FORM 27

Section 118(1) of the *Securities Act* (Alberta)
Section 67(1) *Securities Act* (British Columbia)

1. Reporting Issuer:

Silicon Acquisition Inc.
Suite 1580, 727-7th Avenue S.W.
Calgary, AB T2P 0Z5

2. Material Change occurred on:

September 6, 2001

3. News Release:

September 19, 2001

4. Summary of Material Change:

Silicon Acquisition Inc. ("Silicon") (CDNX: SIL) is pleased to announce that it has entered into an arm's-length letter of intent with Passion Media Inc. ("Passion Media") dated September 6, 2001, pursuant to which Silicon and Passion Media have agreed to complete a business combination pursuant to an amalgamation agreement or such other method to complete a business combination (the "Business Combination") with tax consequences acceptable to the shareholders of each of Silicon and Passion Media. The Business Combination will close after the completion by Passion Media of the minimum private placement of 3,000,000 units of Passion Media, or special shares convertible into units (the "Passion Units") at a price of $0.40 per Passion Unit for gross proceeds to Passion Media of $1,200,000 (the "Passion Private Placement"). Each Passion Unit will consist of one common share of Passion Media and one-half of one common share purchase warrant of Passion Media (the "Passion Warrants"). Each whole Passion Warrant will entitle the holder thereof to purchase one common share of Passion Media at a price of $0.60 per share for a period of eighteen months. Management of Passion Media intends to utilize the net proceeds from the Passion Private Placement to fund the development of high speed broadband content for its internet community (PassionVillage.com), to prepare additional radio programs for syndication, to develop two category 2 digital television licenses which have been granted to Passion Media by the Canadian Radio, Television and Telecommunications Commission (the "CRTC"), to fund sales and marketing costs, and to fund the general working capital requirements of Passion Media over the next twelve months.

5. Full Description of Material Change:

See Schedule "A" attached hereto.

6. Reliance on Section 118(2) (confidentiality provisions) of the *Securities Act* (Alberta) or the equivalent in other jurisdictions:

Not Applicable

7. Omitted Information:

Not Applicable

8. Senior Officers:

David G. Mallory
Suite 1580, 727-7th Avenue S.W.
Calgary, AB T2P 0Z5

9. Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

DATED this 19th day of September, 2001.

SILICON ACQUISITION INC.

Per: *"David G. Mallory"*
David G. Mallory

SCHEDULE "A"

SILICON ACQUISITION INC.

Suite 1580, 727-7th Avenue S.W.
Calgary, AB T2P 0Z5

SILICON ENTERS INTO LETTER OF INTENT WITH PASSION MEDIA INC

September 19, 2001

SILICON ACQUISITION INC. ("Silicon") (CDNX: SIL) is pleased to announce that it has entered into an arm's-length letter of intent with Passion Media Inc. ("Passion Media") dated September 6, 2001, pursuant to which Silicon and Passion Media have agreed to complete a business combination pursuant to an amalgamation agreement or such other method to complete a business combination (the "Business Combination") with tax consequences acceptable to the shareholders of each of Silicon and Passion Media. The Business Combination will close after the completion by Passion Media of the minimum private placement of 3,000,000 units of Passion Media, or special shares convertible into units (the "Passion Units") at a price of $0.40 per Passion Unit for gross proceeds to Passion Media of $1,200,000 (the "Passion Private Placement"). Each Passion Unit will consist of one common share of Passion Media and one-half of one common share purchase warrant of Passion Media (the "Passion Warrants"). Each whole Passion Warrant will entitle the holder thereof to purchase one common share of Passion Media at a price of $0.60 per share for a period of eighteen months. Management of Passion Media intends to utilize the net proceeds from the Passion Private Placement to fund the development of high speed broadband content for its internet community (PassionVillage.com), to prepare additional radio programs for syndication, to develop two category 2 digital television licenses which have been granted to Passion Media by the Canadian Radio, Television and Telecommunications Commission (the "CRTC"), to fund sales and marketing costs, and to fund the general working capital requirements of Passion Media over the next twelve months.

Passion Media is a private company incorporated under the laws of Ontario with an office in Toronto, Ontario. Founded in June 1999, Passion Media is controlled by its management team and founders, Gordon Haines, Martin J. Doane, C. Ian Shaw, B. Ross Chin-Yee, William Cooke, Richard Miller and Sue McGarvie, all of Toronto, Ontario. Passion Media is a multimedia organization dedicated to mainstream adult sexuality. It is currently developing an integrated group of media platforms comprised of an internet community (PassionVillage.com), syndicated radio programs ("Sexual Solutions" syndicated to MOJO radio and several university campuses, and "Sex with Sue") two digital specialty television networks (Passion Television and The Singles Network), and various publishing initiatives to be implemented through royalty arrangements with established publishers. Passion Media provides content suitable for the mainstream, English speaking audience, focusing on fun, upbeat lifestyle programming. The primary target audience of Passion Media content is women and couples.

The Business Combination will be an arm's-length transaction as the directors and officers of Silicon have no ownership or other interest or position with Passion Media.

Gordon Haines became the President, Chief Executive Officer of Passion Media in January 2001. Mr. Haines has thirty years of senior management experience in media, entertainment and broadcasting, including: commercial television; pay television; pay-per-view television; specialty television; direct broadcast satellite television; direct broadcast satellite pay-per-view television; broadcast journalism; the production, distribution and financing of dramatic filmed entertainment; and commercial radio. Prior to joining Passion Media, Mr. Haines was the Chief Operating Officer of Alliance Communications Corporation, a public company listed on The Toronto Stock Exchange (the "TSE") and a member of its Board of Directors from 1992 to 1995. While at Alliance, Mr. Haines was responsible for all activities of the Corporation, its subsidiaries and divisions, worldwide. Mr. Haines was also responsible for the development, licensing and launch of the specialty network **Showcase** and the initial formation of the division that evolved into Alliance Atlantis Broadcasting.

In 1995 Mr. Haines prepared the business and operating plan for Power Broadcasting's successful application to the CRTC for the Power Direct to Home satellite distribution license and the **Power/Direct TV** satellite pay-per-view license from the CRTC. From 1985 to 1992, Mr. Haines was the Executive Vice-President of The Movie Network (TMN - First Choice Canadian Communications Corporation). He was instrumental in the launch of **Family Channel**, and the development, licensing and launch of **Viewers Choice Pay-Per-View**.

B. Ross Chin-Yee is Vice-President of Passion Media, the President of PassionVillage.com and Mr. Chin-Yee is the creator and co-founder of Passion Media. Mr. Chin-Yee ran his own private dental practice for eight years and was a member of the Active Surgical Staff at North York General Hospital, before leaving the medical field in 1988 to concentrate his efforts in the area of private investments. In addition to his private activities, Mr. Chin-Yee has provided his expertise to companies such as ExperDent Financial Services Inc./Chancellor Consultants Inc. and Nesbitt Burns.

Richard Miller became the Chief Financial Officer and Corporate Secretary of Passion Media effective September 3, 2001. Mr. Miller is a Certified Management Accountant with over thirty years experience in the entertainment industry. He is a senior financial manager with progressive experience in commercial television broadcasting, specialty television, pay television, pay-per-view television, cable television, satellite television and the music industry. As Chief Financial Officer for Alliance Communications Corporation from 1994 to 1996, Mr. Miller was responsible for all accounting, finance, budgeting, tax planning, financial policies, and information systems across the corporation's offices in Toronto, Montreal, Los Angeles, Paris, and Shannon, Ireland.

From 1988 to 1994, Mr. Miller was the Vice-President of Finance at The Movie Network (TMN – First Choice Canadian Communications Corporation) in charge of accounting, finance, budgeting, tax planning, and human resources.

Sue McGarvie is the Vice-President of Passion Media responsible for the development of original content. Ms. McGarvie has been a Registered Clinical Sex and Relationship Therapist since 1992 and has hosted her own radio talk program, "Sex with Sue" for five years. She is a member of The Sex Therapy Council of Canada, The Canadian Urological Association and the Society of Obstetricians and Gynecologists of Canada. Ms. McGarvie was the winner of the I.H. Asper Award for Entreprenurial Broadcaster of the Year in 1998 and the Woman of Distinction Award for Communications in 1997. In addition to broadcasting and clinical work, Ms. McGarvie has provided consulting services to the medical, pharmaceutical and insurance industries as well as government agencies.

Martin J. Doane is a Barrister & Solicitor who was one of the founders of Passion Media and continues to act for the company in the capacity of General Counsel. Mr. Doane is currently with the Toronto law firm, Paliare Roland Rosenberg Rothstein LLP and is a member of the Board of Directors of Ascendant Capital Management Inc. and Northersupplier.com Inc. Previously, Mr. Doane was a partner with Gowling, Lafleur Henderson, Barristers & Solicitors, in Toronto, Ontario.

Passion Media commenced operations in June 1999. Based on unaudited financial statements for the year ended December 31, 2000, Passion Media had total assets of $124,056, liabilities of $100,824, shareholder's equity of $23,232, revenue of $16,392, and a loss of $272,489. Based on unaudited financial statements of Passion Media for the seven months ended July 31, 2001, Passion Media had total assets of $99,955, liabilities of $274,845, shareholders equity of ($174,890), revenues of $36,137 and Passion Media recorded a net loss of $197,883.

Yorkton Securities Inc. ("Yorkton") has agreed to act as the agent of Passion Media on a best efforts basis in connection with the Passion Private Placement. Passion Media will pay a cash commission to Yorkton and will also grant Yorkton an agent's compensation option to acquire up to 10% of the number of Passion Units sold under the Passion Private Placement. Each agent's compensation option shall entitle Yorkton to acquire one Passion Unit at a price of $0.40 per Passion Unit, and which will be exercisable for a period of 24 months from the date of the closing of the Business Combination (the "Passion Agent's Option"). On February 20, 2001, Yorkton Partners 2000 Fund L.P. advanced $150,000 to Passion Media in the form of a convertible debenture. On August 8, 2001, Yorkton Partners 2001 Fund L.P. advanced $100,000 to Passion Media in the form of a secured debenture. Immediately prior to the Business Combination, the $150,000 convertible debenture held by Yorkton Partners 2000 Fund L.P. will be converted into 375,000 Passion Units on the same terms as the Passion Private Placement. The $100,000 secured debenture held by Yorkton Partners 2001 Fund L.P. will be repaid with 250,000 Passion Units on the same terms as the Passion Private Placement. Yorkton Partners 2000 Fund L.P. and Yorkton Partners 2001 Fund L.P. are limited partnerships owned and controlled by the employees of Yorkton. Immediately prior to the Business Combination, Yorkton and its affiliates and their respective officers and directors will own, directly or indirectly, 6.4% of the common shares of Passion Media.

Pursuant to the Business Combination, Silicon and Passion Media will merge pursuant to a share exchange, takeover bid or amalgamation to create a new company ("NewCo") and: (i) the current holders of common shares of Passion Media will receive 9,699,203 common shares of NewCo (the "NewCo Common Shares") with a deemed value of $0.40 per share; (ii) the holders of the Passion Units will receive one NewCo Common Share and one-half of one share purchase warrants (the "NewCo Warrants") of NewCo for each Passion Unit owned; and (iii) the holders of the common shares of Silicon will receive one NewCo Common Share for each common share of Silicon owned for an aggregate of 2,666,667 NewCo Common Shares. Each whole NewCo Warrant shall entitle the holders thereof to acquire one NewCo Common Share at a price of $0.60 per share for a period of eighteen months from the date of the closing of the Passion Private Placement. The holder of the Passion Agent's Option and the 688,297 outstanding share purchase warrants of Passion Media will receive options and warrants of NewCo with identical terms. The holders of the stock options and agent's options of Silicon will receive options of NewCo with identical terms.

The Board of Directors of NewCo after completion of the Business Combination will include Gordon Haines, Martin J. Doane, David G. Mallory and W. Carter Siebens. David G. Mallory is currently the President and director and W. Carter Siebens is a director of Silicon.

The Business Combination is expected to constitute a Qualifying Transaction of Silicon as defined in Policy 2.4 of the Canadian Venture Exchange Inc. ("CDNX").

Silicon has reserved a price of $0.40 per share for the up to 30,324,203 common shares to be issued pursuant to the Business Combination (including those to be issued upon exercise of the Passion Agent's Option and assuming the maximum Passion Private Placement is completed). Silicon has also reserved a price of $0.60 per share for the up to 10,312,500 common shares to be issued upon exercise of the NewCo Warrants (including those to be issued upon exercise of the Passion Agent's Option and assuming the maximum Passion Private Placement is completed). Finally, Silicon has reserved prices ranging from $0.20 per share to $0.60 per share for the up to 688,297 common shares to be issued upon exercise of outstanding share purchase warrants of Passion.

The completion of the Business Combination is subject to the approval of CDNX and all other necessary regulatory approval. The completion of the Business Combination is also subject to additional conditions precedent, including minority shareholder approval of Silicon of the Business Combination as a Qualifying Transaction for Silicon, shareholder approval of Passion Media, satisfactory completion by due diligence reviews by the parties, board of directors approval of Silicon and Passion Media, the entering into of a formal agreement among the parties, the entering into of employment agreements between Passion Media and certain key personnel, the entering into of non-competition agreements between Silicon and certain parties, and certain other conditions.

Yorkton, subject to completion of satisfactory due diligence, has agreed to act as sponsor to Silicon in connection with the transaction. **An agreement to sponsor should not be construed as any assurance with respect to the merits of the Business Combination or the likelihood of completion.** Yorkton will receive a sponsorship fee and will be reimbursed for their legal and other expenses. As indicated above, Yorkton Partners 2000 Fund L.P. and Yorkton Partners 2001 Fund L.P. are shareholders in Passion Media.

Silicon also announces it has reserved a price of $0.40 per share for the grant of stock options to acquire up to 1,536,000 common shares (the "Stock Options") in the event the Business Combination is completed. The grant of the Stock Options is subject to regulatory approval and Silicon is required to file a formal application with CDNX to maintain this price reservation.

For further information contact David G. Mallory, the President of Silicon, at (403) 777-4256, or Martin J. Doane, acting General Counsel for Passion Media, at (416) 862-4291.

As indicated above, completion of the Business Combination is subject to a number of conditions, including but not limited to, CDNX acceptance and majority of the minority shareholder approval of Silicon. The Business Combination cannot close until the required shareholder approval is obtained. There can be no assurance that the Business Combination will be completed as proposed or at all.

Investors are cautioned that, except as disclosed in the Management Information Circular of Silicon to be prepared in connection with the Business Combination, any information released or received with respect to the Business Combination may not be accurate or complete and should not be relied upon. Trading in the securities of Silicon should be considered highly speculative.

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

(Not for dissemination in the United States of America)