

FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Enablence Technologies Inc.
1 St. Clair Avenue East, Suite 504
Toronto, Ontario M4T 2V7

2. Date of Material Change

May 5, 2011

3. News Release

Attached as Schedule A is a copy of the news release issued by Enablence Technologies Inc. ("Enablence" or the "Company") on May 5, 2011 via Canada Newswire.

4. Summary of Material Change

On May 5, 2011, the Company announced the closing of the non-brokered private placement financing announced on April 28, 2011. The Company issued 45,500,000 common shares ("Offered Shares") at a price of \$0.22 per Offered Share for gross proceeds of \$10,010,000 (the "Offering"). The Offered Shares were subscribed for by several institutional investors and by Paradigm Capital Inc. The Offered Shares will be subject to a four month hold period pursuant to applicable securities laws expiring on September 5, 2011.

5. Full Description of Material Change

On May 5, 2011, the Company announced the closing of the non-brokered private placement financing announced on April 28, 2011. The Company issued 45,500,000 common shares ("Offered Shares") at a price of \$0.22 per Offered Share for gross proceeds of \$10,010,000 (the "Offering"). The Offered Shares were subscribed for by several institutional investors and by Paradigm Capital Inc. The Offered Shares will be subject to a four month hold period pursuant to applicable securities laws expiring on September 5, 2011.

The Company will use the proceeds from the Offering primarily towards the growth and expansion of its Components Division, including the cash funding of Enablence's investment in the joint venture with SUNSEA Telecommunications Co., Ltd. of China.

Related Party Transaction

An Insider of the Corporation, namely, Acuity Investment Management Inc., subscribed under the Offering for an aggregate of 9,091,000 common shares for gross proceeds of \$2,000,020.

Set out below is the purchase by the Insider as the Offering and the holdings of Common Shares and percentage of the Insider following the Offering:

Name	Number of Common Shares held prior to the Offering	Number of Common Shares purchased in the Offering	Number of Common Shares held after the Offering	Percentage of Holdings of Issued and Outstanding Common Shares after the Offering
Acuity Investment Management Inc.	81,098,021	9,091,000	90,189,021	19.33%

Acuity Investment Management Inc. is a related party within the meaning of Multilateral Instrument 61-101- *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Consequently, the participation of the Insider in the Offering constitutes a Related Party Transaction within the meaning of MI 61-101 requiring the Corporation, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the Related Party Transaction. The Corporation has determined that an exemption is available from the formal valuation requirements under MI 61-101, specifically under Section 5.5(a) which provides that at the time the transaction is agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transaction, insofar as it involves related parties, exceeds 25% of the Corporation’s market capitalization. The Corporation has determined that an exemption is also available from the minority shareholder approval requirements using the corresponding exemption under Section 5.7(a) of MI 61-101. The Insider purchased 9,091,000 common shares, representing a fair market value, based on the offering price of \$0.22 per share, of \$2,000,020. As of May 2, 2011, before giving effect to the Offering, there were 421,046,094 common shares of the Corporation issued and outstanding. The closing price of the common shares on the TSX-V on May 2, 2011 was \$0.20, resulting in a market capitalization of the Corporation of \$84,209,218.

The board of directors of the Corporation consists of four “independent directors” as defined in MI 61-101 and approval of all four independent directors on the Offering and Related Party Transaction was obtained resolution of the board of directors held on dated April 27, 2011. All of the independent directors approved of the Related Party Transaction and there were no materially contrary views of any director. The board of directors of the Corporation, determined that the Offering, including the Related Party Transaction, was in the Corporation’s best interests. In its determination, the board of directors came to its conclusion on the basis that the Insider will not be receiving preferential treatment vis-à-vis the other purchasers of the Offered Shares pursuant to the Offering.

The Corporation disclosed all relevant information with respect to the Related Party Transaction as part of the Corporation’s press release dated May 5, 2011. This material change report is being filed less than 21 days prior to the closing of the Related Party Transaction. The shorter period was necessary in order to permit the Corporation to close the Offering, including the Related Party Transaction, in a timeframe consistent with usual market practice for transactions of this nature.

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

Not applicable.

7. **Omitted Information**

Not applicable.

8. **Executive Officer**

David Toews
Chief Financial Officer
Enablence Technologies Inc.
1 St. Clair Avenue East, Suite 504
Toronto, Ontario M4T 2V7
Telephone: (647) 729-1605

9. **Date of Report**

May 6, 2011.

SCHEDULE A



Enablence Technologies Announces Closing of \$10 Million Equity Financing

Toronto, Canada – May 5, 2011 – Enablence Technologies Inc. (“Enablence” or the “Company”), a leading supplier of optical components and subsystems for access, metro and long-haul markets and fiber-to-the-home (“FTTH”) equipment and multi-services access platform for triple-play residential and business services today announced the closing of the non-brokered private placement financing announced on April 28, 2011. The Company issued 45,500,000 common shares (“Offered Shares”) at a price of \$0.22 per Offered Share for gross proceeds of \$10,010,000 (the “Offering”). The Offered Shares were subscribed for by several institutional investors and by Paradigm Capital Inc. The Offered Shares will be subject to a four month hold period pursuant to applicable securities laws expiring on September 5, 2011.

One of the institutional investors (an “Insider”) is a related party within the meaning of Multilateral Instrument 61-101- *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). Consequently, the participation of the Insider in the Offering constitutes a Related Party Transaction within the meaning of MI 61-101 requiring the Corporation, in the absence of exemptions, to obtain a formal valuation for, and minority shareholder approval of, the Related Party Transaction. The Corporation has determined that an exemption is available from the formal valuation requirements and the minority shareholder approval requirements under MI 61-101, namely, the fair market value of the Offered Shares subscribed for by the Insider does not exceed 25% of the Company’s market capitalization. This information is being filed less than 21 days prior to the closing of the Related Party Transaction. The shorter period was necessary in order to permit the Corporation to close the Offering, including the Related Party Transaction, in a timeframe consistent with usual market practice for transactions of this nature.

The Company will use the proceeds from the Offering primarily towards the growth and expansion of its Components Division, including the cash funding of Enablence's investment in the joint venture with SUNSEA Telecommunications Co., Ltd. of China.

As announced in the Company's press release on April 28, 2011, the Company continues to explore all strategic alternatives for the most value-enhancing and efficient divestiture of its Systems Division.

About Enablence Technologies Inc.

Enablence Technologies Inc. is a publicly traded company that designs, manufactures and sells optical components and subsystems for access, metro and long-haul markets to a global customer base and fiber-to-the-home (FTTH) equipment and multi-service access platforms for triple-play residential and business services. Enablence delivers a key portion of the infrastructure for next-generation telecommunication systems. The Company's product lines address all three segments of optical networks: Access, connecting homes and businesses to the network; Metro, communication rings within large cities; and Long-haul, linking cities and continents. The Company's Access solutions enable voice, data, video, and Internet communications across both copper and fiber-based network infrastructures.

For more information, visit www.enablence.com.

Forward-looking Statements

This press release may contain forward-looking statements, in particular with respect to the use of proceeds of the financing, the funding of the joint venture in China and the future growth of the Components Division (including the joint venture) and the divestiture of the Systems Division, that are made as of the date hereof and are based on current expectations, forecasts and assumptions which involve risks and uncertainties associated with our business and the economic environment in which the business operates. All such statements are made pursuant to the 'safe harbour' provisions of, and are intended to be forward-looking statements under, applicable

Canadian securities legislation. Any statements contained herein that are statements of historical facts may be deemed to be forward-looking statements. By their nature, forward-looking statements require us to make assumptions and are subject to inherent risks and uncertainties. We caution our readers of this press release not to place undue reliance on our forward looking statements as a number of factors could cause actual results or conditions to differ materially from current expectations. Please refer to the risks set forth in the Company's continuous disclosure documents that can be found on SEDAR www.sedar.com. Enablence does not intend, and disclaims any obligation, except as required by law, to update or revise any forward looking statements whether as a result of new information, future events or otherwise.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

FOR FURTHER INFORMATION PLEASE CONTACT:

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