

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

**Item 1 Name and Address of Company**

UpSnap Inc. (“UpSnap” or the “Company”)  
100 Consilium Place, Suite 200  
Toronto, Ontario  
M1H 3E3

**Item 2 Date of Material Change**

June 14, 2017

**Item 3 News Release**

The news release concerning the material changes described herein was disseminated through a Canadian newswire on June 14, 2017.

**Item 4 Summary of Material Change**

User Friendly Media (“UFM”) has agreed to convert a portion of its outstanding payables due from the Company into common shares into the capital of the Company (“Shares”).

**Item 5 Full Description of Material Change**

**5.1 Full Description of Material Change**

UFM has agreed to convert (the “**Debt Conversion**”) a portion of its outstanding payables due from the Company into common shares of the Company. Pursuant to the terms of the Debt Conversion, UFM (or an affiliate thereof) will receive in satisfaction of \$455,000 of payables, 22,750,000 Shares at a deemed price of \$0.02 (the “**Deemed Price**”). The Deemed Price represents a premium of 100% to the closing price of the Shares on June 13, 2017, a day prior to the Conversion being agreed by the Company and UFM.

Subsequent to the conversion, UpSnap will have an outstanding balance of approximately CAD \$300,000.

Immediately after the Debt Conversion, UFM will hold, directly or indirectly, an aggregate of 131,398,751 Shares, representing approximately 49.48% of the Shares. The Shares issued to UFM (or an affiliate thereof) as part of the Debt Conversion are subject to a hold period of four months and a day.

The issuance of the Shares to UFM will be considered a related party transaction within the meaning of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). UpSnap intends to rely on exemptions from the formal valuation

and minority approval requirements in sections 5.5(a) and 5.7(1)(a) of MI 61-101 in respect of this transaction based on a determination that the fair market value of the Shares issued to UFM will not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101. The Company expects to file a material change report in respect of this related party transaction less than 21 days prior to the closing of the Conversion, which the Company deems reasonable in the circumstances so as to be able to deal with its existing payables and avail itself of the resulting working capital from the Conversion in an expeditious manner.

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

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

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Alex Pekurar, CPA, CA  
CFO  
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**Item 9 Date of Report**

June 16, 2017