

Form 27
Securities Act (Ontario)

MATERIAL CHANGE REPORT UNDER SECTION 72(5) OF THE ACT

1. Reporting Issuer

Zconnexx Corporation

2. Date of Material Changes

July 21, 2000

3. Press Releases

A press releases was issued in Toronto, Ontario through the facilities of Canada NewsWire Services, a copy of which is attached hereto as Schedule "A".

4. Summary of Material Changes

On July 21, 2000, Zconnexx Corporation ("Zconnexx" or the "Company") announced that it has entered into a \$2 million short-term credit facility with the Royal Bank of Canada to cover operating expenses. The credit facility is to be guaranteed by EcomPark Inc. ("EcomPark") and is subject to the approval of the Canadian Venture Exchange (the "CDNX").

5. Full Description of Material Changes

On July 21, 2000, Zconnexx announced it has entered into a \$2 million committed credit facility with a 120 day term with the Royal Bank of Canada for general corporate purposes and to cover operating expenses. The credit facility is to be guaranteed by EcomPark, a principal shareholder of Zconnexx, and is subject to the approval of the CDNX. In consideration of EcomPark providing a guarantee on the credit facility, EcomPark shall receive a fee equal to \$150,000. Upon payment of the fee, EcomPark shall use the proceeds to subscribe for a unit of Zconnexx consisting of 75,000 common shares of Zconnexx, a Special Warrant entitling EcomPark to purchase, for no additional consideration, 25,000 common shares of Zconnexx, and a right and option to realize on its security if Zconnexx defaults and to require the Company to satisfy all outstanding amounts (the "Outstanding Amounts") due under the credit facility by the issue to EcomPark of such number of common shares of Zconnexx as is equal to the Outstanding Amounts divided by the weighted average closing price of the common shares of Zconnexx on the CDNX for the 10 business days preceding the exercise of the right multiplied by the maximum discount permitted by the CDNX. In addition, Zconnexx shall enter into a general security agreement over the present and future assets of Zconnexx;

Zconnexx America, Inc. a wholly-owned subsidiary of Zconnexx also agreed with EcomPark to enter into a guarantee and general security agreement over the present and future assets of Zconnexx America.

The guarantee transaction may be considered to be a Related Party Transaction under Ontario Securities Commission Rule 61-501.

Zconnexx and EcomPark Investments Inc. have also agreed to enter into a services agreement pursuant to which Zconnexx shall pay EcomPark \$5,000 per month over a one-year term for financial and capital market consulting services which by the terms of said agreement does not include promotional or investor relations services.

6. Reliance on Section 75(3) of the Act

Not applicable.

7. Omitted Information

Not applicable.

8. Senior Officer

For more information, please contact Alan Brousseau, Director of Corporate and Legal Affairs of Zconnexx, at (416) 486-1118.

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto, this 21st day of July, 2000.

“John Pozios”

John Pozios,
President and Secretary

IT IS AN OFFENCE FOR A PERSON TO MAKE A STATEMENT IN A DOCUMENT REQUIRED TO BE FILED OR FURNISHED UNDER THE ACT OR THIS REGULATION THAT, AT THE TIME AND IN THE LIGHT OF THE CIRCUMSTANCES UNDER WHICH IT IS MADE, IS A MISREPRESENTATION.

Schedule "A"

Investor Contact:

Juan Dominguez or Dian Griesel, PhD
The Investor Relations Group Inc.
New York, NY
212-736-2650

ZCONNEXX ANNOUNCES CREDIT FACILITY WITH ROYAL BANK OF CANADA

For immediate release

Toronto, Ontario, Canada, July 21, 2000 – Zconnexx Corporation (CDNX:ZXX) ("Zconnexx or the "Company") today announced that it has entered into a \$2 million committed credit facility with the Royal Bank of Canada at a rate of interest equal to the Royal Bank of Canada prime rate plus 0.5% per annum (the "Credit Facility"). The Credit Facility will be used for general corporate purposes and to provide the Company with additional funding capacity to execute its business growth strategy. The Credit Facility is to be guaranteed by EcomPark Inc. ("EcomPark"), a shareholder of Zconnexx. The transaction has received approval of the Canadian Venture Exchange ("CDNX").

In consideration of EcomPark providing the guarantee, EcomPark shall:

- (a) receive a fee equal to \$150,000;
- (b) upon payment of the fee, subscribe for a unit of Zconnexx consisting of 75,000 common shares of Zconnexx and a Special Warrant to acquire, at no additional consideration, an additional 25,000 common shares of Zconnexx;
- (c) obtain a general security agreement over all present and future assets of Zconnexx, which shall be convertible into common shares of Zconnexx in the event of default by Zconnexx. The amount of common shares of Zconnexx issuable to EcomPark in the event of default is equal to the unpaid balance under the Credit Facility divided by the weighted average closing price of the common shares of Zconnexx on the CDNX multiplied by the maximum discount permitted by the CDNX.

The guarantee transaction may be considered to be a Related Party Transaction under Ontario Securities Commission Rule 61-501. Zconnexx or its agent shall send a copy of the material change report to be filed in respect of the Credit Facility to any security holder upon request, at no charge.

About Zconnexx

Zconnexx is an electronic Market Developer that creates an online presence for small to mid-sized businesses in the United States. Subscribers of the Company's services receive turnkey Internet access, Web-based e-mail, an individualized Web-site with their own proprietary address, Web-hosting services and a business directory listing on Zconnexx's YellowPage.Net business portal. The Company's total package of Internet services is competitive in its pricing and the low monthly fee is charged directly to the customer's existing telephone bill.

For further information, please contact Juan Dominguez or Dian Griesel, PhD at The Investor Relations Group, Inc., New York, NY (212) 736-2650, or by fax at (212) 736-2610.

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release. Not for dissemination or distribution in the United States of America.