MATERIAL CHANGE REPORT- WESTERN E-COM INC.

TO:

THE MANITOBA SECURITIES COMMISSION
1130 - 405 Broadway Avenue
Winnipeg, Manitoba
R3C 3L6
Attention: Deputy Director

AND TO:

ALBERTA SECURITIES COMMISSION
19th Floor
10025 Jasper Avenue
Edmonton, Alberta
T5K 3Z5
Attention: Executive Director

AND TO:

BRITISH COLUMBIA SECURITIES COMMISSION
1100-865 Hornby Street
Vancouver, British Columbia
V6Z 2H4
Attention: Executive Director

AND TO:

CANADIAN VENTURE EXCHANGE INC.
10th floor, 300 - 5 Avenue SW
Calgary, Alberta
T2P 3C4

Dear Sirs:

Re: Western e-com Inc. - Material Change Report

This letter is intended as a statement setting for certain matters that may be a material change in the affairs of Western e-com Inc. (the “Corporation”). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta) and Form 27 of the *Securities Act* (British Columbia). Concurrent with this filing, this letter is being filed with The Canadian Venture Exchange Inc., being the only Exchange on which the Corporation's shares are currently listed.

ITEM 1 - REPORTING ISSUER

Western e-com Inc.
56 Deer Lodge Place
Winnipeg, Manitoba
R3J 2B8

ITEM 2 - DATE OF MATERIAL CHANGE

January 25, 2001

ITEM 3 - PRESS RELEASE

A news release was issued through Canada News Wire on January 25, 2001

ITEM 4 - SUMMARY OF MATERIAL CHANGE

Qualifying Transaction

ITEM 5 - FULL DESCRIPTION OF MATERIAL CHANGE

The Corporation announced on January 25, 2001 that by a letter agreement dated January 24, 2001 an agreement had been reached whereby the Corporation proposes to acquire all of the issued and outstanding securities of OMT Technologies Inc. ("OMT") as its Qualifying Transaction pursuant to the policies of The Canadian Venture Exchange. The outstanding common shares of OMT shall be acquired by WEC for an aggregate acquisition price of $3,509,625 by way of the issuance of 7,019,250 common shares of the Corporation at a deemed price of $0.50 per share. In addition, in exchange for the 20,000 preferred shares of OMT currently issued and outstanding and the conversion of $65,000 of OMT shareholders loans currently outstanding, the Corporation shall issue a total of $85,000 in convertible preferred shares of the Corporation having the same terms and the conditions as the shares to be issued pursuant to the private placement as herein referenced.

Concurrent with the closing of the Qualifying Transaction, the Corporation intends to complete a private placement financing of $1,000,000 to $1,500,000 by way of the issuance of 10,000 to 15,000 units at a price of $100 per unit, each unit being comprised of one convertible preferred share plus 100 detachable common share purchase warrants (the "Financing"). The conversion rights on the preferred shares and the exercise rights on the warrants, that both expire after five years, will be at $0.50 per common share in year three, $0.55 per common share in year four and $0.60 per common share in year five. The proceeds of the Financing will be used for corporate debt refinancing and to fund development and marketing expenses for OMT's product line.

The Corporation is applying for listing as a Tier 1 Technology or Industrial Issuer on CDNX, subject to completion of the Qualifying Transaction.

OMT (www.omt.net), a broadcast and electronics equipment wholesaler, custom application software programmer and pre-packaged computer software publisher, is incorporated federally in Canada. The business originated in 1969 as Century 21 Studios Ltd. and it subsequently operated as Oakwood Audio Labs Ltd. OMT was a distributor of broadcast equipment in Canada until 1987 when OMT obtained the Canadian distribution rights for Media Touch Systems Inc. (Salem, NH) digital audio and radio broadcast software. The Media Touch technology, trade name and client base were acquired in 1995 for $1,150,000. OMT has grown this acquisition into a client base of over 400 radio stations in the United States, Canada, Europe and Asia. The technology was expanded in1996 to encompass

Direct to Home Satellite music systems. In 1997, OMT signed a 5 year strategic alliance with DMX LLC (a division of Liberty Music of Los Angeles, CA) to develop and market digital audio studio systems. OMT introduced Audio Card Independence (supports popular audio formats such as MP3, MPEG II, Windows WMA and ADPCM) in 1998. By vertically integrating software CODEC technology into OMT audio applications, products can now be distributed and supported on the Internet. OMT also has formed a strategic alliance with musicmusicmusic inc. to provide audio delivery software and systems for their Internet based, MPEG 3 audio library. musicmusicmusic inc. is a U.S. corporation publicly traded on the Neur Markt of the Frankfurt stock exchange (MU5) with production offices in Toronto, Ontario.

Recent OMT product introductions include iMedia Logger (a unique multi-channel audio logging system), iMediaEDIT (compressed audio file editing and transcoding software), QuicPix (jukebox audio software) and Broadcastport.com (streaming media hosting, for corporate, radio, television and satellite audio/video broadcaster applications). Continued development of hardware independent, multi-media software to manage and communicate digital content for consumer, commercial and Internet broadcasting applications is planned. Upon completion of the Qualifying Transaction, the business of OMT will constitute all of the operations of the Corporation.

Based on the unaudited financial statements of OMT as at May 31, 2000, OMT had total revenue of $4,355,000, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of $346,000, total assets of $3,166,000, working capital of $624,000, long term debt (inclusive of the current portion) of $1,350,000 and a surplus of $734,000.

A non-refundable deposit of $25,000 has been paid by WEC to OMT. A subsequent refundable deposit of $75,000 will be advanced to OMT upon receipt of acceptable financing commitments to complete this transaction.

The four current directors of WEC, Jack Peterson, Philipp Ens, Steven Stang and Ed Burgener and the three current directors of OMT, Ron Paley, Ted Paley and Scott Farr, intend to stand for nomination as directors of the Corporation at a Special Meeting of the shareholders to be called to approve the Qualifying Transaction. All of the above parties are residents of Manitoba. The parties have also agreed to change the name of the Corporation and this will also be presented to the shareholders at the Special Meeting. The parties to this proposed Qualifying Transaction are arm's length to one another.

Copies of this material change report will be sent without charge to registered shareholders of the Corporation upon written request to the Corporation at: Western e-com Inc. 56 Deer Lodge Place Winnipeg, Manitoba R3J 2B8 Attention: Jack Peterson. Copies are also available free of charge on the SEDAR website (www.sedar.com).

ITEM 6 - CONFIDENTIAL FILING

Not applicable.

ITEM 7 - OMITTED INFORMATION

Not applicable.

ITEM 8 - SENIOR OFFICER

The name of the Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Mr. Jack Peterson
Chairman, CEO
(204) 292-1100.

ITEM 9 - STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

DATED at Winnipeg, Manitoba this 5th day of February, 2001.

"Jack Peterson"

Jack Peterson
Chairman and CEO