

**MATERIAL CHANGE REPORT**  
**Form 51-102F3**

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

NTG Clarity Networks Inc. (the “Company” or “NTG”)  
2820 Fourteenth Avenue, Suite 202  
Markham, Ontario L3R 0S9

**Item 2**    **Date of Material Change**

The material change occurred on December 29, 2017.

**Item 3**    **News Release**

The Company issued a press release relating to the material change described herein on December 29, 2017, through The Newswire.

**Item 4**    **Summary of Material Change**

The Company closed a private placement of 6,000,000 common shares of the Company at a deemed price of \$0.06 per share to settle indebtedness of \$360,000 owed to employees, senior officers, directors and consultants of the Company.

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

**5.1**      **Full Description of Material Change**

NTG closed a private placement of 6,000,000 common shares of the Company at a deemed price of \$0.06 per share to settle indebtedness of \$360,000 owed to employees, senior officers, directors and consultants of the Company. The transaction will help NTG reduce its debts and improve its balance sheet.

The shares for debt transaction was a related party transaction within the meaning of applicable Canadian securities laws as the subscribers included directors and officers of the Company that subscribed for an aggregate of 1,900,000 common shares in settlement of indebtedness of \$114,000. The transaction was exempt from valuation and minority approval requirements applicable to related party transactions on the basis that the value of the transaction was less than 25 percent of the Company’s market capitalization. The Company was not in a position to file a material change report more than 21 days in advance of closing as the creditors had not confirmed their participation at that time.

The transaction was approved by the board of directors of the Company, with the directors identified below having abstained from the approval due to their participation in the transaction. Pursuant to the transaction, common shares were issued in settlement of indebtedness to Ashraf Zaghloul, the Chief Executive Officer and a director of the Company, and his associates (916,667 common shares), Kristine Lewis, the President and a director of the Company (583,332 common shares), Adel Zaghloul, a director of the Company (250,000 common shares), Nicholas Hamilton-Piercy, a director of the Company (75,000 common shares) and Zafar Farooqui, a director of the Company (75,000 common shares). In the case of each of the foregoing, the percentage of the total outstanding common shares held by the individual officer or director changed by less than 1%.

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

Not applicable.

**Item 7**    **Omitted Information**

No information has been omitted.

**Item 8**    **Executive Officer**

For further information, please contact Kristine Lewis, President of the Company at (905) 305-1325.

**Item 9**    **Date of Report**

This report is dated January 5, 2018.