# FORM 51-102F3

# MATERIAL CHANGE REPORT

**Item 1 -** **Name and Address of Company:**

CNR Capital Corporation
20 Holly Street
Suite 300
Toronto, Ontario
M4S 3B1

(the "Corporation")

**Item 2 -** **Date of Material Change:**

July 25, 2007

**Item 3 -** **News Release:**

A news release was issued on July 25, 2007 via CCN Matthews, a copy of which is annexed hereto as Schedule "A".

**Item 4 -** **Summary of Material Change:**

Trading in the shares of the Corporation were halted at the request of the Corporation July 5, 2007 and changed to a suspension in trading of the Corporation's securities on July 19, 2007. A permanent cease trade order was issued with respect to the Corporation by the Ontario Securities Commission July 20, 2007 due to the failure by the Corporation to file its 2007 annual financial statements.

**Item 5 -** **Full Description of Material Change:**

A full description of the material change is set out in the news release a copy of which is attached as Schedule "A".

**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:**

For further information, please contact:

Jeffrey Dawson
Telephone: (416) 932-8858

**Item 9 -** **Date of Report:**

DATED at Toronto, Ontario, this 25th day of July, 2007.

# SCHEDULE "A"

## PRESS RELEASE

## CNR CAPITAL CORPORATION

**20 Holly Street**
**Suite 300**
**Toronto, Ontario**
**M4S 3B1**

Toronto, Ontario July 25, 2007

CNR Capital Corporation (the "Corporation") (trading symbol "PY.P"), a capital pool company, announced today that several compliance issues had been identified during the preparation and approval of its annual financial statements for the period ending February 28, 2007. Trading in the shares of the Corporation was halted at the request of the Corporation on July 5, 2007. This press release is in response to the halt, pending news. On July 19, 2007 the trading in shares of the Corporation changed to a suspension in trading of the Corporation's securities.

A permanent cease trade order was issued by the Ontario Securities Commission under OSC Policy 57-603, Defaults by Reporting Issuers in Complying with Financial Statement Filing Requirements, with respect to the Corporation July 20, 2007 as a result of the failure to complete and file the 2007 annual financial statements. Upon revocation of the cease trade orders, trading in the Corporation's shares will remain suspended until the Corporation meets the requirements of the TSX Venture Exchange and they are satisfied with the resolutions of the compliance issues identified by the Corporation.

The compliance issues which have been identified are in two categories. The first category is a loan in the principal amount of $1,000,000 that was made in contravention of Exchange Policies regarding the use of Capital Pool Company proceeds to a related party company in which a director of the Corporation was also an officer and shareholder. The loan was not authorized by the board and this was also contrary to the policies of the TSX Venture Exchange. The loan was made on November 3, 2006. The principal amount of the loan was repaid in its entirety on March 16, 2007.

The second category consists of payments in the aggregate amount of approximately $38,500 which were made to the same director or a related party on or about August 31, 2006. The payments were with respect to commissions and reimbursements for travel, general and administrative expenses. These payments were not authorized by the board and were, in part, contrary to the policies of the TSX Venture Exchange because they were not a permitted use of proceeds. Demand for repayment has been made.

Mr. Oliver Xing resigned as a director and officer of the Corporation on July 6, 2007. Mr. Jeffrey Dawson, a director of the Corporation was appointed as Chief Executive Officer and Chief Financial Officer of the Corporation on July 7, 2007.

Mr. Dawson has advised that the interests of the shareholders remain the first priority of the Corporation. The board has taken swift action to review and deal with all matters so that the objectives of the Corporation can be pursued with complete transparency and minimal interruption.

The auditors of the Corporation have been retained to complete the 2007 annual financial statements and to review the statements for the prior interim periods. A press release was issued on July 16, 2007 disclosing the change in auditors. It is estimated that it will take 30 days for the Corporation to review the compliance issues and to complete and file the 2007 annual financial statements. Once the TSX Venture Exchange has received the 2007 annual financial statements, it will review them in conjunction with their review. It may also be necessary to restate and file revised financial statements for the interim periods ending August 31 and November 30, 2006.

The date of the annual meeting of shareholders of the Corporation will be delayed until such time as the 2007 annual financial statements are completed and the notice and proxy materials are prepared and filed.

The principal business of the Corporation is the identification and evaluation of assets or businesses with a view to completing a "Qualifying Transaction".

**THE TSX VENTURE EXCHANGE INC. HAS NOT REVIEWED AND DOES NOT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.**

For further information, contact Mr. Jeffrey Dawson at:

Telephone: (416) 932-8858
E-mail: jeffrey.dawson@rogers.com