

**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**

January 11, 2022

**3. News Release**

A news release was issued on January 11, 2022, 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 closing of the second tranche of the offering.

**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 that it has closed the second tranche of the offering for sales of its unsecured convertible debentures (the “**Debentures**”), the offering raised **US\$25,000 (CDN\$32,250)**.

The subscribers may convert all or part of the principal amount outstanding under the Debentures to shares of common stock of the Company. The Debentures are convertible at the rate of US\$1.00 (CDN\$1.29) per share of common stock on or before the maturity date of the Debentures. The Debentures have a maturity date of the 2nd anniversary of the closing date and bear an interest rate of 10% per annum, calculated annually and not in advance. Interest shall be due and payable semi-annually.

The Debentures have not been and will not be registered under the U.S. Securities Act. Subject to certain exceptions, the debentures may not be offered or sold within the United States, or to or for the account or benefit of U.S. persons (as defined in Regulation S under the U.S. Securities Act).

**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**

January 11, 2022