MATERIAL CHANGE REPORT

FORM 51-102F3

Item 1. Name and Address of Company

Cervus Financial Group Inc.
20 Toronto Street, Suite 830
Toronto, Ontario
M5C 2B8

Item 2. Date of Material Change

November 26, 2004

Item 3. News Release

A news release disclosing the nature and substance of the material change was disseminated through newswire services on November 26, 2004.

Item 4. Summary of Material Change

Cervus Financial Group Inc. (“Cervus”) (TSX-V: CFG), which is a financial services company dedicated to providing mortgages through selected leading mortgage brokers, is pleased to announce that it has completed the first closing of a previously announced private placement of up to 10,000,000 common shares. Cervus has issued, in a first closing, an aggregate of 9,010,000 common shares at a price of $1.00 per share for gross proceeds of $9,010,000.00. The common shares are subject to a restricted period expiring on March 28, 2005.

Item 5. Full Description of Material Change

TORONTO, November 26, 2004, Cervus Financial Group Inc. (“Cervus”) (TSX-V: CFG), which is a financial services company dedicated to providing mortgages through selected leading mortgage brokers, is pleased to announce that it has completed the first closing of a previously announced private placement of up to 10,000,000 common shares. Cervus has issued, in a first closing, an aggregate of 9,010,000 common shares at a price of $1.00 per share for gross proceeds of $9,010,000.00. The common shares are subject to a restricted period expiring on March 28, 2005.

Agents retained by Cervus in connection with the private placement have been paid cash commissions, work fees and have been issued warrants to acquire up to an aggregate 559,800 common shares at a price of $1.00 per common share for a 24-month period, with the same restricted period as the common shares.

Cervus will use the proceeds of this financing for balance sheet enhancement and general working capital requirements.

Cervus expects to close the remaining portion of the private placement on or before

December 15, 2004.

Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not Applicable.

Item 7. Omitted Information

Not Applicable.

Item 8. Executive Officer

Gary Bartholomew
Chairman of the Board and Chief Executive Officer
(416) 861-1315 ext. 226

Item 9. Date of Report

December 3 , 2004

Gary Bartholomew, Chairman of the Board
and Chief Executive Officer