

**BC FORM 53-901F
(Previously Form 27)**

SECURITIES ACT

MATERIAL CHANGE REPORT UNDER SECTION 85(1) OF THE SECURITIES ACT

1. Reporting Issuer

Coldswitch Technologies Inc. (the "Issuer")
8561 Commerce Court
Burnaby, BC
V5A 4N5

2. Date of Material Change

January 10, 2002

3. Press Release

Date of Issuance: January 10, 2002

Place of Issuance: Vancouver, British Columbia

4. Summary of Material Change

The Issuer is issuing 13,634,029 Rights to subscribe for up to a maximum of 3,408,507 common shares of the Company (the "Common Shares"). Each registered holder of Common Shares at the close of business on January 23, 2002 will receive one Right for each Common Share held. Four (4) Rights will entitle the holder to purchase one (1) Common Share at \$0.16 per Common Share.

5. Full Description of Material Change

The Issuer is issuing 13,634,029 Rights to subscribe for up to a maximum of 3,408,507 common shares of the Company (the "Common Shares"). Each registered holder of Common Shares at the close of business on January 23, 2002 will receive one Right for each Common Share held, excluding the Company's wholly-owned subsidiary, Coldswitch Holdings Inc., which holds 1,400,000 Common Shares. Four (4) Rights will entitle the holder to purchase one (1) Common Share at \$0.16 per Common Share. The Rights will expire at 4.00 p.m. (Vancouver time) on February 14, 2002.

The Board considered that a Rights Offering, of the means to raise equity capital, was fairest to existing shareholders in light of past market levels.

It is expected that the Rights Certificates and Rights Offering Circular will be mailed to shareholders on or shortly after the record date of January 23, 2002. Rights will only be delivered to, and subscriptions for Common Shares will only be accepted from, residents of the Provinces of British Columbia, Alberta and Ontario. Under the Rights Offering, holders who exercise their Rights in full will be entitled to subscribe for additional Common Shares, if any remain available, on a pro rata basis.

All of the directors of the Company who own Common Shares intend to exercise all of the 2,581,028 Rights they are entitled to receive, representing approximately 18.9% of the Rights Offering. In addition, the Company has obtained stand-by purchase commitments covering all of the remainder. A total of eight individuals and companies provided the stand-by purchase commitments, including three directors of the Company.

The Company will receive gross proceeds of \$545,361. The Company anticipates using the gross proceeds to pay the offering expenses and to fund on-going activities including the following: (a) to develop production-ready design of additional products for the oil and gas, petrochemicals, pipeline and other sectors with capability to measure, signal and control operational information such as liquid levels, pressure and temperature conditions in industrial applications; (b) to extend proprietary protection of the Company's intellectual property in such design; and (c) to fund investigation of additional product technology development opportunity in fields familiar to the Company's management.

6. Reliance on Section 85(2) of the Act

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officers

For further information contact:

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Executive Chair and President
Telephone: (604) 422-8408

