

**BC FORM 53-901F**

**MATERIAL CHANGE REPORT UNDER SECTION 85(1)  
OF THE SECURITIES ACT (BRITISH COLUMBIA)**

Item 1. Reporting Issuer:

Chalk Media Corp.  
280 – 4400 Dominion Street  
Burnaby, BC  
V5G 4G3

Item 2. Date of Material Change:

December 10, 2003

Item 3. Press Release:

On November 27, 2003, the Company issued an initial press release with respect to the material change. A further press release was issued on December 10, 2003. The press releases were issued using Canada News Wire Limited for dissemination nationally in Canada to the financial press and to daily newspapers.

Item 4. Summary of Material Change:

The Issuer intends to carry out a non-brokered private placement of up to \$700,000 (the “Offering”). The Offering is subject to the approval of the TSX Venture Exchange (“TSX-V”).

Item 5. Full Description of Material Change:

**Terms of Offering**

The securities to be issued in the Offering will consist of up to 3,500,000 Units, to be issued pursuant to prospectus and registration exemptions available under securities laws. Each Unit will consist of one common share of the Issuer and one-half share purchase warrant. The issue price for the Units will be \$0.20. The term of the warrants will two years. The exercise price for the warrants will be \$0.30 in the first year after the distribution date, and \$0.40 in the second year.

Pursuant to securities laws and the TSX-V policy, the shares and the shares underlying the share purchase warrants are subject to a four month hold from the date of distribution.

**Purpose and Effect on Issuer**

The proceeds from the Offering will be used for working capital and to expand the Issuer’s sales force.

If the Offering is fully subscribed, the gross proceeds will be \$700,000 and the Issuer's issued and outstanding shares will increase from 22,600,000 to 26,100,000. This does not include any proceeds from the exercise of the share purchase warrants.

### **Subscriptions From Insiders**

It is expected that insiders of the Issuer will purchase 585,000 Units or approximately 20% of the Offering.

### **Effect of Participation on Insiders**

The following table shows the percentage of issued and outstanding shares held before and after the Offering by the insiders expected to subscribe for Units in the Offering. The table assumes the Offering is fully subscribed.

<b>Insider</b>	<b>% of Issued and Outstanding Shares held before the Offering (1)</b>	<b>% of Issued and Outstanding after Offering (1)</b>
Michael Agerbo	5%	5.4%
David Chalk	5%	5.4%
Tracey Greason	2.2%	2.2%
Kris Sutherland	5%	5.5%
Stewart Walchli	5%	5.5%

(1) Includes escrow shares, assumes that 100% of options and share purchase warrants are exercised.

(2) Includes the 4,250,000 special warrants held by Grant Sutherland.

### **Approval Process**

The disinterested directors of the Issuer approved the terms of the Offering after disclosure of the above described participation by insiders of the Issuer.

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

N/A

Item 7. Omitted Information:

N/A

Item 8.

Senior Officers:

Kris Sutherland  
Secretary  
Chalk Media Corp.  
280 – 4400 Dominion Street  
Burnaby, BC  
V5G 4G3

604-684-9399

Item 9.

Statement of Senior Officer:

The foregoing accurately discloses the material change referred to herein.

Dated at Vancouver, British Columbia, this 11<sup>th</sup> day of December, 2003.

“Stewart Walchli”  
Stewart Walchli, President