

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Legible Inc. (“**Legible**” or the “**Company**”)
2230 Ontario Street
Vancouver, BC V5T 2X2

2. Date of Material Change

October 20, 2023.

3. News Release

News release dated October 20, 2023 was disseminated through the facilities of Business Wire and subsequently filed on SEDAR at www.sedar.com.

4. Summary of Material Change

On October 20, 2023, Legible announced the closing of a private placement (the “Private Placement”) of 6,180,041 units for gross proceeds of \$741,604.92.

5. Full Description of Material Change

The Company announced that, further to its October 6, 2023 News Release, the Company has closed its non-brokered Private Placement of units (“Units”). The Company issued 6,180,041 Units at \$0.12 per Unit for gross proceeds of \$741,605 which included \$128,650 in settlement of outstanding indebtedness. Each Unit consists of one common share (“Common Share”) and one whole Common Share purchase warrant (“Warrant”) with each Warrant entitling the holder to acquire 1 Common Share at a price of \$0.15, at any time prior to 5:00 pm (Vancouver time) on the date that is one year from the closing date, provided that if the volume weighted average trading price of the Common shares is at least \$0.30 per Common Share for a period of 5 consecutive trading days, the expiry date of the Warrants may be accelerated by the Company to a date that is not less than 21 days after the date that notice of such acceleration is provided to the Warrant holders by way of a press release.

David Van Seters and Shannon Kaustinen, directors of Legible, each subscribed for 125,000 Units under the Private Placement (the “Insider Participation”). Legible has determined that exemptions from the various requirements of Multilateral Instrument 61-101 are available for the issuance of the Units (Formal Valuation - Issuer Not Listed on Specified Markets; Minority Approval - Fair Market Value Not More Than \$2,500,000).

Legible will use the proceeds for general working capital purposes, including technology development, product and feature releases, marketing, and conversion campaigns. All securities issued in connection with the Private Placement are subject to a hold period that expires on February 21, 2024. There were finders’ fees paid to qualified individuals in the amount of \$29,397 in cash and 286,640 in warrants with respect to the closing of the Private Placement.

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:

See 5 above.

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

The purpose of the Insider Participation is to allow directors to invest and help the Company with its financing efforts.

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

The Insider Participation resulted in proceeds of \$30,000.00 to the Company under the Private Placement.

(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:

- David Van Seters, a director of the Corporation subscribed for 125,000 Units under the Private Placement for \$15,000.
- Shannon Kaustinen, a director of the Corporation subscribed for 125,000 Units under the Private Placement for \$15,000.

(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:

- Prior to the Insider Participation, David Van Seters held 3,968,461 common shares, 600,000 stock options and 581,460 warrants (3.79% of the issued and outstanding common shares on a partially diluted basis). Immediately after the Insider Participation, David Van Seters held 4,093,461 common shares, 600,000 stock options and 706,460 warrants (3.80% of the issued and outstanding common shares on a partially diluted basis). Please refer to SEDI for current holdings as at the date of this Material Change Report.
- Prior to the Insider Participation, Shannon Kaustinen held 488,485 common shares, 300,000 stock options and 418,485 warrants (1.18% of the issued and outstanding common shares on a partially diluted basis). Immediately after the Insider Participation, Shannon Kaustinen held 613,485 common shares, 300,000 stock options and 543,485 warrants (1.31% of the issued and outstanding common shares on a partially diluted basis). Please refer to SEDI for current holdings as at the date of this Material Change Report.

(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:

A resolution of the board of directors was passed on October 6, 2023 approving the Private Placement. No special committees were established in connection with these transactions. The Insider Participation was considered by the independent members of the board of directors, who determined that they were in the best interest of the Corporation and necessary to reduce accounts payable of the Corporation. No materially contrary view was expressed or made by any director and as such, it was not considered necessary to establish any special committees as the independent directors effectively fulfilled the same role that a special committee would have performed.

(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 relates 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:

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

There have not been any “prior valuations” of the Corporation made in the 24 months before the date of the Insider Participation or the date of this material change report, the existence of which is known, after reasonable enquiry, to the Corporation or to any director or officer of the Corporation, relating to the subject matter of, or that is otherwise relevant to the Private Placement or Debt Settlement.

(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:

Not applicable.

(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 Insider Participation constitutes related party transactions within the meaning of MI 61-101. The Corporation is exempt from the valuation requirements of MI 61-101 pursuant to section 5.5(b) of MI 61-101 as no securities of the Corporation are listed on the specified markets. The Corporation is exempt from the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a) of MI 61-101 as, at the time the Insider Participation were agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Insider Participation exceed 25% of the Corporation’s market capitalization.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

The name and business number of the executive officer of the Corporation who is knowledgeable about the material change and this report is:

Kaleeg Hainsworth
Chief Executive Officer
Phone: 1-672-514-2665

9. Date of Report

October 20, 2023.