# COMNETIX INC.

**Suite 100, 2871 Bristol Circle**
**Oakville, Ontario**
**L6H 6G4**

**<u>FILED VIA SEDAR</u>**

Alberta Securities Commission
4th Floor, 300-5th Ave SW
Calgary, AB T2P 3C4
<u>Attention: Continuous Disclosure</u>

British Columbia Securities Commission
12th Floor, Pacific Centre
701 W. Georgia Street
Vancouver, B.C. V7Y 1L2
<u>Attention: Continuous Disclosure</u>

Manitoba Securities Commission
1130 - 405 Broadway
Winnipeg MB R3C 3L6
<u>Attention: Continuous Disclosure</u>

Prince Edward Island Securities Commission
Securities Office
Consumer, Corporate and Insurance Services Division
Office of the Attorney General
P.O. Box 2000
Charlottetown, PE C1A 7N8
<u>Attention: Continuous Disclosure</u>

Autorité des marches financiers
Stock Exchange Tower
800 Victoria Square, 22nd Floor
P.O. Box 246,
Tour de la Bourse
Montreal, QC H4Z 1G3
<u>Attention: Continuous Disclosure</u>

New Brunswick Securities Commission
133 Prince William Street, Suite 606
Saint John, NB E2L 2B5
<u>Attention: Continuous Disclosure</u>

Ontario Securities Commission
20 Queen Street West, 19th Floor
Toronto, Ontario M5H 3S8
<u>Attention: Continuous Disclosure</u>

Nova Scotia Securities Commission
2nd Floor, Joseph Howe Building
1690 Hollis Street
Halifax, NS B3J 3J9
<u>Attention: Continuous Disclosure</u>

Saskatchewan Financial Services Commission
(Securities Division)
6th Floor
1919 Saskatchewan Drive
Regina, Saskatchewan S4P 3V7
<u>Attention: Continuous Disclosure</u>

Registrar of Securities
Department of Justice
Government of the Northwest Territories
1st Floor Stuart M. Hodgson Building
5009 – 49th Street
P.O. Box 1320
Yellowknife, NWT X1A 2L9
<u>Attention: Continuous Disclosure</u>

Securities Commission of Newfoundland and Labrador
2nd Floor, West Block, Confederation Building
PO BOX 8700
ST. JOHN'S, NL A1B 4J6
Attention: Continuous Disclosure

Department of Community Services Yukon
Registrar of Securities
Corporate Affairs C-6
PO Box 2703
Whitehorse, YU Y1A 3C6
Attention: Continuous Disclosure

Registrar of Securities
Legal Registries Division
Department of Justice
Government of Nunavut
1st Floor, Brown Building
P.O. Box 1000 - Station 570
Iqaluit, NU X0A 0H0
Attention: Continuous Disclosure

Dear Sirs/Mesdames:

**Re: Material Change Report**
**Form 51-102F3**

1. The name of the reporting issuer is **ComnetiX Inc.** ("ComnetiX" or the "Company"), whose principal office is at Suite 100, 2872 Bristol Circle, Oakville, Ontario L6H 6G4.

2. The material change occurred on November 15, 2006.

3. A Press Release was published at Toronto on November 15, 2006.

4. ComnetiX announced that they entered into a definitive agreement with L-1 Identity Solutions, Inc. (**"L-1"**), for L-1 to acquire all of the outstanding shares of ComnetiX. Headquartered in Ontario, Canada, ComnetiX is a leading provider of biometric identification and authentication technologies to private and public sector companies in Canada and the United States.

   The acquisition is structured as an arrangement under the Canadian Business Corporations Act and is expected to close in the first quarter of calendar 2007, subject to satisfaction of a number of customary conditions, including approval by two-thirds of applicable ComnetiX shareholders and two thirds of applicable ComnetiX warrant holders, voting as separate classes, as well as requisite court approval in Ontario, Canada and other regulatory approvals. The transaction will be submitted to ComnetiX security holders for approval at a special stockholders' meeting to be held in early 2007. Irrevocable voting agreements in favor of the transaction have already been signed by directors and officers of ComnetiX representing approximately 28 percent of the outstanding shares of ComnetiX. Similar agreements have been signed respecting approximately 67 percent of applicable outstanding warrants.

5. Under the terms of the definitive agreement, L-1 is expected to pay ComnetiX shareholders approximately US$12.5 million, or approximately US$0.82 per share, in cash for all shares of ComnetiX common stock that are issued and outstanding at closing. Additional terms of the transaction will be more fully described in the management proxy circular mailed by ComnetiX to security holders who are entitled to vote at the special meeting of stockholders. Following closing of the transaction, ComnetiX shares will cease trading on the Toronto Stock Exchange and the company will operate as a wholly owned subsidiary of L-1 Identity Solutions.

The Arrangement Agreement dated November 15, 2006, a copy of which has been filed on SEDAR with this material change report, provides that if Closing Net Cash (as defined in the Arrangement Agreement) is less that US$1,250,000 at the time of closing the transaction, the cash consideration payable for the shares of ComnetiX will be reduced pro rata based upon the difference between US$1,327,000 and the Closing Net Cash divided by the outstanding capital of the Company.

**About L-1 Identity Solutions**

L-1 Identity Solutions, Inc. (NYSE: ID) consists of, among other businesses, the historic operations of Viisage Technology, Inc. and Identix Incorporated, which merged on August 29, 2006. L-1 Identity Solutions, together with its portfolio of companies, offers a comprehensive set of products and solutions for protecting and securing personal identities and assets. Leveraging the industry's most advanced multi-modal biometric platform for finger, face and iris recognition, our solutions provide a circle of trust around all aspects of an identity and the credentials assigned to it -- including proofing, enrollment, issuance and usage. With the trust and confidence in individual identities provided by L-1 Identity Solutions, government entities, law enforcement and border management agencies, and commercial enterprises can better guard the public against global terrorism, crime and identity theft fostered by fraudulent identity. L-1 Identity Solutions is headquartered in Stamford, CT. For more information, visit www.L1ID.com.

**About ComnetiX™ Inc** (www.ComnetiX.com)

ComnetiX™ Inc provides secure identification and authentication solutions to both the public and private sectors throughout North America. ComnetiX offers multimode biometric identification solutions for use in areas such as applicant screening, financial services, healthcare, transportation, airlines and airports, casinos and gaming, and energy and utilities. Clients include American Airlines, Lehman Brothers, New York City Health and Hospital Corporation, New York State Division of Criminal Justice Services, Toronto Police Services Board, Boston Police Department and the Royal Canadian Mounted Police. ComnetiX is also Canada's premier applicant fingerprinting services company, facilitating tens of thousands of criminal background checks each year through its chain of ten offices across Canada. In addition ComnetiX has established more than 40 applicant fingerprinting services locations throughout the United States.

6. The report is <u>not</u> being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

7. No information has been omitted because it is believed it should remain confidential.

8. Mr. Bernard Crotty, a director and the Chairman of the Company, may be contacted at 905-829-9988 concerning this report.

9. The foregoing accurately discloses the material changes referred to herein.

**DATED** at Toronto, Ontario this 21st day of November, 2006.

**COMNETIX INC.**

*"Bernard W. Crotty"*

Per: ______________________________

**BERNARD W. CROTTY**
**Director and Chairman**