

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 15, 2023.

Item 3 **News Release**

The Company issued a press release relating to the material change described herein on December 15, 2023 through The Newswire.

Item 4 **Summary of Material Change**

The Company closed a non-brokered private placement of 37,000,000 common shares of the Company at a deemed price of \$0.03 per common share for gross proceeds of \$1,110,000.

Item 5 **Full Description of Material Change**

5.1 **Full Description of Material Change**

The Company closed a non-brokered private placement of 37,000,000 common shares of the Company at a price of \$0.03 per common share for gross proceeds of \$1,110,000 (the “**Private Placement**”). The common shares issued pursuant to the Private Placement will be subject to a four month hold period.

The Company anticipates using the proceeds of the Private Placement for reducing accounts payable and for working capital and general corporate purposes.

A total of 185,172,355 common shares are outstanding after giving effect to the Private Placement. Ashraf Zaghoul, CEO of the Company and Kristine Lewis, President of the Company each subscribed for 4,500,000 common shares pursuant to the Private Placement. In addition, 2729252 Ontario Inc., a company controlled by Mr. Zaghoul (30%) and Ms. Lewis (30%), subscribed for 28,000,000 common shares pursuant to the Private Placement. As a result of the Private Placement, 2729252 Ontario Inc. holds 28,100,000 common shares representing 15.18% of the outstanding common shares, Mr. Zaghoul holds 28,600,729 common shares representing 15.45% of the outstanding common shares and Ms. Lewis holds 26,138,749 common shares representing 14.12% of the outstanding common shares.

The non-brokered private placement 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 37,000,000 common shares. 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 did not file a material report more than 21 days prior to closing the Private Placement in order to provide the Company with access to the additional capital as expeditiously as possible following receipt of the subscriptions.

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 December 20, 2023.