

FORM 51-102F3

MATERIAL CHANGE REPORT

ITEM 1 Name and Address of Company:

Direct Communication Solutions, Inc. (the “Corporation”)
11021 Via Frontera, Suite C, San Diego,
CA, 92127 United States

ITEM 2 Date of Material Change:

August 10, 2022

ITEM 3 News Release:

The Corporation issued a press release on August 10, 2022, through Market News and Stockwatch.

ITEM 4 Summary of Material Change:

San Diego, CA – August 10th, 2022 – Direct Communication Solutions, Inc. (OTCQX: DCSX) (CSE: DCSI) (FSE: 7QU) a leading provider of information technology solutions for the Internet of Things (IoT) market, announces its offering of unsecured convertible debentures (the “**Debentures**”) raising up to USD\$1,500,000 (CDN\$1,920,000) (the “**Offering**”). Pursuant to the terms of the Debentures, the subscribers may convert all or part of the principal amount outstanding under the Debentures into shares of common stock of the Company. The Debentures are convertible into shares of common stock of the Company (the “**Shares**”) at the higher of USD\$1.19 or a price equal to the price of the Shares of the next financing carried out before the 2nd anniversary of the closing date less a 25% discount. The Debentures have a maturity date of the 2nd anniversary of the closing date and bear an interest rate of 10% per annum, payable semi-annually.

Concurrent with the offering of the Debentures, the Company shall grant and issue up to 750,000 share purchase warrants on the basis of one-half (1/2) of one share purchase warrant for each US\$1.00 of debenture principal under subscription (the “**Warrant**”), where a whole warrant shall be exercisable at USD \$0.86 (CDN\$1.10) per share of common stock for a two year exercise term.

The Debentures are unsecured and the use of proceeds from the Offering shall be used for working capital and general corporate purposes.

The Company may pay finder’s fees to eligible finders in cash or warrants or a combination of both.

The conversion rate is 1 USD to 1.28 CDN.

ITEM 5.1 Full Description of Material Change:

ITEM 5.2 Disclosure for Restructuring Transactions:

Not applicable.

ITEM 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:

Not applicable.

ITEM 7 Omitted Information:

Not applicable.

ITEM 8 Executive Officer:

For further information, please contact Bill Espley, (604) 630-3072
bespley@dcsbusiness.com

ITEM 9 Date of Report:

Dated at San Diego, CA – this August 10, 2022