DIRECT IT CANADA INC.

MATERIAL CHANGE REPORT UNDER
PARAGRAPH 85(1)(b) OF THE SECURITIES ACT (BRITISH COLUMBIA)
PARAGRAPH 146(1)(b) OF THE SECURITIES ACT (ALBERTA)
SUBSECTION 75(2) OF THE SECURITIES ACT (ONTARIO)

1. Reporting Issuer

Direct IT Canada Inc.
550 Queen's Quay West
Suite 906
Toronto, Ontario
M5V 3M8

2. Date of Material Change

November 1, 2004

3. Press Release

Direct IT Canada Inc. (the "Company") issued a press release which describes the material change on November 2, 2004, at Toronto, Ontario through Business Wire (the "Press Release").

4. Summary of Material Change

The Company announced that it had entered into a letter of intent with Candax Energy Inc. ("Candax") and Ian Lucas and George Lykoudis (collectively "Management") pursuant to which Management will acquire the existing operating business of the Company and the Company will acquire all of the outstanding securities of Candax.

5. Full Description of Material Changes

The Company entered into a letter of intent with Candax and Management pursuant to which the parties have agreed that, subject to, among other things, shareholder and regulatory approval: (a) Management will acquire the existing municipal software business of the Company with the consideration therefor being the cancellation of 1,780,000 of the 2,180,000 common shares of the Company held by Management; and (b) the Company will acquire all of the outstanding securities of Candax.

The common shares of the Company which remain outstanding after such cancellation will be consolidated such that the holders of common shares of the Company will receive one new common share of the Company in exchange for every two common shares of the Company currently held (the "Consolidation"). After the Consolidation, the Company will have 2,114,000 common shares outstanding (based on 4,228,000 common shares outstanding prior thereto rather than the 5,877,400 number set out in the Press Release (the latter number including 649,400 common shares which are currently subject to issue)) and a further 324,700 common shares subject to issue.

The letter of intent provides for the outstanding common shares of Candax to be exchanged on a one-for-one basis for common shares of the Company on a post-Consolidation basis. Upon completion of the proposed transaction, Candax will be a wholly-owned subsidiary of the Company, the current officers and directors of the Company will be replaced by nominees of Candax and the name of the Company will be changed to a name selected by Candax.

The proposed transaction will require approval by a "majority of the minority" of the shareholders of the Company, with the common shares held by Management being excluded from voting with respect to the proposed transaction. The meeting of shareholders of the Company to consider the proposed transaction is expected to be held early in 2005. The common shares of the Company are currently halted from trading. The trading halt will remain in effect until all the conditions to the completion of the proposed transaction have been met.

Candax has approximately $4,000,000 in cash and 4,980,000 common shares outstanding and will have securities exchangeable for an aggregate of approximately 42,640,000 common shares of Candax upon the completion of a financing currently in progress (such exchangeable securities were not included in the Press Release). Prior to the completion of the proposed transaction with the Company, Candax retains the right to issue common shares or securities exchangeable or convertible into common shares of Candax for gross proceeds not exceeding, in the aggregate, $25,000,000 at an effective price of not less than $0.50 per common share in order to support the acquisition of certain oil and gas properties or to raise additional capital. Candax plans to develop into a significant independent oil and gas producer over the next 3-5 years but does not currently produce any oil or gas.

6. Reliance on Subsection 75(3) of the *Securities Act* (Ontario) or Equivalent Provisions

Not applicable.

7. Omitted Information

There is no material information omitted from this material change report.

8. Senior Officer

The name of a senior officer of the Company who is knowledgeable about the material change and who can be contacted by the Ontario Securities Commission is:

Ian Lucas, President and Chief Executive Officer
Telephone: (905) 338-0286

9. Statement of Senior Officer

The foregoing accurately discloses the material changes referred to herein.

DATED as of this 11th day of November, 2004 in the City of Toronto, Ontario.

DIRECT IT CANADA INC.
By:

(Signed) Ian Lucas
President and Chief Executive Officer