FORM 51-102F3

Material Change Report

Item 1 Name and Address of Company

NUVO NETWORK MANAGEMENT INC.
2650 Queensview Drive
Ottawa, Ontario K2B 8H6

Item 2 Date of Material Change

December 2, 2004

Item 3 News Release

News release was issued December 2, 2004. The news release is attached as Exhibit "A" to this report.

Item 4 Summary of Material Change

The Company completed a private placement resulting in gross proceeds of $6 million.

The Company also announced that it plans to present a proposal to shareholders for a consolidation of its outstanding common shares at its Annual and Special Meeting of Shareholders. At the Meeting, shareholders will be asked to consider and approve a special resolution to consolidate the Company's common shares on the basis of one new common share for six existing common shares.

Item 5 Full Description of Material Change

Pursuant to the private placement, the Company issued 35,296,000 Units at a price of $0.17 per unit. Each unit consists of one Common Share and one-half Warrant. Each whole Warrant entitles the holder to acquire one Common Share at an additional purchase price of $0.22 per share at any time up to eighteen months from the closing date. Harris Partners Limited and GMP Securities Ltd. acted as agents for the placement. The agents received, as part of their remuneration, an aggregate of 2,120,720 compensation warrants. These compensation warrants enable the agents to acquire an equivalent number of Units at a price of $0.17 per Unit until two years after the closing date, provided that the warrants forming part of such Units expire 18 months after closing, the same time as the warrants issued to purchasers under the private placement.

Insiders of the Company purchased a total of 6,735,000 common shares and 3,367,500 Warrants in connection with the private placement. The only independent director in respect of the private placement for the purposes of Ontario Securities Commission Rule 61-501 – *Insider Bids, Issuer Bids, Going Private Transactions and Related Party Transactions* ("Rule 61-501") approved the private placement, including the purchase by insiders of the common shares and warrants referred to above.

The Company was exempt from the formal valuation and minority approval requirements of Rule 61-501 as neither the fair market value of the common shares and warrants purchased by insiders nor the fair market value of the consideration paid by insiders for the common shares and warrants purchased in connection with the private placement was greater than 25% of the Company's market capitalization.

For further details, please see attached Press Release.

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Carl Smith, Chief Financial Officer of the Corporation, is knowledgeable about the material change and this report and his business telephone number is (613) 745-4110.

Item 9 Date of Report

December 3, 2004.

NUVO NETWORK MANAGEMENT INC.

Per: (signed)
Carl Smith
Chief Financial Officer

EXHIBIT "A"
TO MATERIAL CHANGE REPORT

NUVO COMPLETES $6 MILLION EQUITY OFFERING

OTTAWA, ONTARIO, December 2, 2004 - NUVO Network Management Inc., (TSX Venture Exchange: NNM) a leading managed services provider of solutions that MAXimize IT® availability, protection and performance for business profitability, today announced that it completed a private placement resulting in gross proceeds of $6 million.

Pursuant to the private placement, NUVO issued 35,296,000 Units at a price of $0.17 per unit. Each unit consists of one Common Share and one-half Warrant. Each whole Warrant entitles the holder to acquire one Common Share at an additional purchase price of $0.22 per share at any time up to eighteen months from the closing date. Harris Partners Limited and GMP Securities Ltd. acted as agents for the placement. The agents received, as part of their remuneration, an aggregate of 2,120,720 compensation warrants. These compensation warrants enable the agents to acquire an equivalent number of Units at a price of $0.17 per Unit until two years after the closing date, provided that the warrants forming part of such Units expire 18 months after closing, the same time as the warrants issued to purchasers under the private placement.

Institutional investors purchased 80% of the offering. NUVO Officers and Directors purchased 4.9% of the offering. The securities issued under this private placement may not be publicly traded until April 3, 2005. The net proceeds of the proposed offering will be used to fund growth, which may include future acquisitions, pay down existing debt and for general corporate purposes.

The company also announced today that it plans to present a proposal to shareholders for a consolidation of its outstanding common shares at its Annual and Special Meeting of Shareholders. At the Meeting, shareholders will be asked to consider and approve a special resolution to consolidate NUVO's common shares on the basis of one new common share for six existing common shares. Further details and the time and place of the meeting will be included in the Company's Management Proxy Circular, to be mailed in December.

About NUVO

NUVO provides remote management and protection of IT infrastructures for businesses worldwide to maximize the availability of their computing infrastructure. NUVO enables our customers to excel by delivering fully integrated, proactive management services and business data. This provides the critical information needed for effective analysis and decision-making to maximize performance and control costs. NUVO achieves this through certified experts, best-of-class technology, deep integration, highly automated processes, and best practices in a 24x7, resilient infrastructure.

Not an Offer to Sell or Solicit Offers to Buy Securities

This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act") or any state securities laws and may not be offered or sold within the United States or to US persons unless registered under the US Securities Act and applicable state securities laws or an exemption from such registration is available.

Forward Looking Statements

Certain statements included in this press release are forward-looking and are subject to certain risks and uncertainties. The results or events predicted in these statements may differ materially from actual results or events.

Factors that may cause results or events to differ from current expectations include, but are not limited to, those set out on NUVO's website at http://www.nuvo.com/news/fls.html.

For additional information, contact:

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The TSX Venture Exchange has neither approved nor disapproved the content of this press release.

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