Form 51-102F3
Material Change Report

Item 1. Name and Address of Company

Versatile Systems Inc. ("Versatile" or the "Company")
4900 Ritter Road, Ste 100
Mechanicsburg, PA 17055

Item 2. Date of Material Change

March 21, 2014

Item 3. News Release

The news release announcing the material change was issued at Mechanicsburg, PA on March 21, 2014, and was disseminated via Marketwire and filed on SEDAR.

Item 4. Summary of Material Change

The Company announced that the Company successfully completed the offering of rights (the "Offering") previously announced on February 3, 2014.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that the Company successfully completed the Offering previously announced on February 3, 2014. The Offering was made in all of the provinces and territories of Canada.

The Company issued a total of 39,321,410 common shares of the Company (each a "Common Share") under the Offering at a price of $0.02 per Common Share for gross proceeds of approximately $786,428.20. 8,272,228 Common Shares were subscribed for under the basic subscription privilege and 3,294,542 Common Shares were subscribed for under the additional subscription privilege. Pursuant to a standby agreement (the "Standby Agreement") between the Company and Bertrand des Pallieres (the "Guarantor"), a director of the Company and holder of 33,167,500 Common Shares, the Guarantor purchased 27,754,640 Common Shares, being those Common Shares not otherwise purchased under the Offering.

In consideration for this guarantee, the Guarantor was granted 7,757,383 non-transferable common shares purchase warrants (the "Standby Warrants"). Each whole Standby Warrant entitles the Guarantor to acquire one Common Share at an exercise price equal to: (a) $0.05 per share, if exercised prior to the Company's previously announced 10 for 1 consolidation (the "Consolidation"); and (b) $0.20 if exercised after the Consolidation. The Standby Warrants will expire on September 21, 2014.

The net proceeds of the Offering will be used to repay a secured loan of the Guarantor to the Company.

Forward-Looking Statements

This document may contain forward-looking statements relating to Versatile's operations or to the environment in which it operates, which are based on Versatile's operations, estimates, forecasts and projections. These statements include the completion of the Consolidation and the use of the proceeds from the Offering. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict or are beyond Versatile's control. A number of important factors including those set forth in other public filings could cause actual outcomes and results to differ materially from those expressed in these forward-looking statements. Consequently, readers should not place any undue reliance on such forward-looking statements. In addition, these forward-looking statements relate to the date on which they are made. Versatile disclaims any intention or obligation to update or revise any forward-looking statements whether as a result of new information, future events or otherwise.

5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not Applicable.

Item 7. Omitted Information

Not Applicable.

Item 8. Executive Officer

The following Senior Officer of the Company is available to answer questions regarding this report:

Kenny Kahn, Chief Executive Officer
(717) 620-2531

Item 9. Date of Report

Dated at Mechanicsburg, PA, this 24th day of March, 2014.