

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 August 10, 2021.

Item 3 **News Release**

The Company issued a press release relating to the material change described herein on August 10, 2021 through The Newswire.

Item 4 **Summary of Material Change**

The Company closed a private placement of 40,000,000 common shares of the Company at a deemed price of \$0.05 per share to settle indebtedness of \$2,000,000 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 40,000,000 common shares of the Company at a deemed price of \$0.05 per share to settle indebtedness of \$2,000,000 owed to employees, senior officers, directors and consultants of the Company. The transaction reduced NTG’s debts and improved its balance sheet.

The Company has a total of 143,972,355 common shares outstanding after giving effect to the transaction. Ashraf Zaghoul, NTG CEO, and Kristine Lewis, NTG President, each subscribed for 2,500,000 common shares and 2729252 Ontario Inc., a company controlled by Mr. Zaghoul (30%) and Ms. Lewis (30%) subscribed for 15,000,000 common shares pursuant to the private placement. In addition, Syed Zeeshan Hasnain, a director of NTG, subscribed for 90,000 common shares pursuant to the private placement. As a result of the private placement, 2729252 Ontario Inc. holds 15,000,000 common shares representing 10.42% of the outstanding common shares, Mr. Zaghoul has beneficial ownership of 25,188,729 common shares representing 17.50% of the outstanding common shares and Ms. Lewis has beneficial ownership of 22,726,749 common shares representing 15.79% of the outstanding common shares.

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 and an associated entity of directors and officers of the Company that subscribed for an aggregate of 20,090,000 common shares in settlement of indebtedness of \$1,004,500. The Board of Directors of the Company approved the transaction with the directors participating in the transaction having abstained from the approval. The transaction was exempt from valuation and minority approval requirements applicable to related party transactions on the

basis that the value of the related party 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 it was necessary to complete closing to improve the Company's financial position as expeditiously as possible.

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 August 11, 2021.