

Form 51-102F3

MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

KWESST Micro Systems Inc.
(“KWESST” or the “Company”)
Suite 1510, 789 West Pender Street
Vancouver, British Columbia V6C 1H2

Item 2 Date of Material Change

October 1, 2020

Item 3 News Release

News release was disseminated on October 1, 2020 via Newsfile Corp. and filed on SEDAR.

Item 4 Summary of Material Change

The Company announced the appointment of Steven Archambault, CPA, CA as the Company's new Chief Financial Officer.

Item 5.1 Full Description of Material Change

The material change described in Item 4 is fully described in the Company's News Release of October 1, 2020 attached hereto and as filed on SEDAR.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Jeffrey MacLeod, President & Chief Executive Officer
(519) 831-3349

Item 9 Date of Report

October 5, 2020

KWESST Appoints Chief Financial Officer

Ottawa, Ontario - October 1, 2020 - KWESST Micro Systems Inc. (TSXV: KWE) ("KWESST" or "the Company") today announced the appointment of Steven Archambault, CPA, CA as the Company's new Chief Financial Officer.

Mr. Archambault brings a wealth of international finance experience to KWESST. With 15 years of public company experience, he has deep functional expertise and technical knowledge in all aspects of corporate finance, financial planning, and accounting, in addition to merger and acquisitions. Mr. Archambault will commence immediately, replacing Paul Kania.

Mr. Kania has been on contract as CFO since November 2019 to position the Company for its going public transaction and will remain available to KWESST as an advisor to facilitate the transition. David Luxton, Executive Chairman, thanked Mr. Kania on behalf of the board for his assistance in getting the Company to this milestone.

"We're delighted to welcome Steven Archambault on board," added Mr. Luxton. "He has the rare combination of experience and ability to contribute to the Company's strategic agenda as well as ensure operational excellence as the Company grows from here."

Steven Archambault commented, "I'm excited to be joining the KWESST leadership team at a time when the Company continues to gain traction with its disruptive technologies in the defence and security community, and the potential for outsized growth on a global scale with superior returns to shareholders."

Mr. Archambault's appointment will initially be on a part-time employment basis for the next six months with KWESST having the option to convert the employment to a full-time indefinite period.

In connection with his appointment, Mr. Archambault has been granted 250,000 options exercisable at a price of \$0.75 until September 29, 2025.

Steven Archambault Bio

Mr. Archambault began his career as a CPA, CA with Ernst & Young LLP, followed by senior finance positions at AXIS Capital, a global insurer and reinsurer, and more recently had CFO roles with small cap public Canadian companies listed on the TSX-V and CSE in media broadcasting technology and health & wellness industries.

About KWESST

KWESST develops and commercializes high-value ultra-miniaturized technology applications that make a critical difference to the safety and operational effectiveness of personnel in the defence and security industries. The company's current portfolio of unique proprietary offerings include: its signature TASCSTM (Tactical and Situational Control System) for real-time awareness and targeting information from any source (including drones) streamed directly to users' smart devices and weapons; the autonomous Grey Ghost™ soldier-portable micro drone missile system that defends against small hostile drones including swarms using high-speed kinetic impact; a Ground Laser Defence system to counter the emerging threat of weaponized lasers against personnel; and, the Phantom™ electronic battlefield decoy system to mask the electromagnetic signature of friendly forces with decoy signatures at false locations to deceive and confuse adversaries. All systems can operate stand-alone or integrate seamlessly with OEM products and battlefield management systems including Frontline, Edge, Killswitch and ATAK (Android Tactical Assault Kit) among others. KWESST also has developmental "smart ordnance" projects including its "Shot Counter" system, which records the number and type of rounds fired, for optimized firearms maintenance and performance. The Company is headquartered in Ottawa, Canada, with representative offices in Washington, DC, London, UK and Abu Dhabi, UAE. KWESST trades on the TSX Venture Exchange under the symbol KWE.

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For more information please visit www.kwesst.com.

Cautionary Note Regarding Forward-Looking Statements

This news release includes certain "forward-looking statements" under applicable Canadian securities legislation. Forward-looking statements include, but are not limited to, statements with respect to the timing for the commencement of trading and the plans and operations of KWESST after giving effect to the Qualifying Transaction. Forward-looking statements are necessarily based upon a number of estimates and assumptions that,

while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic, competitive, political and social uncertainties. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. KWESST disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

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