NTG CLARITY NETWORKS INC.

MATERIAL CHANGE REPORT
Form 51-102F3

Item 1 Name and Address of Company

NTG Clarity Networks Inc. (the "**Corporation**")
Suite 202, 2820 Fourteenth Avenue
Markham, Ontario L3R 0S9

Item 2 Date of Material Change

The material change occurred on June 29, 2007.

Item 3 News Release

The Corporation issued a press release on June 29, 2007.

Item 4 Summary of Material Change

The Corporation completed its non-brokered private placement offering of up to 2,000,000 units previously announced in the press release of the Corporation dated June 8, 2007.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

For a full description of the material change, please refer to the press release of the Corporation dated June 29, 2007, attached hereto as Schedule "A".

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The name and business number of an executive officer of the Corporation who is knowledgeable about the material change and this report is:

Ashraf Zaghloul, Chief Executive Officer and Chairman
Telephone: (905) 305-1325

Item 9 Date of Report

This report is dated the 29th day of June, 2007.

SCHEDULE "A"

NTG CLARITY NETWORKS INC.

For Immediate Release: June 29, 2007

NTG CLARITY NETWORKS INC. ANNOUNCES PRIVATE PLACEMENT

Markham, Ontario, June 29, 2007 – NTG Clarity Networks Inc. (TSX Venture: NCI) ("**NTG**" or the "**Corporation**") is pleased to announce the completion of its non-brokered private placement offering of up to 2,000,000 units (the "**Units**") previously announced in the press release of the Corporation dated June 8, 2007 (the "**Private Placement**"). Each Unit will consist of one common share in the capital of NTG ("**Common Share**") and one-half of a Common Share purchase warrant ("**Warrant**"). Each whole Warrant is exercisable into one Common Share at a price of $0.20 per Common Share on or before June 29, 2008. Pursuant to the Private Placement, the Corporation issued a total of 841,665 Units at a price of $0.12 per Unit for gross proceeds of $100,999.80. The Common Shares and Warrants issued pursuant to the Private Placement are subject to a hold period expiring October 30, 2007.

In connection with the Private Placement, a finder's fee of 57,500 Common Shares was paid to an arm's length party. The Corporation has made application the TSX Venture Exchange for final approval of the Private Placement and the finder's fee.

Mr. Ashraf Zaghloul, Chairman and Chief Executive Officer of the Corporation subscribed for 66,666 Units pursuant to the Private Placement, resulting in Mr. Zaghloul now beneficially owning or having direct control over 3,455,376 Common Shares, 1,327,083 Warrants and 500,000 stock options of the Company for an aggregate of 5,282,459 common shares representing 19.3% of the issued and outstanding common shares of the Company in the event Mr. Zaghloul elects to exercise all of the convertible securities.

Mr. Zaghloul has acquired the Units of the Corporation for investment purposes and may from time to time acquire additional securities of the Corporation, dispose of some or all of the existing or additional securities he holds or will hold, or may continue to hold his current position.

NTG will use the proceeds of the Offering for marketing activities and working capital.

FOR FURTHER INFORMATION OR TO OBTAIN A COPY OF THE EARLY WARNING REPORT FILED IN CONNECTION WITH THE ABOVE, PLEASE CONTACT:

Ashraf Zaghloul, Chief Executive Officer and Chairman, NTG Clarity Networks Inc.
Telephone: (905) 305-1325; Facsimile: (905) 305-8993
Email: azaghloul@ntgclarity.com; Website: www.ntgclarity.com.

Forward-looking statements: Except for statements of historical fact, all statements in this news release, without limitation, regarding new projects, acquisitions, future plans and objectives are forward-looking statements which involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate; actual results and future events could differ materially from those anticipated in such statements.