Peterborough Capital Corp.
244 Ranchero Place N.W.
Calgary, AB T3G 1C7

VIA SEDAR

August 16, 2001

Alberta Securities Commission
19th Floor, 10025 Jasper Avenue
Edmonton, Alberta
T5K 3Z5

Canadian Venture Exchange Inc.
10th Floor, 300 - 5th Avenue S.W.
Calgary, Alberta
T2P 3C4

Dear Sir:

Re: Peterborough Capital Corp.
MATERIAL CHANGE REPORT UNDER SECTION 118

This letter is intended as a statement setting forth certain matters that may be a material change in the affairs of **Peterborough Capital Corp.** (the "Corporation"). For convenience, this letter is itemized in the same manner as Form 27 of the *Securities Act* (Alberta). Concurrent with this filing, this letter is being filed with the Canadian Venture Exchange Inc., being the only stock exchange on which the Corporation's shares are listed.

Item 1 - Reporting Issuer

Peterborough Capital Corp.
244 Ranchero Place N.W.
Calgary, AB T3G 1C7

Item 2 - Date of Material Change

The material change occurred on or about August 16, 2001.

Item 3 - Publication of Material Change

A press release (attached) was issued on August 16, 2001 by Canadian Corporate News, Calgary, Alberta.

Item 4 - Summary of Material Change

The Corporation announced that it had completed its initial public offering of 1,000,000 common shares at the price of $0.30 per common share pursuant to its prospectus dated May 18, 2001.

Item 5 - Full Description of Material Change

The Corporation announced that it has completed its initial public offering of 1,000,000 common shares at the price of $0.30 per common share pursuant to its prospectus dated May 18, 2001 and will be filing all final listing documents with the Canadian Venture Exchange Inc. (the "CDNX"). There has been no material change in the business and affairs of the Corporation other than the foregoing.

The Corporation is a Capital Pool Company as defined in Policy 2.4 of the CDNX and is therefore subject to and governed by the restrictions of CDNX Policy 2.4. To date, the Corporation has not conducted operations of any kind. The Corporation proposes to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. Until the completion of a Qualifying Transaction (as defined in CDNX Policy 2.4), the Corporation shall not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction approved by the CDNX. The Corporation's present intention is to pursue business opportunities in the industrial sector. The Corporation does not own any assets, other than cash, and has not entered into an "Agreement in Principle", as such phrase is defined in Policy 2.4 of the CDNX, with respect to any acquisition.

Item 6 - Reliance of Section 118(4) of the *Securities Act* (Alberta)

N/A

Item 7 - Senior Officer

The name of a Senior Officer of the Corporation who is knowledgeable about the material change and who can be contacted by the Commission is:

Rick Grass, President, CEO and Director
Box 455,1126 Maple Avenue
Crossfield, AB T0M 0S0
Telephone: (403) 946-4481

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

DATED this 16th day of August 2001

Yours truly,

PETERBOROUGH CAPITAL CORP.

Per: **(signed)**
David A. Wilson, CFO and Director

PETERBOROUGH CAPITAL CORP.

P R E S S   R E L E A S E

August 16, 2001
For Immediate Release

PETERBOROUGH CAPITAL CORP. ANNOUNCES COMPLETION OF INITIAL PUBLIC OFFERING

Peterborough Capital Corp. ("Peterborough") is pleased to announce that it has completed its initial public offering of 1,000,000 common shares at the price of $0.30 per common share pursuant to its prospectus dated May 18, 2001 and will be filing all final listing documents with the Canadian Venture Exchange Inc. (the "CDNX"). There has been no material change in the business and affairs of Peterborough other than the foregoing.

Peterborough is a Capital Pool Company as defined in Policy 2.4 of the CDNX and is therefore subject to and governed by the restrictions of CDNX Policy 2.4. To date, Peterborough has not conducted operations of any kind. Peterborough proposes to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of shareholder and regulatory approval. Until the completion of a Qualifying Transaction (as defined in CDNX Policy 2.4), Peterborough shall not carry on any business other than the identification and evaluation of assets or businesses in connection with a potential Qualifying Transaction approved by the CDNX. Peterborough's present intention is to pursue business opportunities in the industrial sector. Peterborough does not own any assets, other than cash, and has not entered into an "Agreement in Principle", as such phrase is defined in Policy 2.4 of the CDNX, with respect to any acquisition.

For further information, please contact Rick Grass, President, CEO and Director of Peterborough, by telephone at (403) 946-4481 or by fax at (403) 946-4513, or David Wilson, CFO and Director of Peterborough by telephone at (403) 217-5637.

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