

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

POSaBIT Systems Corporation (the “**Corporation**”)
1128 8th St.
Kirkland, WA 98033

2. Date of Material Change

November 13, 2020

3. News Release

On November 13, 2020, a news release in respect of the material change was disseminated through the facilities of Business Wire. A copy of the news release is available under the Corporation’s profile on SEDAR at www.sedar.com.

4. Summary of Material Change

On November 13, 2020, the Corporation closed a non-brokered private placement offering of an aggregate of US\$1,040,000 principal amount of 12% convertible unsecured notes due December 31, 2023, and 5,650,231 common share purchase warrants, for aggregate gross proceeds of US\$1,040,000 (the “**Offering**”).

5. Full Description of Material Change

On November 13, 2020, the Corporation closed the Offering for aggregate gross proceeds of US\$1,040,000. The Offering consisted of an aggregate of US\$1,040,000 principal amount of 12% convertible unsecured notes due December 31, 2023, convertible into common shares of the Corporation (“**Common Shares**”) at a conversion price of C\$0.12 per Common Share, and 5,650,231 common share purchase warrants (the “**Warrants**”). Each Warrant will entitle the holder to purchase one Common Share for a period of five years at an exercise price of C\$0.12 per Common Share.

The proceeds of the Offering will be used for general working capital and corporate purposes.

In connection with the Offering, the Corporation paid to Canaccord Genuity Corp. finder’s fees consisting of \$64,350 in cash and 349,608 finder’s warrants, with each finder’s warrant exercisable to acquire one Common Share of the Corporation until November 13, 2022 at an exercise price of C\$0.12 per share.

Insiders of the Corporation acquired ownership of US\$250,000 principal amount of convertible notes and 1,358,229 Warrants sold in the Offering. As a result of the participation in the Offering by insiders, the Offering was considered to be a “related party transaction” as defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The transaction was however exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, pursuant to sections 5.5(a) and 5.7(1)(a) of MI

61- 101 as neither the fair market value of the securities issued to insiders nor the cash consideration paid for such securities exceeded 25% of the Corporation's market capitalization. The Offering was approved by the board of directors of the Corporation, and the notes and Warrants acquired by the insiders were purchased on the same terms and conditions as all other investors in the Offering. As such, the board of directors of the Corporation did not consider an independent committee to be necessary in connection with the board's consideration of the matter. A material change report was not filed more than 21 days prior to closing of the Offering as the participation of insiders in the Offering and the extent of such participation was not finalized until shortly prior to the completion of the Offering.

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

N/A.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

For further information, please contact Stephen M. Gledhill, Chief Financial Officer of the Corporation, at 416-347-0197.

9. Date of Report

November 23, 2020