**Form 51-102F3**
***Material Change Report***

**Item 1. Name and Address of Company**

Photon Control Inc. (the "Company")
8363 Lougheed Highway
Burnaby, British Columbia
Canada V5A 1X3

**Item 2. Date of Material Change**

November 16, 2007

**Item 3. News Release**

Date of Issuance: November 16, 2007

Method(s) of Dissemination: The news release was disseminated through Canada NewsWire Limited.

**Item 4. Summary of Material Change**

The Company completed a non-brokered private placement consisting of 10,000,000 common shares at price of $0.075 per share for gross proceeds of $750,000.

**Item 5.1 Full Description of Material Change**

The Company completed a non-brokered private placement ("Private Placement") previously announced on October 24, 2007. As a result of the closing, the Company issued 10,000,000 common shares at a price of $0.075 per share for gross proceeds of $750,000.

Directors of the Company (the "Director Placees") subscribed for a total of 3,081,032 common shares. These subscriptions constitute "related party transactions" with the Company under applicable securities regulatory rules and policies. The Company relied on available exemptions from the valuation and minority shareholder approval requirements that would otherwise be applicable. The Director Placees and their common share positions before and after completion of the Private Placement are as follows:

| Name of Director Placee | Direct and Indirect holdings of Common Shares and Percentage of Common Shares Before Private Placement (undiluted) | Number of Common Shares to be Acquired in Private Placement | Number of Common Shares Held after Private Placement | Percentage of Common Shares held after Private Placement(1) |
|---|---|---|---|---|
| S. Robert Blair | 5,510,985 (5.36%) | 814,366 | 6,325,351 | 6.16% |

| Name of Director Placee | Direct and Indirect holdings of Common Shares and Percentage of Common Shares Before Private Placement (undiluted) | Number of Common Shares to be Acquired in Private Placement | Number of Common Shares Held after Private Placement | Percentage of Common Shares held after Private Placement[(1)] |
|---|---|---|---|---|
| David C. Dueck | 7,517,363 (7.32%) | 600,000 | 8,117,363 | 7.90% |
| Joseph Litner | 942,592 (0.92%) | 333,333 | 1,275,925 | 1.24% |
| Hugh Wynne-Edwards | 631,259 (0.61%) | 1,333,333 | 1,964,592 | 1.91% |

(1) Based on issued and outstanding Common Shares on an undiluted basis, consisting of presently issued and outstanding Common Shares and Common Shares issued under the Private Placement, but excluding Common Shares issuable upon the exercise of outstanding warrants and options.

The net proceeds of the Private Placement will be used for accelerated commercialization of selected innovative optic product lines and for working capital. The Director Placees participated in the Private Placement in order to assist the Company in raising the required funds to pursue these business objectives. The subscription of the Director Placees contributed $231,077.41 of gross proceeds to the Company's treasury.

The participation of the Director Placees in the Private Placement was unanimously approved by the other directors of the Company.

In connection with the Private Placement, the Director Placees entered into Subscription Agreements with the Company that contain customary terms and are in the same form as that entered into by other placees.

The common shares are subject to a hold period expiring on March 17, 2008. The private placement is subject to final approval of the TSX Venture Exchange.

The Company completed the Private Placement less than 21 days before the filing of this report in order to have access to the Private Placement proceeds as soon as possible.

**Item 5.2** **Disclosure for Restructuring Transactions**

Not applicable.

**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**

S. Robert Blair, Executive Chair and President
Telephone: (604) 422-8861

**Item 9.** **Date of Report**

November 26, 2007