

FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

FTC Cards Inc.
Suite 2000, 1066 West Hastings Street
Vancouver, BC V6E 3X2

Item 2 Date of Material Change

November 20, 2016

Item 3 News Release

November 30, 2016.

Item 4 Summary of Material Change

The Company has received notice that the agreement with its principal customer will be terminated on January 3, 2017. Revenues earned from this customer accounted for approximately 98% and 98% of revenues for the first nine months of 2016 and for the 12 months ended December 31, 2015, respectively.

Item 5 Full Description of Material Change

Under an agreement (the “BR Agreement”) entered by the Company’s Brazilian subsidiary and BR Distribuidora (“BR”), a subsidiary of Petrobras Distribuidora S.A. (“Petrobras”), the Company provides data processing to support a program of promotions, awards and loyalty programs and credit card processing targeted at the franchise gas stations of Petrobras.

Under the BR Agreement, the Company receives a portion of the Merchant Discount Rate earned on all credit and debit card transactions processed for fuel and other purchases at designated Petrobras outlets and a fee for redeemed loyalty points. Revenues are also received from the monthly rental, installation and maintenance of card processing equipment provided to merchants. For the first nine months of 2016, approximately 98% of the Company’s revenues (approximately 98% for fiscal 2015) were derived from the BR Agreement.

The term of the BR Agreement ended on January 3, 2015. While the Company was seeking a formal renewal of the BR Agreement, and believed that it would be provided, the Company continued to provide services to BR under the terms set out in the BR Agreement. Pursuant to a one year extension, the Company has now received notice from BR that the BR Agreement will be terminated on January 3, 2017. From the termination date, the Company will no longer receive revenues payable under the BR Agreement.

In response to the cancellation of the BR Agreement, the Company has identified new potential clients in need of loyalty program services, and the Company is pursuing these potential opportunities. The Company also intends to reduce its costs and staffing to a minimum sustainable level to continue operations and believes on this basis that the Company has sufficient funds available to sustain its operations until a clear path for the future is visible in 2017.

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

Confidentiality is not requested.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

For further information contact Ross Wilmot, Director at telephone 1-888-367-9062 or rosswilmot@shaw.ca.

Item 9 Date of Report

November 30, 2016.