

Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

Canfe Ventures Ltd. (the "**Company**")
1075 West Georgia Street, Suite 1980
Vancouver, BC
V6E 3C9

Item 2. Date of Material Change

January 8, 2009

Item 3. News Release

A news release dated January 12, 2009 was disseminated through Marketwire.

Item 4. Summary of Material Change

The Company has entered into a letter agreement dated January 8, 2009 (the "**Letter Agreement**") concerning the proposed acquisition of 100% of the shares of common stock of Dinan Engineering, Inc. ("**Dinan**"), the principal shareholders of which are Stephen J. Dinan and Janice Dinan.

Item 5. 1 Full Description of Material Change

The Company has entered into the Letter Agreement concerning the Company's proposed arm's length acquisition of 100% of the shares of common stock of Dinan, based in Morgan Hill, California, the principal shareholders of which are Stephen J. Dinan and Janice Dinan, both residents of California. This transaction is intended to qualify as the Company's "Qualifying Transaction" under TSX Venture Exchange (the "**TSX-V**") Policy 2.4.

Pursuant to the Letter Agreement, the Company will acquire all of the issued and outstanding shares of Dinan in consideration for securities of the Company consisting, subject to adjustment, of common shares (the "**Canfe Shares**") and other securities convertible or exercisable into Canfe Shares so that if converted or exercised on closing, the shareholders of Dinan would hold in the aggregate 54,613,416 common shares in the capital of the Company at a deemed price of \$0.27 per Canfe Share for a total deemed value of \$ 14,745,622. The proposed business combination with Dinan (the "**Proposed Transaction**"), when completed, is intended to enable the Company to qualify as a Tier 1 Technology/Industrial Issuer on the TSX-V. The Company has advanced \$25,000 to Dinan, pursuant to the Letter Agreement.

Dinan was founded in 1979. Its software division develops performance enhancing software for BMW engine management and other control systems, as well as tools designed for the efficient installation of the software. In addition, Dinan designs, manufactures and markets an extensive line of high performance products and systems for cars manufactured by BMW. Unique to Dinan, through a 10 year relationship with BMW North America, Dinan products carry an identical warranty to that offered by BMW North America. Dinan products are distributed through a North

American network of 143 authorized Dinan BMW performance centers, offering professional sales, installation and after sales support.

According to unaudited management prepared financial statements for the nine months ended September 30, 2008, Dinan had gross revenue of \$10,362,089, an increase of 46.5% over the nine months ended September 30, 2007, while maintaining gross margin of 69%. For the same period, EBITDA increased from (\$129,323) to \$1,011,952.

In conjunction with the Proposed Transaction, the Company plans to conduct a brokered financing (the “**Concurrent Financing**”) to raise up to \$3,000,000 with an over-allotment option of \$1,000,000, and the parties have agreed to engage Canaccord Capital Corporation (“**Canaccord**”) to act as the agent to conduct the Concurrent Financing. The pricing of the Concurrent Financing is subject to market conditions and will be finalized through negotiation among the Company, Canaccord, Dinan and the Dinan shareholders, details of which will be announced when settled. The net proceeds of the Concurrent Financing will be used for Dinan’s business operations, for repayment of shareholder loans to certain of Dinan’s shareholders, and for general working capital purposes.

The Letter Agreement will be superceded by a definitive agreement to be negotiated between the parties. The parties have agreed to use their commercially reasonable efforts to complete the Proposed Transaction by April 30, 2009. Completion of the Proposed Transaction is subject to certain conditions, including the completion of the Concurrent Financing, the completion of any necessary regulatory approvals in respect of the Proposed Transaction, a change of the Company’s name, the election/appointment of new board members of the Company, the adoption by the Company’s shareholders of a 10% rolling stock option plan, a valuation supporting the value of Dinan if required by the TSX-V, and such other closing conditions as may be specified in the Definitive Agreement.

Pursuant to the Letter Agreement, upon completion of the Proposed Transaction the board of directors of the Company will consist of five directors, of which four directors will be nominees of Dinan and one director will be the nominee of the Company. The proposed officers of the Company upon the completion of the Proposed Transaction include:

Stephen J. Dinan – president and chief executive officer
Jeffery Lutjens – vice president sales and marketing
Matt Overman – vice president retail dealer development

Their backgrounds are as follows:

Stephen J. Dinan

Stephen Dinan founded Dinan in 1979 and is currently its president and chief executive officer. He has 40 years of experience in the automotive engineering business, and has specialized in BMWs for 31 of those years. Mr. Dinan also designs BMW engines for professional racing applications.

Jeff Lutjens

Jeff Lutjens is the current vice president of sales and marketing for Dinan. He has worked in Dinan’s sales department for the past two years, and has more than 22 years of experience in the marketing and printing industry. Mr. Lutjens attended San Diego State University with a focus on marketing and business management.

Matt Overman

Matt Overman is Dinan's vice president of retail dealer development. He has over 18 years of experience in the automotive industry.

All information contained in this material change report with respect to Dinan, Stephen J. Dinan, Jeffery Lutjens and Matt Overman was supplied by management of Dinan.

Trading of the common shares of the Company has been halted and will recommence at such time as the TSX-V may determine, having regard to the completion of certain requirements pursuant to TSX-V Policy 2.4.

Item 5.2 **Disclosure for Restructuring Transactions**

Not applicable.

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

If this Report is being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102, state the reasons for such reliance.

Not applicable.

Item 7. **Omitted Information**

Not applicable.

Item 8. **Executive Officer**

Robert Bick, president and chief executive officer
Telephone: 604 688 9588

Item 9. **Date of Report**

January 12, 2009.