

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 22, 2017

Item 3 News Release

The news release concerning the material changes described herein was disseminated through a Canadian newswire on June 22, 2017.

Item 4 Summary of Material Change

The Company has arranged a debt financing (“**Financing**”) with User Friendly Media (or an affiliate thereof, “**UFM**”) by way of a secured debenture (the “**Debenture**”) in the aggregate principal amount of CAD \$200,000.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

The Company announced that it has arranged a Financing with UFM by way of a Debenture in the aggregate principal amount of CAD \$200,000. The Debenture is due on June 22, 2018 and will entitle UFM to an annual interest rate of 13.5% (the “**Interest**”) on the principal amount of the Debenture. Pursuant to the terms of the Debenture, the Interest shall be paid quarterly to UFM commencing on September 30, 2017 through the issuance of common shares in the capital of UpSnap (“**Shares**”) based on the five day volume weighted average price of the Shares immediately preceding an interest payment date. In connection with the Financing, the Company will grant a security interest to UFM under a general security agreement covering all of the assets of the Company.

User-Friendly Media currently owns 49.48% of the Shares of UpSnap. The Debenture will not be listed on the Canadian Securities Exchange. However, the Shares issuable upon any payment of the Interest will be listed and will be subject to a four month and one day hold period from the date of closing. The closing of the Financing is subject to complying with the applicable filing requirements of the Canadian Securities Exchange.

The issuance of the Debenture 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 Debenture 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 Financing, which the Company deems reasonable in the circumstances so as to be able to avail itself of the proceeds from the Financing 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

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CFO
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Item 9 Date of Report

June 23, 2017