PCNET INTERNATIONAL INC.
Suite 103, 1315 Esquimalt Road
Victoria, British Columbia, V9A 3P5

ALBERTA SECURITIES COMMISSION
MARKET SURVEILLANCE/CONTINUOUS DISCLOSURE
19th Floor, 10025 Jasper Avenue
Edmonton, Alberta T5K 3Z5
Attention: Executive Director

BRITISH COLUMBIA SECURITIES COMMISSION
MARKET SURVEILLANCE/CONTINUOUS DISCLOSURE
P.O. Box 10142, Pacific Centre
701 West Georgia Street
Vancouver, British Columbia
V7Y 1L2
Attention: Executive Director

Dear Sir/Madam:

Re: PCNet International Inc. - Material Change Report under Section 118 of the *Securities Act* (Alberta) and Section 85 of the *Securities Act* (British Columbia)

This letter is intended as a statement setting for certain matters that may be a material change in the affairs of PCNet International Inc. (the "Corporation" or "PCNet"). 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

PCNet International Inc.
Suite 103, 1315 Esquimalt
Victoria, B.C., V9A 3P5

Item 2 - Date of Material Change

The material change occurred on or about May 18, 2001.

Item 3 - Publication of Material Change

The Press Release was issued on May 18, 2001.

Item 4 - Summary of Material Change

PCNet today announced that it has entered into an agreement for the disposition of Nicolle Technologies Inc., a direct cable television service provider.

Item 5 - Full Description of Material Changes

PCNet has entered into an agreement for the disposition of Nicolle Technologies Inc. ("Nicolle") a direct cable television service provider. PCNet will return Nicolle to Kim Nicolle and Diane Nicolle (the "Previous Owners") pursuant to a settlement agreement and mutual release (the "Disposition Agreement"). Pursuant to the Disposition Agreement, Pacific Coast Net Inc. (a subsidiary of PCNet) will pay the Previous Owners the sum of $30,000 and will transfer all of the shares of Nicolle back to the Previous Owners. The Previous Owners will transfer to PCNet 300,000 common shares of PCNet which were issued to the Previous Owners in exchange for 100,000 common shares of Pacific Coast Net Inc. (a subsidiary of PCNet). In addition, the parties have released each another from all claims.

The Previous Owners and PCNet and Pacific Coast Net Inc. are arm's length parties.

Nicolle revenues since the announced merger to February 28, 2001 (8 months) was $420,801 and losses for the period were $60,028. The effect on PCNet after the disposition of Nicolle will be a decrease in Long Term Debt of $150,000, an increase in the working capital position of the company, a modest reduction in revenues and operating earnings that reflect the absence of Nicolle's losses.

Item 6 - Reliance on Section 118(4) of the Securities Act (Alberta) or Section 85(2) of the Securities Act (British Columbia)

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:

Reed Sumida, President
(250) 382-8934

Item 9 - Statement of Senior Officer

The foregoing accurately discloses the material change referred to in this report.

DATED at Victoria, British Columbia, this 18th day of May, 2001.

PCNet International Inc.

Per: ***"Signed"***
Reed Sumida, President

cc: The Canadian Venture Exchange Inc.