

This is a form of a material change report required under Section 85(1) of the *Securities Act* (British Columbia).

FORM 53-901.F
Securities Act

MATERIAL CHANGE REPORT

Item 1. Reporting Issuer

On-Track Learning Systems Ltd.
P.O. Box 11511
1600-650 West Georgia Street
Vancouver, B.C. V6B 4N7

Item 2. Date of Material Change

October 6, 2003

Item 3. Press Release

Press release was issued in Vancouver, British Columbia for distribution on October 9, 2003.

Item 4. Summary of Material Change

Debt Settlement.

Item 5. Full Description of Material Change

TSX acceptance to a Debt Settlement Agreement pursuant to which three creditors of the Company have been issued 1,926,410 shares of the Company at a deemed price of \$0.10 per share in exchange for the settlement of outstanding debts in the aggregate amount of \$192,641.03.

Item 6. Reliance on Section 85(2) of the Act

No reliance is made on Section 85(2) as to confidentiality.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officers

The Senior Officer of the Issuer who is knowledgeable about the material change and the report is Russ Rossi, President and Chief Executive Officer (604) 683-0020.

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

Dated this 9th day of October, 2003.

“Russ Rossi”

By: Russ Rossi, President