

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 January 26, 2004.

3. **Press Release**

A press release was issued on January 26, 2004 and subsequently filed on SEDAR.

4. **Summary of Material Change**

Cabletel Communications Corp., ("Cabletel"), announced on January 26, 2004, that it has been notified by its senior secured lender, LaSalle Business Credit, a division of ABN AMRO Canada N.V., Canadian Branch, that the lender will forebear from taking any immediate action against the Company, under the rights and remedies afforded to it in the credit agreement and related documents, until February 20, 2004, subject to certain conditions which the Company currently believes it will satisfy. Cabletel has been notified that it is in default under its credit agreement with the lender. As a result, the lender has the right to demand immediate payment in full of all amounts due under the credit agreement. However, as a result of the forbearance, the lender has agreed not to take any immediate action against the Company until at least February 20, 2004.

As previously announced, Cabletel is currently facing a liquidity crisis and does not have adequate working capital to meet its current obligations. To address these issues, the Company has been in continuing discussions with its senior lender and is actively exploring various options including (i) raising additional financing through the issuance of debt or equity securities, (ii) the restructuring of existing obligations and (iii) selling the Company or certain of its assets. There can be no assurances that any of these efforts will be successful and the Company may be required to consider alternative courses

of action including filing a voluntary petition seeking protection under applicable Canadian and/or U.S. restructuring laws.

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

Not applicable.

6. **Omitted Information**

Not applicable.

7. **Senior Officers**

The senior officer of Cabletel who is knowledgeable about this material change is D. Gregory Walling, President and Chief Executive Officer. (905-475-1030)

8. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

DATED AT Markham, Ontario this 29th day of January, 2004.

CABELTEL COMMUNICATIONS CORP.

By: s/s D. Gregory Walling
Name: D. Gregory Walling
Title: President and Chief Executive Officer