

FORM 27
SECURITIES ACT
(British Columbia)

MATERIAL CHANGE REPORT
Under Section 85(1) of the Act

Item 1. Reporting Issuer

The full name of the issuer is NeTrue Communications Inc. (the “Company”) whose principal office is located at 530 – 999 West Hastings Street, Vancouver, British Columbia.

Item 2. Date of Material Change

The effective date of the material change herein reported is October 17, 2000.

Item 3. Press Release

The press release pertaining to the material change herein reported was issued on October 17, 2000 at Fullerton, California.

Item 4. Summary of Material Change

The Company obtained a term loan of U.S.\$1,000,000 from Global Securities of Vancouver, British Columbia. The loan will mature on March 13, 2001. Prior to maturity, interest is payable at a rate of 2% per month commencing November 13, 2000. Net proceeds available after payment of a finders’ fee of U.S.\$100,000 to Global Securities will be used by the Company and its wholly-owned subsidiary, NeTrue Communications, Inc. (“NeTrue California”) for acquiring inventory necessary to service its sales contracts to existing customers. In connection with the loan, the Company and NeTrue California have granted security to Global Securities against their respective assets and properties and pledged the outstanding shares of NeTrue California and its wholly owned Chinese subsidiaries.

Item 5. Full Description of Material Change

The Company has received a loan from Global Securities Corporation of Vancouver, British Columbia (the “Lender”) in the principal amount of US\$1,000,000. The loan matures on March 13, 2001 (the “Maturity Date”). Interest is payable at the rate of 2% per month (24% per annum) commencing November 13, 2000 until and including the Maturity Date and at the rate of 3% per month (36% per annum) following the Maturity Date. The loan is secured by a security interest granted to the Lender by the Company and NeTrue California in all of their respective assets and property, an assignment to the Lender by the Company and NeTrue California of their respective book debts and receivables, a Pledge to the Lender by the Company of all of the issued and outstanding shares of NeTrue California and a Pledge to the Lender by NeTrue California of all of the issued and outstanding shares of Netrue Information Communications Technology (Beijing) Co. Ltd. and Netrue Communications (Hangzhou) Co. Ltd. A finders fee of US\$100,000 is

payable to Global Securities Corporation in connection with facilitating the loan. The net proceeds of the loan will be used by the Company to acquire inventory necessary to service its sales contracts with existing customers.

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

Not applicable.

Item 7. Omitted Information

No significant facts have been omitted from this report.

Item 8. Senior Officers

Eric Gurr, Chief Executive Officer is the officer of the Company who is knowledgeable about the details of this material change report. Mr. Gurr may be contacted by telephone at:

(714) 870-0861

Item 9. Statement of Senior Officer

The foregoing accurately discloses the material change referred to herein.

DATED at Fullerton, California this 17th day of October, 2000.

“Eric Gurr”

Eric Gurr
Chief Executive Officer

Schedule "A"

Media Release
For Immediate Release

CDNX: NTU.U

NeTRUE COMMUNICATIONS INC.
US\$1,000,000 TERM LOAN

Fullerton, California, October 16, 2000: NeTrue Communications Inc. (the "Company") (CDNX: NTU.U) announces that it has obtained a term loan of US\$1,000,000 from Global Securities Corporation of Vancouver, British Columbia. The loan will mature on March 13, 2001. Prior to maturity, interest is payable at a rate of 2% per month commencing November 13, 2000. Net proceeds available after payment of a finders' fee of US\$100,000 to Global Securities will be used by the Company and its wholly-owned subsidiary, NeTrue Communications, Inc. ("NeTrue California") for purposes of acquiring inventory to supply NeTrue's existing customers including those in China. In connection with the loan, the Company and NeTrue California have granted security to Global Securities against their respective assets and properties and pledged the outstanding shares of NeTrue California and its wholly-owned Chinese subsidiaries.

About NeTrue

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 BackOfficeTM 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 Global Network provides traffic management; clearinghouse and routing services to a global network of more than 85 communications providers. NeTrue Communications Inc. can be found at www.netrue.com.

NeTrue, NeTrue Communications, NeTrueQoS, IPT BackOffice and IPT NCC are registered trademarks of NeTrue Communications Inc. Commsent is a registered trademark of Commsent Solutions Inc.

For More Information Please Contact:

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