

MATERIAL CHANGE REPORT

1. *Reporting Issuer:*

NHC Communications Inc. ("NHC")
5450 Cote de Liesse
Mount Royal, Quebec
H4P 1A5

2. *Date of Material Change:*

February 25, 2000

3. *Press Releases:*

A press release was issued February 25, 2000 at Montreal, Quebec.

4. *Summary of Material Change:*

On February 25, 2000, NHC announced a proposed private placement of \$20.3 million of special warrants to be underwritten by Yorkton Securities Inc. Pursuant to the terms of the proposed private placement, NHC will issue 1,930,000 special warrants (subject to adjustment) at a price of \$10.50 per special warrant. Each special warrant will entitle the holder thereof, upon exercise, to one common share of NHC for no additional consideration. Of the 1,930,000 Special warrants, 930,000 will be exchangeable for common shares issued by NHC and 1,000,000 will be exchangeable for common shares of NHC owned by Breakwater Capital Corporation.

5. *Full Description of Material Change:*

See Press Release attached as Schedule "A".

6. *Confidential Filing:*

Not Applicable.

7. *Omitted Information:*

None.

8. *Senior Officer:*

The following senior officer of NHC is knowledgeable about the material change and this report:

Sylvain Abitbol
Chief Executive Officer
NHC Communications Inc.
5460 Cote de Liesse Road
Mount Royal, Quebec
H4P 1A5

Telephone: 1-800-361-1965

9. *Statement of Senior Officer:*

The foregoing accurately discloses the material change referred to herein.

DATED at Toronto this 3rd day of March, 2000.

“Sylvain Abitbol”

Sylvain Abitbol
Chief Executive Officer

Schedule "A"

NHC Communications Press Release

NHC Communications Announces \$20.3 Million Special Warrant Offering

Montreal, Quebec – February 25, 2000 – NHC Communications Inc. (TSE: NHC), a leading provider of carrier class test access and deployment solutions for the Digital Subscriber Lines (DSL) service market, announced today it plans to raise \$20.3 million through a private placement of special warrants underwritten by Yorkton Securities Inc.

The net proceeds received by NHC from the financing will be used to finance its ongoing high level of growth in the exploding DSL market.

The Company intends to offer a maximum of 1,930,000 special warrants, at a price of \$10.50 per special warrant, subject to adjustments, for aggregate gross proceeds of approximately \$20.3 million. Of that total, up to 930,000 special warrants will be issued by NHC and up to one million special warrants will be offered by Breakwater Capital Corporation. Of the gross proceeds of \$20.3 million, \$9.8 million will be paid to NHC. Each special warrant will entitle the holder to acquire one common share of the Company for no additional cost.

"This offering will enable us to accelerate our growth," said Sylvain Abitbol, President and Chief Executive Officer of NHC. "We now have the ability to further strengthen our sales, marketing and support infrastructure."

Mr. Abitbol said much of that expansion will be derived from NHC's penetration of the telecommunications market with the Company's VCCS™ Solution. This innovative product enables telecom carriers to automate DSL test access and deployment. This enables service providers to cost-effectively provide a variety of high bandwidth services to business and residential users.

Half the proceeds of the offering will be escrowed after the closing date, pending the filing by NHC of a prospectus qualifying the common shares to be issued upon exercise of the special warrants. NHC expects to file the prospectus in the provinces of British Columbia, Alberta, Manitoba, Ontario and Quebec.

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In the event that receipts for the prospectus are not issued by regulators within 90 days of the closing date of the private placement, holders of the special warrants will have the right to cause NHC and Breakwater to repurchase up to 50 per cent of the special warrants. Any special warrants not repurchased will entitle the holder to acquire 1.1 common shares of NHC for no additional cost.

The closing of the private placement is expected to take place on or about March 15, 2000, and is subject to regulatory approval and the execution of definitive documentation, including an underwriting agreement.

The special warrants have not and will not be registered under the U.S. Securities Act of 1933 and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements.

NHC Communications Inc. is an international leader in the design and manufacture of innovative physical layer high-speed switched access solutions for established and next-generation voice/data networks. With a unique range of technologies developed from years of experience, NHC is now at the heart of today's corporate enterprise service market and the telecommunications industry.

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For further information:

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Visit the Company's Web site at www.nhc.com. To request a free copy of NHC's annual report, please go to www.newswire.ca and click on reports@cnw.