LUCID ENTERTAINMENT INC.

Form 51-102F3

Material Change Report

1. Name and Address of Company:

Lucid Entertainment Inc.
100 Allstate Parkway
Suite 600
Markham, Ontario
L3R 6H3

2. Date of Material Change:

December 23, 2004

3. News Release:

December 24, 2004

4. Summary of Material Change:

Lucid Entertainment Inc. (the "Corporation") (TSX Venture: LEI) completed a non-brokered private placement of a principal amount of $1,478,000 11% non-convertible unsecured debentures through the sale of 1,478 units of the Corporation at a price of $1,000 per unit. Each unit consists of (i) $1,000 principal amount of 11% unsecured debentures; and (ii) 769 common share purchase warrants.

5. Full Description of Material Change:

See press release dated December 24, 2004 attached 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 Officers:

Michael Wilkings - Chairman and Chief Executive Officer
Tel: (905) 470-7177

9. Date of Report:

December 31, 2004

LUCID
Entertainment Inc.

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LUCID ENTERTAINMENT INC.

FOR IMMEDIATE RELEASE **04-26**

TORONTO, December 24, 2004 - Lucid Entertainment Inc. LUC : TSX-V

LUCID ENTERTAINMENT INC.

LUCID ENTERTAINMENT INC. ANNOUNCES COMPLETION OF PRIVATE PLACEMENT OFFERING

TORONTO, December 24, 2004 - LUCID ENTERTAINMENT INC. ("LEI") (TSXV: LEI) today announced that it has completed a non-brokered private placement of a principal amount of $1,478,000 11% unsecured debentures through the sale of 1,478 units of LEI at a price of $1,000 per unit. Each unit consists of (i) $1,000 principal amount of 11% unsecured debentures; and (ii) 769 common share purchase warrants (each common share purchase warrant, a "Warrant"). Each Warrant has a term of 5 years, and will entitle the holder thereof to purchase one common share at a price of (i) $1.40 per common share if exercised prior to 5:00 p.m. (Toronto time) on December 23, 2006; (ii) $1.50 per common share if exercised on or after 5:00 p.m. (Toronto time) on December 23, 2006 and prior to 5:00 p.m. (Toronto time) on December 23, 2008; and (iii) $1.60 per common share if exercised on or after 5:00 p.m. (Toronto time) on December 23, 2008 until expiry.

Each Warrant will also entitle the Holder of the Warrant to receive a payment from the Corporation, payable in respect of each fiscal quarter, in an amount equal to .00000003 multiplied by the free operating cash flows of Lucid Toronto Ltd. (a wholly owned subsidiary of the Corporation that operates the Lucid Toronto venue at 126 John Street in Toronto, Ontario), subject to a minimum annual payment of $0.078 per warrant.

Lucid Entertainment Inc. is a leading operator and developer of branded entertainment and hospitality venues internationally. Corporate information is available by request to Ms. Tita Gonzalez at Tel. (+1) 905 470 7117, Fax (+1) 905 470 0900, tgonzalez@magicorpgroup.com or on the Internet at www.magicorpgroup.com or by mail to: MagiCorp Entertainment Inc., 100 Allstate Parkway, Suite 600, Markham, Ontario, L3R 6H3, Canada.

For further information, please contact Michael Wilkings, Chairman and Chief Executive Officer or Tita Gonzalez, Director, Investor Relations.

Per: Michael Wilkings
Chairman and C.E.O.

This news release may contain forward-looking statements, which are not historical facts, but are based on certain assumptions and reflect LEI's current expectations. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current *expectations. LEI disclaims any intention or obligation to update or revise and forward-looking statements, whether as a result of new information, future events orotherwise. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.*

Lucid Entertainment Inc. (formerly, MagiCorp Entertainment Inc.) is a leading operator and developer of branded entertainment and hospitality venues internationally. Corporate information is available by request to Ms. Tita Gonzalez at Tel. (+1) 905 470 7117, Fax (+1) 905 470 0900, tgonzalez@lucidworld.com or on the Internet at www.lucidworld.com or by mail to: Lucid Entertainment Inc., 100 Allstate Parkway, Suite 600, Markham, Ontario, L3R 6H3, Canada.