

Form 51-102F3
MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

SHARC International Systems Inc. (the “Company”)
1443 Spitfire Place
Port Coquitlam, B.C. V3C 6L4

Item 2. Date of Material Change

February 26, 2020

Item 3. News Release

A News Release dated February 27, 2020 was disseminated via GlobeNewswire service and filed on SEDAR on February 27, 2020.

Item 4. Summary of Material Change

The Company announced that it has appointed three new members to the Board of Directors in Eleanor Chiu, Matt Engelhardt and Al Saurette. Eleanor Chiu and Matt Engelhardt have also been appointed to the Audit Committee.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

Please see attached news release attached as Schedule “A” to this Material Change Report.

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

None.

Item 8. Executive Officers

The following senior officer of the Company is knowledgeable about the material change and this Material Change Report and may be contacted:

Hanspaul Pannu, Chief Financial Officer
Telephone: 604 475-7710.

Item 9. Date of Report

DATED at Vancouver, British Columbia, this 27 day of February, 2020.

Schedule A

SHARC International Announces Three Appointments to the Board of Directors

VANCOUVER, British Columbia, February 27, 2020 -- **SHARC International Systems Inc. (CSE:SHRC) (FSE:IWIA) (OTCQB:INTWF) (the “Company” or “SHARC”)** is pleased to announce that it has appointed Eleanor Chiu, FCPA, FCA, ICD.D, Matt Engelhardt, CPA and Al Saurette to its Board of Directors, effective February 27, 2020.

“We are pleased to welcome Eleanor, Matt and Al as new independent directors to the SHARC Board. They join the Company at an exciting time as we continue to drive our Original Equipment Manufacturer (“OEM”) sales model forward and execute on our strategy to focus on SHARC and Piranha equipment sales” stated Lynn Mueller, CEO of SHARC International Systems Inc. “Each of these additions bring in unique skills as seasoned business executives that strengthen our overall corporate oversight and governance as the company strives to execute on its strategy.”

Mrs. Chiu and Mr. Engelhardt will serve on the board’s audit committee and Mr. Saurette will provide oversight and support of the sales and marketing function of the Company.

In connection with the appointments, the Company announces it has granted 250,000 stock options to each newly appointed director and 200,000 options to a Consultant for a total of 950,000 options at an exercise price of \$0.125. The stock options will be exercisable for 5 years.

About Eleanor Chiu, FCPA, FCA, ICD.D

Eleanor Chiu is a seasoned executive with extensive board experience and expertise in strategic planning, finance, audit and risk, and corporate governance. Eleanor is a prominent leader in the business and philanthropic community in Calgary and she is genuinely passionate about ensuring her contributions make a significant difference. Her long list of volunteer roles has included sitting on the Mount Royal University Board of Governors, Alberta Children’s Hospital Board, and treasurer of International Women’s Forum of Canada, Calgary Chapter.

Eleanor and her husband Wayne are the founders of Trico Charitable Foundation and she serves as one of their directors. In her role as Trico Group’s Chief Financial Officer, she helped build the Company from a small business in Calgary to one of Canada’s Best Managed Companies - a testament to her business acumen, and professional and personal strengths. She also held directorship of various public and private for-profit companies.

Eleanor is a graduate of University of Calgary with a B.Comm, Finance and Accounting and she studied at The Chinese University of Hong Kong in Anthropology, received an ICD.D designation granted by the Institute of Corporate Directors, and is a Fellow of the Chartered Professional Accountants (FCPA)

Eleanor has invested \$550,000 through various convertible debenture financings over the past year.

About Matt Engelhardt, CPA

Matt Engelhardt has over 15 years of experience leading a broad group of portfolios including financial planning and analysis, treasury, procurement, tax and accounting. Matt is also a collaborative, results driven senior finance professional with a passion for leading people.

Matt is currently the Director, Commercial Finance at WestJet and, during his tenure, has helped evolve their capital structure to move beyond a one fleet type, low cost point to point domestic carrier to a network carrier with global reach. As a tax professional, Matt previously served on the Board of the Calgary Chapter of the Tax Executives Institute and was a member of the Income Tax Committee advocating with governments to improve overall tax administration. Matt is a Chartered Professional Accountant with a Bachelor of Commerce degree from the University of Calgary.

Matt has invested \$140,000 through various convertible debenture financings over the past year.

About AI Saurette

AI Saurette has launched many technology products for global markets. AI is a thought leader in the emerging technology space, regular speaker at international conferences, and a prolific author.

He has assisted early stage public and private companies establish a world-wide reputation leveraging often limited resources to establish a strong market presence. He has delivered innovative solutions for over 35 years and has a strong track record of success with emerging technology companies

AI has invested \$200,000 through various convertible debenture financings over the past year.

Debt Settlement

The Company issued 550,000 common shares at a deemed price of \$0.10 per share for the settlement of outstanding debt.

About SHARC International Systems

SHARC International Systems Inc. is a world leader in waste water heat recovery. For commercial, residential and industrial buildings, SHARC products recycle thermal energy, generating one of the most efficient and economical methods for heating, cooling & preheating water. SHARC is publicly traded in Canada (CSE: SHRC), the United States (OTCQB: INTWF) and Germany (Frankfurt: IWIA).

Further information about the Company is available on our website at www.sharcenergy.com or under our profile on SEDAR at www.sedar.com.

We are truly grateful for the patience and support of SHARC shareholders! Please join the conversation on our SHARC supporter's telegram group at <https://t.me/SHARCenergy>.

The company diligently posts important information and updates through weekly videos from the official company youtube channel (https://www.youtube.com/channel/UCyDZ8Sz5h_s6Y4-tiiJLlq/videos).

ON BEHALF OF THE BOARD

"Lynn Mueller"

Chairman and Chief Executive Officer

For further information, please contact:

Chief Financial Officer

Hanspaul Pannu

SHARC International Systems Inc. Telephone: (604) 475-7710

Email: info@sharcenergy.com

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

Certain statements contained in this news release may constitute forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "anticipate", "plan", "estimate", "expect", "may", "will", "intend", "should", and similar expressions. Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. SHARC's actual results could differ materially from those anticipated in this forward-looking information as a result of regulatory decisions, competitive factors in

the industries in which the Company operates, prevailing economic conditions, and other factors, many of which are beyond the control of the Company. SHARC believes that the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking information should not be unduly relied upon. Any forward-looking information contained in this news release represents the Company's expectations as of the date hereof, and is subject to change after such date. The Company disclaims any intention or obligation to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required by applicable securities legislation.