hip Interactive's control. A number of important factors could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. These factors include those set forth in other public filings. Consequently, readers should not place any undue reliance on such forward looking statements. Hip Interactive disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For more information on Hip Interactive Corp.

Please contact Jennifer Lee at Hip Interactive Corp.
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