FORM 51-102F3
MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Digifonica International Inc. ("Digifonica" or the "Corporation")
1424 – 4710 Kingsway
Burnaby, BC V5H 4M2

ITEM 2 Date of Material Change:

May 8, 2007.

ITEM 3 News Release:

A news release was distributed via CCN Matthews and filed via SEDAR on May 9, 2007.

ITEM 4 Summary of Material Change:

The Corporation announced that it had completed its previously announced acquisition of a controlling interest in Digifonica International Corp. ("DIC"). The acquisition constitutes the Corporation's qualifying transaction (the "Qualifying Transaction") pursuant to the policies of the TSX Venture Exchange. In conjunction with the completion of the Qualifying Transaction, the Corporation changed its name from Initial Capital Inc. to Digifonica International Inc. and consolidated its common shares on the basis of one new common share for each five issued and outstanding common shares.

The board of directors of the Corporation is now comprised of Emil Malak, Mike Bowerman, Gordon Blankstein, Dr. Thomas Sawyer, Gregory R. Harris and Richard Boxer. Brent Connors is the Chief Executive Officer, Mike Bowerman is the President and Jeff Bates is the Chief Financial Officer of the Corporation.

After the completion of the Qualifying Transaction and the concurrent private placements, Digifonica has 3,105,334 Common Shares outstanding, with 12,451,161 Common Shares reserved for issuance upon exercise of options, warrants and other convertible securities of Digifonica.

ITEM 5 Full Description of Material Change:

Please see attached press release.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Not Applicable.

ITEM 7 Omitted Information:

Not Applicable.

ITEM 8 Executive Officer:

Further information relating to this Material Change Report may be obtained from:

Mr. Jeff Bates, Chief Financial Officer
Tel: (604) 628-8900
Fax: (604) 430-3591
Email: jbates@digifonica.com

ITEM 9 Date of Report:

DATED as of May 9, 2007.

DIGIFONICA INTERNATIONAL INC. ANNOUNCES COMPLETION OF QUALIFYING TRANSACTION

TSX VENTURE: DIL **FOR IMMEDIATE RELEASE**

CALGARY, ALBERTA – May 9, 2007 – Digifonica International Inc. ("Digifonica"), formerly Initial Capital Inc., a capital pool company, is pleased to announce that it has completed its previously announced acquisition of a controlling interest in Digifonica International Corp. ("DIC"). The acquisition constitutes the company's qualifying transaction (the "Qualifying Transaction") pursuant to the policies of the TSX Venture Exchange (the "Exchange"). The Qualifying Transaction was completed on May 8, 2007.

In conjunction with the completion of the Qualifying Transaction, Digifonica changed its name from Initial Capital Inc. to Digifonica International Inc. and consolidated its common shares on the basis of one new common share for each five issued and outstanding common shares (the "Consolidation").

The board of directors of Digifonica is now comprised of Emil Malak, Mike Bowerman, Gordon Blankstein, Dr. Thomas Sawyer, Gregory R. Harris and Richard Boxer. Brent Connors is the Chief Executive Officer, Mike Bowerman is the President and Jeff Bates is the Chief Financial Officer of Digifonica.

Pursuant to the terms of the Qualifying Transaction, Digifonica acquired an aggregate of 11,288,995 common shares of DIC ("DIC Shares"), or approximately 46% of the issued and outstanding DIC Shares, from Emil Malak, Gordon Blankstein, Yvonne Blankstein, Robert Blankstein and Clay Perreault (collectively, the "Vendors") in consideration for the issuance of one non-voting special warrant of Digifonica ("Special Warrant") for each DIC Share acquired. Each Special Warrant represents the right to receive, for no additional consideration and without further action, one post-Consolidation Common Share of Digifonica on the date upon which Digifonica satisfies the Exchange that, upon such conversion, Digifonica would continue to meet the public distribution requirements of the Exchange.

Concurrently with the completion of the Qualifying Transaction, Digifonica completed a brokered private placement of 1,423,800 Units at a price of $2.25 Cdn. per Unit for gross proceeds of $3,203,550 Cdn. Blackmont Capital Inc. acted as agent on the brokered private placement and received a commission equal to 7% of the gross proceeds, together with an Agent's Option to acquire that number of Units that is equal to 7% of the number of the Units sold under the brokered private placement exercisable at a price of $2.25 for a period of one year from the date of issuance. Digifonica also completed a non-brokered private placement 341,534 Units at a price of $2.25 Cdn. per Unit for gross proceeds of $768,451.50 Cdn. Each Unit consisted of one post-Consolidation Common Share of Digifonica and one-half of one non-transferable warrant, with each full warrant entitling the holder to purchase one post-Consolidation Common Share of Digifonica at a price of $2.80 Cdn. per share for period of 12 months from the date of issuance and at a price of $3.40 Cdn. per share for a period of 13 to 24 months from the date of issuance. All of the Common Shares comprising the Units and any Common Shares issuable upon exercise of the warrants are subject to hold period expiring on September 9, 2007. After the completion of the Qualifying Transaction and the private placements, Digifonica has 3,105,334 Common Shares outstanding, with 12,451,161 Common Shares reserved for issuance upon exercise of options, warrants and other convertible securities of Digifonica (including the 11,288,995 Special Warrants).

In addition to completing the acquisition of the DIC Shares from the Vendors, Digifonica invested the gross proceeds from the private placements and certain other funds to acquire 1,816,000 units of DIC ("DIC Units") at a price of US$2.00 per DIC Unit (the "DIC Private Placement"). Each DIC Unit was comprised of one DIC Share and one half of a non-transferable common share purchase warrant, with each whole warrant being exercisable to acquire one DIC Share at a price of US$2.50 for a period of 12 months from the date of issuance and at a price of US$3.00 for the period 13 to 24 months from the date of issuance. After completion of the DIC Private Placement, DIC has 26,201,095 DIC Shares issued and outstanding of which 13,104,995 or approximately 50.02% are owned by Digifonica.

Further details regarding the Qualifying Transaction and the business of Digifonica and DIC can be found in Digifonica's Filing Statement dated March 30, 2007 filed under Digifonica's profile on the SEDAR website at www.sedar.com. Digifonica will now use its best efforts to acquire the remaining DIC Shares by way of take over bid, merger, amalgamation or otherwise.

Final Exchange acceptance for the Qualifying Transaction was received on May 8, 2007 and the Common Shares of Digifonica will begin trading on the Exchange under the new trading symbol "DIL" on May 10, 2007.

For further information, please contact:

Jeff Bates, Chief Financial Officer
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Fax: (604) 430-3591
Email: jbates@digifonica.com

The TSX Venture Exchange Inc. has in no way passed upon the merits of the qualifying transaction and has neither approved nor disapproved the contents of this press release.

Except for historical information contained herein, this news release contains forward-looking statements that involve risks and uncertainties. Such forward-looking statements or information are based on a number of assumptions which may prove to be incorrect. Although Digifonica believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on such forward-looking statements because Digifonica can not give assurance that such expectations will prove to be correct. Forward-looking statements or information are based on current expectations, estimates and projections that involve a number of risks and uncertainties which could cause actual results to differ materially from those anticipated by Digifonica and described in the forward-looking statements or information. The forward-looking statements or information contained in this news release are made as of the date hereof and Digifonica does not undertake any obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The offer and sale of these securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to any U.S. Person unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.