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:

May 26, 2006

Item 3. Press Release:

The Company issued a press release on May 26, 2006. 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 unaudited consolidated financial results for the three months ended March 31, 2006.

Item 5. Full Description of Material Change:

The Company announced the following financial results:

First Quarter 2006 Highlights:

- Completed private placement for 18,105,000 units at US$0.20 per unit for gross proceeds of $4,202,479
- Entered into strategic alliance with Intelligent Decisions Inc., a leading provider of information technology solutions to the US federal government, whereby Chalk will be the exclusive supplier of eLearning content management system software and related services to Intelligent Decisions' customers
- Entered into strategic alliance with Digital Media Broadcasting Corporation ("DMBC"), a Virginia-based provider of niche digital broadcasts over a dedicated 'Virtual Private Network', whereby Chalk will become the exclusive provider of eLearning software, services and content to DMBC's clients

- Signed new deals with 1-800-GOT-JUNK?, Avokia, Canadian Welding Bureau, Fuji Photo Film Canada, Future Shop, Microsoft, Research in Motion, Samsung of Canada, Shoppers Drug Mart, The Health Initiative and Transit Television Network
- Achieved Certified Partner status in the Microsoft Partner Program, with a recognized competency as an Independent Software Vendor for chalkboard™ LCMS

Chalk earned revenues of $561,141 for the three months ended March 31, 2006, compared to $1,061,209 for the same period in 2005. The main reason for the decrease was that the first quarter of 2005 revenues included revenues from the second season of the Spy Academy TV program and the second season of the Dave Chalk Connected TV program.

Chalk has made the decision to move away from actively pursuing television program production to focus on its core eLearning business. While we have made significant progress with our eLearning solutions to large governmental agencies and blue-chip companies in the US and we continue to sign new contracts with blue-chip companies in Canada we are still in the transition stage and it will take several quarters for these activities to be converted into revenue.

The net loss for the three month period ended March 31, 2006 was $1,680,709, or $0.04 per share, compared to a net loss of $546,842, or $0.02 per share, for the same period in 2005. In addition to the reduced revenues mentioned above, higher research and development costs for continued development of chalkboard™ LCMS, higher selling and marketing expenses due to greater sales activities and the costs associated with our US office all contributed to the higher net loss. Net loss figures include a non-cash stock-based compensation charge of $58,269 for the three months ended March 31, 2006, compared to $56,372 for the same period in 2005. Net of the stock-based compensation charge, the net loss for the three months ended March 31, 2006 was $1,622,440 compared to $490,470 for the same period in 2005.

The selection of chalkboard™ Learning Content Management System by 1-800-GOT-JUNK? and Avokia were significant wins for us this quarter. These license deals for our eLearning software, in addition to contracts we continue to sign for our custom online training and rich media content, validate the quality and scalability of our eLearning solutions. We see a tremendous window of opportunity in the marketplace for our solutions and we are devoting great efforts to further developing our software, generating greater sales in Canada and the US, and creating an infrastructure to support rapid growth.

Our financial results in the first quarter are in large part due to increased research and development costs to enhance our chalkboard™ LCMS, the costs of expansion and infrastructure for our new office in Virginia and costs associated with building our sales team and sales pipeline in Canada and the United States. While in the short term these do not improve our bottom line, these activities are necessary to position us for revenue growth and improvements to our profitability in future quarters.

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

	Three Months ended March 31, 2006	2005
Revenue	$561	$1,061
Gross margin	$30	$212
Operating income / (loss)	($1,631)	($534)
Net income / (loss)	($1,681)	(547)
Earnings / (loss) per share	($0.04)	($0.02)

Chalk’s unaudited consolidated financial statements for the three month period ended March 31, 2006, as well as its 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 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 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.

There can be no assurance that Chalk 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’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:

May 26, 2006