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

BC FORM 53-901F
(Formerly FORM 27)

BRITISH COLUMBIA 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

Intrinsic Capital Inc.
1260-609 Granville Street
Vancouver, B.C. V7Y 1G5

Item 2. Date of Material Change

October 18, 2002

Item 3. Press Release

A Press Release dated October 18, 2002 was disseminated via Canada Stockwatch and Market News. (see Schedule "A" attached)

Item 4. Summary of Material Change

The Company has agreed to acquire VisionSphere Technologies Inc., a biometrics solutions company, for shares of Intrinsic. The acquisition, if completed, will constitute the Company's Qualifying Transaction under the policies of the TSX Venture Exchange.

Item 5. Full Description of Material Change

See Schedule "A" attached.

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

Not Applicable.

Item 7. Omitted Information

Not Applicable.

Item 8. **Senior Officers**

The following Senior Officer of the Company is available to answer questions regarding this report:

Item 9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, B.C., this 18th day of October, 2002.

INTRINSIC CAPITAL INC.
Per:

"Bill McCartney"

Bill McCartney, President

SCHEDULE A

October 18, 2002

Press Release

INTRINSIC CAPITAL INC. *TSXSymbol*: **ICB**

1260-609 Granville Street

Vancouver, B.C. V7Y 1G5

Tel. (604) 687-0888 Fax. (604) 685-7485

INTRINSIC TO AQCUIRE BIOMETRIC SOLUTIONS COMPANY

The Board of Directors of Intrinsic Capital Inc. ("Intrinsic") are pleased to announce that effective on October 10, 2002, Intrinsic entered into an agreement in principle to acquire, by way of share exchange, merger or plan of arrangement, all of the outstanding shares of VisionSphere Technologies Inc. ("VTI"). VTI is an Ontario-based corporation that carries on the business of the development, marketing and sales of face recognition technology, as further described below. If completed, the transaction will constitute the Intrinsic's "Qualifying Transaction" under the policies of the TSX Venture Exchange (the "Exchange").

About VTI

VTI is a three-year old federally-chartered Company based in Ottawa, Ontario that provides integrated solutions for authentication and identification applications. ***It's Me*™**, its primary product, which is ready for commercialization, addresses the computer network and workstation, logon authentication market.

VTI specializes in the research, development, and delivery of face recognition software for several different applications. VTI's software is integrated with hardware to provide customers with a whole-product solution. The Company has developed a proprietary face recognition system that is user-friendly and easy to install. This system provides VTI with certain competitive advantages in the marketing of face recognition applications. Each VTI facial identification device is embedded with VTI's patent-pending, secure, adaptive, software-controlled camera. VTI's software locates the subject's face and adjusts the camera's sensors to adapt to ambient illumination found on the face. This process increases the range and accuracy of face recognition.

VTI offers products to enterprises requiring authenticated, secure access to their computers and computer networks. Other integrated products provide authenticated physical access control to business operations and secure, distributed, networked identification to the law enforcement and driver's identification markets.

Although VTI has directly and indirectly invested approximately $3,500,000 (unaudited) in the development of its technologies since its inception, those technologies have only recently become ready for commercial exploitation. Accordingly, VTI's revenues from product sales to-date are minimal and therefore VTI is best described as an early-development stage company.

To finance product development, VTI borrowed approximately $2,000,000 from private sources (the "Loans") and received government grants, subsidies and loans in the approximate amount of $650,000. Prior to closing, a substantial portion of the Loans will be converted into shares of VTI (see Private Placement and Debt Settlements). The Company presently owes the federal government about $495,000 in connection with the Industrial Research Assistance Program, which shall be repaid on terms to be negotiated commencing in 2004.

VTI Management and Directors

Upon completion of the transaction, current management and the Board of Directors of Intrinsic will resign. Intrinsic has been advised that, subject to the approval of the shareholders of Intrinsic, new Directors and officers will be appointed upon completion of the transaction as follows:

Sal Khan – CEO and President, Director

Mr Khan is a founder of VTI and was instrumental in setting the strategic direction of VTI and the development of its technology. Mr. Khan brings over 30 years of entrepreneurial experience as the owner of several businesses in the hospitality industry and as a real estate developer in the commercial and residential sectors. Mr. Khan earned a Bachelor of Arts degree from the University of Toronto. As CEO, Mr. Khan will focus on strategic direction for the corporation, securing of investment capital, and development of strategic alliances.

Charles J. Connolly – Chief Financial Officer

Mr. Connolly, a Chartered Accountant, is the controller of VTI. He is also the president of Charles J. Connolly and Associates Limited, a firm that provides management, accounting and tax services for a variety of corporations, governments and individuals. As a consultant for Canadian Industrial Development Agency he has been a team member assisting the governments of Indonesia, Belize, the Caymen Islands, and St. Lucia.

Glen Fraser – Secretary

Mr. Fraser has many years of experience in a research environment at the National Research Council where he was supervisor of the Precision Optical Fabrication Facility and the Scientific Glassblowing Facilities for 10 years. Mr. Fraser also has extensive business experience in real estate, construction, and the hospitality industry.

Les Horn – Director

Mr. Horn has over 30 years of experience in technology sales, support and marketing. Currently, Mr. Horn is involved in a five-year-old software company, Quadrillion Corporation, which he founded. Quadrillion identifies yield improvement opportunities in semiconductor "fabs" and foundries. Mr. Horn was previously a co-founder, director, and Vice-President, Engineering, of Corel Systems Corporation, an international marketing manager for Computing Devices Canada and a director of marketing for Norpak Corporation. He also previously held a number of senior management positions with Hewlett Packard. Mr. Horn graduated in telecommunications from Southampton University, in England and later obtained the City & Guilds Institute of London's degree in Mechanical Engineering.

Austin G. Thorne – Director

Mr. Thorne has over 33 years of experience, both nationally and internationally, in management, restructuring, government relations, public policy development and industrial relations. For his work in the past, the Prime Minister of Canada, The Right Honourable Brian Mulrooney and the Governor General of Canada, Her Excellency Madame Jeanne Sauve, have formally honoured him. He is currently the president of his own management consulting company, Bridges A.G.T. Consulting, which provides strategic counsel services to a number of CEOs. He is also a director of Light Management Group Inc., a Burlington Ontario-based, publicly-traded photonics company; and an advisor to MetroPhotonics Inc, an Ottawa, Ontario-based, privately-held photonics company.

Brian J. Ford – Director

Mr. Ford is a former Chief of Police of the Regional Municipality of Ottawa-Carleton and the City of Ottawa and was a member of the Ottawa Police Service from 1964 to 1993. Mr. Ford has been closely involved with the development of information technology for policing throughout his career. He served for two years as President of the Criminal Intelligence Service of Ontario, is a Member of the Order of St. John's, holds the Canadian Police Exemplary Service Medal and Bar, Canada's 125th Anniversary Medal, and is member of the Executive Institute of the Federal Bureau of Investigation. Mr. Ford earned a Bachelor of Arts degree from Carleton University and a Master of Public Administration from Queens University.

Dr. John Millard – Director

Dr. Millard is a former President and CEO of Mitel Corporation. He was appointed to the board of directors of MOSAID Technologies Incorporated, a publicly-traded semiconductor company, in September 1998. Previous to his work at Mitel, Dr. Millard served as Senior Vice President of NEC America in charge of North American operations for the customer premises equipment (CPE) division. He also held senior management positions at Contel, Executone, and at Rockwell Wescom. He began his career at Bell Telephone Laboratories in 1960 and spent fifteen years in that organization in a variety of supervisory roles. Dr. Millard is a member of the boards of Mitel, the Canadian Advanced Technology Alliance (CATA) and the Ottawa Economic Development Corporation (OED).

Dr. Darin Graham – Director

Dr. Darin Graham is the current president and CEO of Communications and Information Technology Ontario (CITO), an organization that strengthens the global performance of Ontario's IT, digital media and communications sectors by facilitating partnerships between post-secondary academic research institutions and industry. Dr. Graham joined the organization in 1999 and was responsible for building a strong business development team for CITO and for the ongoing operations of the organization. Prior to joining CITO, he was the director of research and development for ADT Security Services where he was responsible for company-sponsored research projects in areas including web-based security systems, digital video/vision products and speech recognition systems. Dr. Graham's academic achievements include a doctorate in aerospace engineering from the University of Toronto.

Other VTI senior management positions will be filled as funding is made available.

Shareholders who own more then 10% of the Company shares are Dr. Martin Levine, Dr. Shahid Khan and Bonnie Khan.

Principle Terms of the Acquisition

Intrinsic has agreed to issue up to 28,750,000 common shares to acquire all of the outstanding securities of VTI, including certain Common Shares of VTI proposed to be issued in connection with the Private Placement (as defined below) and with the Debt Settlements (as defined below) (see "Proposed Private Placement and Debt Settlements"). Of the shares issued, it is expected that approximately 20 million shares held by Principals of VTI (as defined by the rules of the Exchange) will be escrowed pursuant to the policies of the Exchange.

In conjunction with the proposed Qualifying Transaction, certain shareholders of Intrinsic (three current directors and the estate of one former director) have agreed to sell, and certain principles of VTI have agreed to purchase, subject to TSX approval, 1,125,000 shares of Intrinsic at a price of $0.10 per share. This sale is conditional upon the closing of the transaction and requisite approvals of the Exchange and securities regulators.

There will be approximately 25 individual and corporate sellers of securities of VTI after the completion of the Debt Settlements and before completion of the Private Placement. To the best of the knowledge of VTI, the substantial majority of the VTI shareholders are residents of Canada.

The transactions contemplated hereby are at arms-length.

In order to facilitate the transaction, Intrinsic shall, subject to shareholder approval, continue its articles of incorporation under the Canada Business Corporations Act.

The agreement in principle is conditional upon, among other things, the execution and delivery of a formal Share Exchange or Merger Agreement that contains terms and conditions normal to a transaction of this nature and scope, approval of the shareholders of Intrinsic and VTI, the completion of the Private Placement and the completion of the Debt Settlements (see "Proposed Private Placement and Debt Settlements").

Proposed Private Placement and Debt Settlements

VTI intends to carry out a private placement of units for proceeds of not less than $1,000,000 and not more than $1,500,000 at an effective per unit price (post-transaction) of $0.40 (the "Private Placement"). Each unit will be comprised of a VTI common share and a warrant to purchase one-half of one VTI common share, which will be exercisable at an effective price (post-transaction) of $0.80. The proceeds of the Private Placement will be used to fund marketing and sales of VTI's products, further research and development and for working capital purposes. Intrinsic may terminate the agreement to acquire VTI if VTI is not in receipt of binding subscription agreements for at least $1,000,000 on or before December 15, 2002.

Northern Securities Inc. is acting as agent to VTI in connection with the Private Placement. In this capacity, Northern is entitled to receive a $15,000 corporate finance fee, as well as 8% of the proceeds of the Private Placement of units, 5% of the proceeds of any exercise of warrants and broker warrants to acquire a number of common shares of VTI equal to 10% of the number of VTI shares sold in the Private Placement (such broker warrants being exercisable at an effective price (post-transaction) of $0.40 per share).

VTI also intends to issue shares in full settlement and satisfaction of outstanding debts of VTI of not less than $1,822, 250 and not more than $2,000,000 at an effective price (post-transaction) of $0.40 per share (the "Debt Settlements"). Intrinsic may terminate the agreement to acquire VTI if VTI is not in receipt of binding agreements to settle the debts on or before December 15, 2002.

Exchange Approved Sponsor

Northern Securities Inc., subject to completion of satisfactory due diligence, has agreed to act as sponsor in connection with the transaction. An agreement to sponsor should not be construed as any assurance with respect to the merits of the transaction or the likelihood of completion.

For acting as sponsor, in addition to the fees referred to above in connection with the Private Placement, Northern Securities will receive a fee of $15,000 plus applicable taxes for acting as sponsor.

VTI has also agreed, subject to Exchange approval, to pay Anchor Securities Inc. a fee of $10,000 and to issue warrants to purchase 225,000 shares of the combined company at an effective price (post-transaction) of $0.40 per share for a period of 18 months after closing. This fee is being paid to Anchor in connection with its role in brokering the transaction.

Required Approvals

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

Investors are cautioned that, except as disclosed in the management information circular to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Intrinsic is presently suspended.

The Exchange has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this press release.

For further information: Sal Khan , President & CEO, VisionSphere Technologies Inc, (613) 740 - 0245, skhan@VisionSpheretech.com. Christopher V. Maverick, Anchor Securities Limited, (416) 365 – 7802 cmaverick@anchorsecurities.com and David Slater, (416) 644 – 8100, Northern Securities Limited.

APPROVED BY THE BOARD OF DIRECTORS

"Bill McCartney" , Director