

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

Softlab9 Software Solutions Inc. (the “Company”)
605- 815 Hornby Street
Vancouver, BC, V6Z 2E6

Item 2: Date of Material Change

September 3, 2019.

Item 3: News Release

A news release was issued and disseminated on September 3, 2019 through a newswire distribution service and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached hereto as Schedule “A”.

Item 4: Summary of Material Change

A news release was issued and disseminated on September 3, 2019 through a newswire distribution service and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached hereto as Schedule “A”.

Item 5: Full Description of Material Change

5.1 Full Description of Material Change

A news release was issued and disseminated on September 3, 2019 through a newswire distribution service and filed on SEDAR and the Canadian Securities Exchange. A copy of the news release is attached hereto as Schedule “A”.

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”).

a) a description of the transaction and its material terms:

The Company announced that on September 3, 2019, that two insiders of the Company acquired 954,444 common shares pursuant to debt settlement agreements, whereby \$85,900 of debt was settled in consideration for the issuance of 954,444 common shares at \$0.09 per share.

b) the purpose and business reasons for the transaction:

The Company wishes to improve its financial position by reducing its accrued liabilities.

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

See subsection 5.1(b) above.

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:

1002349 B.C. Ltd. (owned and controlled by Hanspaul Pannu, the chief financial officer of the Company) acquired 555,555 common shares pursuant to the debt settlement.

Derrick Lewis, a director of the Company, acquired 398,889 common shares pursuant to the debt settlement.

- 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 acquisition of the common shares, 1002349 B.C. Ltd. owned and controlled 1,723 common shares and Mr. Pannu owned and controlled 5,128 common shares and 38,462 stock options. After the completion of the acquisition of the common shares pursuant to the debt settlement, 1002349 B.C. Ltd. and Mr. Pannu own in the aggregate 562,406 common shares which represent approximately 8.0% of the 7,003,232 issued and outstanding common shares of the Company.

Prior to the acquisition of the common shares, Derrick Lewis owned and controlled 192,308 common shares and 79,923 stock options. After the completion of the acquisition of the common shares pursuant to the debt settlement, Mr. Lewis owns 591,197 common shares which represent approximately 8.4% of the 7,003,232 issued and outstanding common shares of the Company.

- 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 of the Company authorized the transaction on September 2, 2019.

- 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:**

- i. that has been made in the 24 months before the date of the material change report:**

N/A

- ii. the existence of which is known, after reasonable enquiry to the issuer or to any director or officer of the issuer:**

N/A

- g) 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:**

See subsection 5.1(a).

- h) 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:**

Some of the Debt Settlements constitute a “related party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special*

Transactions (“**MI 61-101**”) as some of the common shares were issued to two (2) insiders of the Company. The issuance of 954,444 Shares (representing \$85,900 of debt) were exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 pursuant to subsections 5.5(b) and 5.7(1)(a) as the Company’s common shares are not listed on a specified market and the fair market value of these Shares did not exceed 25% of the Company’s market capitalization.

As this material change report is being filed less than 21 days before the issuance of the common shares, there is a requirement under MI 61-101 to explain why the shorter period was reasonable or necessary in the circumstances. In the view of the Company, such shorter period was reasonable and necessary in the circumstances as the transaction has Company had to contemplate the transaction at such time and the Company wishes to promptly improve its financial position at this time by reducing its accrued liabilities.

5.2 Disclosure for Restructuring Transaction

N/A.

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

N/A.

Item 7: Omitted Information

N/A.

Item 8: Executive Officer

The following executive officer of the Company is knowledgeable about the material change disclosed in this report and may be contacted as follows:

Rahim Mohamed
Phone: 403-605-9429

Item 9: Date of Report

September 3, 2019

Softlab9 Software Solutions Inc. Announces Debt Settlement

September 3, 2019 – Softlab9 Software Solutions Inc. (“Softlab9” or the “Company”) (CSE:SOFT)(FSE: APO1), announces that it entered into debt settlement agreements (the “Agreements”) with two non-arm’s length creditors of the Company and two arm’s length creditors of the Company (each, a “Creditor”), to settle \$257,617 of debt in consideration of the issuance of 2,862,411 common shares (each a “Share”) (the “Debt Settlements”).

Some of the Debt Settlements constitute a “related party transaction” within the meaning of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) as some of the Shares were issued to two (2) insiders of the Company. The issuance of 954,444 Shares (representing \$85,900 of debt) were exempt from the formal valuation and minority shareholder approval requirements under MI 61-101 pursuant to subsections 5.5(b) and 5.7(1)(a) as the Company’s common shares are not listed on a specified market and the fair market value of these Shares did not exceed 25% of the Company’s market capitalization.

The Company did not file a material change report in respect of the Debt Settlement at least 21 days before the closing of the Debt Settlements, which the Company deems reasonable in the circumstances as the Company wishes to improve its financial position by reducing its liabilities.

All securities to be issued pursuant to the Debt Settlement will be subject to a statutory four month hold period.

The Company also announces that further to its previous news releases, the Company will not be proceeding with the potential transaction with A&R Development Ltd.

**For further information, please contact:
Softlab9 Software Solutions Inc.**

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The CSE has not reviewed and does not accept responsibility for the adequacy or accuracy of this news release.