

Form 51-102F3
Material Change Report

Item 1: Name and Address of Company

Euro Asia Pay Holdings Inc. (the "**Company**")
Suite 100, 200 Granville Street
Vancouver, BC V6C 1S4

Item 2: Date of Material Change

January 7, 2022

Item 3: News Release

A news release was issued and disseminated on January 10, 2022 via Newsfile Corp.

Item 4: Summary of Material Change

On January 7, 2022, the Company closed a non-brokered private placement pursuant to which the Company issued and sold an aggregate of 2,301,128 units to various subscribers at a price of \$0.25 per unit for gross proceeds of \$575,282 (the "**Offering**"). Each unit consists of one common share of the Company and one warrant, each of which is exercisable into one common share of the Company at a price of \$0.45 per share for a period of 24 months.

In connection with the Offering, the Company also converted an aggregate of \$754,049 in outstanding debt into 3,016,196 units on identical terms.

Item 5: Full Description of Material Change

See the news release attached as Schedule "A" hereto.

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

Not applicable.

Item 7: Omitted Information

None.

Item 8: Executive Officer

Peter MacKay, Chief Executive Officer
(888) 820-1888

Item 9: Date of Report

January 10, 2022

Schedule "A"

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NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO UNITED STATES NEWS WIRE SERVICES.

Euro Asia Pay Closes \$0.25 Unit Private Placement and Completes Debt Conversions

Vancouver, BC – January 10, 2022: Euro Asia Pay Holdings Inc. (CSE: EAP) (“**EAP**” or the “**Company**”), a leading fintech solutions provider, is pleased to announce the closing of a non-brokered private placement at a price of \$0.25 per unit (the “**Offering**”) for gross proceeds of \$575,282. On January 7, 2021, the Company issued and sold an aggregate of 2,301,128 units to various subscribers, with each unit consisting of one common share of the Company and one share purchase warrant. Each warrant is exercisable into one common share of the Company at a price of \$0.45 per share for a period of 24 months.

In connection with the Offering, EAP also successfully converted an aggregate of \$754,049 in outstanding debt into 3,016,196 units on identical terms (the “**Debt Conversion**”). The debt was originally issued in two forms: (i) an unsecured convertible debenture in the principal amount of \$300,000 dated October 1, 2021, bearing simple interest at the rate of 8% per annum and with a term of 12 months (the “**Debenture**”); and (ii) an unsecured loan in the principal amount of \$400,000 dated August 6, 2020, bearing simple interest at the rate of 8% per annum and with a term of 15 months, which term was extended for an additional three months on November 6, 2021 (the “**Loan**”). In order to induce the holder of the Debenture to forego the remaining interest payable thereon and immediately convert the full amount of the Debenture, including all accrued interest, the Company entered into an amendment to with the holder in order to adjust the conversion price of the Debenture from \$0.26 per common share to \$0.25 per unit.

Morris Chen, the Chairman and a director of the Company, participated in the Debt Conversion through Morrison Homes Bridge Street Ltd., a company controlled by Mr. Chen, by agreeing to convert the \$448,000 owing under the Loan into 1,792,000 units, and Peter MacKay, the CEO and a director of the Company, invested \$7,782 in the Offering in exchange for 31,128 units. These transactions constituted a “related party transaction” as such term is defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). The Company is relying on the exemptions from the formal valuation and minority approval requirements under MI 61- 101, and in particular, Sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the transactions is not more than the 25% of the Company’s market capitalization.

The Company did not pay any finder’s fees in respect of the Offering or the Debt Conversion, and all securities issued in connection with the Offering are subject to a standard hold period of four months and one day in accordance with applicable securities laws.

EAP expects to use the proceeds from the Offering to fund the continued development and marketing of its projects and for general corporate purposes, and anticipates closing a second tranche of the Offering in the coming days.

None of the securities referenced herein have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any applicable state securities laws and may not be offered or sold in the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) or persons in the United States absent registration or an applicable exemption from such registration requirements. This news release does not constitute an offer to sell or the solicitation of an offer to buy any of the foregoing securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

About Euro Asia Pay Holdings Inc.

Euro Asia Pay Holdings Inc. is a developer of innovative financial solutions for the next generation of consumers. Its first product, SideKick™, enables parents to transfer, control and monitor payments to their children in a simple, intuitive manner. The product includes a student-facing mobile application, a prepaid student payment card and a parent portal, among other features.

To learn more about EAP's products and services, visit www.euroasiapay.com.

On Behalf of the Board of Directors

Peter MacKay
Chief Executive Officer & Director

For further information, please contact:

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Forward-Looking Statements

Certain statements in this news release include forward-looking statements or information (collectively "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. The Company is providing cautionary statements identifying important factors that could cause its actual results to differ materially from those projected in these forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "anticipates", "is expected to", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking. The Company has based the forward-looking statements largely on its current estimates, assumptions and projections about future events and trends that it believes may affect its business, financial condition and results of operations.

By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks and uncertainties, many of which are beyond the Company's control, include, but are not limited to: the ability of the Company to establish a market for its products; competitive conditions in the mobile payments industry which could prevent the Company from becoming profitable; the effectiveness and efficiency of advertising and promotional expenditures to generate interest in the Company's products; dependency on continued growth in the adoption of mobile payment technology; volatility of the market price of the Company's securities; the inability to secure additional financing; the Company's intention not to pay dividends; claims, lawsuits and other legal proceedings and challenges; conflicts of interest with directors and management; and other relevant factors.

Factors that could cause the Company's actual results to differ from the forward-looking statements include its history of losses from operations; technology risks; its ability to obtain the additional financing required

to meet long-term goals; its dependence on key personnel, including its executive officers; and uninsured risks. These factors are not exhaustive.

Further, any forward-looking statement speaks only as of the date on which such statement is made, and, except as required by applicable law, the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the Company's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statement.