51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

CounterPath Corporation (the “Company”)
300 – 505 Burrard Street
Vancouver, BC V78X 1M3

Item 2 Date of Material Change

July 20, 2017

Item 3 News Release

The news release was disseminated through CNW Group on July 20, 2017.

Item 4 Summary of Material Change

On July 20, 2017, the Company closed a non-brokered private placement of 539,240 shares of common stock (each, a “Share”) of the Company at a price of US$2.20 per Share for total gross proceeds of US$1,186,328 (the “Offering”).

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The material change is fully described in the Issuer’s news release dated July 20, 2017, a copy of which is attached hereto.

Disclosure Required by MI 61-101

Insiders of the Company participated in the private placement and received Shares, which constituted a ”related party transaction” within the meaning of Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions (“MI 61-101”). The issuance to the insiders is exempt from the valuation requirement of MI 61-101, by virtue of the exemption contained in section 5.5(a) and 5.7(a) of MI 61-101. In that, the fair market value of the consideration of the shares issued to the related parties did not exceed 25% of the Company’s market capitalization.

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

The Company entered into a subscription agreement with Wesley Clover International Corporation (“Wesley Clover”), whereby Wesley Clover agreed to purchase 144,357 Shares of the Company at a price of US$2.20 (CDN$2.77) per Share for proceeds of $317,585.40 (CDN$399,998.81). Dr. Terence H. Matthews, the Chairman and a director of the Company, owns 99.999% of the issued and outstanding voting shares of Wesley Clover.

The Company entered into a subscription agreement with KMB Trac Two Holdings Ltd. (“KMB”), whereby KMB agreed to purchase 180,446 Shares of the Company at a price of US$2.20 (CDN$2.77) per Share for proceeds of $396,981.20 (CDN$499,997.82). Karen Bruk is the sole shareholder of KMB. Karen

Bruk also holds 95,800 Shares of the Company. Karen Bruk and Steven Bruk, Karen Bruk's spouse, exercise shared investment power over the Shares of the Company held by Karen Bruk and KMB. Steven Bruk is the legal and beneficial owner of 58,647 Shares.

The Company entered into a subscription agreement with Donovan Jones, a director and officer of the Company, whereby Mr. Jones agreed to purchase 11,368 Shares of the Company at a price of US$2.20 (CDN$2.77) per Share for proceeds of $25,009.60 (CDN$31,499.59).

The Company entered into a subscription agreement with David Karp, an officer of the Company, whereby Mr. Karp agreed to purchase 4,511 Shares of the Company at a price of US$2.20 (CDN$2.77) per Share for proceeds of $9,924.20 (CDN$12,499.53).

The Company entered into a subscription agreement with Todd Carothers, an officer of the Company, whereby Mr. Carothers agreed to purchase 4,545 Shares of the Company at a price of US$2.20 (CDN$2.77) per Share for proceeds of $9,999.99 (CDN$12,593.74).

(b) the purpose and business reasons for the transaction:

Proceeds of the Financing will be used to: (1) build out the Company's Unified Communications-as-a-Service (UCaaS) offerings; (2) expand sales and marketing resources; and (3) for general corporate purposes.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

See item (b).

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

See item (a).

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

The following table sets out the effect of the private placement on the percentage of securities of the Company beneficially owned or controlled by each of Mr. Mathews, KMB, Mr. Jones, Mr. Karp and Mr. Carothers:

Name and Position	**Dollar Amount of Shares Purchased**	**Number of Shares Purchased**	**No. of Shares Held prior to Closing of the Offering**	**Percentage of Issued and Outstanding Shares prior to Closing of the Offering**	**No. of Shares Held After Closing of the Offering**	**Percentage of Issued and Outstanding Shares After Closing of the Offering**
Donovan Jones *President, Chief Executive Officer and Director*	$31,499.59 (US$25,009.60)	11,368 Shares	Undiluted: 71,934 Diluted: 239,193(1)	Undiluted: 1.5%(2) Diluted: 4.7%(3)	Undiluted: 83,302 Diluted: 250,561(4)	Undiluted: 1.5%(5) Diluted: 4.4%(6)

KMB Trac Two Holdings Ltd. *Insider*	$499,997.82 (US$396,981.20)	180,446 Shares	Undiluted: 894,954[(7)] Diluted: 959,954[(8)]	Undiluted: 18.1%[(2)] Diluted: 19.2%[(9)]	Undiluted: 1,075,400[(10)] Diluted: 1,140,400[(11)]	Undiluted: 19.6%[(5)] Diluted: 20.5%[(12)]
Terence Matthews *Director*	$399,998.81 (US$317,585.40)	144,357 Shares[(13)]	Undiluted: 1,237,304[(14)] Diluted: 1,368,493[(15)]	Undiluted: 25.0%[(2)] Diluted: 27.0%[(16)]	Undiluted: 1,381,661[(17)] Diluted: 1,512,850[(18)]	Undiluted: 25.2%[(5)] Diluted: 26.9%[(19)]
David Karp *Chief Financial Officer*	$12,499.53 (US$9,924.20)	4,511 Shares	Undiluted: 21,370 Diluted: 84,906[(20)]	Undiluted: 0.4%[(2)] Diluted: 1.7%[(21)]	Undiluted: 25,881 Diluted: 89,417[(22)]	Undiluted: 0.5%[(5)] Diluted: 1.6%[(23)]
Todd Carothers *Executive Vice President, Marketing*	$12,593.74 (US$9,999.00)	4,545 Shares	Undiluted: 5,780 Diluted: 26,592[(24)]	Undiluted: 0.1%[(2)] Diluted: 0.5%[(25)]	Undiluted: 10,325 Diluted: 31,137[(26)]	Undiluted: 0.2%[(5)] Diluted: 0.6%[(27)]

*Less than one percent

(1) Comprised of: (i) 71,934 Shares held directly; (ii) 37,501 Shares subject to vested stock options of total of 40,000 options, each of which is exercisable into one Share at an exercise price of US$2.50 per Share until December 12, 2018; (iii) 11,667 Shares subject to vested stock options of a total of 40,000 options, each of which is exercisable into one Share at an exercise price of US$2.40 per Share until July 14, 2021 and (iv) 160,926 deferred share units, each of which is convertible into one Share at no additional cost with no expiry date, 118,091 of which may be exercised or converted within the next 60 days.

(2) Based on 4,946,568 Shares outstanding prior to the completion of the private placement of Shares on July 20, 2017.

(3) Based on 5,113,827 Shares comprised of: (i) 4,946,568 Shares outstanding prior to the completion of the private placement of Shares on July 20, 2017; (ii) 49,168 Shares subject to vested stock options of a total of 80,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Jones and (iii) 160,926 Shares that may be issuable on conversion of deferred share units of the Company held by Mr. Jones, 118,091 of which may be exercisable within 60 days.

(4) Comprised of: (i) 83,302 Shares held directly and (ii) all of the convertible securities of the Company set out in footnote (1) above.

(5) Based on 5,485,808 Shares outstanding after the completion of the private placement of Shares on July 20, 2017.

(6) Based on 5,653,067 Shares comprised of: (i) 5,485,808 Shares outstanding after the completion of the private placement of Shares on July 20, 2017; (ii) 49,168 Shares subject to vested stock options of a total of 80,000 Shares that may be issuable on exercise of stock options of the Company held by Mr. Jones and (iii) 160,926 Shares that may be issuable on conversion of deferred share units of the Company held by Mr. Jones, 118,091 of which may be exercisable within 60 days.

(7) Comprised of: (i) 740,507 Shares held directly; (ii) 58,647 Shares held by Steven Bruk and (iii) 95,800 Shares held by Karen Bruk.

(8) Comprised of: (i) 740,507 Shares held directly; (ii) 58,647 Shares held by Steven Bruk; (iii) 95,800 Shares held by Karen Bruk and (iv) 65,000 warrants held by KMB, each of which is exercisable into one Share at an exercise price of US$7.50 per Share until September 4, 2017, all of which may be exercised or converted within the next 60 days.

(9) Based on 5,011,568 Shares comprised of: (i) 4,946,568 Shares outstanding prior to the completion of the private placement of Shares on July 20, 2017 and (ii) 65,000 Shares that may be issuable on exercise of warrants of the Company held by KMB, all exercisable within 60 days.

(10) Comprised of: (i) 920,953 Shares held directly; (ii) 58,647 Shares held by Steven Bruk and (iii) 95,800 Shares held by Karen Bruk.

(11) Comprised of: (i) 920,953 Shares held directly; (ii) 58,647 Shares held by Steven Bruk; (iii) 95,800 Shares held by Karen Bruk and (iv) all of the convertible securities of the Company set out in footnote (9) above.

(12) Based on 5,550,808 Shares comprised of: (i) 5,485,808 Shares outstanding after the completion of the private placement of Shares on July 20, 2017 and (ii) 65,000 Shares that may be issuable on exercise of warrants of the Company held by KMB, all exercisable within 60 days.

(13) These shares are held by Wesley Clover.

(14) Comprised of 1,237,304 Shares held by Wesley Clover.

(15) Comprised of: (i) 56,189 deferred share units held directly, each of which is convertible into one Share at no additional cost with no expiry date; (ii) 1,237,304 Shares held by Wesley Clover and (iii) 75,000 warrants held by Wesley Clover, each of which is exercisable into one Share at an exercise price of US$7.50 per Share until September 4, 2017, all of which may be exercised or converted within the next 60 days.

(16) Based on 5,077,757 Shares comprised of: (i) 4,946,568 Shares outstanding prior to the completion of the private placement of Shares on July 20, 2017; (ii) 56,189 Shares that may be issuable on conversion of deferred share units and (iii) 75,000 Shares that may be issuable on exercise of warrants of the Company held by Wesley Clover, all exercisable within 60 days.

(17) Comprised of 1,381,661 Shares held by Wesley Clover.

(18) Comprised of: (i) 1,381,661 Shares held by Wesley Clover and (ii) all of the convertible securities of the Company set out in footnote (15) above.

(19) Based on 5,616,997 Shares comprised of: (i) 5,485,808 Shares outstanding prior to the completion of the private placement of Shares on July 20, 2017; (ii) 56,189 Shares that may be issuable on conversion of deferred share units and (iii) 75,000 Shares that may be issuable on exercise of warrants of the Company held by Wesley Clover, all exercisable within 60 days.

(20) Comprised of: (i) 21,370 Shares held directly; (ii) 18,752 Shares subject to vested stock options of a total of 20,000 options, each of which is exercisable into one Share at an exercise price of US$2.50 per Share until December 12, 2018; (iii) 5,833 Shares subject to vested stock options of a total of 20,000 options, each of which is exercisable into one Share at an exercise price of US$2.40 per Share until July 14, 2021 and (iv) 60,368 deferred share units, each of which is convertible into one Share at no additional cost with no expiry date, 38,951 of which may be exercised or converted within the next 60 days.

(21) Based on 5,010,104 Shares comprised of: (i) 4,946,568 Shares outstanding prior to the completion of the private placement of Shares on July 20, 2017; (ii) 24,585 Shares that may be issuable on exercise of stock options of the Company held by Mr. Karp and (iii) 38,951 Shares that may be issuable on conversion of deferred share units of the Company held by Mr. Karp, all exercisable within 60 days.

(22) Comprised of: (i) 25,881 Shares held directly and (ii) all of the convertible securities of the Company set out in footnote (20) above.

(23) Based on 5,549,344 Shares comprised of: (i) 5,485,808 Shares outstanding after the completion of the private placement of Shares on July 20, 2017; (ii) 24,585 Shares that may be issuable on exercise of stock options of the Company held by Mr. Karp and (iii) 38,951 Shares that may be issuable on conversion of deferred share units of the Company held by Mr. Karp, all exercisable within 60 days.

(24) Comprised of: (i) 5,780 Shares held directly; (ii) 5,000 options, each of which is exercisable into one Share at an exercise price of US$2.50 per Share until July 25, 2018; (iii) 7,920 Shares subject to vested stock options of a total of 10,000 options, each of which is exercisable into one Share at an exercise price of US$2.50 per Share until July 11, 2019; (iv) 4,068 Shares subject to vested stock options of a total of 7,500 options, each of which is exercisable into one Share at an exercise price of US$2.50 until July 17, 2020 and (v) 3,824 deferred share units, each of which is convertible into one Share at no additional cost with no expiry date, all of which may be exercised or converted within the next 60 days.

(25) Based on 4,967,380 Shares comprised of: (i) 4,946,568 Shares outstanding prior to the completion of the private placement of Shares on July 20, 2017; (ii) 16,988 Shares that may be issuable on exercise of stock options of the Company held by Mr. Carothers and (iii) 3,824 Shares that may be issuable on conversion of deferred share units of the Company held by Mr. Carothers, all exercisable within 60 days.

(26) Comprised of: (i) 10,325 Shares held directly and (ii) all of the convertible securities of the Company set out in footnote (24) above.

(27) Based on 5,506,620 Shares comprised of: (i) 5,485,808 Shares outstanding after the completion of the private placement of Shares on July 20, 2017; (ii) 16,988 Shares that may be issuable on exercise of stock options of the Company held by Mr. Carothers and (iii) 3,824 Shares that may be issuable on conversion of deferred share units of the Company held by Mr. Carothers, all exercisable within 60 days.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

Each of Messrs. Jones and Matthews abstained on the resolution of the board of directors approving the Offering with respect to their own Share subscriptions. A special committee was not established in connection with the approval of the Offering, and no materially contrary view or abstention was expressed or made by any director.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that related to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

Not applicable.

(ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

See item (a).

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:

The Offering is exempt from the valuation and minority shareholder approval requirements of MI 61-101 by virtue of the exemptions contained in section 5.5(a) and 5.7(1)(a) of MI 61-101, since neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Offering, insofar as it involves interested parties, exceeds 25% of the Company's market capitalization.

As this material change report is being filed less than 21 days before the closing of the Offering, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company it was necessary to immediately close the Offering and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

5.2 Disclosure for Restructuring Transactions

N/A

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

N/A

Item 7 Omitted Information

None

Item 8 Executive Officer

David Karp, Chief Financial Officer, (604) 320-3344 ext 1110

Item 9 Date of Report

July 26, 2017

COUNTERPATH

Not for distribution to United States newswire services or for dissemination in the United States

CounterPath Announces Closing of Private Placement

VANCOUVER, BC, Canada — July 20, 2017 — CounterPath Corporation ("CounterPath" or the "Company") (NASDAQ: CPAH) (TSX: PATH), a global provider of award-winning, over-the-top (OTT) Unified Communications (UC) solutions for enterprises and carriers, announced today the closing of a non-brokered private placement of 539,240 shares of common stock (each, a "Share") of the Company at a price of US$2.20 for gross proceeds of US$1,186,328 (the "Offering").

The net proceeds from the Offering will be used to (1) buildout the Company's Unified Communications-as-a-Service (UCaaS) offerings, (2) expand sales and marketing resources and (3) for general corporate purposes.

Wesley Clover International Corporation the Company's largest shareholder, KMB Trac Two Holdings Ltd. ("KMB") and the Company's executives subscribed for an aggregate of 345,227 Shares. The Offering constituted a related party transaction under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). The issuance to the insiders is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 because neither the fair market value of the subject matter of the transaction nor the consideration paid will exceed 25% of the Company's market capitalization. As the Offering is a related party transaction and was announced less than 21 days before its closing, MI 61-101 requires the Company to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company it was necessary to immediately close the Offering and therefore, such shorter period was reasonable and necessary in the circumstances to improve the Company's financial position.

All of the securities issued by the Company in connection with the Offering will be subject to hold periods expiring on November 21, 2017 under Canadian and United States securities laws. None of the securities to be issued will be registered under the United States Securities Act of 1933, as amended (the "1933 Act"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This press release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any State where such offer, solicitation, or sale would be unlawful.

Early Warning Disclosure

Wesley Clover International Corporation ("Wesley Clover"), located at 390 March Road, Suite 110, Kanata, Ontario, Canada K2K 0G7, purchased 144,357 Shares issued pursuant to the Offering for aggregate consideration of US$317,585.40 (CDN$399,998.81) in reliance on the prospectus exemption contained in section 2.10 of National Instrument 45-106 *Prospectus Exemptions*. Wesley Clover acquired the Shares for investment purposes. Dr. Terence H. Matthews, with a business address of 390 March Road, Suite 110, Kanata, Ontario, Canada K2K 0G7, owns 99.9999% of the issued and outstanding voting shares of Wesley Clover.

The Shares acquired by Wesley Clover pursuant to the Offering represent 2.9% of the Shares of the Company outstanding as of July 20, 2017 before completion of the Offering.

Following the acquisition by Wesley Clover, Wesley Clover owns 1,512,850 Shares on a fully diluted basis, including 75,000 Shares that may be acquired upon the exercise by Wesley Clover of warrants and 56,189 Shares that may be acquired on the conversion of deferred share Shares (each, a "DSU") of the Company (which DSU's are held directly by Dr. Matthews).

The 1,512,850 Shares represent 26.9% of the Shares outstanding as of July 20, 2017 following completion of the Offering on a fully diluted basis, which includes 75,000 Shares that may be acquired on the exercise of warrants held by Wesley Clover and 56,189 Shares that may be acquired on the conversion of DSUs.

Wesley Clover acquired the Shares of the Company for investment purposes. Wesley Clover intends to monitor the business and affairs of the Company, including its financial performance, and depending upon these factors, market conditions and other factors, Wesley Clover may acquire additional securities of the Company as it deems appropriate. Alternatively, Wesley Clover may dispose of some or all of the Shares in privately negotiated transactions or otherwise.

KMB, located at 3540 Morgan Creek Way, Surrey, British Columbia, Canada V3Z 0J7, purchased 180,446 Shares issued pursuant to the Offering for aggregate consideration of US$396,981.20 (CDN$499,997.82) in reliance on the prospectus exemption contained in section 2.10 of National Instrument 45-106 *Prospectus Exemptions*. KMB acquired the Shares for investment purposes. Karen Bruk is the sole shareholder of KMB. Karen Bruk also holds 95,800 Shares of the Company. Karen Bruk and Steven Bruk, Karen Bruk's spouse, exercise shared investment power over the Shares of the Company held by Karen Bruk and KMB. Steven Bruk is the legal and beneficial owner of 58,647 Shares.

The Shares acquired by KMB pursuant to the Offering represent 3.6% of the Shares of the Company outstanding as of July 20, 2017 before completion of the Offering.

Following the acquisition by KMB, KMB owns 1,081,753 Shares on a fully diluted basis, including 65,000 Shares that may be acquired upon the exercise by KMB of warrants and 95,800 Shares held directly by Karen Bruk. The 1,081,753 Shares represent 19.5% of the Shares outstanding as of July 20, 2017 following completion of the Offering on a fully diluted basis, which includes 65,000 Shares that may be acquired on the exercise of warrants held by KMB. Including the 58,647 Shares held by Steven Bruk, the 1,140,400 Shares represent 20.5% of the Shares outstanding as of July 20, 2017 following completion of the Offering on a fully diluted basis, which includes 65,000 Shares that may be acquired on the exercise of warrants held by KMB.

KMB acquired the Shares of the Company for investment purposes. KMB intends to monitor the business and affairs of the Company, including its financial performance, and depending upon these factors, market conditions and other factors, KMB may acquire additional securities of the Company as it deems appropriate. Alternatively, KMB may dispose of some or all of the Shares in privately negotiated transactions or otherwise.

An early warning report in respect of the purchases by each of Wesley Clover and KMB will be filed with the relevant Canadian securities regulatory authorities. A copy of such reports may be obtained from SEDAR at www.sedar.com or by contacting David Karp at 604-628-9364.

About CounterPath

CounterPath Unified Communications solutions are changing the face of telecommunications. An industry and user favorite, Bria softphones for desktop, tablet and mobile devices, together with Stretto Platform™ server solutions, enable operators, OEMs and enterprises large and small around the globe to offer a seamless and unified over-the-top (OTT) communications experience across both fixed and mobile networks. The Bria and Stretto combination enables an improved user experience as an overlay to the most popular UC and IMS telephony and applications servers on the market today. Standards-based, cost-effective and reliable, CounterPath's award-winning solutions power the voice and video calling, messaging, and presence offerings of customers such as AT&T, Avaya, BroadSoft, BT, Cisco Systems, GENBAND, Metaswitch Networks, Mitel, NEC, Network Norway, Nokia, Rogers and Verizon.

Visit www.CounterPath.com.

Contacts:
David Karp
Chief Financial Officer
Email: dkarp@counterpath.com
Tel: (604) 628-9364