

Form 51-102F3

Material Change Report

Item 1 Name and Address of Company

KABN Systems NA Holdings Corp. ("**KABN NA**" or the "**Company**")
1 – 7357 Woodbine Avenue, Suite 605
Markham, Ontario
L3R 6L3

Item 2 Date of Material Change

December 21, 2020 and December 23, 2020.

Item 3 News Releases

December 22, 2020: News release disseminated by ACCESSWIRE announcing the completion of a non-brokered private placement.

December 23, 2020: News release disseminated by ACCESSWIRE announcing the completion of a brokered private placement.

Item 4 Summary of Material Change

On December 21, 2020, KABN NA closed its previously announced non-brokered private placement of units ("**Units**") for gross proceeds of approximately \$3 million (the "**Non-Brokered Offering**").

On December 23, 2020, KABN NA closed its previously announced brokered private placement of Units for gross proceeds of approximately \$1.15 million (the "**Brokered Offering**").

Item 5 Full Description of Material Change

Item 5.1 Full Description of Material Change

On December 21, 2020, KABN NA closed its previously announced non-brokered private placement of Units for gross proceeds of approximately \$3 Million. A total of 19,999,997 Units were issued at a purchase price of \$0.15 per Unit, with each Unit comprised of one common share of the Company (a "**Common Share**") and one Common Share purchase warrant (a "**Warrant**"). Each Warrant is exercisable to acquire one Common Share (a "**Warrant Share**") at an exercise price of \$0.20 per Warrant Share for a period of 24 months from the closing. In connection with the Non-Brokered Offering, the Company paid finder's fee in the aggregate sum of \$148,620 and issued 990,800 compensation options (the "**Finders' Options**") to certain eligible finders. Each Finders' Option entitles the holder to purchase one Unit at an exercise price equal to \$0.15 per Unit at any time up to 24 months following closing.

On December 23, 2020, KABN NA closed its previously announced brokered private placement of Units, pursuant to which the Company issued 7,666,667 Units at a price of \$0.15 per Unit (the "**Offering Price**") for aggregate gross proceeds of \$1,150,000. The Offering was led by Mackie Research Capital Corporation as sole agent and sole bookrunner (the "**Agent**"). In connection with

the Brokered Offering, the Agent received an aggregate cash fee equal to 8.0% of the gross proceeds from the Brokered Offering. In addition, on closing the Company granted the Agent non-transferable compensation options (the “**Compensation Options**”) equal to 8.0% of the total number of Units sold under the Brokered Offering. Each Compensation Option entitles the holder thereof to purchase one Unit at an exercise price equal to the Offering Price for a period of 24 months following the Closing. In addition, the Company paid the Agent a financial advisory fee satisfied by the issuance of 830,000 Common Shares.

Item 5.2 Disclosure for Restructuring Transaction

N/A

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

This report is not being filed on a confidential basis.

Item 7 Omitted Information

No information has been omitted.

Item 8 Executive Officer

Lynn Cumiskey, Chief Compliance Officer
647-725-7742

Item 9 Date of Report

December 30, 2020