

**FORM 51-102F3
MATERIAL CHANGE REPORT
UNDER NATIONAL INSTRUMENT 51-102**

1. Name and Address of Company

Saratoga Electronic Solutions Inc. (the "**Company**")
1773 Bayly Street
Pickering, Ontario
L1W 2Y7

2. Date of Material Change

April 20, 2015

3. News Release

A news release disclosing the material change was issued by the Company on April 21, 2015 through the facilities of Marketwired.

4. Summary of Material Change

The Company entered into a binding Memorandum of Understanding (the "**Agreement**") with 2457513 Ontario Ltd. ("**2457513**") and Blow Canada Inc. ("**Blow Canada**") to acquire all the issued and outstanding shares of 2457513 immediately following the acquisition by 2457513 of substantially all of the assets of Blow Canada including the shares of its US subsidiary, Blow Vapor Inc. (2457513, Blow Canada and Blow Vapor Inc, herein collectively referred to as "**Blow Vapor**").

5. Full Description of Material Change

The Company entered into a binding Agreement with 2457513 and Blow Canada to acquire all the issued and outstanding shares of 2457513 immediately following the acquisition by 2457513 of substantially all of the assets of Blow Canada, including the shares of its US subsidiary, Blow Vapor Inc.

Blow Vapor is engaged in the business of manufacturing, marketing, and distributing electronic cigarettes, e-liquids, and vaporizers. The devices emit doses of vaporized nicotine that are inhaled, and can also emit non-nicotine vaporized e-liquids, providing an alternative for tobacco smokers who want to avoid combustible tobacco products.

Under the terms of the Agreement, the Company shall pay to Blow Canada an aggregate consideration of CDN \$5,500,000 in cash and shares of the Company. Upon closing, 2457513 will be a wholly-owned subsidiary of the Company and Blow Vapor Inc. will be an indirect wholly-owned subsidiary of the Company.

The Agreement contemplates that the consideration payable by the Company to Blow Canada will be comprised of the following: (a) CDN \$500,000 cash payable on closing; and (b) the Company shall issue 10,000,000 common shares to Blow Canada (at a deemed notional value of \$0.50 per share) for an aggregate value of CDN \$5,000,000 on closing. Of the 10,000,000 shares, 6,000,000 shares will be placed in escrow to be released in three (3) tranches as follows: 1) 2,000,000 shares to be released from escrow at the time 2457513 has reached CDN \$3,000,000 in gross revenue, 2) 2,000,000 shares to be released from escrow at the time 2457513 has reached CDN \$6,000,000 in gross revenue, and 3) 2,000,000 shares to be released from escrow once 2457513 has reached CDN \$7,500,000 in gross revenue. Should any of the release thresholds not be achieved within four (4) years from closing, any escrow consideration which remains shall be returned to the treasury of the Company for cancellation.

Following closing, the new Board of 2457513 will be comprised of five (5) individuals, two (2) of whom will be nominated by Blow Canada and three (3) to be nominated by the Company, including the Chairman. The management team of Blow Vapor, including the Chief Operating Officer, Sales Manager, Product / Procurement Manager, and Marketing Manager, will continue under new employment agreements.

The Agreement is binding and is expected to be superseded by a definitive agreement to be agreed to and signed between the parties (a “**Definitive Agreement**”). The transaction is subject to regulatory approval and standard due diligence and other closing conditions.

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

This report is not being filed on a confidential basis.

7. Omitted Information

No information has been omitted from this report on the basis that it is confidential information.

8. Executive Officer

For additional information with respect to this Material Change Report please contact:

Ahmad Rasouli, Chief Executive Officer, Telephone: (905) 492-9420

9. Date of Report

This report is dated as of the 28th day of April, 2015.