

FORM 51-102F3
MATERIAL CHANGE REPORT

1. **Name and Address of Company**

SponsorsOne Inc. (the “**Company**”)
Suite 400, 365 Bay Street
Toronto, Ontario M5H 2V1

2. **Date of Material Change**

July 4, 2016

3. **News Release**

A press release disclosing the material change was released on July 5, 2016, through the facilities of The Newswire.

4. **Summary of Material Change**

The Company announced that it had completed a private placement of units (“**Units**”) of the Company for gross proceeds of \$248,000 through the issuance of 1,653,333 Units at a price of \$0.15 per Unit (the “**Offering**”). Each Unit is comprised of one common share (a “**Common Share**”) in the capital of the Company and one Common Share purchase warrant (a “**Warrant**”). Each Warrant entitles the holder thereof to purchase one additional Common Share of the Company for a period of twenty-four (24) months from the closing of the Offering at an exercise price of \$0.30 per Common Share.

In addition, the Company agreed to settle an aggregate of \$770,617.70 of indebtedness owed to certain arm’s length and non-arm’s length creditors, on the same terms and conditions as the Offering, at a deemed price of \$0.15 per Unit.

5. **Full Description of Material Change**

The Company completed a non-brokered private placement financing comprising of 1,653,333 Units at a purchase price of \$0.15 per Unit for gross proceeds of \$248,000.

Each Unit is comprised of one Common Share and one Warrant. Each Warrant will entitle the holder thereof to purchase one additional common share (a “**Warrant Share**”) at an exercise price of \$0.30 per Warrant Share for a period of 24 months from the date of closing of the Offering.

In connection with the closing of the Offering, the Company agreed to settle an aggregate of \$770,617.70 of indebtedness owed to certain arm’s length and non-arm’s length creditors (the “**Debt Settlement**”), on the same terms and conditions as the Offering, at a deemed price of \$0.15 per Unit.

The securities underlying the Units, including the Common Shares, Warrants and Warrant Shares issuable upon due exercise of the Warrants, will all be subject to a four-month and one day statutory hold period which expires on November 5, 2016. Closing of the Offering remains subject to receipt of all necessary regulatory approvals.

In connection with the Offering and Debt Settlement, Myles Bartholomew, a director and Chief Executive Officer of the Company, has subscribed for an aggregate of 3,153,919 Units. Upon completion the Offering and Debt Settlement, Mr. Bartholomew will own, directly and indirectly, an aggregate of 6,718,719 Common Shares of the Issuer representing approximately 26.42% of the Issuer's issued and outstanding Common Shares on a non-diluted basis. If Mr. Bartholomew were to exercise all of his convertible securities, he would own 10,572,638 Common Shares, representing approximately 36.01% of the Company's then outstanding Common Shares, on a partially diluted basis.

In connection with the Debt Settlement, Pilkington Capital Corporation ("**Pilkington**"), an entity over which control and direction is exercised by Gary Bartholomew, a director and Executive Chairman of the Company, subscribed for 2,298,612 Units of the Company. Gary Bartholomew also exercises control and direction over CyberNorth Ventures Inc. ("**CyberNorth**"). Upon completion of the Debt Settlement, Gary Bartholomew will own or control, directly and indirectly, an aggregate of 3,755,446 Common Shares of the Issuer representing approximately 14.76% of the Issuer's issued and outstanding Common Shares on a non-diluted basis. If Gary Bartholomew were to exercise all of his convertible securities, he would own 5,405,446 Common Shares, representing approximately 19.95% of the Company's then outstanding Common Shares, on a partially diluted basis

A copy of the early warning reports filed by Myles Bartholomew and Gary Bartholomew are available on the Issuer's profile on SEDAR (www.sedar.com).

The following supplementary information is provided in accordance with Section 5.2 of Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("**MI 61-101**").

(a) a description of the transaction and its material terms:

In connection with the Offering, insiders of the Company acquired an aggregate of 4,230,464 Units of the Company, of which 1,833,919 Units were issued for cash and 2,396,545 Units were issued in respect of settling existing bona fide debt.

(b) the purpose and business reasons for the transaction:

The proceeds of the Offering will be used for working capital purposes and settlement of certain outstanding accounts payables.

(c) the anticipated effect of the transaction on the issuer's business and affairs:

The completion of the Offering will provide the Company with funds to be used for working capital purposes.

(d) a description of:

(i) the interest in the transaction of every interested party and of the related parties and associated entities of the interested parties:

Myles Bartholomew, a director and Chief Executive Officer of the Company, subscribed for 3,153,919 Units of the Company, of which 1,320,000 Units were

issued for cash and 1,833,919 Units were issued in respect of settling existing bona fide debt.

Pilkington Capital Corporation (“**Pilkington**”), an entity over which control and direction is exercised by Gary Bartholomew, a director and Executive Chairman of the Company, subscribed for 2,298,612 Units of the Company in respect of settling existing bona fide debt. Gary Bartholomew also exercises control and direction over CyberNorth Ventures Inc. (“**CyberNorth**”). CyberNorth holds 325,167 Common Shares of the Company, representing approximately 1.28% of the currently issued and outstanding Common Shares.

J. Stephen Barley, a director of the Company, subscribed for 97,933 Units of the Company in respect of settling existing bona fide debt.

- (ii) **the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person or company referred to in subparagraph (i) for which there would be a material change in that percentage:**

Following completion of the Offering and Debt Settlement, Myles Bartholomew, owns or controls, directly and indirectly, 3,153,919 Common Shares, representing approximately 12.40% of the issued and outstanding Common Shares. In addition, Mr. Bartholomew owns Warrants to purchase 3,503,919 Common Shares of the Company and 350,000 options of the Company exercisable into Common Shares. Assuming the exercise of convertible securities, Mr. Bartholomew would own or control, directly and indirectly, an aggregate of 10,572,638 Common Shares or approximately 36.01% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Following completion of the Offering and Debt Settlement, Mr. Gary Bartholomew, by virtue of control or direction over Pilkington and CyberNorth, has control or direction over 3,755,446 Common Shares, representing approximately 14.77% of the issued and outstanding Common Shares. In addition, Mr. Gary Bartholomew has control or direction over Warrants to purchase 1,450,000 Common Shares of the Company and owns 200,000 options of the Company exercisable into Common Shares. Assuming the exercise of convertible securities, Mr. Gary Bartholomew would own or control, directly and indirectly, 19.96% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

Following completion of the Offering, Mr. Barley owns directly, 97,933 Common Shares, representing approximately 0.38% of the issued and outstanding Common Shares. In addition, Mr. Barley owns Warrants to purchase 97,933 Common Shares of the Company and 150,000 options of the Company exercisable into Common Shares. Assuming the exercise of convertible securities, Mr. Barley would own directly an aggregate of 345,866 Common Shares or approximately 1.35% of the issued and outstanding Common Shares of the Company, on a partially diluted basis.

- (e) **unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board**

of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

A resolution of the board of directors was passed on May 25, 2016 approving the Offering. No special committee was established in connection with the transaction, and no materially contrary view or abstention was expressed or made by any director.

- (f) A summary in accordance with section 6.5 of MI 61-101, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:**

Not applicable.

- (g) disclosure, in accordance with section 6.8 of MI 61-101, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:**

- (i) that has been made in the 24 months before the date of the material change report:**

Not applicable.

- (ii) the existence of which is known, after reasonable enquiry, to the issuer or to any director or officer of the issuer:**

Not applicable.

- (h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interested party or a joint actor with an interested party, in connection with the transaction:**

Other than a subscription agreement to purchase the Units pursuant to the Offering, the Company did not enter into any agreement with an interested party or a joint actor with an interested party in connection with the Offering. To the Company's knowledge, no related party to the Company entered into any agreement with an interested party or a joint actor with an interested party, in connection with the Offering.

- (i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7 of MI 61-101 respectively, and the facts supporting reliance on the exemptions:**

The Offering constituted a related party transaction within the meaning of MI 61-101 as insiders of the Company subscribed for an aggregate of 4,230,464 Units. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by insiders does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the private placement, which the Company deems reasonable in the circumstances in order to avail itself of the proceeds of the private placement and complete the Offering in an expeditious manner.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer.**

For further information, contact Gary Bartholomew, Executive Chairman of the Company at (647) 400-6927.

9. **Date of Report.**

This report is dated at Toronto, this 11th day of July, 2016.

SPONSORSONE INC.

Per: “Gary Bartholomew” (Signed)
Gary Bartholomew
Executive Chairman