

FORM 51-102F3  
MATERIAL CHANGE REPORT

1. Name and Address of Company

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

2. Date of Material Change

July 3, 2018.

3. News Release

News release dated July 3, 2018 was disseminated through the facilities of The Newswire and subsequently filed on SEDAR at [www.sedar.com](http://www.sedar.com).

4. Summary of Material Change

See attached press release for details.

5. Full Description of Material Change

The Corporation entered into various debt re-structuring arrangements to improve its working capital position. The Corporation reached agreement with holders of accounts payable and accrued balances to extend, settle, or reduce the outstanding balances. Extensions (the “Extensions”) occurred with holders of \$154,271 of accounts payable. Such amounts bear interest at 12% per annum (with payment thereof deferred until July 31, 2019) and are now payable over a 3 year period with the first monthly payments commencing on July 31, 2019 with equal monthly installments sufficient to satisfy the debts in full by June 30, 2021. Accounts payable and accrued balances totaling \$1,227,823 were agreed to be settled in full for cash payments totaling \$30,632 (the “Settlements”). The Settlements were obtained from persons friendly to the Corporation who expressed a willingness to resolve old balances at reduced or zero payout. Lastly, the Corporation made go forward reclassifications (the “Reclassifications”) on accounts payable totaling \$473,639 as other liabilities – long term, on the basis that the amounts are disputed and management believes them to be without merit. The Extensions, Settlements and Reclassifications resulted in a reduction of accounts payable totaling \$1,855,733. The Corporation also has reached agreement to settle an additional \$191,144 in accounts payable by the payment of \$30,000 and the issuance of 400,000 common shares.

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:**

See 5 above.

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

The purpose of the Extensions, Settlements and Reclassifications is to improve the working capital position of the Corporation.

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

The Extensions, Settlements and Reclassifications resulted in a reduction of accounts payable totaling \$1,855,733.

**(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:**

Mr. Myles Bartholomew, the CEO and a director of the Corporation was owed \$289,165 which amount was written off to \$0.00 as part of the Settlements

A company owned and controlled by Mr. Gary Bartholomew, a director of the Corporation, was owed \$122,169 which was written off to \$0.00 as part of the Settlements.

A company owned and controlled by Mr. Myles Bartholomew and Mr. Gary Bartholomew was owed \$27,176, of which \$1,176 was written off to zero as part of the Settlements and \$26,000 was moved to long term debt as part of the Extensions. The \$26,000 now bears interest at 12% per annum (with payment thereof deferred until July 31, 2019) and is now payable over a 3 year period with the first monthly payments commencing on July 31, 2019 with equal monthly installments sufficient to satisfy the debts in full by June 30, 2021.

A company owned and controlled by Mr. Douglas Beynon, a director of the Corporation, was owed \$66,190 which was written off to \$0.00 as part of the Settlements.

**(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:**

Not applicable.

**(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 June 19, 2018 approving the Extensions, Settlements and Reclassifications. No special committees were established in connection with these transactions, and no materially contrary view or abstention was expressed or made by any director. Myles Bartholomew, Gary Bartholomew and Doug Beynon abstained from voting on the resolutions pertaining to the Extensions and Settlements.

**(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 agreements pertaining to the Extensions and Settlements, not applicable.

- (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 Extensions and Settlements constituted a related party transaction within the meaning of MI 61-101 as insiders of the Company had debts that were the subject thereof. The Company is not subject to the valuation requirements under section 5.4(1). The Company is exempt from the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a) and section 5.7(1)(f) of MI 61-101. The total value of the Extensions and Settlements to related parties is \$504,700. This represents 7.5% of the market capitalization of the Corporation at close of trading on June 29, 2018, being \$6,690,137.

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

Not applicable.

7. Omitted Information

Not applicable.

8. Executive Officer

For additional information please contact Gary Bartholomew, Executive Chairman of the Corporation at (647) 400 – 6977.

9. Date of Report

July 3, 2018.