

This is a form of a material change report required under Section 85(1) of the Securities Act and Section 151 of the Securities Rules.

**FORM 27**

**Securities Act**

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

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under Section 85(1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure".

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL".

Item 1. Reporting Issuer

Southport Capital Corporation

Item 2. Date of Material Change

December 11, 2000

Item 3. Press Release

The press release was issued on December 11, 2000 and disseminated through Newslink Network Corp.

Item 4. Summary of Material Change

Further to the news release of Southport Capital Corp. (the "Company") dated October 24, 2000, the Company, Active Ortho Research & Development Inc. ("Active Ortho") and the shareholders of Active Ortho (the "Sellers") are entering into an agreement to amend their agreement of October 17, 2000, pursuant to which the Company shall acquire all of the issued and outstanding shares of Active Ortho in exchange for shares of the Company.

The amending agreement provides for the following:

1. As a condition of the closing of the acquisition of Active Ortho, the Company has agreed at closing to effect a one for two consolidation of its share capital. This consolidation is subject to regulatory and shareholder approval. As a result of the consolidation, the current number of issued shares of the Company shall be reduced

from 4,668,000 shares to 2,334,000 shares, and the number of shares to be issued to acquire Active Ortho shall decrease from 12,958,560 shares to 6,479,280 shares.

2. The Company will issue to WSi Interactive Corporation (“WSi”) 300,000 post-consolidation shares of the Company (the “Finder’s Fee Shares”) as a finder’s fee in consideration for WSi’s introduction of Active Ortho and the Sellers to the Company. The issuance of the Finder’s Fee Shares is subject to approval by the regulatory authorities and the Company’s shareholders. Theo Sanidas is an officer and a director of both the Company and WSi.
3. The prior requirements for the Company to pay a further \$75,000 deposit and an aggregate \$200,000 in loans have been replaced by an obligation of the Company to:
  - a. complete a private placement to raise gross proceeds of \$100,000 on or before December 22, 2000, which funds shall be placed in an account for use by Active Ortho, subject to regulatory approval. All funds dispersed from the account shall require the consent of the Company; and
  - b. obtain permission from the Canadian Venture Exchange to deposit into the said account on or before January 31, 2001 an additional \$100,000.
4. The requirement for the Company to complete a brokered private placement has been replaced with a requirement to complete an exchange offering prospectus unit financing with Global Securities Corp. (“Global”), of units, each unit consisting of one post-consolidation share of Southport and one warrant to buy one post-consolidation share for one year from Closing. Global shall receive a commission of 8% in cash (plus a 1% corporate finance fee) and 10% agent’s warrants entitling Global to purchase shares at the offering price for a period of one year from Closing. The financing shall raise gross proceeds of a minimum of \$700,000 and a maximum of \$2,000,000.

Completion of the Transactions remains subject to a number of conditions, including but not limited to, Exchange acceptance and the approval of the majority of the minority shareholders of the Company. The Transactions cannot close until the approval of the shareholders of the Company is obtained. There can be no assurance that the Transactions will be completed as proposed or at all.

Item 5. Full Description of Material Change

Further to the news release of Southport Capital Corp. (the “Company”) dated October 24, 2000, the Company, Active Ortho Research & Development Inc. (“Active Ortho”) and the shareholders of Active Ortho (the “Sellers”) are entering into an agreement to amend their agreement of October 17, 2000, pursuant to which the Company shall acquire all of the issued and outstanding shares of Active Ortho in exchange for shares of the Company.

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

Nothing in this form is required to be maintained on a confidential basis.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officers

Allon Shapiro  
Director  
(604) 662-5149

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated this 11<sup>th</sup> day of December, 2000 at Vancouver, BC.

SOUTHPORT CAPITAL CORPORATION

By: "Allon Shapiro" \_\_\_\_\_

Director  
\_\_\_\_\_  
(Official Capacity)

Allon Shapiro  
\_\_\_\_\_  
(Please print here name of individual whose  
signature appears above.)