

ONX INCORPORATED
MATERIAL CHANGE REPORT

Name and Address

OnX Incorporated
155 Commerce Valley Drive East
Thornhill, Ontario
L3T 7T2

Date of Material Change

June 5, 2000

Press Release

Press release, attached hereto as Schedule "A", was released on June 5, 2000 and disseminated using the facilities of Canada Corporate News.

Summary of Material Change

OnX Incorporated (the "Company") announced that it expects to report earnings before interest, taxes, depreciation and amortization ("EBITDA") in the range of \$1.7 million and a net loss in the range of \$2.2 million for the fiscal year ended April 30, 2000 resulting primarily from the weakness in IT infrastructure sales, increased selling and administrative expenses and certain non-recurring charges.

In addition, the Company expects to report sales of approximately \$109 million, comprising IT Infrastructure sales of approximately \$81 million and e-Business sales of approximately \$28 million for the fiscal year ended April 30, 2000. IT Infrastructure sales failed to regain momentum after the year 2000 slowdown experienced by the Company in the first eight months of the fiscal year ended April 30, 2000.

Fourth quarter results will include an unusual pre-tax charge of approximately \$2.1 million, mainly due to an inventory charge of \$1.5 million incurred in the IT Infrastructure segment. During the fourth quarter, the Company made a strategic decision to switch to a just-in-time direct-shipment model. This strategic decision involved the Company disposing of substantially all of its inventory. The Company expects that this decision will

result in the reduction of expenses as they relate to the carrying cost of inventory in the future. In addition, the unusual pre-tax charge includes a significant one-time investment in re-branding OnX.com of \$0.6 million, the Company's principal operating division. The Company expects to release its audited consolidated financial statements for the fiscal year ended April 30, 2000 in early July, 2000.

Full Description of Material Change

The Company announced that it expects to report EBITDA in the range of \$1.7 million and a net loss in the range of \$2.2 million for the fiscal year ended April 30, 2000 resulting primarily from the weakness in IT infrastructure sales, increased selling and administrative expenses and certain non-recurring charges.

In addition, the Company expects to report sales of approximately \$109 million, comprising IT Infrastructure sales of approximately \$81 million and e-Business sales of approximately \$28 million for the fiscal year ended April 30, 2000. IT Infrastructure sales failed to regain momentum after the year 2000 slowdown experienced by the Company in the first eight months of the fiscal year ended April 30, 2000.

Fourth quarter results will include an unusual pre-tax charge of approximately \$2.1 million, mainly due to an inventory charge of \$1.5 million incurred in the IT Infrastructure segment. During the fourth quarter, the Company made a strategic decision to switch to a just-in-time direct-shipment model. This strategic decision involved the Company disposing of substantially all of its inventory. The Company expects that this decision will result in the reduction of expenses as they relate to the carrying cost of inventory in the future. In addition, the unusual pre-tax charge includes a significant one-time investment in re-branding OnX.com of \$0.6 million, the Company's principal operating division. The Company expects to release its audited

consolidated financial statements for the fiscal year ended April 30, 2000 in early July, 2000.

Reliance on Section 75(3)
of the Securities Act (Ontario)
and similar provisions of
applicable securities laws

Not Applicable

Omitted Information

Not Applicable

Senior Officer

David Andrews
Chief Financial Officer
(905) 881-4414

Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto this 15th day of June, 2000.

"David Andrews"
David Andrews
Chief Financial Officer

SCHEDULE "A"

FOR IMMEDIATE RELEASE

OnX INCORPORATED INDICATES PRELIMINARY FINANCIAL RESULTS FOR THE YEAR ENDED APRIL 30, 2000

Toronto, Canada – June 5, 2000 OnX Incorporated announced today that sales of its IT Infrastructure business for the fourth quarter ended April 30, 2000 failed to regain momentum after the Y2K slowdown experienced by the Company in the first eight months of the fiscal year. The Company also announced that it expects to report fiscal year earnings before interest, taxes, depreciation and amortization (EBITDA) in the range of \$1.7M, and a net loss in the range of \$2.2M resulting primarily from the weakness in IT Infrastructure business sales, increased selling and administration expenses and certain non-recurring charges. The Company said it expects to report sales of approximately \$109 million, comprising IT Infrastructure sales of approximately \$81 million and e-Business sales of approximately \$28 million.

Fourth quarter results will include an unusual pre-tax charge of approximately \$2.1 million, mainly due to an inventory charge of \$1.5 million incurred in the IT Infrastructure segment. The Company made a strategic decision to switch to a just-in-time direct-ship model. This strategic decision involved the Company disposing of substantially all of its inventory. The Company expects that this decision will result in the reduction of expenses as they relate to the carrying cost of inventory in the future. In addition, the unusual pre-tax charge includes a significant one-time investment in re-branding OnX.com of \$0.6 million, the Company's principal operating division. The Company expects to release its audited financial results for the fiscal year ended April 30, 2000 in early July.

"We are clearly disappointed with the fourth quarter financial performance of the IT Infrastructure segment of our business, said Mr. Sheldon Pollack, Co-Chairman and Chief Executive Officer of OnX Incorporated. "We were anticipating a resumption of double digit growth in our IT Infrastructure sales in the new calendar year, following our clients' deferral of purchases in the latter half of 1999 due to Y2K lockdown. However, consistent with industry trends, sales failed to rebound. On the other hand, we are delighted to report that sales of our e-Business services grew by 77% over fiscal 1999 while maintaining strong profitability."

Mr. Pollack concluded, "Notwithstanding the results in the IT Infrastructure segment for fiscal 2000, it was a year that laid the foundation for a very dynamic future for OnX. Achievements included a substantial strengthening of our senior management team, the completion of our \$40 million initial public offering, continued strong growth of our e-Business services segment and substantive enhancement in our incubation assets. In addition, on April 17, 2000 we closed the acquisition of Momentum Business Systems, which significantly strengthened our eastern Canada operations. We look forward to reporting the results of these and other initiatives as fiscal 2001 unfolds".

This press release contains statements of a forward-looking nature that involve risks and uncertainties. Important factors that could cause actual results to differ materially from those reflected in such forward-looking statements are detailed from time to time in the Company's filings with securities regulatory authorities.

About OnX Incorporated

Founded in 1983, OnX Incorporated (formerly Onyx Computers Incorporated) is one of Canada's leading providers of end-to-end e-business solutions for emerging and evolving companies competing in the new web economy. The company markets its e-business professional services and solutions to large and medium sized businesses as well as government organizations. The Company is headquartered in Thornhill, Ontario. For additional information about OnX and its e-business solutions, visit www.onx.com.

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For further information contact:

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or

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