

FORM 51-102F3
MATERIAL CHANGE REPORT

This material change report is in respect of historical transactions that occurred on August 11, 2020.

1. Name and Address of Company

SponsorsOne Inc. (the “Corporation” or “SPO”)
2 Campbell Drive, Suite 307
Uxbridge, Ontario, Canada, L9P 1H6

2. Date of Material Change

August 11, 2020.

3. News Release

News release dated August 11, 2020 was disseminated through the facilities of The Newswire and subsequently filed on SEDAR at www.sedar.com.

4. Summary of Material Change

SPO has completed a private placement (the “Private Placement”) and a debt settlement (the “Debt Settlement”). The Private Placement consisted of the sale of 10,749,700 units (each, a “Unit”) at \$0.02 per Unit for cash proceeds of \$214,994. Each Unit consists of one common share and one full common share purchase warrant entitling the holder thereof to acquire one additional common share for \$0.10 per share for a period of 2 years. The Debt Settlement consisted of the issuance of 47,910,920 common shares, valued at \$0.02 per share to retire \$958,218.40 of accounts payable. The pricing of the Private Placement and the Debt Settlement was based on the then current trading price of the common shares in accordance with the policies of the Canadian Securities Exchange.

Certain insiders of the Corporation participated in the Private Placement, subscribing for 2,000,000 Units for cash proceeds of \$40,000 (the “Insider Placement”) and certain insiders of the Corporation were issued 10,500,000 common shares under the Debt Settlement to settle \$210,000 in accounts payable (the “Insider Debt Settlement”). The Insider Placement and the Insider Debt Settlement (collectively, the “Insider Transactions”) were completed on the same terms as the Private Placement and the Debt Settlement respectively.

As they involved related parties to the Corporation, the Insider Transactions constituted related party transactions within the meaning of *Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

5. Full Description of Material Change

SPO has completed the Private Placement and the Debt Settlement. The Private Placement consisted of the sale of 10,749,700 Units at \$0.02 per Unit for cash proceeds of \$214,994. Each Unit consists of one common share and one full common share purchase warrant entitling the holder thereof to acquire one additional common share for \$0.10 per share for a period of 2 years. The Debt Settlement consisted of the issuance of 47,910,920 common shares, valued at \$0.02 per share, to retire \$958,218.40 of accounts payable. The pricing of the Private Placement and Debt Settlement was based on the current trading price of the common shares and the policies of the Canadian Securities Exchange.

Certain insiders subscribed for 2,000,000 Units for cash proceeds of \$40,000 under the Insider Placement and certain insiders were issued 10,500,000 common shares under the Insider Debt

Settlement to settle \$210,000 in accounts payable. The Insider Transactions were completed on the same terms as the Private Placement and the Debt Settlement respectively.

As they involved related parties to the Corporation, the Insider Transactions constituted related party transactions within the meaning of MI 61-101.

The following supplementary information is provided in accordance with Section 5.2 of 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 Insider Placement is to improve the working capital position of the Corporation and the purpose of the Insider Debt Settlement is to reduce the accounts payable of the Corporation.

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

The Insider Placement improved the working capital of the Corporation by \$40,000 prior to related expenses. The Insider Debt Settlement reduced accounts payable of the Corporation by \$190,000, prior to associated expenses.

(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, a director and officer of the Corporation, was owed \$50,000 which was settled through the issuance of 2,500,000 common shares at \$0.02 per common share. In addition, Mr. Myles Bartholomew subscribed in cash for 2,000,000 Units at a price of \$0.02 per Unit for gross proceeds of \$40,000.
- Mr. Gary Bartholomew, a director and officer of the Corporation, was owed \$100,000 which was settled through the issuance of 5,000,000 common shares at \$0.02 per common share.
- Ms. Sandy Kokkinis, an officer the Corporation, was owed \$60,000 which was settled through the issuance of 3,000,000 common shares at \$0.02 per common share.

(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:

- Prior to the Insider Transactions, Mr. Myles Bartholomew held 3,026,596 common shares, 950,000 stock options and 3,503,919 warrants (5.47% of the issued and outstanding common shares on a partially diluted basis). Immediately after the Insider Transactions, Mr. Myles Bartholomew owned a total of 7,526,596 common shares, 950,000 stock options and 5,503,919 warrants (8.53% of the issued and outstanding common shares on a partially diluted basis). Please refer to SEDI for current holdings as at the date of this Material Change Report.
- Prior to the Insider Transactions, Mr. Gary Bartholomew held, directly and indirectly, 3,410,146 common shares, 2,400,000 stock options and 1,450,000 warrants (5.33% of the issued and outstanding common shares on a partially diluted basis). Immediately after the Insider Transactions, Mr. Gary Bartholomew owned a total of 8,410,146 common shares, 2,400,000 stock options and 1,450,000 warrants (7.60% of the issued and outstanding common shares on a partially diluted basis). Please refer to SEDI for current holdings as at the date of this Material Change Report.
- Prior to the Insider Transactions, Ms. Sandy Kokkinis held 0 common shares, 800,000 stock options and 0 warrants (0.60% of the issued and outstanding common shares on a partially diluted basis). Immediately after the Insider Transactions, Ms. Sandy Kokkinis owned 3,000,000 common shares, 800,000 stock options

and 0 warrants (2.40% of the issued and outstanding common shares on a partially diluted basis). Please refer to SEDI for current holdings as at the date of this Material Change Report.

- (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 August 11, 2020 approving the Private Placement and the Debt Settlement, including the Insider Transactions. No special committees were established in connection with these transactions. The Insider Transactions were considered by the independent members of the board of directors, who determined that they were in the best interest of the Corporation and necessary to bring in cash proceeds and to reduce accounts payable of the Corporation. No materially contrary view was expressed or made by any director. Mr. Myles Bartholomew and Mr. Gary Bartholomew abstained from voting on the resolutions pertaining to their portions of the Insider Transactions, and as such, it was not considered necessary to establish any special committees as the independent directors effectively fulfilled the same role that a special committee would have performed.

- (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:**

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

There have not been any “prior valuations” of the Corporation made in the 24 months before the date of the Insider Transactions or the date of this material change report, the existence of which is known, after reasonable enquiry, to the Corporation or to any director or officer of the Corporation, relating to the subject matter of, or that is otherwise relevant to the Private Placement or Debt Settlement.

- (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:**

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 Insider Transactions constitute related party transactions within the meaning of MI 61-101. The Corporation is exempt from the valuation requirements of MI 61-101 pursuant to section 5.5(b) of MI 61-101 as no securities of the Corporation are listed on the specified markets. The Corporation is exempt from the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a) of MI 61-101 as, at the time the Insider Transactions were agreed to, neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Insider Transactions exceed 25% of the Corporation’s market capitalization.

- 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

January 15, 2021.