SCHEDULE 51-102F3

MATERIAL CHANGE REPORT

1. Name and address of the Company

LYRTECH INC. (« Lyrtech »)
4495, Wilfrid-Hamel Blvd., suite 100
Quebec (Quebec) G1P 2J7

2. Date of material change

May 3, 2006

3. News release

A news release was issued on the CNW Telbec, both in French and English on May 4, 2006 and the English version is attached to this Material Change Report.

4. Summary of material change

Lyrtech acquired the business assets of Innovator Electronic Assembly Inc. and 4190718 Canada Inc. for an aggregate amount of $5.425 million, concluded a private placement financing for an amount of $6 million and established new banking facilities for an amount of $8.5 million with the Bank of Montreal.

5. Full description of material change

Firstly, Lyrtech proceeded to the acquisition of the business assets of Innovator Electronic Assembly Inc. and 4190718 Canada Inc. for an aggregate amount of $5.425 million of which $3.066 million were payable in cash, a vendor take-back of $520 thousand and $1.839 million payable in Lyrtech's Common Shares representing 10,216,950 Common Shares at a deemed price of $0.18. Of those Common Shares, 6,666,666 are subject to performance escrow provisions and will be payable in full only if the acquired businesses achieve a specified level of revenues in each of the two (2) years following the acquisition. Lyrtech acquired $6.69 million of assets and assumed $5.49 million of liabilities from Innovator Electronic Assembly Inc. and 4190718 Canada Inc.

Concurrently with this acquisition Lyrtech concluded a brokered private placement of $6 million through the issuance of approximately 33.3 million units at a price of $0.18 per unit issued. Each unit is composed of one Common Share and one Share Purchase Warrant. Each said Share Purchase Warrant may be exercised during the four (4) years following May 3, 2006. These units are subject to the usual four (4) month hold period and consequently will not be tradable until September 3, 2006.

Dundee Securities Corporation acted as lead agent and Versant Partners Inc. acted as agent to Lyrtech under the private placement financing. The agents were paid a fee equal to 6% of the gross proceeds raised under the financing which amounts to a total of $360,005 as a compensation and Dundee Securities Corporation was paid a fee of $52,000. They also received broker warrants to purchase approximately 2,000,000 units at a price of $0.18 per unit, exercisable over a two (2) year period following May 3, 2006.

Each unit is composed of one Common Share and one Share Purchase Warrant. Each said Share Purchase Warrant is exercisable at a price of $0.30 over a four (4) years period following May 3, 2006. These units will also be subject to the usual four (4) month hold period and consequently, will not be tradable until September 3, 2006. Additionally, Dundee Securities Corporation acted as exclusive financial advisor to Lyrtech in relation with the acquisition of the business assets of Innovator Electronic Assembly Inc. and 4190718 Canada Inc.

Finally, Lyrtech also secured new banking facilities totaling $8,5 million with the Bank of Montreal. The facilities consist of a $4 million operating line, a $3 million of research and development tax credit financing, a $1 million 5 year term loan and a 4 year term loan of $490,000.

6. Reliance of sub-section 7.1(2) or (3) of National Instrument 51-102F3

Not applicable.

7. Omitted information

Not applicable.

8. Executive officer

The senior officer who can answer questions regarding this report is Migüel Caron, President and Chief Executive Officer of Lyrtech. Mr. Caron can be reached at (418) 877-4644.

9. Date of report

May 4, 2006.

Dated May 4, 2006, in the city of Quebec, Province of Quebec.

Lyrtech Inc.

(s) Migüel Caron

Per : ____________________________________

Migüel Caron, President and
Chief Executive Officer

News release via CNW Telbec, Montreal 514-878-2520

Attention Business/Financial Editors:
Lyrtech announces the closing of the acquisition of Innovator

QUEBEC CITY, May 4 /CNW Telbec/ - Lyrtech Inc. (TSX Venture Exchange: LYT), a worldwide leader in digital signal processing (DSP) technologies, is pleased to announce the closing of the acquisition of the business assets of Innovator Electronic Assembly, including those of 4190718 Canada Inc., a sister company of Innovator Electronic Assembly ("Innovator"), a Montreal based company that provides advanced electronic manufacturing services, as well as a private placement financing of $6 million and the establishment of a new banking facility of $8.5 million with Bank of Montreal. The acquisition and private placement financing were carried out under the same terms as announced in Lyrtech's press release dated April 7, 2006. Lyrtech did not have to proceed with the issuance of a subordinated non-convertible debenture of $2.0 million, as previously announced in Lyrtech's press release dated April 7, 2006, as sufficient funds were raised through the private placement financing.

"Since 2003, the company has evolved from being a provider of advanced DSP engineering services with revenues of $2.7 million, to one which offers clients a full range of turnkey engineering services including manufacturing capabilities. Revenues in fiscal 2005 have grown to $7 million " stated Miguel Caron, President and CEO of Lyrtech. "With the acquisition of Innovator, Lyrtech will be adding state-of-the-art manufacturing capabilities, and will be positioned as one of the few companies in Canada able to offer clients a one-stop shop for the design, engineering and manufacture of advanced DSP components and end-products."

Innovator Electronic Assembly

Innovator was founded in 1999 by Messrs. Lorenz and Brian Mink. Since inception, Innovator's strategy has been to target clients requiring complex and high value-added electronic manufacturing services, a niche in this industry that tends to compete on quality and service as well as on pricing, and as such typically achieves above industry average margins. From revenues of $3.2 million realized in fiscal 2002, Innovator has grown revenues to $14 million, and achieved EBITDA of $1.5 million and net income of over $300 thousand, as per the audited financial statements of Innovator, adjusted to reflect the accounting standards of Lyrtech, for the fiscal year ended on January 31, 2006. At the end of that financial year, Innovator recorded total assets of $6,214,568 million, total liabilities of $4,770,522 million and shareholders equity of $1,444,046 million. Mr. Brian Mink, co-founder, President and Chief Operating Officer of Innovator, has joined Lyrtech's executive management team as President of Innovator and will assume responsibility for all of Lyrtech's electronic manufacturing activities. Under Lyrtech's Stock Option Plan, Mr. Mink was granted a total of 483,333 stock options of Lyrtech, at an exercise price of $0.30, expiring in 2016.

The purchase price for the acquisition of Innovator was $5.425 million, with $3.066 million payable in cash, a vendor take-back of $520 thousand and $1.839 million payable in Lyrtech common shares at a deemed price of $0.18 per share, representing an aggregate of 10,216,950 common shares. 6,666,666 of those common shares will be subject to a 2 year performance provision, and will be payable in full only if the acquired business achieves a specified level of revenues in each of the 2 years following the acquisition. At closing, Lyrtech acquired $6.69 million of assets and assumed $5.49 million of liabilities from Innovator.

Concurrently with the acquisition, Lyrtech closed a brokered private placement of $6 million through the issuance of approximately 33.3 million units at an issue price of $0.18. Each unit is composed of 1 common share and 1 common share purchase warrant, with each warrant exercisable at $0.30 for a period of 4 years. The units will be subject to the usual 4 month hold period and therefore will not be tradable until September 3, 2006.

Dundee Securities Corporation acted as lead agent and Versant Partners

Inc. acted as agent to Lyrtech under the private placement financing. The agents were paid a fee equal to 6% of the gross proceeds raised under the financing, and received broker warrants to purchase approximately 2 million units at the price of $0.18 per unit, exercisable over a 2 year period. Each unit is composed of 1 common share and 1 common share purchase warrant, with each warrant exercisable at $0.30 for a 4 year period from closing. These units will also be subject to the usual 4 month hold period and therefore, will not be tradable until September 1st, 2006. Additionally, Dundee Securities Corporation acted as exclusive financial advisor to Lyrtech in relation to the acquisition of Innovator.

Lyrtech also secured a new banking facility totaling $8.5 million with Bank of Montreal. The facility consists of : i) a $4 million operating line, ii) $3 million of research & development tax credit financing, iii) a $1 million 5-year term loan to be available for financing the purchase of future equipment, and iv) a $490 thousand 4-year term loan.

"The private placement financing, combined with our new banking facility, provides Lyrtech with the financial resources to grow our business into the future. We are pleased with the participation we obtained from the institutional investment community under the financing, as well from the professionalism, speed and flexibility we have seen from Bank of Montreal," said Miguel Caron. "The fit between Lyrtech and Innovator is a natural one. Lyrtech engineers and designs, Innovator builds, and the profile of each company's target clients is the same. We are excited about the potential of the combined operations of Lyrtech and Innovator going forward."

About Lyrtech

In today's world, digital signal processing technology is vital to network and wireless communications, audio and video processing, as well as electronic systems in all fields of technology. Lyrtech has more than 20 years of experience in the delivery of advanced digital signal processing solutions to companies worldwide. Serving clients across the Americas, Asia, and Europe, Lyrtech offers a full range of DSP-FPGA development platforms, as well as design, prototyping, and manufacturing of electronic products. The company works in partnership with industry leaders such as StarCore, Texas Instruments, The MathWorks, and Xilinx. Lyrtech's customers include many prestigious names of the consumer electronics, telecommunications, aerospace, and defense fields, such as BAE Systems, Defence Research and Development Canada (DRDC), European Aerospace Defence and Space Company (EADS), Fujitsu, Harris, ITT, Neural Audio, Nissan, Nokia, NTT DoCoMo, Samsung, and Sony.

About Innovator

Since its foundation in 1999, Innovator Electronic Assembly offers specialized manufacturing services of complex electronic assemblies to a diversified clientele. From the company's state-of-the-art 50,000 ft2 facility Innovator offers prototyping services, new product introduction services, turnkey assembly, box build assembly, and other electronic manufacturing services, providing customers with a quality production run of highly complex products with a fast turnaround.

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/For further information: Alain Landry, Chief Financial Officer, Lyrtech, T (418) 877-4644, F (418) 877-7710; alain.landry(at)lyrtech.com; Miguel Caron, President and Chief Executive Officer, Lyrtech, T (418) 877-4644, F (418) 877-7710; miguel.caron(at)lyrtech.com; Brian Mink, President, Innovator, T (514) 429-9000, F (514) 429-7916, bmink(at)innovator-inc.com; Marie-Claude Leroux, Morin Relations Publiques, T (514) 289-8688, F (514) 289-0872; marieclaude(at)morinrp.com/

(LYT.)

CO: LYRTECH INC.

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