BSM TECHNOLOGIES INC.
5875 Hwy 7.
Suite 200
Woodbridge, Ontario
L4L 1T9

VIA SEDAR

Ontario Securities Commission
19th Floor, 20 Queen Street West
Toronto, Ontario M5H 3S8
Attention: Continuous Disclosure

British Columbia Securities Commission
12th Floor, Pacific Centre, 701 W. Georgia St.
Vancouver, B.C. V7Y 1L2
Attention: Continuous Disclosure

Alberta Securities Commission
4th Floor, 300-5th Avenue S.W.
Calgary, Alberta, T2P 3C4
Attention: Continuous Disclosure

Manitoba Securities Commission
500-400 St. Mary Avenue
Winnipeg MB R3C 4K5
Attention: Continuous Disclosure

TSX Venture Exchange
3rd Floor, 130 King Street West
Toronto, Ontario M5X 1E5
Attention: Market Operations

Dear Sirs/Mesdames:

RE: Material Change Report

1. The name of the Reporting Issuer is **BSM Technologies Inc.** ("BSM" or the "Company") whose principal office is at 5875 Hwy 7, Suite 200, Woodbridge, Ontario, Canada L4L 1T9.

2. The material change occurred on June 30, 2008 and July 2, 2008.

3. A Press Release was published at Toronto on July 3, 2008.

4. The Corporation announced that it had closed $2,650,000 in Convertible Debentures ("**New Debentures**"), reconstituted $800,000 in outstanding debentures ("**Outstanding Debentures**") and made new appointments to management and the board of directors.

5. Convertible Debenture Financing

The New Debentures have a term of two (2) years and are convertible into common shares of the Company at the rate of one common share for each $0.06 of debt converted.

The Convertible Debentures are secured against the assets and undertaking of the Company and its subsidiaries and will bear interest at the rate of 14% per year. The subscribers received one Warrant for each $0.06 in principal amount of New Debenture purchased. Each Warrant is exercisable at $0.10 to acquire a further common share for two (2) years from closing.

The Company used the funds for payment of an outstanding debenture in the amount of $500,000 and will use the remainder for working capital and general corporate purposes.

Reconstitution of Outstanding Debentures

$300,000 of the Outstanding Debentures was replaced with Reconstituted Debentures on the same terms as the New Debentures. $500,000 of the Outstanding Debentures, held by Company Insiders ("**Insiders**"), was replaced with Reconstituted Debentures at a conversion rate of one common share for each $0.07 of debt converted with each holder of the Reconstituted Debentures receiving warrants to acquire common shares of the Company equal in number to the number of common shares convertible upon exercise of the conversion feature of the Reconstituted Debentures. The following table indicates the securities purchased by the insiders in this offering, their post-closing direct and indirect holdings in the Corporation and the percentage their holdings represent in the post-closing outstanding shares on a diluted basis:

Names of Insiders	Post- closing Direct & Indirect Holdings in BSM(3)	Direct holdings after giving effect to conversion of debentures and exercise of warrants	% of Post-Closing Outstanding Shares (4)
Onbelay Partners Limited(1)	3,333,333 $300,000 in Reconstituted Debentures and 4,285,714 Warrants	11,904,761	12.65%
Aly Rahemtulla(2)	125,000 $100,000 in Reconstituted Debentures and 1,428,571 Warrants	2,982,142	3.37%
John Bell(3)	550,000 $100,000 in Reconstituted Debentures and 1,428,571 Warrants	3,407,142	3.83%
	TOTAL	18,294,045	18.32%(5)

(1) Which Aly Rahemtulla and John Bell have controlling interests in.
(2) Held by ANR Solutions Inc. which is controlled by Aly Rahemtulla.
(3) Held by Onbelay Capital Inc. which is controlled by John Bell.
(4) Based upon outstanding capital of 85,557,730 common shares.
(5) Based upon the partially diluted capital of 99,843,442 common shares after giving

effect to the conversion of the Insider's Reconstituted Debentures and exercise of related Warrants.

The Insider Reconstituted Debentures were approved by the disinterested directors being a majority of the directors and are exempt from the valuation and minority shareholder approval requirements of Multilateral Instrument 61-101 (**"61-101**") by virtue of the exemptions contained in sections 5.5(g) and 5.7(e) of 61-101 in that the Company is experiencing the financial hardship criteria detailed therein. The Company is in serious financial difficulty. The transaction is designed to improve the financial position of the Company. At least two-thirds of the Company's independent directors, acting in good faith, determined that the Company is in serious financial difficulty, the transaction is designed to improve the financial position of the Company and the terms of the transaction are reasonable in the circumstances.

The Onbelay Group has informed the Company that except as disclosed herein, they acquired the Reconstituted Debentures and the Warrants issued therewith for investment purposes and that they may decrease or increase their beneficial ownership, control, or direction over common shares of the Company through market transactions, private agreements, exercise of options or warrants, other treasury issuances or otherwise.

Appointments to Management and the Board of Directors (the "Board")

The Company has appointed Aly Rahemtulla as the new C.E.O. and Fred Marsh has been appointed as the Corporate Secretary. At the Annual Meeting, held on June 10, 2008, Garry West and Frank Maw were appointed to the board of directors, which is now comprised of five members, being Aly Rahemetulla, John Bell, Nick Cirella Garry West and Frank Maw.

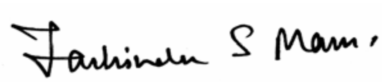
6. This report is not being filed on a confidential basis in reliance on subsection 7.1(2) or (3) of National Instrument 51-102.

7. No information has been omitted because it is believed it should remain confidential.

8. For further information, please contact Mr. Jasbinder Mann, Tel. #: (905) 265-1200 or Email: jasm@bsmwireless.com

9. The foregoing accurately discloses the material changes referred to herein.

DATED at Toronto, Ontario this 8th day of July 2008.



JASBINDER S. MANN
Chief Financial Officer