

**Form 51-102F3
MATERIAL CHANGE REPORT**

Item 1 *Name and Address of Issuer*

Orca Touchscreen Technologies Ltd. (the “**Issuer**”)
Suite 1500 – 701 West Georgia Street
Vancouver, BC V7Y 1C6

Item 2 *Date of Material Change*

December 18, 2015.

Item 3 *News Release*

On December 18, 2015, a news release was disseminated and filed on SEDAR (www.sedar.com), a copy of which is attached as Schedule A.

Item 4 *Summary of Material Change*

The Issuer announced a proposed private placement of 5,000,000 units at \$0.30 each, a corporate update on its Guatemala joint venture project and other negotiations, a grant of incentive stock options to purchase 2,900,000 common shares at \$0.20 each representing approximately 5.5% of the Issuer’s outstanding 52,295,234 common shares, and a shareholder’s early warning of acquisition (as a result of option grant).

Item 5 *Full Description of Material Change*

5.1 Full Description of Material Change

See attached Schedule A.

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 Officer*

Michael Malana
Chief Financial Officer
Telephone: 604.601.8504

Item 9 *Date of Report*

December 18, 2015

Schedule A

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FOR DISSEMINATION IN THE UNITED STATES***



PROPOSED PRIVATE PLACEMENT, CORPORATE UPDATE, STOCK OPTION GRANTS, AND SHAREHOLDER'S EARLY WARNING OF AN ACQUISITION

Vancouver, BC, December 18, 2015 – Orca Touchscreen Technologies Ltd. (the “**Company**”, the “**Issuer**” or “**Orca Touchscreen**”) (CSE:OAA, FSE:6OT, OTCQB:ORTFF) is pleased to announce a: (1) proposed private placement, (2) corporate update, (3) grant of stock options, and (4) shareholder’s early warning of an acquisition.

1. Private Placement of Units at \$0.30

The Company proposes to conduct a non-brokered private placement by way of offering memorandum of up to 5,000,000 units of the Company (each, a “**Unit**”) at a purchase price \$0.30 per Unit to raise gross proceeds of up \$1,500,000 to be used for general working capital purposes.

Each Unit will be comprised of one common share of the Company (a “**Common Share**”) and one half of one warrant (each whole warrant, a “**Warrant**”). Each whole Warrant will be exercisable to purchase one additional Common Share at an exercise price of \$0.40 per share for a period of five years from the issuance date of such warrants.

Unless exempt under securities legislation, the Common Shares and the Warrants comprising the Units shall be subject to a hold period of four months and one day from their date of issuance. Pursuant to the terms of a proposed form of subscription agreement, the Common Shares and the Warrants comprising the Units shall be subject to a hold period of six months and one day from their date of issuance.

In connection with the private placement, the Company intends to pay finders a cash fee equal to 20% of the value of the Units purchased by subscribers introduced by such finders.

2. Corporate Update

Orca Touchscreen's business is the design, production, sale, distribution, service and refurbishment of touchscreen devices, including smartphones and tablets. The Company is working with partners in developing countries to establish semi knock down (“**SKD**”) assembly factories to produce smartphones, tablets and other touchscreen devices for sale in that country’s growing market.

Guatemala Joint Venture

Further to news releases dated October 8, 2014, October 23, 2014, March 23, 2015, July 14, 2015 and October 20, 2015, the Company and its joint venture partners continue to work toward finalizing a definitive agreement governing Sollen-Mobile, S.A. (“**Sollen Guatemala**”), the joint venture company that in October 2014 began construction of an SKD smartphone assembly factory in Esquintla, Guatemala, and in July 2015 completed construction and began producing a 5” smartphone called the Sollen Mobile™ Lucid SP-50.

Joint Venture Negotiations Elsewhere in the World

Further to news releases dated June 12, 2015 and October 20, 2015, the Company continues to negotiate with potential SKD business partners in Algeria, Argentina, Cambodia, China, Dubai, Korea (South Korea), Mexico, Myanmar, Philippines, Russia, Sri Lanka, Turkey and Uruguay.

Central America Distributions Negotiations

Further to a news release dated October 20, 2015, the joint venture company, Sollen Guatemala (rather than the Company) will continue negotiations with Solucel, S.A., an electronics distributor based in Guatemala, for distribution throughout Central America of Sollen Guatemala products. In the course of finalizing the proposed definitive joint venture agreement governing Sollen Guatemala, the joint venture partners have determined that Sollen Guatemala (rather than the Company) shall be responsible for all marketing, sales and distribution of its products throughout Central America.

3. Stock Option Grants

On December 18, 2015 (the "**Grant Date**") the Company granted to certain of its directors, officers and consultants incentive stock options exercisable to purchase an aggregate of 2,900,000 common shares at an exercise price of \$0.20 each for a period of 5 years from the Grant Date.

Certain of the above optionees are also Insiders of the Company. The number of common shares issuable on exercise of options granted to Insiders are: 1,200,000 to CEO and major shareholder GwanJe Woo, 250,000 to CFO Michael Malana, 500,000 to director Jong Hyub Choi, 200,000 to director Soo Rae Park, 200,000 to director Yong Chul Kim and 100,000 to Secretary David Schwartz.

All of the foregoing options vest as to 25% every 3 months after the grant date, except those granted to GwanJe Woo which vest immediately as Mr. Woo has served as CEO of the Company since its inception.

The 2,900,000 optionable shares above represents 5.5% of the 52,295,234 outstanding common shares of the Company, and is thus within the 10% maximum permitted on a rolling basis under the Company's stock option plan dated July 15, 2014.

Prior to the above grant, the Company had 52,295,234 common shares issued and outstanding, with 5,408,931 common shares reserved for issuance (comprised of nil upon the exercise of options and 5,408,931 upon the exercise of warrants). After the grant, the Company has 52,295,234 common shares issued and outstanding, with 8,308,931 common shares reserved for issuance (comprised of 2,900,000 upon the exercise of options and 5,408,931 upon the exercise of warrants).

4. Shareholder's Early Warning of an Acquisition

Pursuant to National Instrument 62-103 *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, GwanJe Woo of Seoul, South Korea (the "**Acquiror**"), hereby provides early warning of his acquisition of securities convertible into an additional 2% or more of the common shares of the Company (the "**Shares**").

Before the above Grant Date, the Acquiror beneficially owned and controlled 8,902,000 Shares and no securities convertible into Shares. On a partially-diluted basis, this represents approximately 17.0% of 52,295,234 Shares (based on 52,293,234 outstanding and nil additional Shares convertible from securities held by the Acquiror). On a fully-diluted basis, this represents approximately 15.4% of 57,704,165 Shares (based on 52,295,234 outstanding and 5,408,931 additional Shares convertible from securities held by all holders including the Acquiror.)

As of the Grant Date, the Acquiror beneficially owns and controls 8,902,000 Shares and securities convertible into 1,200,000 Shares. On a partially-diluted basis, this represents approximately 18.9% of 53,493,234 Shares (based on 52,293,234 outstanding and 1,200,000 additional Shares convertible from securities held by the Acquiror). On a fully-diluted basis, this represents approximately 16.7% of 60,602,165 Shares (based on 52,293,234 outstanding and 8,308,931 additional Shares convertible from securities held by all holders including the Acquiror.)

The convertible securities are options acquired by the Acquiror privately by way of grant from the Company, and were not purchased in any market. The Acquiror paid no consideration, as the Company granted the options as an incentive bonus for the services of the Acquiror as CEO of the Company. By the terms of a stock option agreement dated the Grant Date between the Company and the Acquiror, the Acquiror may exercise an option to purchase 1,200,000 common shares at an exercise price of \$0.20 per

share for a period of 5 years from the date of grant. The Company issued the options to the Acquiror pursuant to an exemption from prospectus requirements provided under section 2.24 of National Instrument 45-106 *Prospectus Exemptions*.

About Orca Touchscreen

The common shares of the Company are listed for trading on 3 markets: the Canadian Securities Exchange under the trading symbol "OAA", the Frankfurt Stock Exchange under the trading symbol "6OT", and on the OTCQB marketplace (part of OTC Markets Group) under the trading symbol "ORTFF".

To learn more about Orca Touchscreen, visit www.orcatouchscreen.com, and you can view its profile and documents at www.sedar.com and www.thecse.com.

For further information, please contact:

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None of the CSE, the Frankfurt Stock Exchange and OTC Markets have reviewed, approved or disapproved the contents of this press release.

Not an Offer in the United States

This news release is not an offer of the securities for sale in the United States. The securities being offered have not been registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons absent registration or an applicable exemption from registration.

Forward-Looking Information:

This press release may include 'forward-looking information' within the meaning of Canadian securities legislation, concerning the business of the Company. Forward-looking information is based on certain key expectations and assumptions made by the management of the Company. Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Forward-looking statements contained in this press release are made as of the date of this press release. The Company disclaims any intent or obligation to update publicly any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.