

MATERIAL CHANGE REPORT

1. **Reporting Issuer**

The name and address of the reporting issuer is:

Cabletel Communications Corp.
230 Travail Road
Markham, Ontario
L3S 3J1

2. **Date of Material Change**

The material change occurred on May 22, 2002.

3. **Press Release**

A press release was issued on May 22, 2002 and subsequently filed on SEDAR.

4. **Summary of Material Change**

Cabletel Communications Corp. ("Cabletel"), announced that, concurrent with its previously reported establishment of a new CDN\$15 million revolving credit facility with LaSalle Business Credit, Cabletel also renegotiated credit terms with a major supplier that included the conversion of US\$2.2 million in outstanding payables owed by Cabletel into a senior subordinated promissory note.

5. **Full Description of Material Change**

Cabletel announced that, concurrent with its previously reported establishment of a new CDN\$15 million revolving credit facility with LaSalle Business Credit, Cabletel also renegotiated credit terms with a major supplier that included the conversion of US\$2.2 million in outstanding payables owed by Cabletel into a senior subordinated promissory note.

The senior subordinated promissory note is in the principal amount of US\$2.2 million. The note bears interest at the rate of 12% per annum and is repayable in agreed upon monthly installments of between US\$60,000 and US \$120,000 over the next two years. In connection with the renegotiation, Cabletel also issued to the supplier a warrant to acquire up to 200,000 shares of Cabletel's common stock at an exercise price of CDN\$1.64 per share.

6. **Reliance on Section 75(3) of the Act**

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Senior Officers**

The senior officer of Cabletel who is knowledgeable about this material change is Ron Eilath, Executive Vice President and Chief Financial Officer (905-475-1030).

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED AT Markham, Ontario this 24th day of May, 2002.

CABLETEL COMMUNICATIONS CORP.

By: "Ron Eilath"
Name: Ron Eilath
Title: Executive Vice-President and Chief
Financial Officer