FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. **Name and Address of Company**

BSM Technologies Inc. (the “**Company**”)
75 International Blvd., Suite 100
Toronto, Ontario M9W 6L9

Item 2. **Date of Material Change**

December 17, 2015.

Item 3. **New Release**

A news release was issued by the Company on December 17, 2015, and distributed through the services of CNW Group Ltd. and filed on SEDAR.

Item 4. **Summary of Material Change**

On December 17, 2015, the Company announced that the Toronto Stock Exchange (the “**TSX**”) had approved the Company’s notice of intention to commence a normal course issuer bid (the “**Bid**”). Under the terms of the Bid, the Company may acquire up to 8,559,564 common shares of the Company (the “**Common Shares**”), representing approximately 10% of the total public float of the Common Shares. On December 14, 2015, the Company had a total of 89,943,102 Common Shares issued and outstanding, of which a total of 4,347,456 Common Shares are non-public shares held by directors and senior officers of the Company or held in escrow.

The Bid will commence on December 23, 2015, and will terminate on December 22, 2016, or earlier if the number of Common Shares sought in the Bid have been purchased. Daily purchases under the Bid will be limited to a maximum of 51,692 Common Shares, other than purchases made in compliance with the provisions of the block purchase exemption of the TSX, which represents 25% of the average daily trading volume on the TSX for the period from October 6, 2015 to November 30, 2015. Paradigm Capital Inc. (“**Paradigm**”) will act as the Company's broker firm responsible for making purchases pursuant to the Bid, in accordance with the terms and conditions of an automatic securities repurchase plan (the “**Plan**”). The Common Shares purchased by the Company pursuant to the Bid will be cancelled and returned to treasury.

Item 5. **Full Description of Material Change**

On December 17, 2015, the Company announced that the TSX had approved the Company’s notice of intention to commence the Bid for up to 8,559,564 Common Shares, representing approximately 10% of the total public float of the Common Shares. On December 14, 2015, the Company had a total of 89,943,102 Common Shares issued and outstanding out of which a total of 4,347,456 Common Shares are non-public shares held by directors and senior officers of the Company or held in escrow.

The Bid will commence on December 23, 2015, and will terminate on December 22, 2016, or earlier if the number of Common Shares sought in the Bid have been purchased. The Company reserves the right to terminate the Bid earlier if it feels it is appropriate to do so. Daily purchases under the Bid will be limited to a maximum of 51,692 Common Shares, other than purchases made in compliance with the provisions of the block purchase exemption of the TSX, which represents 25% of the average daily trading volume on the TSX for the period from October 6, 2015 to November 30, 2015.

The Company believes that the market price of the Common Shares at certain times may be attractive and that the repurchase of Common Shares at such market prices is an appropriate use of corporate funds.

All Common Shares will be purchased on the open market through the facilities of the TSX or other Canadian alternative trading systems, if eligible, and payment for the Common Shares will be in accordance with TSX policies. The price paid for the Common Shares will be the market price at the time of purchase, plus brokerage fees, or such other prices as may be permitted by the TSX. No purchases will be made other than by means of open market transactions during the term of the Bid.

Paradigm will act as the Company's broker firm responsible for making purchases pursuant to the Bid, in accordance with the terms and conditions of the Plan. Under the Plan, the timing for the purchase of Common Shares, the number of Common Shares purchased and the price payable for the Common Shares will be determined by Paradigm in its sole discretion, subject to a prescribed maximum price payable, without consultation with BSM, having regard to the price limitations and other terms of the Plan and the rules of the TSX. The Common Shares purchased by the Company will be cancelled and returned to treasury. Pursuant to the terms of the Plan, purchases may be suspended by the Company at any time.

Under its previously approved normal course issuer bid that expired on December 22, 2015, as of December 14, 2015, the Company had repurchased 348,300 Common Shares at an aggregate cost of approximately $347,359.59, representing a weighted average purchase price of $0.9973 per Common Share. All of the purchased Common Shares purchased to date have been subsequently cancelled and returned to treasury.

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

The report is not being filed on a confidential basis.

Item 7. <u>Omitted Information</u>

No information has been omitted.

Item 8. <u>Executive Officer</u>

Aly Rahemtulla
President and Chief Executive Officer
Telephone: (416) 675-1201

Item 9. <u>Date of Report</u>

DATED at Toronto, in the Province of Ontario, this 29th day of December, 2015

Cautionary Note Regarding Forward-Looking Statement

This news release includes certain forward-looking statements or information under applicable Canadian securities laws. Such forward-looking information and statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect" and "intend" and statements that an event or result "may", "will", "should", "could", or "might" occur or be achieved and any other similar expressions. These forward-looking statements are based on numerous assumptions including but not limited to the market price of the Common Shares, the availability of Common Shares for purchase on the TSX and the available funds for the repurchase of Common Shares. These forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment. Readers are cautioned that this information may not be appropriate for any other purposes. Forward-looking information is subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those contained in the forward-looking information. Some of these risks, uncertainties and other factors are described under the heading "Risk Factors" in BSM's annual management's discussion and analysis and in the joint management information circular dated August 19, 2015, each available at www.sedar.com. Forward-looking information is based on estimates and opinions of management at the date the statements are made. Except as required by applicable law, BSM does not undertake any obligation to update forward-looking information. Readers should not place undue reliance on forward-looking information.