BC FORM 53-901F
(Previously Form 27)

MATERIAL CHANGE REPORT UNDER SECTION 85 (1) OF THE SECURITIES ACT (BRITISH COLUMBIA)

1. Reporting Issuer

Net Nanny Software International Inc.
Suite 200, 15831 NE 8th Street
Bellevue, Washington 98008

(the "Corporation")

2. Date of Material Change

August 31, 2001

3. Press Release

Date of Issuance:	August 31, 2001
Place of Issuance:	Bellevue, Washington
Distributed through:	PR Newswire and the Canadian Venture Exchange

4. Summary of Material Change

The Company has closed the first and second tranche of a non-brokered private placement previously announced June 7, 2001. The gross proceeds received for the first and second tranches total Cdn.$1,540,200 and 2,567,000 units.

5. Full Description of Material Change

The Company has closed the first and second tranche of a non-brokered private placement, thereby concluding the previously announced private placement on June 7, 2001. The gross proceeds received for the first and second tranches total Cdn.$1,540,200 and 2,567,000 units.

The issue is comprised of two common shares and one warrant ("Unit") at a price of Cdn.$0.60 per unit for a total of Cdn.$1,540,200 before expenses.

The warrants are exercisable for two years to June 7, 2003. One warrant will buy one common share at Cdn.$0.35 in the first year and at Cdn.$0.45 in the second year. The common shares issued under these two tranches are subject to a hold period periods of November 21, 2001 with respect to 2,960,000 shares, November 23, 2001 with respect to 1,000,000 shares and January 4, 2002 with respect to 1,174,000 shares. The proceeds of the offering are to be used for general working capital requirements. A cash finder's fee is payable to two institutions with respect to a portion of this transaction. The private placement is subject to regulatory approval. (See also Press Release attached)

6. Reliance on Section 85(2) of the Act

Not Applicable

7. Omitted Information

Nil.

8. Senior Officers

Contact: Gordon A. Ross
President and Chief Executive Officer

Telephone: 1-425-688-3008
Facsimile: 1-707-220-2136

9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Vancouver, British Columbia, this 12th day of September 2001.

NET NANNY SOFTWARE INTERNATIONAL INC.

"Linda Holmes"
Linda Holmes, Corporate Secretary

For more information, contact:

Nika Herford

VP, Public Affairs and Media

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Investor Relations

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FIRST AND SECOND TRANCHE PRIVATE PLACEMENT COMPLETED

Bellevue, Washington, August 31, 2001 - Net Nanny Software International Inc. **(CDNX: NNS), (OTCBB: NNSWF)** is pleased to announce that the Company has closed the first and second tranche of a non-brokered private placement previously announced June 7, 2001. The gross proceeds received for the first and second tranches total Cdn.$1,540,200 and 2,567,000 units. This concludes the previously announced private placement.

The issue is comprised of two common shares and one warrant ("Unit") at a price of Cdn. $0.60 per unit for a total of Cdn. $1,540,200 before expenses. The warrants are exercisable for two years to June 7, 2003. One warrant will buy one common share at Cdn. $0.35 in the first year and at Cdn. $0.45 in the second year. The common shares issued under these two tranches are subject to a hold period periods of November 21, 2001 with respect to 4,134,000 shares and November 23, 2001 with respect to 1,000,000 shares.

"We are very pleased to have negotiated this financing given the difficult capital market in which to raise equity capital," commented Gordon Ross, Chairman and Chief Executive Officer. "This is a vote of confidence in the products and direction of the Company and its dedicated group of employees."

The investors include previous institutional investors from Europe, company executives and new private investors and institutions from North America.

The proceeds of the offering are to be used for general working capital requirements. A cash finder's fee is payable to two institutions with respect to a portion of this transaction. The private placement is subject to regulatory approval.

On behalf of the Board of Directors

Net Nanny Software International Inc.

"Gordon A. Ross"

President and CEO

Note to Readers:

Statements in this news release looking forward in time involve risks and uncertainties, including the risks associated with the effect of changing economic conditions, trends in the development of the Internet as a commercial medium, market acceptance risks, technological development risks, seasonality and other risk factors.