FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Cantronic Systems Inc. (the "Company")
63A Clipper Street
Coquitlam, BC
V3K 6X2

Item 2. Date of Material Change

October 26, 2010

Item 3. News Release

A press release announcing the material change referred to in this report was issued through Marketwire on October 26, 2010.

Item 4. Summary of Material Changes

On October 26, 2010, the Company announced that it has closed a best efforts private placement financing of units ("Units") of the Company (the "Offering"). The Company issued 8,239,500 Units at a price of $0.30 per Unit for gross proceeds of $2,471,850 pursuant to the Offering.

Item 5. 5.1 – Full Description of Material Change

On October 26, 2010, the Company announced that it has closed a best efforts private placement financing of Units of the Company. The Company issued 8,239,500 Units at a price of $0.30 per Unit for gross proceeds of $2,471,850 pursuant to the Offering. Each Unit consists of one common share in the capital of the Company (a "Share") and half of one common share purchase warrant, (each whole warrant a "Warrant") with each Warrant entitling the holder thereof to purchase one additional Share (a "Warrant Share"), at an exercise price of $0.45 per Warrant Share for a period of 2 years following the closing date of the Offering.

Dundee Securities Corporation as the lead agent, and Industrial Alliance Securities Inc. and PI Financial Corp. (collectively, the "Agents") acted as agents in connection with the Offering and received a cash commission equal to 6% of the gross proceeds raised pursuant to the Offering and broker warrants ("Brokers' Warrants") exercisable for 494,370 Shares, at an exercise price of $0.30 per Brokers' Warrant for a period of 2 years following the closing date of the Offering. Securities issued under the Offering are subject to a hold period in Canada which will expire four months and one day from the date of closing.

Net proceeds of the Offering will be used for general corporate purposes.

The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

5.2 – Disclosure for Restructuring Transactions

None.

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

For further information please contact Susan Liu, Chief Financial Officer at (604) 516-6667 ext. 269.

Item 9 Date of Report

This Material Change Report is dated as of November 3, 2010.