This is the form of a material change report required under section 85 (1) of the Securities Act and section 151 of the Securities Rules.

FORM 27

SECURITIES ACT
(British Columbia)

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

NOTE: This form is intended as a guideline. A letter or other document may be used if the substantive requirements of this form are complied with.

NOTE: Every report required to be filed under section 85 (1) of the Act shall be sent to the Commission in an envelope addressed to the Commission and marked "Continuous Disclosure."

NOTE: WHERE THIS REPORT IS FILED ON A CONFIDENTIAL BASIS PUT AT THE BEGINNING OF THE REPORT IN BLOCK CAPITALS "CONFIDENTIAL - SECTION 85", AND EVERYTHING THAT IS REQUIRED TO BE FILED SHALL BE PLACED IN AN ENVELOPE ADDRESSED TO THE SECRETARY OF THE COMMISSION MARKED "CONFIDENTIAL."

Item 1. Reporting Issuer

State the full name and address of the principal office in Canada of the reporting issuer.

NeTrue Communications Inc.
530 - 999 West Hastings Street
Vancouver, B.C.
Canada
V6C 2W2

Item 2. Date of Material Change

June 5, 2000

Item 3. Press Release

State the date and place(s) of issuance of the press release issued pursuant to Section 85 (1) of the Act.

Los Angeles, California; June 5, 2000.

Item 4. Summary of Material Change

Provide a brief but accurate summary of the nature and substance of the material change.

Netrue Communications Inc. announced today that its December 31, 1999 fiscal year-end revenue of its operating subsidiary NeTrue Communications, Inc. (the Company) was a record $9.395 million, an increase of $7.548 million or 409% over revenue realized in the fiscal year ended December 31, 1998. Product revenues were $6.541 million, an increase of $5.187 million or 383% over product revenue realized in the prior fiscal year. Service revenues were $2.854 million, an increase of $2.361 million or 479% over service revenue realized in the prior fiscal year.

The Company reported gross profit of $2.588 million at December 31, 1999, an increase of $2.198 million, or 564% over gross profit realized in the prior fiscal year. Gross profit as a percent of revenue was 28% in fiscal 1999 and 21% in fiscal 1998. Operating expenses were $7.158 million, an increase of $4.612 million or 181% over operating expenses reported in the prior fiscal year period. Operating expenses increased as a result of increased selling and marketing expenses, and expenses associated with the acquisition of Vipersat Networks, NeTrue's satellite transmission technology division located in Silicon Valley. The Company reported a net loss after non-controlling interest of $4.570 million at December 31, 1999.

The Company reported cash and cash equivalents of $3.067 million at December 31, 1999, an increase of $1.680 million, or 83% over cash and cash equivalents at December 31, 1998. Working capital was $2.426 million at December 31, 1999, a decrease of $.416 million, or 15% over working capital at December 31, 1998.

Item 5. Full Description of Material Change

Supplement the summary required under Item 4 with the disclosure which should be sufficiently complete to enable a reader to appreciate the significance of the material change without reference to other material. Management is in the best position to determine what facts are significant and must disclose those facts in a meaningful manner. See also Item 7. This description of the significant facts relating to the material change will therefore include some or all of the following: dates, parties, terms and conditions, description of any assets, liabilities or capital affected, purpose, financial or dollar values, reasons for the change, and a general comment on the probable impact on the reporting issuer or its subsidiaries. Specific financial forecasts would not normally be required to comply with this form. The above list merely describes examples of some of the facts which may be significant. The list is not intended to be inclusive or exhaustive of the information required in any particular situation.

For a full description of the material change, please see the press release attached hereto as Schedule "A".

Item 6. Reliance on section 85 (2) of the Act

If the report is being filed on a confidential basis in reliance on section 85 (2) of the Act, state the reasons for such reliance.

INSTRUCTION:
Refer to section 85 (3) of the Act concerning continuing obligations in respect of reports filed pursuant to this subsection.

N/A

Item 7. Omitted Information

In certain circumstances where a material change has occurred and a material change report has been or is about to be filed but section 85 (3) of the Act will no longer or will not be relied upon, a reporting issuer may nevertheless believe one or more significant facts otherwise required to be disclosed in the material change report should remain confidential and not be disclosed or not be disclosed in full detail in the material change report. State whether any information has been omitted on this basis and provide the reasons for any such omission in sufficient detail to permit the Commission to exercise its discretion pursuant to section 169 (4) of the Act. The reasons for the omission may be contained in a separate letter filed as provided in section 153 of the Regulation.

N/A

Item 8. Senior Officers

To facilitate any necessary follow-up by the Commission, give the name and business telephone number of a senior officer of the reporting issuer who is knowledgeable about the material change and the report or an officer through whom such senior officer may be contacted by the Commission.

Eric Gurr
Chief Financial Officer
Telephone: (714) 870-0861

Item 9. Statement of Senior Officer

Include a statement in the following form signed by a senior officer of the reporting issuer: "The foregoing accurately discloses the material change referred to herein." Also include date and place of making the statement.

The foregoing accurately discloses the material change referred to herein.

DATED at Los Angeles, California this 5th day of June, 2000.

"Eric Gurr"

Eric Gurr
Chief Financial Officer

Schedule "A"

Media Information

For Immediate Release

NeTrue Communications 1999 Fiscal Year-end Financial Results

New Chief Financial Officer Appointed

Los Angeles, CA, June 5, 2000 --NeTrue Communications Inc. (NTU.U: CDNX) announced today that its December 31, 1999 fiscal year-end revenue of its operating subsidiary NeTrue Communications, Inc. (the Company) was a record $9.395 million, an increase of $7.548 million or 409% over revenue realized in the fiscal year ended December 31, 1998. Product revenues were $6.541 million, an increase of $5.187 million or 383% over product revenue realized in the prior fiscal year. Service revenues were $2.854 million, an increase of $2.361 million or 479% over service revenue realized in the prior fiscal year.

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Mr. James Shen, Chief Executive Officer, said, "We are pleased with the financial progress made by the company in 1999." Shen added, "We continue to manage the company with a focus on developing, marketing, and selling our Internet Telephony management solutions and services, and satellite networking technology products to customers worldwide."

The Company also announced the appointment of Eric F.Gurr to the position of Chief Financial Officer. Prior to joining the Company, Mr. Gurr held key management positions including President, Chief Financial Officer and Treasurer for NACT Telecommunications, Inc.(NACT) During his tenure at NACT, Mr. Gurr assisted NACT in achieving several strategic and venture investments, an initial public offering(IPO), and a successful acquisition/merger eleven months after NACT's IPO. Mr. Gurr is a Certified Public Accountant and has over eleven years of experience in the telecommunications industry.

Dr. Thomas E. Sawyer, Chairman, said, “We are very pleased to have Mr. Gurr join our executive management team. Mr. Gurr’s significant experience in accounting, finance, corporate development, investor relations, mergers and acquisitions, and public company reporting will be valuable assets for the Company as we implement our business plan and strategic objectives.”

About NeTrue Communications

NeTrue Communications Inc. (NTU.U: CDNX) is a publicly traded California-based IP telephony solutions provider with core technical competencies in QoS management, network management and clearinghouse technology. NeTrue IPT BackOffice™ and NeTrueQoS provide operation and management support for IP voice networks. NeTrue Vipersat Networks Division develops and markets satellite transmission technology to local and international markets. NeTrue’s Commsent Solutions provides traffic management, clearinghouse and routing services to a global network of more that 85 communications providers. NeTrue Communications Inc. can by found at www.netrue.com.

This press release contains forward -looking statements based on the beliefs of the company's management, as well as assumptions made by, and the information currently available, to the company's management. These forward-looking statements involve a level of risk and uncertainty caused by, but not limited to market factors, business and economic conditions and the impact of competitive products and pricing.

For More Information Please Contact:

Eric Gurr

NeTrue Communications Inc.

Ph. 714-870-0861

egurr@netrue.com

NETRUE COMMUNICATIONS, INC.
Consolidated Summary of Operations and Deficit
(Expressed in thousands of United States Dollars)

	Years ended December 31, 1998	1999
Revenues		
Products	$ 1,354	$ 6,541
Services	493	2,854
	1,847	9,395
Cost of sales		
Products	1,029	5,071
Services	428	1,736
	1,457	6,807
Gross margin	390	2,588
Operating and other expenses, net	2,546	7,158
Net loss	(2,156)	(4,570)

NeTrue Communications can be found at: www.netrue.com