

Form 51-102F3
Material Change Report

Item 1 **Name and Address of Company**

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

Item 2 - **Date of Material Change**

October 15, 2024

Item 3 **News Release**

A news release was issued and disseminated on October 15, 2024, and filed on SEDAR+ (www.sedarplus.ca). and with the CSE.

Item 4 **Summary of Material Change**

Direct Communication announced it has closed its offering of new convertible debentures to settle indebtedness related to the convertible debentures.

Direct Communication announced entering into a Loan Agreement and Issuance of Warrants.

Item 5 **Full Description of Material Change**

The Company closed its offering of new convertible debentures (the “**New Debentures**”) to settle indebtedness related to the convertible debentures issued by DCS in 2022 having an aggregate principal amount of **US\$1,450,000** instead of the previously announced **US\$1,500,000**, accruing interest at **10%** per annum, until the maturity date of **September 9, 2024** (the “**Maturity Date**”) for an aggregate interest amount of **US\$290,000** until the Maturity Date and the additional interest amount of **US\$1,589.04** accrued from the Maturity Date until the closing date of the new convertible debentures, being September 13, 2024, for a total indebtedness of **US\$1,741,589.04** (collectively, the “**Offering**”).

The Company shall also enter into a loan agreement for an aggregate principal amount of **US\$75,000 (CDN\$101,400)** with interest charges of **15%** per annum on the principal instead of the previously announced amount of **US\$325,000 (CDN\$439,400)**. DCS shall also grant common stock purchase warrants to purchase up to **15,000** shares of common stock to the Creditors where each warrant will entitle the holder to purchase one share of common stock of DCS for 24 months from the date of issuance of the warrants at an exercise price of **CDN\$3.14 (US\$2.32)**

See Schedule “A” for further details

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

Not applicable.

Item 7 **Omitted Information**

Not applicable.

SCHEDULE "A"



DCS AMENDS NEWS RELEASE AND ANNOUNCES ENTERING INTO A LOAN AGREEMENT AND ISSUANCE OF WARRANTS

San Diego, California – October 7, 2024 – Direct Communication Solutions, Inc. (“DCS”) (OTCQX: DCSX) (CSE: DCSI) (FSE: 7QU), a leading provider of information technology solutions for the Internet of Things (IoT) market, wishes to amend its news release dated September 5, 2024 and announces that the Company will proceed with the completion of a loan agreement with one creditor for an aggregate principal amount of **US\$75,000 (CDN\$101,400)** with interest charges of **15%** per annum on the principal instead of the previously announced amount of **US\$325,000 (CDN\$439,400)**. As additional consideration for agreeing to fund the proceeds of the Loan Agreements, DCS shall grant common stock purchase warrants to purchase up to **15,000** shares of common stock to the Creditors where each warrant will entitle the holder to purchase one share of common stock of DCS for 24 months from the date of issuance of the warrants at an exercise price of **CDN\$3.14 (US\$2.32)**

Further, the Company also announces that it has entered into a loan agreement with a creditor for an aggregate principal amount of **US\$250,000 (CDN\$338,000)** with interest charges of **19%** per annum on the principal. As an additional consideration for agreeing to fund the proceeds of the afore-mentioned loan agreement, DCS shall grant common stock purchase warrants to purchase up to **50,000** shares of common stock to the creditor where each warrant will entitle the holder to purchase one share of common stock of DCS for **24 months** from the date of issuance of the warrants at an exercise price of **CDN\$3.09 (US\$2.29)**. The loan agreement and the issuance of the warrants associated with the loan agreement are subject to the prior written approval of the Canadian Securities Exchange.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Direct Communication Solutions, Inc.

DCSI is a technology solutions integrator focusing on connecting the Internet of Things. We provide real solutions that solve real problems. Our software applications and scalable cloud services collect and assess business-critical data from all types of assets. DCSI is headquartered in San Diego, California and is publicly traded on the OTCQX (“DCSX”), Canadian Securities Exchange (“DCSI”) and Frankfurt Stock Exchange (“7QU”). For more information, visit www.dcsbusiness.com. DCSI and the DCSI logo are among the trademarks of DCSI in the United States. Any other trademarks or trade names mentioned are the property of their respective owners.

Contacts:

Bill Espley, Director

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604-630-3072

SCHEDULE "A"



DCS CLOSES LOAN AGREEMENTS AND ISSUES 50,000 SHARE PURCHASE WARRANTS

San Diego, California – October 15, 2024 – Direct Communication Solutions, Inc. (“**DCS**”) (**OTCQX: DCSX**) (**CSE: DCSI**) (**FSE: 7QU**), a leading provider of information technology solutions for the Internet of Things (IoT) market, announces that further to its news release dated September 4, 2024, it has completed and closed four loan agreements (the “**Loan Agreements**”) with several creditors (the “**Creditors**”) for an aggregate principal amount of **US\$350,000 (CDN\$480,150)** with interest charges of 19% and 15% per annum on the principal.

Further, as an additional consideration for agreeing to fund the proceeds of the Loan Agreements, DCS has granted **50,000** warrants (each, a “**Warrant**”) to the Creditors to purchase up to **50,000** shares of common stock of DCS where each Warrant will entitle the holder to purchase one share of common stock of DCS for 24 months from the date of issuance of the Warrants at an exercise price of **CDN\$2.00 (US\$1.48)**.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Direct Communication Solutions, Inc.

DCSI is a technology solutions integrator focusing on connecting the Internet of Things. We provide real solutions that solve real problems. Our software applications and scalable cloud services collect and assess business-critical data from all types of assets. DCSI is headquartered in San Diego, California and is publicly traded on the OTCQX (“**DCSX**”), Canadian Securities Exchange (“**DCSI**”) and Frankfurt Stock Exchange (“**7QU**”). For more information, visit www.dcsbusiness.com. DCSI and the DCSI logo are among the trademarks of DCSI in the United States. Any other trademarks or trade names mentioned are the property of their respective owners.

Contacts:

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Forward-Looking Statements

This release contains forward-looking statements, which reflect management’s current views of future events and operations. These statements are based on current expectations and assumptions that are

subject to risks and uncertainties that could cause actual results to differ materially. We believe that these potential risks and uncertainties include, without limitation: the ongoing COVID-19 pandemic, the Company's dependence on third-party manufacturers, suppliers, technologies and infrastructure; risks related to intellectual property; industry risks including competition, online security, government regulation and global economic conditions; and the Company's financial position and need for additional funding. Statements in this release should be evaluated in light of these factors. These risk factors and other important factors that could affect our business and financial results are discussed in our Management's Discussion and Analysis, periodic reports and other public filings which are available on SEDAR at www.sedar.com and posted with the OTC Disclosure and News Service. DCS undertakes no duty to update or revise any forward-looking statements.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Julie Hajduk, Director
julie@purplecrown.ca
778-240-7077

Forward-Looking Statements

This release contains forward-looking statements, which reflect management's current views of future events and operations. These statements are based on current expectations and assumptions that are subject to risks and uncertainties that could cause actual results to differ materially. We believe that these potential risks and uncertainties include, without limitation: the ongoing COVID-19 pandemic, the Company's dependence on third-party manufacturers, suppliers, technologies and infrastructure; risks related to intellectual property; industry risks including competition, online security, government regulation and global economic conditions; and the Company's financial position and need for additional funding. Statements in this release should be evaluated in light of these factors. These risk factors and other important factors that could affect our business and financial results are discussed in our Management's Discussion and Analysis, periodic reports and other public filings which are available on SEDAR at www.sedar.com and posted with the OTC Disclosure and News Service. DCS undertakes no duty to update or revise any forward-looking statements.

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Item 8 Executive Officer

The following senior officer of the Company is knowledgeable about the material change and this report:

Chris Bursey, CEO

Email: cbursey@dcsbusiness.com

Phone: 858-525-2483

Item 9 October 15, 2024