# MATERIAL CHANGE REPORT

## 1. Name and Address of Company

The name and address of the principal office of the reporting issuer is :

NHC Communications Inc. (“NHC” or the “Company”)
5450 Côte-de-Liesse Road
Mount Royal, Québec
H4P 1A5

## 2. Date of Material Change

October 28, 2005

## 3. News release

The Company issued a press release on November 1, 2005 at Montreal, Quebec released via CNW Telbec Montreal and posted on SEDAR. A copy of the press release is attached hereto as Schedule A.

## 4. Summary of Material Change

The Company announced that, in compliance with SCA Staff Notice 57-301, it had filed a Notice of Default for failing to file its financial statements for the financial year ending July 29, 2005 on time and that a Management Cease Trading Order had been issued with effect from October 28, 2005.

In addition, the Company updated the information contained in a October 17, 2005 press release concerning a $ 6,000,000 private placement with a third party investor.

## 5. Full Description of Material Change

On November 1, 2005, the Company announced that, in compliance with SCA Staff Notice 57-301, it had filed a Notice of Default for failing to file its financial statements for the financial year ending July 29, 2005 on time.

A Management Cease Trading Order was issued with effect from October 28, 2005 which will preclude officers, directors and specified insiders from trading in securities of the NHC until such time as the financial statements are filed. The text of the Notice of Default follows:

Pursuant to CSA Staff Notice 57-301

1. *Reporting period for which the company is not able to file financial statements on time:*

   Audited financial statements for the year ending July 29, 2005 which were due on October 27, 2005.

2. *Reason for the default:*

Financial difficulties prevented NHC from paying its auditors their professional fees in regard to the audit of its annual financial statements for the year ended July 30, 2004.

Under generally accepted auditing standards, audit firms should establish policies and procedures designed to provide the firms with reasonable assurance that they maintain independence in all circumstances. The external auditors believe that its independence could appear to be impaired if, before commencing the work on the current year's engagement, and arrangement have not been made to settle the prior year fees.

As a consequence, the auditors concluded that they cannot, in accordance with the auditing standards, commence the work necessary to audit the financial statements for the financial year ended July 29, 2005 before; i) settlement of prior-year professional fees and ii) agreeing for an arrangement to be paid progressively for the current year professional fees.

3. *Expected filing date:*

The Company expects to file the aforementioned financial statements on December 9, 2005.

4. *Date on which issuer cease trade order (CTO) may be imposed:*

December 27, 2005 is the date upon which the securities commissions or regulators may impose an issuer cease trade order if the financial statements are not filed prior to December 27, 2005. The securities commissions or regulators may impose an issuer cease trade order prior to December 27, 2005 if the status report is not filed in a timely manner. The issuer CTO may be imposed sooner if the Company fails to file its Default Status Reports, as required under this Notice, on a bi-weekly basis.

5. *Default Status Report:*

NHC confirms that it intends to satisfy the provisions of Appendix B to Notice 57-301 so long as its remains in default of the filing requirements set out above.

6. *Other material information:*

NHC confirms that there is no other material information concerning the affairs of the NHC that has not been generally disclosed.

**Update on Financing**

NHC had previously disclosed that it had concluded a private placement for a total sum of $ 6,000,000 and that a first disbursement of $ 500,000 had been received on October 17, 2005. In addition, NHC stated that it expected a disbursement an installment in the sum of $ 1,000,000 to be completed on October 30, 2005.

On October 30, 2005, NHC did not received the payment of the instalment of $ 1,000,000 and is continuing its discussions with the third party investor in order to determine when the said instalment will be paid.

## 6. Reliance on subsections 7.1(2) or (3) of National Instrument 51-102

Not applicable.

## 7. Omitted Information

Not applicable.

## 8. Executive Officer

The following senior officer of NHC Communications Inc. is knowledgeable about the material change and this report.
Sylvain Brossard
Vice President, Finance and Operations
(514) 734-4304

## 9. Date of Report

**DATED** at Montreal this 1st day of November, 2005.

**Trade under the symbol (TSX) : NHC**

## NHC COMMUNICATIONS INC. – FOURTH QUARTER AND YEAR END OF FISCAL 2005

**MONTREAL, Quebec, November 1, 2005** – NHC COMMUNICATIONS INC. (TSX: NHC) (NHCMF), announced today that, in compliance with SCA Staff Notice 57-301, it had filed a Notice of Default for failing to file its financial statements for the financial year ending July 29, 2005 on time.

A Management Cease Trading Order is being issued with effect from October 28, 2005 which will preclude officers, directors and specified insiders from trading in securities of the NHC until such time as the financial statements are filed. The text of the Notice of Default follows:

Pursuant to CSA Staff Notice 57-301

7. *Reporting period for which the company is not able to file financial statements on time:*

   Audited financial statements for the year ending July 29, 2005 which were due on October 27, 2005.

8. *Reason for the default:*

   Financial difficulties prevented NHC from paying its auditors their professional fees in regard to the audit of its annual financial statements for the year ended July 30, 2004.

   Under generally accepted auditing standards, audit firms should establish policies and procedures designed to provide the firms with reasonable assurance that they maintain independence in all circumstances. The external auditors believe that its independence could appear to be impaired if, before commencing the work on the current year's engagement, and arrangement have not been made to settle the prior year fees.

   As a consequence, the auditors concluded that they cannot, in accordance with the auditing standards, commence the work necessary to audit the financial statements for the financial year ended July 29, 2005 before; i) settlement of prior-year professional fees and ii) agreeing for an arrangement to be paid progressively for the current year professional fees.

9. *Expected filing date:*

The Company expects to file the aforementioned financial statements on December 9, 2005.

10. *Date on which issuer cease trade order (CTO) may be imposed:*

December 27, 2005 is the date upon which the securities commissions or regulators may impose an issuer cease trade order if the financial statements are not filed prior to December 27, 2005. The securities commissions or regulators may impose an issuer cease trade order prior to December 27, 2005 if the status report is not filed in a timely manner. The issuer CTO may be imposed sooner if the Company fails to file its Default Status Reports, as required under this Notice, on a bi-weekly basis.

11. *Default Status Report:*

NHC confirms that it intends to satisfy the provisions of Appendix B to Notice 57-301 so long as its remains in default of the filing requirements set out above.

12. *Other material information:*

NHC confirms that there is no other material information concerning the affairs of the NHC that has not been generally disclosed.

Update on Financing

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On October 30, 2005, NHC did not received the payment of the instalment of $ 1,000,000 and is continuing its discussions with the third party investor in order to determine when the said instalment will be paid.

About NHC Communications Inc.

NHC Communications Inc. is a leading provider of products and services enabling the management of voice and data communications for telecommunication service providers. NHC's ControlPoint® solutions utilize a high-performance software driven Element Management System (EMS) controlling an automated, true any-to-any copper cross-connect switch, to enable incumbent local exchange carriers (ILECs) and other service providers to remotely perform the four key tasks that historically have required manual on-site management. These four tasks fundamental to all operations are loop qualification, deployment and provisioning, fallback switching and service migration of Voice and Data services including DSL and T1/E1. Using ControlPoint® NHC's customers avoid the risk of human error and dramatically reduce labour and operating costs. NHC maintains offices in Montreal, Quebec, and Paris, France. "ControlPoint®" is a registered trademark of NHC Communications Inc. NHC may be contacted through its web site at www.nhc.com.

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*Statements included here, which are not historical in nature, are forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, including without limitation, statements as to management's beliefs, strategies, plans, expectations or opinions in connection with the Company's performance, which are based on a number of assumptions concerning future conditions that may ultimately prove to be inaccurate and may differ materially from actual future events or results. Readers are referred to the documents filed by NHC with the pertinent Canadian security exchange commissions, specifically the most recent Quarterly Reports, Prospectus, Annual Information Form and Annual Report, each as it may be amended from time to time, which identify important risk factors that could cause actual results to differ from those contained in the forward-looking statements, including rapid technological change along with the need to continually develop new products; the Company's dependence on a dominant product line; competition; the Company's dependence on key employees; difficulties in managing the Company's growth; the Company's dependence upon certain customers and certain suppliers; the Company's dependence upon proprietary rights; risks of fourth party claims of infringement; and government regulation. The financial information contained in this release should be read in conjunction with the consolidated financial statements and notes thereto included in NHC's most recent Quarterly Reports and Annual Report filed, each as it may be amended from time to time.*