

FORM 51-102F3
Material Change Report

1. Name and Address of Company:

Lemontonic Inc.
152 King Street East, Suite 400
Toronto, Ontario, M5A 1J3

2. Date of Material Change:

November 2, 2004

3. News Release:

November 2, 2004

4. Summary of Material Change:

LEMONTONIC INC. ("Corporation") (TSX-VEN: LEM) is pleased to announce that the Corporation has entered into an engagement letter with Canaccord Capital (Europe) Limited (the "Agent"), pursuant to which the Agent has agreed to act as the exclusive agent on a reasonable endeavors basis in connection with a private placement of Class A shares of the Corporation (the "Class A Shares"). The shares are to be issued at a price to be determined based upon an undiscounted price of \$0.15 per share as reserved by the Corporation (the "Offering Price"), for gross proceeds to the Corporation of up to \$5,000,000 (the "Private Placement").

5. Full Description of Material Change:

See press release attached as Schedule "A" hereto.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 *Continuous Disclosure Obligations*:

Not Applicable

7. Omitted Information:

Not Applicable

8. Executive Officer Knowledgeable of Material Change:

Mark Pavan
152 King Street East, Suite 400
Toronto, Ontario, M5A 1J3
Telephone: (416) 874-7199

9. Date of Report:

November 4, 2004

SCHEDULE "A"

Lemontonic™ Appoints Canaccord To Raise \$5 Million

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DISSEMINATION IN THE UNITED STATES

TORONTO, ONTARIO – November 2, 2004 – LEMONTONIC INC. ("Corporation") (TSX-VEN: LEM) is pleased to announce that the Corporation has entered into an engagement letter with Canaccord Capital (Europe) Limited (the "Agent"), pursuant to which the Agent has agreed to act as the exclusive agent on a reasonable endeavors basis in connection with a private placement of Class A shares of the Corporation (the "Class A Shares"). The shares are to be issued at a price to be determined based upon an undiscounted price of \$0.15 per share as reserved by the Corporation (the "Offering Price"), for gross proceeds to the Corporation of up to \$5,000,000 (the "Private Placement").

The Corporation has also engaged the Agent to act as Nominated Adviser and Broker to list the Class A Shares on the Alternative Investment Market ("AIM") of the London Stock Exchange after completion of the Private Placement. Mark Pavan, CEO of the Corporation stated, "We have been approached by a number of parties based in the United Kingdom and other European markets who are interested in licensing and deploying our technology as we look to expand outside of North America."

Lemontonic recently crossed the 75,000 member threshold and will shortly complete its first month of paid service.

In connection with the Private Placement, the Agent will be paid a cash commission of 8%. In addition, the Agent will be granted agent's options to purchase that number of Class A Shares of the Corporation that is equal to 10% of the number of Class A Shares sold pursuant to the Private Placement. Each agent's option shall entitle the holder to acquire one Class A Share of the Corporation for a period of two years.

The completion of the Private Placement is subject to the approval of the TSX Venture Exchange Inc. and all other necessary regulatory approvals.

The Corporation intends to use the proceeds from the Private Placement for marketing, product research and development, payment of outstanding accounts payable and for general working capital purposes.

The Corporation is also pleased to announce that Mr. G. Scott Paterson has agreed to join the Board of Directors and to purchase 1,500,000 Class A Shares concurrent with the closing of the Private Placement. Martin Doane, Chairman of the Corporation stated, "We are pleased to have an executive of Mr. Paterson's caliber join the Board."

Mr. Paterson has been a private investor and venture capitalist since January 2002. From October 1998 to December 2001, Mr. Paterson served as Chairman and Chief Executive Officer of Yorkton Securities Inc. ("Yorkton") where under his leadership Yorkton became Canada's leading technology, biotechnology and film & entertainment underwriter. Mr. Paterson is currently a Director of Lion's Gate Entertainment Corp. (LGF-NYSE) and Rand A Technology Corporation (RND-TSX), and is Chairman of the Board of Automated Benefits Corp. (AUT-TSX). Mr. Paterson has served the Canadian securities industry in multiple capacities including as the past Chairman of the Board of Directors of the Canadian Venture Exchange Inc. and in 2001 as a Vice-Chairman of the TSX Group Inc., the parent company of the Toronto Stock Exchange. In addition, Mr. Paterson has served as a Governor of the Investment Dealers Association of Canada and as a member of the Board of Directors of the Canadian Investor Protection Fund

and the Canadian Securities Institute. Mr. Paterson is a graduate of Ridley College and earned a Bachelor of Arts (Economics) degree from the University of Western Ontario. Mr. Paterson is a past trustee of the Art Gallery of Ontario, is a current Governor of Ridley College and is Chairman of Merry Go Round Children's Foundation.

The Corporation also announces that it has reached agreements with Mark Pavan, Gordon Jekubik, Scott Rogers, Ray Newal and Julian Brown to accept 25% of their annual compensation by the issuance of Class A Shares, subject to regulatory approval, thereby allowing the Corporation to re-allocate cash assets into other areas. The Corporation hereby reserves 1,156,667 Class A Shares at a price of \$0.15 for a total cash equivalent of \$173,500 for distribution to these five senior executives. The Class A Shares will be issued quarterly pursuant to this agreement.

The Corporation also hereby reserves a price of \$0.15 per share for up to 4,000,000 Class A Shares to be issued upon exercise of stock options. These options will be granted, subject to shareholder and regulatory approval to directors, officers and employees upon completion of the Private Placement.

Lemontonic Inc. is a social networking software company that has developed a proprietary technology powered by Microsoft's Instant Messenger platform. The Corporation has invested \$5.4 million over the past 18 months launching this technology into the online dating category and is poised to distribute its solution internationally and in additional verticals in 2005.

To find out more about Lemontonic Inc. (TSX-VEN: LEM), visit www.lemontonic.com.

For more information, contact Mark Pavan, President and CEO of the Corporation at (416) 874-7199.

The TSX Venture Exchange Inc. has not reviewed and does not accept responsibility for the adequacy and accuracy of this release.