FORM 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of Company

Q9 Networks Inc. ("Q9")
100 Wellington Street West, Suite 900
Toronto, ON M5K 1J3

2. Date of Material Change

September 29, 2004

3. News Release

Q9 news release dated September 29, 2004 disseminated at 12:41 p.m. ET on September 29, 2004 through Canada NewsWire Ltd. Canadian Disclosure Network – English.

4. Summary of Material Change

Q9 has entered into a contract with a new customer who, over a five year term, will pay Q9 a base fee of approximately Cdn.$13 million and an additional variable fee based on the customer's use of power and cooling resources.

To meet the capacity demand of this and other customers, Q9 will open its Brampton, Ontario data centre which will significantly increase operational capacity in the Greater Toronto Area.

5. Full Description of Material Change

Refer to Schedule A.

6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

Antonet Kovacevic, General Counsel - 416.365.7291

9. Date of Report

October 7, 2004

SCHEDULE "A" - PRESS RELEASE

Q9 NETWORKS

MEDIA RELEASE

For Immediate Release

Q9 Signs Multi-Million Dollar Deal with New Customer;
Will Open Brampton Data Centre

Toronto, ON – September 29, 2004 - Q9 Networks Inc. (TSX:Q), a leading provider of outsourced Internet infrastructure services, is pleased to announce it has been awarded a five year contract by a major new customer to provide Internet infrastructure and related managed services. To meet the capacity demand of this and other customers, Q9 will open its Brampton, Ontario data centre and expects to have it fully operational by the end of January, 2005.

Over the term of the contract, the new customer will pay Q9 a base fee of approximately $13 million. In addition, the customer will pay Q9 a variable fee based on the customer's use of power and cooling resources. Q9 expects the Brampton data centre to become cash flow positive during the second quarter of fiscal 2005.

After satisfying the requirements of this new agreement, Q9 expects to have approximately 700 cabinet equivalents available in the Brampton data centre. In addition to the recently announced expansion of Q9's downtown Toronto data centre, this will significantly increase Q9's operational capacity in the Greater Toronto Area.

Like all Q9 data centres, the Brampton facility is highly secure and will be equipped with biometric security systems, video surveillance, on-site security officers, anti-hostage entrances, and highly redundant power, HVAC and fire-suppression systems.

Customers in the Brampton facility will connect to the Internet via Q9's unique network and are protected by Q9's 100 percent, SLA-backed uptime guarantees on power and network availability. Customer equipment and the facility's environmental parameters are monitored 24x7 by Q9's Network Operations Centre, staffed by experts versed in all aspects of IT and facilities management.

"Today's announcement demonstrates that Q9 has the right mix of assets, services, and personnel to meet the most demanding infrastructure requirements," says Q9 Networks CEO, Osama Arafat. "We have managed to attract a major new customer while bringing a large facility online that will be cash flow positive in short order. The Brampton facility is a world class data centre that we expect will serve a growing need for disaster recovery and business continuity applications."

Q9's focus on Internet and related infrastructure allows it to hire, train and retain highly qualified experts in network-specific disciplines. Key services are backed with service level agreement (SLA) guarantees for installation time and problem identification and response. These factors enable customers to outsource mission-critical systems to Q9 with complete confidence.

Q9 NETWORKS
Q9 Networks Inc.
P.O. Box 235, Suite 900
100 Wellington St. West
Canadian Pacific Tower
Toronto-Dominion Centre
Toronto, ON M5K 1J3
Tel: (416) 365-7200
Fax: (416) 365-7201
www.Q9.com

-more-

Conference Call Information

Q9 will host a conference call today at 2:30 PM, to discuss this announcement. Osama Arafat, CEO of Q9 Networks, will chair the call. To participate in the conference call, please call ten minutes prior to the scheduled start time.

Date: Wednesday, September 29, 2004
Time: 2:30 PM EDT
Conference Call Number: 416-640-4127
For those unable to participate in the conference call at the scheduled time, a replay will be available for 10 days beginning Wednesday, September 29, 2004 at 4:30 PM EDT
Replay Access Number: 416-640-1917   Passcode: 21096336#

For a live Webcast of this conference call, please see the Investor Relations section of the Q9 Web site at www.Q9.com.

Forward Looking Statements

Forward-looking statements in this press release are not guarantees and are based upon current expectations, involve risks and uncertainties associated with Q9's business and the economic environment in which the business operates. Should one or more of the risks and uncertainties materialize or should the underlying assumptions prove incorrect, actual results or events may differ materially from current expectations. Therefore, Q9 cautions you not to place undue reliance upon any such forward-looking statements. Forward-looking statements are based on management's beliefs and opinions at the time the statements are made, and Q9 does not undertake any obligations to update forward-looking statements should circumstances or management's beliefs or opinions change.

About Q9 Networks:

Q9 Networks is a leading Canadian provider of outsourced Internet infrastructure and related managed services. Q9's data centres and network are backed by an industry leading SLA which guarantees 100% network and power availability. Q9 managed services, including: bandwidth, dedicated servers, firewalls, load balancing, virtual private networking (VPN) and back-up/restore, enable the rapid provisioning and scalability of client infrastructure.

For Further Information, Please Contact:

Media Relations
Kevin Spikes
Director of Corporate Communications
Toronto: 416-365-7211
Toll Free: 1-888-696-2266
media.relations@Q9.com

Investor Relations
Monica Zaied
Manager, Investor Relations
Toronto: 416-365-7104
Toll Free: 1-888-696-2266
investor.relations@Q9.com