

## MATERIAL CHANGE REPORT

ITEM 1: REPORTING ISSUER

SAMSys Technologies Inc. (“SAMSys”)  
44 East Beaver Creek Road  
Unit 11  
Richmond Hill, Ontario  
L4B 1G8

ITEM 2: DATE OF MATERIAL CHANGE

October 15, 2003

ITEM 3: PRESS RELEASE

Press release issued by SAMSys on October 15, 2003 through the facilities of Canada Newswire.

ITEM 4: SUMMARY OF MATERIAL CHANGE

SAMSys has completed the private placement of 12,000,000 Special Warrants at a price of \$1.10 per Special Warrant for gross proceeds of \$13,200,000. Upon exercise, each Special Warrant will entitle the holder thereof to acquire, for no additional consideration, one Common Share and 0.5 of a Common Share Purchase Warrant (a “Warrant”), subject to anti-dilution adjustments.

ITEM 5: FULL DESCRIPTION OF MATERIAL CHANGE

SAMSys raised gross proceeds of \$13,200,000 through a private placement of 12,000,000 Special Warrants led by First Associates Investments Inc. and Clarus Securities Inc. that closed on October 15, 2003. Each Special Warrant was issued at a price of \$1.10. Upon exercise, each Special Warrant will entitle the holder thereof to acquire, for no additional consideration, one Common Share and 0.5 of a Warrant until 5:00 p.m. (Toronto time) on the earlier of: (a) the date which is five business days following the issuance of a receipt for a final prospectus qualifying the issuance by SAMSys of the Common Shares and Warrants by each of the securities commissions where the prospectus is filed; (b) October 15, 2004; and (c) the date on which, in the opinion of SAMSys’ counsel, the Common Shares and Warrants issuable upon the exercise of Special Warrants would no longer be subject to resale restrictions under applicable securities laws.

Certain of the proceeds from the private placement will be used for working capital purposes to fund the commercialization process for SAMSys’ radio frequency identification (“RFID”) hardware solutions and to fund growth of its RFID integration consulting services.

SAMSys has agreed to use its best efforts to obtain a receipt for the final prospectus in each of the jurisdictions in which it is filed within 90 days of the closing date. If a receipt is not obtained within such 90 day period, each Special Warrant will be exercisable for 1.08 Common Shares and 0.54 of a Warrant, subject to anti-dilution adjustments.

Each whole Warrant will entitle the holder thereof to acquire one Common Share, subject to anti-dilution adjustments, at an exercise price of \$1.50 until October 13, 2006.

In connection with the private placement, SAMSys issued to First Associates Investment Inc. and Clarus Securities Inc. an aggregate of 1,080,000 agents' special warrants (the "Agents' Special Warrants") which entitle the agents to acquire, for no additional consideration, an aggregate of 1,080,000 compensation options (the "Compensation Options"). If a receipt for the prospectus is not obtained as described above, the Agents' Special Warrants will be exercisable for 1,166,400 Compensation Options. Each Compensation Option entitles the holder thereof to acquire one Common Share at an exercise price of \$1.10 until October 14, 2005.

As of October 15, 2003 SAMSys had 30,532,565 Common Shares outstanding. Following the exercise of the Special Warrants and Agents' Special Warrants, and assuming that all Warrants and Compensation Options issued pursuant to the exercise of Special Warrants and Agents' Special Warrants are exercised for Common Shares, SAMSys will have 49,612,565 Common Shares outstanding (exclusive of the penalty clause described above).

Subscriptions are subject to statutory and contractual rescission rights in circumstances of misrepresentation in offering documents.

Please refer to the October 15, 2003 press release of SAMSys which is incorporated by reference and attached to this report.

ITEM 6: RELIANCE ON CONFIDENTIALITY SECTION OF THE ACT

Not applicable

ITEM 7: OMITTED INFORMATION

Not applicable

ITEM 8: SENIOR OFFICER - FOR FURTHER INFORMATION CONTACT:

For further information, contact George Kypreos, Vice President and Chief Financial Officer, at (905) 707-0404, ext. 224.

ITEM 9: STATEMENT OF SENIOR OFFICER

The foregoing accurately discloses the material change referred to herein.

**DATED** at Richmond Hill, Ontario this 17th day of October, 2003.

**SAMSys TECHNOLOGIES INC.**

By: "George Kypreos"

Name: George Kypreos

Title: Vice President and Chief Financial  
Officer