

Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

Integrated Cyber Solutions Inc. (the "Company")
1 Stiles Rd
Salem, NH 03079
United States of America

Item 2. Date of Material Change

January 20, 2025 and February 5, 2025

Item 3. News Release

News Release February 5, 2025 was disseminated through The Newswire.

Item 4. Summary of Material Change

The Company announced that it had completed the first tranche closing of its previously announced private placement. The Company sold a total of 160 convertible debenture units of the Company at a price of US\$1,000 per convertible debenture unit, for aggregate gross proceeds in the first tranche closing of US\$160,000.

Each convertible debenture unit is comprised of: (i) one 15.0% unsecured convertible debenture of the Company in the principal amount of US\$1,000; and (ii) 2,000 Common Share purchase warrants.

The convertible debentures and convertible debenture warrants are subject to a statutory hold period of four months and one day from their date of issuance.

Additionally, as previously announced on January 24, 2025, the Company issued to Alke Capital Limited 209,157 Common Shares at a deemed price per Common Share of C\$0.28 in exchange for an advance of C\$58,563.96 made to the Company by Alke Capital Limited under the Investment and Advisory Agreement dated April 15, 2022 between the Company and Alke Capital Limited.

The Company also announced that Pete Karolczak had resigned as a director and Chief Operating Officer of the Company with an effective date of January 20, 2025.

Item 5. Full Description of Material Change

Item 5.1 Full Description of Material Change

Further to the Company's press release of January 24, 2025 (the "**Prior Press Release**"), the Company announced that it had completed the first tranche closing (the "**First Tranche Closing**") of its previously announced offering of the sale of securities, on a private placement basis, of the Company for gross proceeds of up to US\$300,000 (the "**Offering**"). The Company sold a total of 160 convertible debenture units of the Company (the "**CD Units**") at a price of US\$1,000 per CD Unit, for aggregate gross proceeds in the First Tranche Closing of US\$160,000.

Each CD Unit is comprised of: (i) one 15.0% unsecured convertible debenture of the Company in the principal amount of US\$1,000 (a "**Convertible Debenture**"); and (ii) 2,000 Common Share purchase warrants (the "**CD Warrants**"). The Convertible Debentures sold in the First Tranche Closing will mature on February 5, 2027 unless extended to February 5, 2028 in the sole discretion of the Company (the "**Maturity Date**") and, subject to prior conversion in accordance with their terms, will be repaid in cash at the Maturity Date. Each CD Warrant sold in the First Tranche Closing is exercisable to acquire one Common Share at an exercise price of C\$0.25 until February 5, 2028.

From the date of issue until their Maturity Date, Convertible Debenture holders may elect to convert, in whole or in part, the face value of the Convertible Debentures into Common Shares at a conversion price (the “**Conversion Price**”) equal to the greater of \$0.10 per Common Share or 75% of the 15-day volume weighted average price at the time of conversion. At any time prior to the Maturity Date, if the 15-day volume weighted average price of the Common Shares on the Canadian Securities Exchange (or such other Canadian stock exchange on which the greatest volume of Common Shares is traded) meets or exceeds C\$0.60 for three consecutive trading days, any non-converted and remaining face value of the Convertible Debentures will be automatically converted into Common Shares at the Conversion Price.

Upon the conversion of the Convertible Debentures, the Company will pay to the Convertible Debenture holders, in cash, the interest accrued on the Convertible Debentures for the amount converted up to but excluding the date of conversion. The Convertible Debentures shall bear interest at a rate of 15.0% per annum from the date of issue, payable semi-annually in arrears in cash. Interest shall be computed on the basis of a 360-day year composed of twelve 30-day months.

The Convertible Debentures and CD Warrants are subject to a statutory hold period of four months and one day from their date of issuance. For further details concerning the Offering, see the Prior Press Release.

Additionally, as previously announced on January 24, 2025, the Company issued to Alke Capital Limited (“**Alke**”) 209,157 Common Shares at a deemed price per Common Share of C\$0.28 in exchange for an advance of C\$58,563.96 made to the Company by Alke under the Investment and Advisory Agreement (the “**Alke Agreement**”) dated April 15, 2022 between the Company and Alke. A copy of the Alke Agreement can be found on the Company’s profile at SEDAR+ (www.sedarplus.ca).

The Company also announced that Pete Karolczak had resigned as a director and Chief Operating Officer of the Company with an effective date of January 20, 2025. Mr. Karolczak continues to support the Company as an advisor.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Executive Officer

Alan Guibord, Chief Executive Officer and Director

Telephone: 212-634-9534

Item 9. Date of Report

February 14, 2025