

**Form 51-102F3**  
**Material Change Report**

**1. Name and Address of Company**

Direct Communication Solutions, Inc. (the “Company”)  
17150 Via Del Campo #200  
San Diego, CA 92127

**2. Date of Material Change**

June 1, 2021

**3. News Release**

A news release was issued on June 1, 2021, and disseminated through Canada Stockwatch, Market News and filed under the Company’s profile on the website of the Canadian Securities Exchange.

**4. Summary of Material Change**

Direct Communication Solutions announces appointment of new director and stock option grants.

**5. Full Description of Material Change**

Direct Communication Solutions, Inc. (CSE: DCSI) a leading provider of information technology solutions for the Internet of Things (IoT) market, announces the appointment of Mike Zhou as a member of its Board of Directors and Audit Committee. Mr. Zhou will replace Winston Wong, who tendered his resignation as a director of the Company and member of the Audit Committee, effective May 26, 2021. Mr. Wong did not resign due to any disagreement with the Company on any matter relating to its operations, policies or practices.

As compensation for his service on the Board, Mr. Zhou will receive the Company’s standard compensation for non-employee directors. The Company has granted effective today, an aggregate of 125,000 stock options consisting of 100,000 options to Mr. Zhou and 25,000 options to a certain employee in accordance with the Company’s stock option plan. Each option is exercisable at a price of US\$0.97/CDN\$1.16 per share for a term of 10 years. The 100,000 director options shall be subject to 1/24 monthly vesting over 2 years and the 25,000 employee options shall be subject to a 1-year cliff with 1/48 monthly vesting over 4 years.

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

Not applicable

**7. Omitted Information**

Not applicable

**8. Executive Officer**

Chris Bursey  
CEO  
Tel: (858) 798-7100

**9. Date of Report**

June 1, 2021