FORM 51-102F3
NATIONAL INSTRUMENT 51-102
MATERIAL CHANGE REPORT

1. Name and Address of Company

NTG Clarity Networks Inc.
2820 Fourteenth Ave, Suite 202
Markham, ON L3R 0S9

2. Date of Material Change

Material change took place on January 31, 2014.

3. News Release

On February 4, 2014, a news release in respect of the material change was disseminated via thenewswire.com.

4. Summary of Material Change

"NTG Clarity Networks Inc. (the "Company") announced that the Ontario Securities Commission has noted the Company in default of certain continuous disclosure requirements and to remedy the default the Company plans to re-file its financial statements, notes and related MD&A for the year ended December 31, 2012 and the interim period ended June 30, 2013." The material change is fully described in the Company's press release which is attached as Schedule "A".

5. Full Description of Material Change

A full description of the material change is contained under Item 4.

6. Reliance on Section 7.1(2) of National Instrument 51-102

The report is not being filed in reliance on section 7.1(2) of National Instrument 51-102.

7. Omitted Information

No information has been omitted.

8. Executive Officer

Kristine Lewis, CFO
905-305-1325

9. Date of Report

February 5, 2014.

SCHEDULE “A”

NTG CLARITY TO REFILE 2012 ANNUAL REPORT AND Q2 2013 INTERIM REPORT

TORONTO, ONTARIO—February 4, 2014, Toronto, Ontario. NTG Clarity Networks Inc., (TSX VENTURE:NCI) announces that following a review by staff of the Ontario Securities Commission (the “OSC”) in connection with the filing of the Company’s annual consolidated financial statements, notes and related Management’s Discussion and Analysis for the year ended December 31, 2012 (the “Financial Statements”) and the interim consolidated financial statements, notes and related Management’s Discussion and Analysis (the "Financial Statements"), the OSC has determined that Company is in default of its continuous disclosure requirements under the Securities Act (Ontario) (the "Default").

1. For NTG’s Audited 2012 financial statements, the following will be corrected:
   - Expand/enhance the Company’s revenue recognition policy
   - Correct the label in Trade and Other Receivables, Note 12, on page 46 to read “Trade receivables after impairment” instead of Related Party.
   - Update Financial Risk Management Objectives and Policies, Note 21, under Liquidity Risk, on page 55 to remove reference to “operating losses in the current year” and “…to reach profitable levels of operation”.
   - Update the MD&A to enhance analysis and comparisons and other requirements of 51-102F1.

These changes have no effect on figures previously reported in the 2012 financial statements (the Audited Consolidated Statement of Financial Position, the Audited Consolidated Statements of Changes in Shareholders’ Equity, the Audited Statement of Comprehensive Income, or the Audited Consolidated Statement of Cash Flows).

2. For NTG’s Interim Q2 2013 financial statements, the following will be corrected:
   - revenue recognition policy should be consistent with that of the revised annual financial statements for the year ended December 31, 2012 (above)
   - Condensed Consolidated Interim Statement of Cash Flow – remove long term debt from Operation Activities and correct decrease in long term debt under Financing for three and six months.
   - Under Operating Segments, Note 6, on page 35, for the Six Months ended June 30, 2013, replace the table with the correct 6 month figures. Three months was mistakenly duplicated.
   - Under Related Party Disclosures, Note 19, Key Management Compensation, on page 50 – correct June 30, 2013 and June30, 2012 figures that were mistakenly reversed.
   - Update the MD&A to enhance analysis and comparisons and other requirements of 51-102F1.

These changes have no effect on figures previously reported in the Interim Q2 2013 (the Condensed Consolidated Interim Statement of Financial Position, the Condensed Consolidated Interim Statement of Comprehensive Income, or the Condensed Consolidated Interim Statement of Changes in Shareholders’ Equity). For Cash Flow; Net Cash From Operations changes to $202,578 from $85,911 (3 months and $615,558 from $474,892 (for 6 months); Cash From Financing changes to $12,667 from $129,334 (3 months and ($71,031) from ($69,634) (for 6 months); Cash From Investing changes to ($453,227) from ($69,634) (for 6 months).

The Company will be making the necessary updates and anticipates that revised Financial Statements will be filed by March 28, 2014 in order to remedy the Default.

ABOUT NTG CLARITY NETWORKS

NTG Clarity Networks' vision is to be a global leader in providing networking solutions. Established in 1992, NTG Clarity is a leader in Canada in delivering networking, IT and network enabled application software solutions to network service providers and large enterprises. More than 200 network professionals provide design, engineering, implementation, software development and security expertise to the industry's leading network service providers and enterprises.

This release may contain "forward-looking statements" within the meaning of applicable securities laws regarding events or conditions that may occur in the future. These statements are based on current expectations that, while considered reasonable by management at this time, inherently involve a number of significant business, economic and competitive risks, uncertainties and contingencies. There can be no assurance that forward looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Readers should not place undue reliance on forward-looking statements. The forward-looking statements contained herein are based on the beliefs, expectations and opinions of management as of the date hereof and NTG Clarity disclaims any intent or obligation to update them or revise them to reflect any change in circumstances or in management's beliefs, expectations or opinions that occur in the future, except as required by applicable securities laws. Additional risks relating to NTG Clarity may be found in the current and periodic reports filed by NTG Clarity with Canadian securities regulatory authorities on www.sedar.com.

FOR FURTHER INFORMATION:

Doren Quinton, President QIS Capital
Ph: 250-377-1182
Fax: 250-377-1183
Email: info@smallcaps.ca