MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF ISSUER:

Call Genie Inc.
Suite 1001
325 Milner Ave.
Toronto, Ontario
M1B 5S8
(hereinafter, the "**Company**")

2. DATE OF MATERIAL CHANGE:

Monday, July 16, 2007. A prior version of this Material Change Report (the "**Initial Report**") was filed, on a confidential basis, with certain securities regulatory authorities in Canada on April 9, 2007. The Initial Report was filed pursuant to Paragraph 7.1(2) of National Instrument 51-102 -- Continuous Disclosure Obligations, and will not be filed on SEDAR or placed on the Company's public file.

3. NEWS RELEASE:

A News Release, setting out information relating to the material change described herein, was disseminated on Tuesday, July 17, 2007, through CCN Matthews. A copy of that News Release is attached to this Report is Schedule "A".

4. SUMMARY OF MATERIAL CHANGE:

The Company's wholly-owned subsidiary, Call Genie (Ontario) Inc. ("**CGOI**"), has signed an agreement (the "**Agreement**") with Yellow Pages Group Co. ("**YPG**") respecting, among other things, an extension of the term of the December 2003 commercial agreements (the "**Commercial Agreements**") between CGOI and YPG. Pursuant to Commercial Agreements, CGOI and YPG have commercially deployed an enhanced voice directory service (branded as the HelloYellow Service) in various urban centers in Canada (the "**EVD Service**"), which utilizes the Company's Enhanced Voice Directory technology (the "**EVD Technology**"). The parties have agreed to extend the term of the Commercial Agreements from December 23, 2008 to December 31, 2010. The parties have also agreed to a number of additional amendments to the Commercial Agreements, as more particularly described below.

5. FULL DESCRIPTION OF MATERIAL CHANGE:

Effective December 23, 2003, CGOI entered into a series of commercial agreements with YPG, including an Enhanced Voice Directory Master Service Agreement, pursuant to which the EVD Service (branded as the HelloYellow Service) has been commercially deployed in various urban centers in Canada. Certain elements of those agreements are summarized below:

- Economics were based on a cost recovery and revenue share model, under which each party would be entitled to recover certain costs incurred by it in relation to the development of the EVD Technology and deployment and operation of the EVD Service. After recovery of those allowable costs, remaining revenue was to be split between the parties on a predetermined basis.
- The agreements had an initial term of five years (expiring December 23, 2008), subject to automatic renewal for additional two year terms if not earlier terminated by either party.
- YPG and CGOI were not permitted to offer any similar service to the public with any competing party within certain geographic areas in Canada during the term of the Commercial Agreements.
- CGOI was responsible for developing and testing the technology platform and continues to be responsible for operating the technology platform.
- CGOI, in consultation with YPG, was responsible for developing business plans to launch, market and sell the EVD Service in certain geographic areas in Canada.
- Initially, merchant sales were to be the responsibility of a dedicated sales force assembled by CGOI. Following the achievement of certain milestones, YPG assumed primary responsibility for marketing the EVD Service to merchants and for selling the EVD Service to its existing merchant base. CGOI is permitted to set up a supplementary sales channel.
- YPG is responsible for merchant billing and credit management.
- CGOI has licensed certain trademarks to YPG. Reciprocal arrangements provide for YPG to license certain of its trademarks to CGOI.
- YPG may bundle the EVD Service with its existing product offerings.
- YPG is responsible for maintaining financial records.
- The Commercial Agreements established protocols for accounting standards and audits, accessibility (for inspection and audit) and the format of reports and timelines for delivery.
- Commercial termination rights are provided for benefit of both parties.

The Agreement (which is effective **May 1, 2007**) contemplates that the term of the Commercial Agreements will be extended from December 23, 2008 to December 31, 2010.

The Agreement contemplates amendments to the cost recovery and revenue share provisions set out in the Commercial Agreements. In particular, the revenue share model provided for in the Commercial Agreements has been simplified through the elimination of the allowable costs that each party is entitled to recover from revenue generated by the EVD Service prior to the sharing of further revenue between the parties. As well, the sharing of revenue from the EVD Service is to be calculated on a sliding scale basis, with the percentage of annual revenue received by CGOI from the EVD Service reducing as increased revenue targets are achieved. There is be no limit on the amount of revenue that may be earned by CGOI.

As of March 31, 2007, CGOI had not recovered cumulative costs of approximately $5 million, which it was entitled to recover from revenue generated by the EVD Service in accordance with the Commercial Agreements. The Agreement provides that the amount of CGOI's cumulative recoverable costs will be converted into a reduced, fixed repayment obligation that will not be dependent on the amount of revenue generated by the EVD Service. That reduced amount is to be repaid by YPG in equal monthly installments over a period of 30 months.

The Agreement provides that CGOI will receive compensation for the delivery of maintenance and support services over the balance of the initial term and the extended term of the Commercial Agreements.

Under the Agreement, the parties have agreed to deploy a French language version of the HelloYellow service by September 30, 2007, failing which the exclusive relationship between the parties with respect to the French language version of HelloYellow may be terminated.

The Agreement provides that CGOI will receive compensation for additional work undertaken by it in support of the EVD Service, if such additional work is agreed to between CGOI and YPG. One project for which CGOI is to be compensated is the development of a technology interface required to integrate the EVD Service with the 411 directory assistance service of a Canadian directory assistance provider.

6. RELIANCE ON SUBSECTION 7.1(2) OR (3) OF NI 51-102:

Not Applicable.

7. OMITTED INFORMATION:

Details respecting (i) the sliding scale revenue-sharing arrangements associated with the Agreement (the sharing percentages of YPG and the Company that will apply upon the attainment of various revenue thresholds), (ii) the amount of the reduced repayment obligation referred to above, and (iii) the amount of the monthly fee payable by YPG for maintenance and support services have been omitted from this Material Change Report, as the Company believes that the disclosure of such information would adversely impair its ability (and the ability of its subsidiaries) to negotiate agreements for the use of the Company's voice search technology with other potential customers on terms satisfactory to the Company and to maximize revenue from such other arrangements. As well, disclosure of such information may be used, to the detriment of the Company, its subsidiaries and the shareholders of the Company, by competitors.

8. EXECUTIVE OFFICER:

For further information concerning the material change described herein, please contact Mr. Chris Shelton, the Chief Financial Officer of Call Genie Inc. at 416-619-3904.

DATED this 24th day of July, 2007.

Schedule A
News Release

See Attached

CALL GENIE AND YELLOW PAGES GROUP EXTEND AGREEMENT

Toronto, July 17, 2007 -- Call Genie Inc. (TSXV: "GNE"), a leading provider of localized, voice-enabled search solutions to phone carriers, directory assistance providers and directory publishers, today announced that its current contract to supply its Enhanced Voice Directory (EVD™) product and related services to Yellow Pages Group (YPG) has been renewed and extended past its December, 2008 term. As well, YPG has contracted for additional services in this new agreement.

YPG first partnered with Call Genie in 2003 and became an investor in Call Genie in May, 2007. Call Genie EVD is the engine for YPG's Yellow Pages™ 411 Voice-Activated Directory service (310-YELO), a toll-free number that consumers can call, free of charge, to conduct voice-enabled searches for businesses listed in the Yellow Pages™ directory.

"YPG is an innovative publisher and this new agreement is a good indicator of the depth of our long-standing relationship with the firm," said Michael Durance, CEO, Call Genie. "We are proud that Call Genie's technology continues to add value to the outstanding national service that YPG provides to Canadians."

The Agreement has been extended for an additional term of two years, with an automatic renewal option for successive, two-year periods. The amendment and extension of the 2003 contract will also see Call Genie adding French-language capabilities to Yellow Pages™ 411 Voice-Activated Directory. Under the terms of the extended agreement, Call Genie anticipates receiving payments of $4.3 million as well as a share of the gross revenues generated by YPG.

About Call Genie, Inc.

Call Genie, Inc. is the leading provider of enhanced Voice-enabled Mobile Local Search ("VoMoLo") search products and services to Wireless Carriers, Directory Assistance providers, and Yellow Pages publishers. Offered as a turnkey or ASP solution, Call Genie's Enhanced Voice Directory (EVD™) platform enables companies to offer a comprehensive, voice-enabled business category search service to consumers and business customers. EVD™ is network, handset and location independent, and can be incorporated into any existing DA service or deployed as a stand-alone offering. Call Genie won the 2006 Yellow Page Association Industry Excellence Award for Marketing Innovation in North America, the 2006 Whitaker Innovation Award in Europe, and the

2006 118 Tracker Award for Technology Innovation in the UK. For more information, visit www.callgenie.com.

For More Information:

Media Relations:
Dave Paolini
Tel: (416) 619-3915
Email: dave.paolini@callgenie.com

Investor Relations:
Alex W. Blodgett
Tel: (403) 410-6875
Email: alex.blodgett@callgenie.com

The TSX Venture Exchange has neither approved nor disapproved the contents of this News Release.

Certain statements included in this News Release are not historical facts, but rather are forward-looking statements. Forward-looking statements (often, but not always, identified by the use of words such as "expect", "may", "anticipate" or "will" and similar expressions) may include plans, expectations or opinions that are not statements of fact. Forward-looking statements are based upon the opinions, expectations and estimates of management of Call Genie as at the date the statements are made and are subject to a variety of risks and uncertainties and other factors that could cause actual events or outcomes to differ materially from those anticipated or implied by such forward-looking statements. These factors include such things as, volatility in the trading price and volumes of the Company's publicly traded securities, domestic or international events having a significant effect on capital markets, the inherent risks associated with research and development activities and commercialization of emerging technologies, timing of execution of various elements of the Company's business plan, the availability of human resources, the emergence or intensification of competition, the availability of financial resources (including third-party financing), prevailing interest and exchange rates and new laws (domestic or foreign). Forward-looking information respecting the use of the proceeds from the sale of the Common Shares is based upon the current budget and development plans of Call Genie, which are subject to change. Call Genie Inc. does not assume responsibility for the accuracy and completeness of the forward-looking statements set out herein and, subject to applicable securities laws, does not undertake any obligation to publicly revise these forward-looking statements to reflect subsequent events or circumstances. Call Genie Inc.'s forward-looking statements are expressly qualified in their entirety by this cautionary statement. Additional information relating to various risk factors to which Call Genie is exposed in the conduct of its business (and which may affect the expectations or outcomes reflected in the forward-looking statements contained in this news release) are described in the Company's annual MD&A for the year ended December 31, 2006, which has been filed with certain securities regulatory authorities in Canada and is available through SEDAR, at www.sedar.com.