

51-102F3

MATERIAL CHANGE REPORT

Item 1: Name and Address of Company

VSBLTY GROUPE TECHNOLOGIES CORP. (the “Company” or “VSBLTY”)
Suite 206, 595 Howe St., Vancouver, British Columbia, V6C 2T5, Canada

Item 2: Date of Material Change

July 20, 2023

Item 3: News Release

The Company disseminated a news release dated July 21, 2023 and subsequently filed a copy on www.sedar.com.

Item 4: Summary of Material Change

The Company announced that it has closed the first tranche of its previously announced non-brokered private placement for gross proceeds of approximately \$3,362,500.

Item 5.1: Full Description of Material Change

The Company announced that it closed the first tranche of its previously announced non-brokered private placement (the “**Private Placement**”) offering of units of the Company (“**Units**”) at a price of \$0.05 per Unit (the “**Offering**”) for gross aggregate proceeds of approximately \$3,362,500.

Each Unit was comprised of one common share in the capital of the Company (a “**Share**”) and one Share purchase warrant (a “**Warrant**”), with each Warrant entitling the holder thereof to acquire one additional share (a “**Warrant Share**”) at a price of \$0.075 per Warrant Share until July 20, 2027.

\$2,500,000 of the Offering was completed pursuant to the listed issuer financing exemption (the “**LIFE Offering**”) under Part 5A of National Instrument 45-106 *Prospectus Exemptions* (“**NI 45-106**”) and the securities issued in the LIFE Offering will not be subject to a hold period in accordance with applicable Canadian securities laws. Concurrently with the LIFE Offering, the Company also completed a concurrent private placement of Units pursuant to applicable prospectus exemptions under NI 45-106 (the “**Concurrent Placement**”), for aggregate gross proceeds in the Offering of approximately \$862,500. Such Units are subject to a four-month and one day hold period following the closing date of the Concurrent Placement.

Pursuant to the Private Placement, the Company issued 67,250,000 Units at a price of \$0.05 per Unit for total gross proceeds of approximately \$3,362,500.

Jay Hutton, the CEO and director of the Company purchased 500,000 Units and 500,000 Warrants in the principal amount of \$25,000 under the Offering. This purchase constitutes a “related party transaction” as defined under Multilateral Instrument 61-101

– *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The related party transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 based on the fact that neither the fair market value of the shares subscribed for by the insider, nor the consideration for the shares paid by the insider, exceeded 25% of the Company’s market capitalization.

Related Party Disclosure

The following supplementary information is provided in accordance with Section 5.2 of MI 61-101.

(a) a description of the transaction and its material terms:

See item 5 above.

(b) the purpose and business reasons for the transaction:

See item 5 above.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

See item 5 above.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Prior to the completion of the Offering, Jay Hutton, an officer of the Company, held 1,241,495 common shares of the Company. Pursuant to the Offering, Jay Hutton acquired 500,000 Units. After completion of the Offering, the number of common shares beneficially owned or controlled by Jay Hutton is 1,741,495 common shares or approximately 0.55% of the outstanding common shares of the Company.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:

See item (d)(i) above.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

Resolution passed by the board of directors of the Company on July 11, 2023. No special committee was established in connection with the transaction.

(f) a summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the

material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

i. that has been made in the 24 months before the date of the material change report:

Not applicable.

ii. the existence of which is known, after reasonable enquiry, to the issuer or to any director or senior officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:

Other than subscription agreements entered into with the related parties described above, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101, respectively, and the facts supporting reliance on the exemptions:

The participation of James Hutton in the Offering constitutes a related party transaction under MI 61-101. The Company is relying on the exemptions from the valuation requirement and the minority approval requirement set out in subsections 5.5(a) Fair Market Value Not More than 25% of Market Capitalization and 5.7(1)(a) Fair Market Value not More than 25% of Market Capitalization, of MI 61-101, respectively.

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 Offering, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Offering and complete the Offering in an expeditious manner.

The Company will send a copy of this material change report to any security holder of the Company upon request and without charge.

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

July 31, 2023