

51-102F3

**MATERIAL CHANGE REPORT**

**Item 1: Name and Address of Company**

VSBLTY GROUPE TECHNOLOGIES CORP. (the “Company” or “VSBLTY”)  
#300 – 417 North 8th Street  
Philadelphia, Pennsylvania  
19123

**Item 2: Date of Material Change**

August 31, 2022

**Item 3: News Release**

The Company disseminated a news release dated September 1, 2022 and subsequently filed a copy on [www.sedar.com](http://www.sedar.com).

**Item 4: Summary of Material Change**

The Company announced that it has closed the second tranche of its previously announced non-brokered private placement for gross proceeds of approximately \$2,466,550.

The Company also announced the debt settlement of CAD\$327,500 (US\$250,000) to a debt holder which will consist of: (i) the issuance of 650,000 Units at a deemed issue price of CAD\$195,000.00 (US\$150,000.00), being CAD\$0.30 per Unit, and (ii) a cash payment of CAD\$132,500 (US\$100,000.00) plus all additional outstanding interest accrued.

**Item 5.1: Full Description of Material Change**

The Company announced that further to its news releases dated July 26 and July 28, 2022, it has closed the second tranche (the “**Second Tranche**”) of its previously announced non-brokered private placement (the “**Private Placement**”) of units (the “**Units**”).

Units were previously sold in a first tranche of the Private Placement concurrently with and on the same terms as the Units issued and sold under the previously announced best efforts marketed public offering which closed on July 28, 2022 (the “**Public Offering**”). The Units were offered and sold under the Public Offering by way of a short form prospectus filed in the provinces of British Columbia, Alberta, Saskatchewan and Ontario (the “**Prospectus**”).

Each Unit was comprised of one common share (a “**Common Share**”) and one common share purchase warrant (a “**Warrant**”) of the Company. Each Warrant will entitle the holder thereof to acquire one Common Share (a “**Warrant Share**”) at an exercise price of \$0.50 for a period of 36 months following the applicable closing date. The Common Shares and Warrants issuable under the Private Placement are subject to resale restrictions, including a Canadian four-month hold period.

Pursuant to the Second Tranche, the Company issued 8,221,831 Units at a price of \$0.30 per Unit, for total gross proceeds of approximately \$2,466,550. Together with the first tranche of the Private Placement, the Company has raised, in aggregate, total gross proceeds of approximately \$3,361,519 under the Private Placement. The Company expects to close a third tranche of the Private Placement in September 2022 for gross proceeds of up to \$845,000 pending receipt of funding.

Together with the proceeds of the Prospectus, the Company intends to use the proceeds of the Private Placement for sales, marketing, research and development, capital expenditures, working capital and general corporate purposes, as more particularly set out in the Prospectus.

The Prospectus, which contains important information relating to the Public Offering, has been filed with the securities commissions or similar authorities in the Offering Jurisdictions, and is available under the Company's profile at [www.sedar.com](http://www.sedar.com).

Pursuant to subscription agreements with the Company, which contained customary covenants, representations and warranties for a transaction of this type, one insider of the Company was issued 3,333 Units in the Private Placement for aggregate gross proceeds of \$1,000 and, accordingly, the Private Placement constitutes a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The insider, Linda Rosanio, an officer of the Company, directly purchased 3,333 Units for gross proceeds of \$1,000, and following the Private Placement the percentage of common shares of the Company she beneficially owns or controls changed from approximately 0.13% to approximately 0.88%.

The Private Placement was considered and approved by the board of directors of the Company. There was no materially contrary view by any director approving the Private Placement. The issuance of the Units to insiders under the Private Placement is exempt from the formal valuation and the minority shareholder approval requirements of MI 61-101 by virtue of the exemptions in sections 5.5(a) and 5.7(a) of MI 61-101, as the fair market value of the Units issued to or the consideration paid by such person did not exceed 25% of the Company's market capitalization. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the Private Placement, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Private Placement and complete the Private Placement in an expeditious manner.

### **Debt Settlement**

The Company also announces the debt settlement of CAD\$327,500 (US\$250,000) to a debt holder (the "**Debt Holder**"), which will consist of: (i) the issuance of 650,000 Units at a deemed issue price of CAD\$195,000.00 (US\$150,000.00), being CAD\$0.30 per Unit, and (ii) a cash payment of CAD\$132,500 (US\$100,000.00) plus all additional outstanding interest accrued.

These payments will be made in exchange for, and in full settlement of, the amount owed to the Debt Holder by the Company pursuant to an unsecured convertible debenture issued on July 18, 2019.

**Item 5.2: Disclosure for Restructuring Transactions**

Not applicable.

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

This report is not being filed on a confidential basis in reliance on subsection 7.1(2) of National Instrument 51-102.

**Item 7: Omitted Information**

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

**Item 8: Executive Officer**

The following officer of the Company is knowledgeable about the material change disclosed in this report: Jay Hutton, CEO and Director, Tel: 1-877-261-4466

**Item 9: Date of Report**

September 1, 2022