

MATERIAL CHANGE REPORT

ITEM 1. Name and Address of Company:

Gravitas Financial Inc.
333 Bay Street, Suite 1700
Toronto, Ontario M5H 2R2

ITEM 2. Date of Material Change:

August 10, 2017

ITEM 3. News Release:

A news release was issued on August 10, 2017 and disseminated through Marketwired

ITEM 4. Summary of Material Change:

On August 10, 2017, The Mint Corporation and Gravitas Financial Inc. announced that Gravitas had commenced an offer to acquire all of the outstanding Series B Debentures of Mint by mailing the Offer to holders of those debentures.

ITEM 5. Full Description of Material Change:

5.1 Full Description of Material Change

On August 10, 2017, The Mint Corporation (the "Issuer") and Gravitas Financial Inc. ("Gravitas") announced that Gravitas had commenced an offer (the "Offer") to acquire all of the outstanding Series B Debentures of the Issuer (the "Series B Debentures") by mailing the Offer to holders of those debentures (the "Holders").

Under the Offer, Holders may elect to receive, in respect of each \$1,000 principal amount of Series B Debentures:

- (i) \$200.86 in cash plus 3,348 common shares of the Issuer (the "Cash and Stock Consideration"),
or
- (ii) 6,026 common shares of the Issuer.

The Offer will be open for acceptance until 5:00 p.m. (Toronto time) on August 31, 2017 (the "Expiry Time"), unless the Offer is withdrawn, varied or extended in accordance with the terms of the Offer.

Successful completion of the Offer is conditional upon, amongst other things, at least 66 $\frac{2}{3}$ % of the Series B Debentures outstanding being validly deposited under the Offer prior to the Expiry Time, unless that condition is waived.

Gravitas is the controlling shareholder of the Issuer, owning approximately 76% of the outstanding common shares of the Issuer. In its news release of June 7, 2017, the Issuer announced that the Issuer intended to make the Offer. However, the Issuer and Gravitas have determined that it would be advantageous for Holders if the Offer is made by Gravitas rather than the Issuer. The common shares of the Issuer held by Gravitas are no longer subject to a hold period under National Instrument 45-102 and can be transferred to Holders who accept the Offer free from such a hold period. If Gravitas takes up and pays for Series B Debentures, it is Gravitas' intention to sell those Series B Debentures to the Issuer for (i) a secured promissory note equal to the cash paid by Gravitas to acquire the Series B Debentures under the Offer, and (ii) common shares of the Issuer equal in number to the common shares of the

Issuer transferred by Gravitas in payment for the Series B Debentures under the Offer. The common shares issued to Gravitas by the Issuer, upon sale of the Series B Debentures taken up and paid for under the Offer, will be subject to a four month hold period. If the Offer was to be made by the Issuer, the common shares received by Holders would be subject to that hold period.

If Gravitas takes up and pays for Series B Debentures, Gravitas intends to sign a resolution approving an amendment to the trust indenture under which the Series B Debentures were issued. That approval will be effective if Gravitas, either alone or together with any other holders of Series B Debentures who sign such a resolution, hold more than 50% of the principal amount of the Series B Debentures. The amendment to the Series B Debenture trust indenture, if approved by the holders of more than 50% of the principal amount of the Series B Debentures, will give the Issuer the right (the "Redemption Right") to redeem, in accordance with the Cash and Stock Consideration, the Series B Debentures which are not purchased by Gravitas under the Offer. The Issuer intends to exercise the Redemption Right once it becomes available. The exercise of the Redemption Right will require funding to enable the Issuer to pay the cash portion of the redemption price, which the Issuer expects to receive from Gravitas.

The Series B Debentures are part of three series of Series B Debentures which have been issued by the Issuer. As of March 7, 2017, the total amount owing on those debentures was the following:

- (a) \$49,441,668 owing on the first ranking Series A Debentures (including accrued interest);
- (b) \$4,622,464 owing on the second ranking Series B Debentures (including bonus and accrued interest); and
- (c) \$10,238,082 owing on the Series C Debentures (including accrued interest). The Series C Debentures are third ranking in most respects but they have first ranking security on the shares of Mint Gateway for Electronic Payment Services owned by the Issuer.

The Issuer has ceased to make payments of interest on all three series of debentures. The Series B Debentures have matured and the Issuer is not able to pay the principal amount owing on the Series B Debentures.

The holders of substantially all the Series A Debentures and all the Series C Debentures (the "Senior Debt Holders") have entered into an agreement in principle with the Issuer as reflected in a signed term sheet (the "Restructuring Term Sheet") which calls for the cancellation of the Series C Debentures and the reduction in the amount owing on the Series A Debentures to \$20 million. In return, the Issuer would issue to the Senior Debt Holders shares and share purchase rights described in more detail in the Issuer's news release of June 7, 2017. The Restructuring Term Sheet is non-binding and subject to the execution of definitive agreements.

It is a condition of the Restructuring Term Sheet that a settlement of the Series B Debentures is completed on terms acceptable to the Senior Debt Holders. The terms of the Offer have been negotiated on an arm's length basis by the Issuer with the Senior Debt Holders, and have been approved by them. If this condition is not satisfied or waived, the Issuer will be forced to consider alternative options to restructure its balance sheet. The Issuer believes that the current value of its assets and business is substantially less than the amount owing on the Series A Debentures. As such, the Issuer believes that there will be no value left to pay the holders of Series B Debentures if the Issuer's assets and business are liquidated. It is the Issuer's view that the Offer is in the best interests of the Holders and the Issuer recommends acceptance of the Offer.

In consideration of the financial support provided by Gravitas in connection with the Redemption Right and in paying cash under the Cash and Stock Consideration for Series B Debentures but accepting a

promissory note upon sale of those Series B Debentures to the Issuer, the Issuer has agreed to grant security in its undertaking and assets to Gravitass as security for all amounts now owed to Gravitass or which may become owing in the future. For the same consideration, the Issuer has also agreed if requested by Gravitass to cause its subsidiaries to guarantee all amounts now owed to Gravitass or which may become owing in the future and to grant security in their undertaking and assets as security for such guarantee. All such security granted to Gravitass will rank behind the Issuer's Series A, B and C debentures.

Gravitass is a related party of the Issuer under Multilateral Instrument 61-101 ("MI 61-101"). The sale of Series B Debentures by Gravitass to the Issuer would be a related party transaction under MI 61-101. The borrowing of funds from Gravitass and the grant of security in the undertaking and assets of the Issuer and its subsidiaries would also be a related party transaction under MI 61-101.

The Issuer has determined that an exemption from the formal valuation requirement of MI 61-101 is available under section 5.5(g) of MI 61-101 and an exemption from the minority approval requirement of MI 61-101 is available under section 5.7(e) of MI 61-101 because (i) the Issuer is serious financial difficulty, (ii) the transaction is designed to improve the financial position of the Issuer, (iii) section 5.5(f) of MI 61-101 is not applicable, (iv) the Issuer has one or more independent directors in respect of the transaction, (v) the Issuer's board of directors, acting in good faith, has determined, and at least two-thirds of the Issuer's independent directors, acting in good faith, determined that (A) items (I) and (II) in this paragraph apply, and (B) the terms of the transaction are reasonable in the circumstances of the Issuer, and (vi) there is no other requirement, corporate or otherwise, to hold a meeting to obtain any approval of the holders of any class of affected securities.

Given the existence of these exemptions and the Issuer's desire to obtain the subscription proceeds, the Offering may close less than 21 days after the filing of this material change report.

5.2 Disclosure for Restructuring Transactions

Not applicable

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

Not applicable

ITEM 7. Omitted Information:

Not applicable

ITEM 8. Executive Officer:

For further information contact:

Vikas Ranjan
President
(647) 352-2666

ITEM 9. Date of Report:

August 11, 2017