Form 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company:

Chalk Media Corp.
1071 Mainland Street, 2nd Floor
Vancouver, B.C.
V6B 5P9

Item 2. Date of Material Change:

August 23, 2005

Item 3. Press Release:

The Company issued a press release on August 23, 2005. The press release was 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:

Chalk Media Corp. ("Chalk Media") announced its un-audited interim consolidated financial results for the three months ended March 31, 2005. Chalk Media's revenues increased significantly quarter over quarter and in comparison to the corresponding period in 2004.

Item 5. Full Description of Material Change:

The Company announced the following financial results:

Second Quarter 2005 Highlights:

- Earned record revenues of $2,064,895 for the three months ended June 30, 2005, a $1,072,879 or 108% increase over the same period in 2004
- Earned record revenues of $3,126,104 for the six months ended June 30, 2005, a $1,521,051 or 95% increase over the same period in 2004
- Signed new deals with BC Real Estate Association, Business Objects, Future Shop, Microsoft, Playground (a division of Intrawest), SaskTel and Scotiabank
- Launched *chalkboard*™ *LCMS v2.5,* a proprietary software platform that allows administrators to manage the creation, delivery and tracking of online courses
- Began airing of second season of the *Spy Academy* television program on Corus Entertainment's children's channel, YTV

Chalk Media earned revenues of $2,064,895 for the three months ended June 30, 2005, compared to $992,016 for the same period in 2004. The net loss for the three months ended June 30, 2005 was $395,098, or $0.01 per share, compared to a net loss of $691,666, or $0.03 per share, for the same period in 2004, an improvement of $296,568 or 43%. The net loss figures include a non-cash stock-based compensation charge of $47,244 for the three month period ended June 30, 2005, compared to $49,974 for the same period in 2004. After adding back the stock-based compensation charge, the net loss for the three month period ended June 30, 2005 was $347,854 compared to $641,692 for the same period in 2004.

Chalk Media earned revenues of $3,126,104 for the six months ended June 30, 2005, compared to $1,605,053 for the same period in 2004. The net loss for the six months ended June 30, 2005 was $941,940, or $0.03 per share, compared to a net loss of $1,658,237, or $0.06 per share, for the same period in 2004, an improvement of $716,297 or 43%. The net loss figures include a non-cash stock-based compensation charge of $103,616 for the six month period ended June 30, 2005, compared to $118,620 for the same period in 2004. After adding back the stock-based compensation charge, the net loss for the six month period ended June 30, 2005 was $838,324 compared to $1,539,617 for the same period in 2004.

Selected Financial Data (in $'000's, except per share numbers):

	Three months ended June 30,		
	2005	2004	2003
Revenue	$2,065	$992	$553
Gross margin	$455	$91	$61
Operating income / (loss)	($378)	($684)	($656)
Net income / (loss)	($395)	($692)	($557)
Earning / (loss) per share	($0.01)	($0.03)	($0.04)

	Six months ended June 30,		
	2005	2004	2003
Revenue	$3,126	$1,605	$869
Gross margin	$629	($130)	$90
Operating income / (loss)	($912)	($1,646)	($1,335)
Net income / (loss)	($942)	($1,658)	($1,150)
Earning / (loss) per share	($0.03)	($0.06)	($0.08)

Chalk Media's financial statements for the three month and six month periods ended June 30, 2005 and related management discussion and analysis, can be read at www.sedar.com.

Disclaimer:

While the information contained herein is believed to be accurate and reliable, Chalk Media and its subsidiaries and / or affiliates, and their respective directors, officers, employees and shareholders make no representations or warranties, expressed or implied, as to the accuracy or *completeness of such information, and Chalk Media expressly disclaims any and all liability that may be based on such information, or errors or omissions thereof.*

The forward-looking statements contained herein (such as statements relating to the future anticipated direction of the media and high technology industries, plans for future expansion, revenue targets, various business development activities, planned capital expenditures, future funding sources, anticipated sales growth and potential contracts) involve important risks and uncertainties that could significantly affect anticipated results in the future and, accordingly, such results may vary materially from those expressed in any forward-looking statements made by or on behalf of Chalk Media.

There can be no assurance that Chalk Media will achieve the results projected or implied by the forward-looking statements included herein. These risks and uncertainties include, but are not limited to, those relating to Chalk Media's ability to raise sufficient financing to fund its business plan, development and expansion activities, dependence on existing management, financial activities, domestic and global economic conditions, changes in federal or provincial income tax laws, and market competition factors.

Item 6. Reliance of Subsection 7.1(2) or (3) of National Instrument 51-102: N/A

Item 7. Omitted Information: State whether any information has been omitted on the basis that it is confidential information.

N/A

Item 8. Executive Officer: The following executive officer of the Company is knowledgeable about the material change and this Report.

Kris Sutherland
Vice President and Secretary
Chalk Media Corp.
1071 Mainland Street, 2nd Floor
Vancouver, B.C.
V6B 5P9

604-684-9399

Item 9. Date of Report:

August 23, 2005