

Form 10

NOTICE OF PROPOSED SIGNIFICANT TRANSACTION (not involving an issuance or potential issuance of a listed security)¹

Name of Listed Issuer: **Orca Touchscreen Technologies Ltd. (the "Issuer")**

Trading Symbol: **OAA**

Number of Outstanding Securities of the issuer Prior to Transaction: **52,295,234 common shares**

Date of News Release Fully Disclosing the Transaction: **December 15, 2015**

1. Transaction

1. Provide details of the transaction including the date, description and location of assets, if applicable, parties to and type of agreement (eg: sale, option, license, contract for Investor Relations Activities etc.) and relationship to the Issuer. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

By an agreement (the "Agreement") dated December 11, 2015, the private operating subsidiary of the Issuer, Orca Mobile Solutions Ltd. (the "Creditor"), has agreed to advance the principal amount of \$200,000 to an unrelated third party, Smart Sollen Inc. (the "Debtor") of Seoul, Korea to be used to develop its operations to procure and sell electronic components to various joint venture companies in which the Creditor has or will have an interest. The principal amount shall be advanced in two instalments: \$100,000 by December 11, 2015 and \$100,000 by January 31, 2016. The term of the Agreement is 2 years. The Debtor agrees to repay the principal plus interest at a simple rate of 6% per annum by no later than the 5th business day following the last day of the Term; PROVIDED HOWEVER that the Creditor may at any time and from time to time in its sole discretion and on 30 days' notice convert all of the principal and interest then due into 51% of the issued and outstanding common shares of the Debtor as fully paid and non-assessable and the Creditor will be entitled to appoint a majority of the members of the board of directors of the Debtor. If on the 6th business

¹ If the transaction involved the issuance of securities, other than debt securities that are not convertible into listed securities, use Form 9.

day following the end of the term, the Creditor has not so converted and if the Debtor has failed to pay the unpaid principal and interest then due, then the unpaid principal and interest then due shall be deemed to have converted automatically as aforesaid and the Creditor will be entitled to appoint a majority of the directors as aforesaid.

2. Provide the following information in relation to the total consideration for the transaction (including details of all cash, non-convertible debt securities or other consideration) and any required work commitments:

(a) Total aggregate consideration in Canadian dollars: **\$200,000.00.**

(b) Cash: **\$200,000.00.**

(c) Other: **None.**

(d) Work commitments: **None.**

3. State how the purchase or sale price and the terms of any agreement were determined (e.g. arm's-length negotiation, independent committee of the Board, third party valuation etc).

The loan amount and the terms of the agreement were determined by arm's length negotiation.

4. Provide details of any appraisal or valuation of the subject of the transaction known to management of the Issuer:

None.

5. If the transaction is an acquisition, details of the steps taken by the Issuer to ensure that the vendor has good title to the assets being acquired:

The transaction involves the possible acquisition of 51% of the equity of the Debtor. Accordingly, the Creditor has reviewed documents which confirm that: (a) the Debtor is duly incorporated, (b) the authorized capital of the Debtor consists of a sufficient number of common shares to accommodate the issuance to the Creditor of 51% of such shares on possible conversion of the debt into equity, and (c) the Agreement has been duly authorized by the Creditor.

6. Provide the following information for any agent's fee, commission, bonus or finder's fee, or other compensation paid or to be paid in connection with the transaction (including warrants, options, etc.):

- (a) Details of any dealer, agent, broker or other person receiving compensation in connection with the transaction (name, address. If a corporation, identify persons owning or exercising voting control over 20% or more of the voting shares if known to the Issuer):

None.

- (b) Cash **None.**

- (c) Other **None.**

7. State whether the vendor, sales agent, broker or other person receiving compensation in connection with the transaction is a Related Person or has any other relationship with the Issuer and provide details of the relationship. .

Not applicable.

8. If applicable, indicate whether the transaction is the acquisition of an interest in property contiguous to or otherwise related to any other asset acquired in the last 12 months.

Not applicable.

2. Development

Provide details of the development. The disclosure should be sufficiently complete to enable a reader to appreciate the significance of the transaction without reference to any other material:

Not applicable.

3. Certificate of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. To the knowledge of the Issuer, at the time an agreement in principle was reached, no party to the transaction had knowledge of any undisclosed

- material information relating to the Issuer, other than in relation to the transaction.
3. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
 4. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
 5. All of the information in this Form 10 Notice of Proposed Significant Transaction is true.

Dated as at December 15, 2015.

Michael Malana

Name of Director or Senior Officer

/s/ "Michael Malana"

Signature

Chief Financial Officer

Official Capacity