

TIR SYSTEMS LTD.
MATERIAL CHANGE REPORT
FORM 51-102F3

1. Name and Address of Company :

The full name and address of the principal office in Canada of the Company is:

TIR Systems Ltd.
7700 Riverfront Gate
Burnaby, British Columbia V5J 5M4

2. Date of Material Change:

The material change described in this report occurred on November 3, 2004.

3. News Release:

On November 3, 2004, the Company issued a press release relating to the material change. The press release was distributed by CCNMatthews.

4. Summary of Material Change:

On November 3, 2004, the Company announced that it had completed its previously announced public offering of 2,223,500 common shares at \$4.50 per share for gross proceeds of \$10,005,750.

5. Full Description of Material Change:

The Company entered into an underwriting agreement dated October 21, 2004 with TD Securities Inc., Dlouhy Merchant Group Inc. and Sprott Securities Inc. Pursuant to the underwriting agreement, the Company sold and the underwriters purchased 2,223,500 common shares on November 3, 2004 (the "Closing Date"). The purchase price was \$4.50 per common share (the "Offering Price") or \$10,005,750 in the aggregate.

The Company has granted to the underwriters an option, exercisable for a period of 30 days from the Closing Date, to purchase up to an additional 333,500 common shares at the Offering Price.

The Company has paid \$0.27 per common share sold for an aggregate fee of \$600,345 to the underwriters. If the underwriters fully exercise their over-allotment option, the Company will pay to the underwriters an additional fee of \$90,045.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

N/A

7. **Omitted Information:**

No significant facts otherwise required to be disclosed in this report have been omitted.

8. **Executive Officer:**

The following executive officer of the Company is knowledgeable about the material change and may be contacted respecting the change:

Issa Nakhleh
Chief Financial Officer
Tel: 604-473-2302

9. **Date of Report:**

November 10, 2004

TIR SYSTEMS LTD.

Per: "Issa Nakhleh"
Chief Financial Officer